
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549
FORM 10-Q**

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2025

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No.: 000-09881



SHENANDOAH TELECOMMUNICATIONS COMPANY

(Exact name of registrant as specified in its charter)

Virginia

(State or other jurisdiction of incorporation or organization)

54-1162807

(I.R.S. Employer Identification No.)

500 Shentel Way, Edinburg, Virginia 22824
(Address of principal executive offices) (Zip Code)

(540) 984-4141

(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

Common Stock (No Par Value)	SHEN	NASDAQ Global Select Market	54,897,070
(Title of Class)	(Trading Symbol)	(Name of Exchange on which Registered)	(The number of shares of the registrant's common stock outstanding on July 24, 2025)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

SHENANDOAH TELECOMMUNICATIONS COMPANY
INDEX

	Page Numbers
PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements	
Unaudited Condensed Consolidated Balance Sheets	3
Unaudited Condensed Consolidated Statements of Operations	4
Unaudited Condensed Consolidated Statements of Comprehensive (Loss) Income	5
Unaudited Condensed Consolidated Statements of Temporary Equity and Shareholders' Equity	6
Unaudited Condensed Consolidated Statements of Cash Flows	8
Notes to Unaudited Condensed Consolidated Financial Statements	9
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	23
Item 3. Quantitative and Qualitative Disclosures about Market Risk	31
Item 4. Controls and Procedures	31
PART II. OTHER INFORMATION	
Item 1. Legal Proceedings	32
Item 1A. Risk Factors	32
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	32
Item 5. Other Information	32
Item 6. Exhibits	33
Signatures	34

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)

	June 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 29,077	\$ 46,272
Accounts receivable, net of allowance for credit losses of \$1,125 and \$1,156, respectively	34,551	29,722
Income taxes receivable	3,278	1,244
Prepaid expenses and other	16,445	17,282
Total current assets	83,351	94,520
Investments	15,974	15,709
Property, plant and equipment, net	1,523,994	1,438,538
Goodwill and intangible assets, net	156,832	157,723
Operating lease right-of-use assets	19,442	19,548
Deferred charges and other assets	15,081	14,235
Total assets	<u>\$ 1,814,674</u>	<u>\$ 1,740,273</u>
LIABILITIES, TEMPORARY EQUITY AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt, net of unamortized loan fees	\$ 10,203	\$ 9,204
Accounts payable	62,516	57,820
Advanced billings and customer deposits	16,831	16,104
Accrued compensation	11,314	16,283
Current operating lease liabilities	2,933	3,060
Accrued liabilities and other	11,143	12,100
Total current liabilities	114,940	114,571
Long-term debt, less current maturities, net of unamortized loan fees	501,611	407,675
Other long-term liabilities:		
Deferred income taxes	163,268	167,716
Benefit plan obligations	4,934	4,945
Non-current operating lease liabilities	10,378	10,794
Other liabilities	32,146	33,525
Total other long-term liabilities	210,726	216,980
Commitments and contingencies (Note 15)		
Temporary equity:		
Redeemable noncontrolling interest	85,433	82,464
Shareholders' equity:		
Common stock, no par value, authorized 96,000; 54,897 and 54,605 issued and outstanding at June 30, 2025 and December 31, 2024, respectively	—	—
Additional paid in capital	153,116	147,733
Retained earnings	747,848	768,997
Accumulated other comprehensive income, net of taxes	1,000	1,853
Total shareholders' equity	901,964	918,583
Total liabilities, temporary equity and shareholders' equity	<u>\$ 1,814,674</u>	<u>\$ 1,740,273</u>

See accompanying notes to unaudited condensed consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Service revenue and other	\$ 88,568	\$ 85,799	\$ 176,466	\$ 155,047
Operating expenses:				
Cost of services exclusive of depreciation and amortization	32,624	34,541	65,654	60,526
Selling, general and administrative	29,743	30,239	60,735	58,217
Restructuring, integration and acquisition	206	11,325	716	11,943
Depreciation and amortization	35,103	25,579	64,561	43,022
Total operating expenses	97,676	101,684	191,666	173,708
Operating loss	(9,108)	(15,885)	(15,200)	(18,661)
Other (expense) income:				
Interest expense	(6,003)	(3,996)	(10,895)	(8,072)
Other income, net	3,015	1,908	3,748	3,644
Loss from continuing operations before income taxes	(12,096)	(17,973)	(22,347)	(23,089)
Income tax benefit	(3,048)	(5,200)	(4,167)	(6,226)
Loss from continuing operations	(9,048)	(12,773)	(18,180)	(16,863)
Discontinued operations:				
(Loss) income from discontinued operations, net of tax	—	(99)	—	1,882
Gain on the sale of discontinued operations, net of tax	—	—	—	216,805
Total (loss) income from discontinued operations, net of tax	—	(99)	—	218,687
Net (loss) income	(9,048)	(12,872)	(18,180)	201,824
Dividends on redeemable noncontrolling interest	1,497	—	2,969	—
Net (loss) income attributable to common shareholders	\$ (10,545)	\$ (12,872)	\$ (21,149)	\$ 201,824
Net (loss) income per share attributable to common shareholders, basic and diluted:				
Loss from continuing operations	\$ (0.19)	\$ (0.24)	\$ (0.38)	\$ (0.32)
(Loss) income from discontinued operations, net of tax	—	—	—	4.16
Net (loss) income per share	\$ (0.19)	\$ (0.24)	\$ (0.38)	\$ 3.84
Weighted average shares outstanding	55,103	54,730	55,032	52,620

See accompanying notes to unaudited condensed consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net (loss) income	\$ (9,048)	\$ (12,872)	\$ (18,180)	\$ 201,824
Other comprehensive income:				
Net change in unrealized gain (loss)	182	571	(40)	2,165
Amounts reclassified to interest expense	(405)	(428)	(813)	(428)
Comprehensive (loss) income	(9,271)	(12,729)	(19,033)	203,561
Dividends on redeemable noncontrolling interest	1,497	—	2,969	—
Comprehensive (loss) income attributable to common shareholders	<u>\$ (10,768)</u>	<u>\$ (12,729)</u>	<u>\$ (22,002)</u>	<u>\$ 203,561</u>

See accompanying notes to unaudited condensed consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF TEMPORARY EQUITY AND SHAREHOLDERS' EQUITY
(in thousands)

	Redeemable Noncontrolling Interest		Common Stock		Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholders' Equity
	Shares	Amount	Shares (no par value)	Additional Paid in Capital			
Balance, March 31, 2025	81	\$ 83,936	54,857	\$ 150,857	\$ 758,393	\$ 1,223	\$ 910,473
Net loss	—	—	—	—	(9,048)	—	(9,048)
Unrealized income on interest rate hedge, net of tax	—	—	—	—	—	182	182
Amounts reclassified from accumulated other comprehensive income to interest expense	—	—	—	—	—	(405)	(405)
Stock-based compensation	—	—	57	2,493	—	—	2,493
Common stock issued	—	—	1	14	—	—	14
Shares surrendered for settlement of employee taxes upon issuance of vested equity awards	—	—	(18)	(248)	—	—	(248)
Preferred stock dividends - paid in kind	—	1,497	—	—	(1,497)	—	(1,497)
Balance, June 30, 2025	81	\$ 85,433	54,897	\$ 153,116	\$ 747,848	\$ 1,000	\$ 901,964
	Redeemable Noncontrolling Interest		Common Stock		Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholders' Equity
	Shares	Amount	Shares (no par value)	Additional Paid in Capital			
Balance, December 31, 2024	81	\$ 82,464	54,605	\$ 147,733	\$ 768,997	\$ 1,853	\$ 918,583
Net loss	—	—	—	—	(18,180)	—	(18,180)
Unrealized loss on interest rate hedge, net of tax	—	—	—	—	—	(40)	(40)
Amounts reclassified from accumulated other comprehensive income to interest expense	—	—	—	—	—	(813)	(813)
Stock-based compensation	—	—	375	6,390	—	—	6,390
Common stock issued	—	—	2	28	—	—	28
Shares surrendered for settlement of employee taxes upon issuance of vested equity awards	—	—	(85)	(1,035)	—	—	(1,035)
Preferred stock dividends - paid in kind	—	2,969	—	—	(2,969)	—	(2,969)
Balance, June 30, 2025	81	\$ 85,433	54,897	\$ 153,116	\$ 747,848	\$ 1,000	\$ 901,964

	Redeemable Noncontrolling Interest		Common Stock			Accumulated Other Comprehensive Income	Total Shareholders' Equity
	Shares	Amount	Shares of Common Stock (no par value)	Additional Paid in Capital	Retained Earnings		
Balance, March 31, 2024	—	\$ —	50,447	\$ 69,616	\$ 798,765	\$ 3,262	\$ 871,643
Net loss	—	—	—	—	(12,872)	—	(12,872)
Unrealized gain on interest rate hedge, net of tax	—	—	—	—	—	143	143
Stock-based compensation	—	—	37	2,538	—	—	2,538
Common stock issued	—	—	4,100	71,845	—	—	71,845
Shares surrendered for settlement of employee taxes upon issuance of vested equity awards	—	—	(12)	(215)	—	—	(215)
Issuance of redeemable noncontrolling interest	81	79,380	—	—	—	—	—
Balance, June 30, 2024	81	\$ 79,380	54,572	\$ 143,784	\$ 785,893	\$ 3,405	\$ 933,082
	Redeemable Noncontrolling Interest		Common Stock			Accumulated Other Comprehensive Income	Total Shareholders' Equity
	Shares	Amount	Shares of Common Stock (no par value)	Additional Paid in Capital	Retained Earnings		
Balance, December 31, 2023	—	\$ —	50,272	\$ 66,933	\$ 584,069	\$ 1,668	\$ 652,670
Net income	—	—	—	—	201,824	—	201,824
Unrealized gain on interest rate hedge, net of tax	—	—	—	—	—	1,737	1,737
Stock-based compensation	—	—	285	6,673	—	—	6,673
Common stock issued	—	—	4,100	71,849	—	—	71,849
Shares surrendered for settlement of employee taxes upon issuance of vested equity awards	—	—	(85)	(1,671)	—	—	(1,671)
Issuance of redeemable noncontrolling interest	81	79,380	—	—	—	—	—
Balance, June 30, 2024	81	\$ 79,380	54,572	\$ 143,784	\$ 785,893	\$ 3,405	\$ 933,082

See accompanying notes to unaudited condensed consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net (loss) income	\$ (18,180)	\$ 201,824
Income from discontinued operations, net of tax	—	218,687
Loss from continuing operations	(18,180)	(16,863)
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	63,613	42,424
Amortization of intangible assets	948	598
Stock-based compensation expense, net of amount capitalized	5,904	6,236
Deferred income taxes	(4,167)	(6,226)
Provision for credit losses	804	1,266
Other, net	165	150
Changes in assets and liabilities		
Accounts receivable	1,155	965
Current income taxes	217	234
Operating lease assets and liabilities, net	(437)	(233)
Other assets	(2,345)	(3,354)
Accounts payable	975	(1,140)
Other deferrals and accruals	(4,931)	(882)
Net cash provided by operating activities - continuing operations	43,721	23,175
Net cash used in operating activities - discontinued operations	(2,251)	(5,476)
Net cash provided by operating activities	41,470	17,699
Cash flows from investing activities:		
Capital expenditures	(169,432)	(150,914)
Government grants received	17,281	7,653
Cash disbursed for acquisition, net of cash acquired	—	(347,411)
Proceeds from sale of assets and other	243	1,715
Net cash used in investing activities - continuing operations	(151,908)	(488,957)
Net cash provided by investing activities - discontinued operations	—	305,827
Net cash used in investing activities	(151,908)	(183,130)
Cash flows from financing activities:		
Proceeds from credit facility borrowings	100,000	—
Principal payments on long-term debt	(4,893)	(2,618)
Payments for debt amendment costs	(430)	(4,390)
Proceeds from the issuance of redeemable noncontrolling interest, net of financing fees paid	—	79,380
Taxes paid for equity award issuances	(1,035)	(1,671)
Payments for financing arrangements and other	(399)	(746)
Net cash provided by financing activities	93,243	69,955
Net decrease in cash and cash equivalents	(17,195)	(95,476)
Cash and cash equivalents, beginning of period	46,272	139,255
Cash and cash equivalents, end of period	\$ 29,077	\$ 43,779
Supplemental Disclosures of Cash Flow Information		
Interest paid, net of amounts capitalized	\$ (9,891)	\$ (6,526)
Income taxes paid	\$ (2,034)	\$ (7,085)

See accompanying notes to unaudited condensed consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Presentation and Other Information

Shenandoah Telecommunications Company and its subsidiaries (collectively, “Shentel”, “we”, “our”, “us”, or the “Company”) provide broadband data, video and voice services to residential and commercial customers in portions of Virginia, West Virginia, Maryland, Pennsylvania, Kentucky, Delaware, Ohio and Indiana, via fiber optic and hybrid fiber coaxial cable networks. We also lease dark fiber and provide Ethernet and Wavelength fiber optic services to enterprise and wholesale customers throughout the entirety of our service area. Shentel’s Broadband business also provides voice and DSL telephone services as a Rural Local Exchange Carrier (“RLEC”) to customers in Shenandoah County and portions of adjacent counties in Virginia, and in Ross County and portions of adjacent counties in Ohio. These integrated networks are connected by a fiber network.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X for interim financial information. All normal recurring adjustments considered necessary for a fair presentation have been included. Certain disclosures normally included in annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) have been omitted. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes contained in our Annual Report on Form 10-K for the year ended December 31, 2024.

The preparation of the unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses and related disclosures. On an on-going basis we evaluate estimates and assumptions, including, but not limited to, revenue recognition, stock-based compensation, estimated useful lives of assets, impairment of goodwill and indefinite-lived intangible assets, intangible assets subject to amortization, the computation of income taxes and the fair value of interest rate swaps. Future events and their effects cannot be predicted with certainty; accordingly, the Company’s accounting estimates require the exercise of judgment. The accounting estimates used in the preparation of the financial statements will change as new events occur, as more experience is acquired, as additional information is obtained, and as the Company’s operating environment changes. Management evaluates and updates assumptions and estimates on an ongoing basis. Actual results may differ from these estimates under different assumptions or conditions.

New Accounting Standards

In October 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-06, “Disclosure Improvements: Codification Amendments in Response to the Securities and Exchange Commission’s (“SEC”) Disclosure Update and Simplification Initiative,” (“ASU 2023-06”), which aligns the disclosure and presentation requirements of a variety of the FASB’s Accounting Standards Codification (“ASC”) Topics with the requirements described in the SEC’s Disclosure Update and Simplification Initiative. ASU 2023-06 will become effective for each amendment on the effective date of the SEC’s corresponding disclosure rule changes; these dates are unknown as of this filing. The Company is currently assessing the impact of adopting ASU 2023-06 on the consolidated financial statements and related disclosures.

In December 2023, FASB issued ASU 2023-09 “Income Taxes (Topic 740), Improvements to Income Tax Disclosures” (“ASU 2023-09”). This accounting update requires public entities, on an annual basis, to provide disclosure of specific categories in the rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction. The updated disclosure requirements are to be adopted for annual periods beginning after December 15, 2024. The Company is currently assessing the impact of adopting ASU 2023-09 on the consolidated financial statements and related disclosures. The Company does not anticipate adoption will have a material impact on the financial position, results of operations, cash flows or disclosures, but expects certain changes to disclosures including disclosure of a rate reconciliation between the amount of reported income tax expense or benefit and the United States statutory rate and disclosure of income taxes paid disaggregated by jurisdiction.

There have been no material developments related to recently issued accounting standards, including the expected dates of adoption and estimated effects on the Company’s unaudited condensed consolidated financial statements and note disclosures from those disclosed in the Company’s Annual Report on Form 10-K for its fiscal year ended December 31, 2024, that would be expected to impact the Company.

Note 2. Acquisition of Horizon

On April 1, 2024 (the “Closing Date”), Shentel completed the acquisition of Horizon Acquisition Parent LLC, a Delaware limited liability company (“Horizon”), pursuant to the terms of an Agreement and Plan of Merger, dated October 24, 2023, by and among Shentel, Horizon, the sellers set forth on the signature pages thereto and the other parties thereto (as amended by the First Amendment to Agreement and Plan of Merger, dated April 1, 2024).

The total purchase price used to apply the acquisition method of accounting was \$416.2 million, which consisted of \$349.4 million of cash consideration paid and \$71.8 million of common stock, representing the fair value of 4,100,375 shares of Shentel’s common stock issued to a selling shareholder of Horizon. In accordance with ASC 805, “Business Combinations,” the allocation of the consideration value was subject to adjustment until the Company completed its analysis, in a period of time, but not to exceed one year after the date of acquisition, or April 1, 2025, in order to provide the Company with the time to complete the valuation of its assets and liabilities. As of April 1, 2025, the Company has completed and finalized its analysis and allocation of the consideration value to assets acquired and liabilities assumed. In July 2025, Shentel received a \$6.5 million refund of escrow amounts related to the original purchase price.

In connection with the acquisition, Shentel incurred integration and acquisition-related costs of \$0.6 million related to severance, information technology, and other similar expenses for the six months ended June 30, 2025. No material integration and acquisition-related costs were incurred during the three months ended June 30, 2025. Shentel incurred acquisition-related costs of \$6.7 million and \$7.1 million related to banking, legal, accounting, and other similar expenses for the three and six months ended June 30, 2024, respectively. These costs are recorded in restructuring, integration and acquisition expenses in the Company’s unaudited condensed consolidated statements of operations.

The Company has included the results of the operations of Horizon for financial reporting purposes for the period subsequent to the date of acquisition. The unaudited pro forma operating revenues and loss before income taxes of the Company for the six months ended June 30, 2024, as if the Horizon acquisition had occurred at the beginning of the period, were \$170.9 million and \$26.9 million, respectively. The pro forma results are based upon estimated valuations of the assets acquired and liabilities assumed as well as preliminary estimates of depreciation and amortization charges thereon. Other pro forma adjustments include the following:

- historical depreciation expense was adjusted for the fair value adjustment increasing the basis of property, plant and equipment and shorter estimated useful lives to conform to the Company’s standard policy and the acceleration of depreciation on certain equipment;
- incremental amortization due to the customer-based contract rights associated with acquired customers; and
- removal of Horizon’s interest expense and amortization of deferred financing fees due to the repayment of the outstanding principal of Horizon’s debt.

Note 3. Revenue from Contracts with Customers

The Company’s revenues by activity type were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<i>(in thousands)</i>				
Residential & SMB - Incumbent Broadband Markets ¹	\$ 42,837	\$ 44,243	\$ 86,196	\$ 88,047
Residential & SMB - Glo Fiber Expansion Markets ²	19,796	14,093	38,240	26,211
Commercial Fiber	19,483	20,723	39,095	30,706
RLEC & Other	6,452	6,740	12,935	10,083
Service revenue and other	\$ 88,568	\$ 85,799	\$ 176,466	\$ 155,047

1. Revenue from residential and small and medium business (“SMB”) customers in Incumbent Broadband Markets is primarily earned through the Company’s provision of data, video and voice services over primarily hybrid fiber coaxial cable and to a lesser extent fiber to the home (“FTTH”) networks in incumbent markets.
2. Revenue from residential and SMB customers in Glo Fiber Expansion Markets is primarily earned through the Company’s provision of data, video and voice services over FTTH networks in new greenfield expansion markets.

Shentel updated the presentation of certain Residential & SMB - Incumbent Broadband Markets, Commercial Fiber and RLEC & Other revenues for the prior year to conform with changes in how management currently views these lines of business.

Shentel had \$21.1 million and \$27.4 million of gross trade receivables from customers as of June 30, 2025 and December 31, 2024, respectively.

Contract Assets

The Company’s contract assets primarily include commissions incurred to acquire contracts with customers. The Company incurs commission expenses related to in-house and third-party vendors which are capitalized and amortized over the expected customer benefit period which is approximately six years. The Company’s current contract assets are included in prepaid expenses and other and the Company’s non-current contract assets are included in deferred charges and other assets in its unaudited condensed consolidated balance sheets. Amortization of capitalized commission expenses is recorded in selling, general and administrative expenses in the Company’s unaudited condensed consolidated statements of operations.

The following tables present the activity of current and non-current contract assets:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<i>(in thousands)</i>				
Beginning Balance	\$ 11,109	\$ 8,767	\$ 10,251	\$ 8,633
Commission payments	1,738	1,564	3,493	2,415
Contract asset amortization	(974)	(986)	(1,871)	(1,703)
Ending Balance	<u>\$ 11,873</u>	<u>\$ 9,345</u>	<u>\$ 11,873</u>	<u>\$ 9,345</u>

Contract Liabilities

The Company’s contract liabilities include services that are billed in advance and recorded as deferred revenue, as well as installation fees that are charged upfront without transfer of commensurate goods or services to the customer. The Company’s current contract liabilities are included in advanced billings and customer deposits in its unaudited condensed consolidated balance sheets and the Company’s non-current contract liabilities are included in other liabilities in its unaudited condensed consolidated balance sheets.

Shentel’s current contract liability balances were \$13.1 million and \$12.5 million at June 30, 2025 and December 31, 2024, respectively. Shentel’s non-current contract liability balances were \$10.9 million and \$9.5 million as of June 30, 2025 and December 31, 2024, respectively. Shentel expects its current contract liability balances to be recognized as revenues during the twelve-month periods following the respective balance sheet dates. The majority of Shentel’s non-current contract liability balances is expected to be recognized as revenues within approximately 5 years.

Note 4. Investments

Investments consisted of the following:

	June 30, 2025	December 31, 2024
<i>(in thousands)</i>		
SERP investments at fair value	\$ 2,821	\$ 2,670
Cost method investments	12,927	12,813
Equity method investments	226	226
Total investments	<u>\$ 15,974</u>	<u>\$ 15,709</u>

SERP investments at fair value: The fair value of the supplemental executive retirement plan (“SERP”) investments is based on unadjusted quoted prices in active markets and are classified as Level 1 of the fair value hierarchy.

Cost method investments: Shentel’s investment in CoBank’s Class A common stock, derived from the CoBank patronage program, represented substantially all of the Company’s cost method investments with a balance of \$12.2 million and \$12.1 million at June 30, 2025 and December 31, 2024, respectively. Shentel recognized approximately \$0.8 million and \$0.4 million of patronage income in other income, net for the three months ended June 30, 2025 and 2024, respectively, and approximately \$1.5 million and \$0.7 million during the six months ended June 30, 2025 and 2024, respectively. The Company expects that approximately 75% of the patronage distributions will be collected in cash and 25% in equity in 2025.

Note 5. Property, Plant and Equipment

Property, plant and equipment consisted of the following:

<i>(\$ in thousands)</i>	Estimated Useful Lives	June 30, 2025	December 31, 2024
Land		\$ 4,514	\$ 4,514
Land improvements	10 years	3,777	3,717
Buildings and structures	10 - 45 years	53,509	52,706
Cable and fiber	12 - 30 years	1,385,739	1,294,689
Equipment and software	4 - 12 years	445,371	417,057
Total plant in service		<u>1,892,910</u>	<u>1,772,683</u>
Plant under construction		229,719	207,428
Total property, plant and equipment		<u>2,122,629</u>	<u>1,980,111</u>
Less: accumulated depreciation and amortization		(598,635)	(541,573)
Property, plant and equipment, net		<u>\$ 1,523,994</u>	<u>\$ 1,438,538</u>

Property, plant and equipment, net increased primarily due to capital expenditures to support the Company's Glo Fiber market expansion. The Company's accounts payable as of June 30, 2025 and December 31, 2024 included amounts associated with capital expenditures of approximately \$57.3 million and \$55.1 million, respectively. Depreciation and amortization expense was \$34.6 million and \$25.1 million during the three months ended June 30, 2025 and 2024, respectively, and \$63.6 million and \$42.4 million during the six months ended June 30, 2025 and 2024, respectively. The Company also wrote-off \$4.2 million plant under construction inventory assets during the three and six months ended June 30, 2025. The write-off related to plant under construction inventory assets that are no longer planned to be used. These amounts are presented in depreciation and amortization in the Company's unaudited condensed consolidated statements of operations.

Note 6. Goodwill and Intangible Assets

Goodwill and intangible assets consisted of the following:

<i>(in thousands)</i>	June 30, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization and Other	Net	Gross Carrying Amount	Accumulated Amortization and Other	Net
Goodwill	\$ 67,055	\$ —	\$ 67,055	\$ 67,055	\$ —	\$ 67,055
Indefinite-lived intangibles:						
Cable franchise rights	64,334	—	64,334	64,334	—	64,334
FCC Spectrum licenses	12,122	—	12,122	12,122	—	12,122
Railroad crossing rights and other	557	—	557	526	—	526
Total indefinite-lived intangibles	<u>77,013</u>	<u>—</u>	<u>77,013</u>	<u>76,982</u>	<u>—</u>	<u>76,982</u>
Finite-lived intangibles:						
Subscriber relationships	42,447	(29,814)	12,633	42,447	(28,882)	13,565
Other intangibles	537	(406)	131	510	(389)	121
Total finite-lived intangibles	<u>42,984</u>	<u>(30,220)</u>	<u>12,764</u>	<u>42,957</u>	<u>(29,271)</u>	<u>13,686</u>
Total goodwill and intangible assets	<u>\$ 187,052</u>	<u>\$ (30,220)</u>	<u>\$ 156,832</u>	<u>\$ 186,994</u>	<u>\$ (29,271)</u>	<u>\$ 157,723</u>

Amortization expense was \$0.5 million and \$0.5 million during the three months ended June 30, 2025 and 2024, respectively, and \$0.9 million and \$0.6 million during the six months ended June 30, 2025 and 2024, respectively.

During the three and six months ended June 30, 2025, the Company performed goodwill impairment monitoring procedures and identified no indicators of impairment or triggering events. As of October 1, 2024, management concluded that the estimated fair value of the broadband reporting unit exceeded the carrying value by 11%. The Company will continue to monitor its reporting unit for any triggers that could impact recoverability of goodwill.

Note 7. Other Assets and Accrued Liabilities

Prepaid expenses and other, classified as current assets, included the following:

<i>(in thousands)</i>	June 30, 2025	December 31, 2024
Prepaid maintenance expenses	\$ 7,818	\$ 7,437
Broadband contract acquisition costs	3,540	3,165
Other	5,087	6,680
Prepaid expenses and other	<u>\$ 16,445</u>	<u>\$ 17,282</u>

Deferred charges and other assets, classified as long-term assets, included the following:

<i>(in thousands)</i>	June 30, 2025	December 31, 2024
Broadband contract acquisition costs	\$ 8,333	\$ 7,086
Other	6,748	7,149
Deferred charges and other assets	<u>\$ 15,081</u>	<u>\$ 14,235</u>

Accrued liabilities and other, classified as current liabilities, included the following:

<i>(in thousands)</i>	June 30, 2025	December 31, 2024
Accrued programming costs	\$ 3,419	\$ 4,227
Other	7,724	7,873
Accrued liabilities and other	<u>\$ 11,143</u>	<u>\$ 12,100</u>

Other liabilities, classified as long-term liabilities, included the following:

<i>(in thousands)</i>	June 30, 2025	December 31, 2024
Noncurrent portion of deferred revenue	\$ 27,655	\$ 26,809
Other	4,491	6,716
Other liabilities	<u>\$ 32,146</u>	<u>\$ 33,525</u>

Note 8. Leases

The Company leases various broadband network sites, fiber optic cable routes, warehouses, retail stores and office facilities for use in our business.

The components of lease costs were as follows:

<i>(in thousands)</i>	Classification	Three Months Ended June 30,		Six Months Ended June 30,	
		2025	2024	2025	2024
Finance lease cost					
Amortization of leased assets	Depreciation and amortization	\$ 180	\$ 171	\$ 368	\$ 290
Interest on lease liabilities	Interest expense	22	24	46	43
Operating lease cost	Operating expense ¹	1,241	1,104	2,405	1,840
Lease cost		<u>\$ 1,443</u>	<u>\$ 1,299</u>	<u>\$ 2,819</u>	<u>\$ 2,173</u>

(1) Operating lease expense is presented in cost of services or selling, general and administrative expense based on the use of the relevant facility.

The following table summarizes the expected maturity of lease liabilities as of June 30, 2025:

<i>(in thousands)</i>	Operating Leases	Finance Leases	Total
2025 (remainder of the year)	\$ 1,669	\$ 154	\$ 1,823
2026	3,304	400	3,704
2027	2,277	203	2,480
2028	1,893	158	2,051
2029	1,525	160	1,685
2030 and thereafter	7,378	1,041	8,419
Total lease payments	18,046	2,116	20,162
Less: Interest	(4,735)	(438)	(5,173)
Present value of lease liabilities	<u>\$ 13,311</u>	<u>\$ 1,678</u>	<u>\$ 14,989</u>

Other information related to operating and finance leases was as follows:

	June 30, 2025	December 31, 2024
Operating leases		
Weighted average remaining lease term (years)	8.5	8.5
Weighted average discount rate	6.2 %	6.1 %
Finance leases		
Weighted average remaining lease term (years)	9.0	9.0
Weighted average discount rate	5.3 %	5.3 %

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Cash paid for operating lease liabilities	\$ 1,140	\$ 1,053	\$ 2,404	\$ 1,818
Operating lease right-of-use assets obtained in exchange for new lease liabilities (includes new leases or modification of existing leases)	372	247	423	1,984

The Company also has other operating lease arrangements which generate revenue from leasing the excess fiber capacity of its fiber network assets. Contract terms for these arrangements can range from 1 to 40 years and are billed monthly. Lease revenue from these arrangements was \$1.7 million and \$3.4 million for the three and six months ended June 30, 2025, respectively, and \$1.7 million and \$2.4 million for the three and six months ended June 30, 2024, respectively. These amounts are presented in service revenue and other in the Company's unaudited condensed consolidated statements of operations. Contractual minimum rental receipts expected under the lease agreements in place as of June 30, 2025 is as follows:

<i>(in thousands)</i>	Operating Leases
2025 (remainder of the year)	\$ 2,143
2026	3,843
2027	3,410
2028	3,195
2029	2,902
2030 and thereafter	17,108
Total	<u>\$ 32,601</u>

Note 9. Debt

Shentel Broadband Operations LLC, an indirect wholly owned subsidiary of Shentel, has a credit agreement which contains a \$150 million revolving credit facility (the "Revolver") and \$525 million in delayed draw amortizing term loans, including Term Loans A-1, A-2 and A-3 in the table below (collectively, the "Term Loans" and collectively with Revolver, the "Credit Agreement"). As of June 30, 2025, the availability under our Revolver was \$143.0 million. The following Term Loans were outstanding under the Credit Agreement:

<i>(in thousands)</i>	June 30, 2025	December 31, 2024
Term loan A-1	\$ 140,862	\$ 144,451
Term loan A-2	147,764	148,506
Term loan A-3	224,438	125,000
Total debt	513,064	417,957
Less: unamortized loan fees	(1,250)	(1,078)
Total debt, net of unamortized loan fees	<u>\$ 511,814</u>	<u>\$ 416,879</u>

The Term Loans bear interest at one-month term SOFR plus a margin. The margin is variable and determined by the Company's net leverage ratio. Interest is paid monthly. The weighted-average interest rate was 6.97% for the Term Loans at June 30, 2025.

Shentel is charged commitment fees on unutilized portions of its Revolver and Term Loans. The Company recorded \$0.2 million and \$0.4 million related to these fees for the three and six months ended June 30, 2025, respectively, and \$0.3 million and \$0.4 million for the three and six months ended June 30, 2024, respectively, which are included in interest expense in the unaudited condensed consolidated statements of operations.

Interest expense recorded in Shentel's unaudited condensed consolidated statements of operations consisted of the following:

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Interest expense	\$ 8,733	\$ 6,214	\$ 15,995	\$ 11,597
Less: capitalized interest	(2,730)	(2,218)	(5,100)	(3,525)
Interest expense, net of capitalized interest	<u>\$ 6,003</u>	<u>\$ 3,996</u>	<u>\$ 10,895</u>	<u>\$ 8,072</u>

The Credit Agreement includes various covenants, including total net leverage ratio and debt service coverage ratio financial covenants.

Shentel's Term Loans require quarterly payments based on a percentage of the outstanding balance.

On April 16, 2025, Shentel amended the Credit Agreement (the "Fourth Amendment") to extend the maturity date of the Revolver and Term Loan A-1 to July 1, 2027. Both Term Loan A-2 and Term Loan A-3 mature on July 1, 2028.

The Fourth Amendment of Shentel's Credit Agreement also amended certain covenant provisions, including increasing the maximum Total Net Leverage Ratio (as defined in the Credit Agreement) permitted as of the last day of any fiscal quarter to 4.75:1.00.

The following table summarizes the expected payments of Shentel's outstanding borrowings as of June 30, 2025:

<i>(in thousands)</i>	Amount
2025 (remainder of the year)	\$ 5,359
2026	10,430
2027	140,792
2028	356,483
Total	<u>\$ 513,064</u>

Shentel has not borrowed against its Revolver as of June 30, 2025. In the event borrowings are made in the future, the entire outstanding principal amount borrowed against the Revolver is due July 1, 2027.

Although no borrowings have been executed under the Revolver as of June 30, 2025, Shentel has executed letter of credit arrangements totaling \$7.0 million that reduce the available balance of the Revolver. The letter of credit arrangements were executed primarily pursuant to the requirements of the National Telecommunications and Information government grant program, discussed further in Note 14, *Government Grants*. These amounts are not considered borrowed, as no cash has been disbursed to Shentel or other parties.

The Credit Agreement is fully secured by a pledge and unconditional guarantee from the Company and all of its subsidiaries, except Shenandoah Telephone Company. This provides the lenders a security interest in substantially all of the assets of the Company.

Note 10. Derivatives and Hedging

Shentel has pay fixed (2.90%) receive variable (one-month term SOFR) interest rate swaps totaling \$150.0 million of notional principal (the "Swaps"). The Swaps contain monthly payment terms that became effective in May 2024, which extend through their maturity dates in June 2026. The Swaps are designated as cash flow hedges, representing 50% of the Company's outstanding debt under Term Loan A-1 and Term Loan A-2. The Company uses the Swaps to manage its exposure to interest rate risk for its long-term variable-rate Term Loans.

The Swaps were determined to be highly effective hedges and therefore all change in the fair value of the Swaps was recognized in accumulated other comprehensive income.

The table below presents the fair value of the Swaps as well as their classification in the unaudited condensed consolidated balance sheets. The fair value of these instruments was estimated using an income approach and observable market inputs (Level 2):

<i>(in thousands)</i>	June 30, 2025	December 31, 2024
Balance sheet line item of derivative financial instruments:		
Prepaid expenses and other	\$ 1,354	\$ 1,766
Deferred charges and other assets	—	721
Total derivatives designated as hedging instruments	<u>\$ 1,354</u>	<u>\$ 2,487</u>

The table below summarizes changes in accumulated other comprehensive income by component:

<i>(in thousands)</i>	<u>Gain on Swaps</u>	<u>Income tax expense</u>	<u>Accumulated Other Comprehensive Income, net of taxes</u>
Balance, March 31, 2025	\$ 1,657	\$ (434)	\$ 1,223
Net change in unrealized gain	239	(57)	182
Amounts reclassified to interest expense	(542)	137	(405)
Net current period other comprehensive (loss) income	(303)	80	(223)
Balance, June 30, 2025	<u>\$ 1,354</u>	<u>\$ (354)</u>	<u>\$ 1,000</u>

<i>(in thousands)</i>	<u>Gain on Swaps</u>	<u>Income tax expense</u>	<u>Accumulated Other Comprehensive Income, net of taxes</u>
Balance, December 31, 2024	\$ 2,487	\$ (634)	\$ 1,853
Net change in unrealized loss	(53)	13	(40)
Amounts reclassified to interest expense	(1,080)	267	(813)
Net current period other comprehensive (loss) income	(1,133)	280	(853)
Balance, June 30, 2025	<u>\$ 1,354</u>	<u>\$ (354)</u>	<u>\$ 1,000</u>

<i>(in thousands)</i>	<u>Gain on Swaps</u>	<u>Income tax expense</u>	<u>Accumulated Other Comprehensive Income, net of taxes</u>
Balance, March 31, 2024	\$ 4,361	\$ (1,099)	\$ 3,262
Net change in unrealized gain	725	(154)	571
Amounts reclassified to interest expense	(536)	108	(428)
Net current period other comprehensive (loss) income	189	(46)	143
Balance, June 30, 2024	<u>\$ 4,550</u>	<u>\$ (1,145)</u>	<u>\$ 3,405</u>

<i>(in thousands)</i>	<u>Gain on Swaps</u>	<u>Income tax expense</u>	<u>Accumulated Other Comprehensive Income, net of taxes</u>
Balance, December 31, 2023	\$ 2,241	\$ (573)	\$ 1,668
Net change in unrealized gain	2,845	(680)	2,165
Amounts reclassified to interest expense	(536)	108	(428)
Net current period other comprehensive (loss) income	2,309	(572)	1,737
Balance, June 30, 2024	<u>\$ 4,550</u>	<u>\$ (1,145)</u>	<u>\$ 3,405</u>

Note 11. Income Taxes

The Company files U.S. federal income tax returns and various state income tax returns. The Company is currently involved in one state income tax audit and no federal income tax audits as of June 30, 2025. The Company's income tax returns are generally open to examination from 2021 forward. The net operating losses acquired in the acquisition of nTelos are open to examination from 2005 forward and the net operating losses acquired from Horizon are open to examination from 2013 forward.

The effective tax rates for the three and six months ended June 30, 2025 and 2024, differ from the statutory U.S. federal income tax rate of 21% primarily due to the state income taxes, excess tax benefits and other discrete items.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<i>(in thousands)</i>				
Expected tax benefit at federal statutory rate	\$ (2,540)	\$ (3,775)	\$ (4,693)	\$ (4,849)
State income tax benefit, net of federal tax effect	(653)	(974)	(1,206)	(1,236)
Excess tax deficiency from share-based compensation and other expense, net	145	(451)	1,732	(141)
Income tax benefit	<u>\$ (3,048)</u>	<u>\$ (5,200)</u>	<u>\$ (4,167)</u>	<u>\$ (6,226)</u>

The Company made \$2.3 million in payments and received \$0.2 million in refunds for income taxes during the six months ended June 30, 2025. The Company made \$7.3 million in payments and received \$0.2 million in refunds for income taxes for the six months ended June 30, 2024.

Note 12. Redeemable Noncontrolling Interest

On October 24, 2023, Shentel Broadband Holding Inc. (“Shentel Broadband”), a wholly-owned subsidiary of Shentel, entered into an investment agreement (the “Investment Agreement”) with ECP Fiber Holdings, LP, a Delaware limited partnership (“ECP Investor”), and, solely for the limited purposes set forth therein, Hill City Holdings, LP, a Delaware limited partnership affiliated with ECP Investor. Subject to the terms and conditions set forth in the Investment Agreement, on April 1, 2024, Shentel Broadband issued to ECP Investor 81,000 shares of Shentel Broadband’s 7% Series A Participating Exchangeable Perpetual Preferred Stock, par value \$0.01 per share (the “Series A Preferred Stock”), at a purchase price of \$1,000 per share in exchange for \$81 million in cash. As of June 30, 2025, 100,000 shares of the Series A Preferred Stock were authorized for issuance and 81,000 shares of the Series A Preferred Stock were outstanding.

The Series A Preferred Stock is exchangeable at the option of the Investor in certain circumstances for shares of Common Stock at an exchange price of \$24.50 per share, which may be adjusted pursuant to the terms of the Investment Agreement. As of June 30, 2025, the Series A Preferred Stock was exchangeable for 3,553,177 shares of Common Stock.

Dividends on the Series A Preferred Stock accrue at 7% per annum compounded and payable quarterly in arrears, and, at Shentel’s option, may be paid in cash or in kind (such dividends paid in kind, “PIK Dividends”). The Company has historically elected to issue PIK Dividends which increase the liquidation preference of the Series A Preferred Stock. As of June 30, 2025, the Series A Preferred Stock had a liquidation preference of \$87.1 million.

Note 13. Stock Compensation and Earnings (Loss) per Share

Activity related to the Company’s equity compensation, which includes the Company’s restricted stock units (“RSUs”) and performance stock units (“PSUs”), was as follows:

<i>(in thousands, except weighted average grant price)</i>	Number of Shares	Weighted Average Grant Price
Outstanding awards, December 31, 2024	875	\$ 20.63
Granted	751	12.05
Vested	(345)	20.70
Forfeited	(35)	16.67
Outstanding awards, June 30, 2025	<u>1,246</u>	<u>15.55</u>

The total fair value of RSUs vested was \$4.2 million during the six months ended June 30, 2025.

Activity related to the Company's Relative Total Shareholder Return RSUs ("RTSRs") was as follows:

<i>(in thousands, except weighted average grant price)</i>	<u>Number of Shares</u>	<u>Weighted Average Grant Price</u>
Outstanding awards, December 31, 2024	259	\$ 22.96
Granted	241	12.31
Vested	—	—
Forfeited	<u>(22)</u>	18.06
Outstanding awards, June 30, 2025	<u>478</u>	<u>17.82</u>

Stock-based compensation expense was as follows:

<i>(in thousands)</i>	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Stock compensation expense	\$ 2,493	\$ 2,538	\$ 6,390	\$ 6,673
Capitalized stock compensation	(306)	(268)	(486)	(437)
Stock compensation expense, net	<u>\$ 2,187</u>	<u>\$ 2,270</u>	<u>\$ 5,904</u>	<u>\$ 6,236</u>

As of June 30, 2025, there was \$11.3 million of total unrecognized compensation cost related to non-vested RSUs and RTSRs which is expected to be recognized over weighted average period of 2.5 years.

The following table indicates the computation of basic and diluted earnings (loss) per share:

<i>(in thousands, except per share amounts)</i>	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Calculation of net (loss) income per share:				
Loss from continuing operations	\$ (9,048)	\$ (12,773)	\$ (18,180)	\$ (16,863)
Total (loss) income from discontinued operations, net of tax	—	(99)	—	218,687
Net (loss) income	<u>\$ (9,048)</u>	<u>\$ (12,872)</u>	<u>\$ (18,180)</u>	<u>\$ 201,824</u>
Amounts attributable to common shareholders				
Loss from continuing operations	\$ (10,545)	\$ (12,773)	\$ (21,149)	\$ (16,863)
Total (loss) income from discontinued operations	—	(99)	—	218,687
Net (loss) income attributable to common shareholders	<u>\$ (10,545)</u>	<u>\$ (12,872)</u>	<u>\$ (21,149)</u>	<u>\$ 201,824</u>
Basic and diluted weighted average shares outstanding	55,103	54,730	55,032	52,620
Per share amounts attributable to common shareholders				
Loss from continuing operations	\$ (0.19)	\$ (0.24)	\$ (0.38)	\$ (0.32)
(Loss) income from discontinued operations, net of tax	—	—	—	4.16
Net (loss) income per share	<u>\$ (0.19)</u>	<u>\$ (0.24)</u>	<u>\$ (0.38)</u>	<u>\$ 3.84</u>

The Company applies the two-class method when computing net income (loss) per share attributable to common shareholders as the Company has issued preferred stock that meets the definition of a participating security. The Company considers Series A Preferred Stock to be a participating security as the holders are entitled to receive cumulative dividends.

The Company determines the dilutive impact of equity awards and the Series A Preferred Stock (on an as-converted basis) by applying the treasury stock method and the if-converted method, respectively. The following table presents potentially dilutive instruments:

<i>(in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Potentially dilutive equity awards	436	392	431	444
Potentially dilutive shares related to the Series A Preferred Stock	3,553	3,306	3,553	3,306
Total potentially dilutive instruments	3,989	3,698	3,984	3,750

Potentially dilutive instruments were excluded from the calculation of diluted weighted average shares outstanding due to the fact that they were anti-dilutive as a result of the Company's loss from continuing operations for the periods.

Note 14. Government Grants

During the six months ended June 30, 2025, the Company was awarded an additional grant of \$2.7 million to strategically expand the Company's broadband network in order to provide broadband services to unserved residences.

The Company recognizes grant receivables at the time it becomes probable that the Company will be eligible to receive the grant, which is estimated to correspond with the date when specified build-out milestones are achieved. As a result of these programs, the Company received \$17.3 million and \$7.7 million in cash reimbursements during the six months ended June 30, 2025 and 2024, respectively, and had approximately \$7.2 million and \$0.3 million in accounts receivable as of June 30, 2025 and December 31, 2024, respectively.

Note 15. Commitments and Contingencies

We are committed to make payments to satisfy our lease liabilities. The scheduled payments under those obligations are summarized in Note 8, *Leases*. We also have outstanding unconditional purchase commitments to procure marketing services and IT software licenses through 2029.

From time to time the Company is involved in various litigation matters arising out of the normal course of business. The Company consults with legal counsel on those issues related to litigation and seeks input from other experts and advisors with respect to such matters. Estimating the probable losses or a range of probable losses resulting from litigation, government actions and other legal proceedings is inherently difficult and requires an extensive degree of judgment, particularly where the matters involve indeterminate claims for monetary damages, may involve discretionary amounts, present novel legal theories, are in the early stages of the proceedings, or are subject to appeal. Whether any losses, damages or remedies ultimately resulting from such matters could reasonably have a material effect on the Company's business, financial condition, results of operations, or cash flows will depend on a number of variables, including, for example, the timing and amount of such losses or damages (if any) and the structure and type of any such remedies. The Company's management does not believe that the final outcome of any matters that we are currently involved in are reasonably likely to have a material adverse effect on our business, financial condition, results of operations or cash flows.

Note 16. Discontinued Operations

On March 29, 2024, Shenandoah Mobile, LLC, a wholly-owned subsidiary of Shentel, completed the initial closing of its previously disclosed sale of substantially all of Shentel's tower portfolio and operations ("Tower Portfolio") to Vertical Bridge Holdco, LLC for \$309.9 million (the "Tower Transaction"). The Tower Transaction represented a strategic shift in the Company's business and the Tower Portfolio was reclassified as a discontinued operation. As a result, for all periods presented, the operating results and cash flows related to the Tower Portfolio were reflected as a discontinued operations in our unaudited condensed consolidated statements of operations and unaudited condensed consolidated statements of cash flows.

Income from discontinued operations, net of tax in the unaudited condensed consolidated statements of operations consist of the following for the period:

(in thousands)

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
Service revenue and other	\$ —	\$ 4,542
Operating expenses:		
Cost of services	—	1,059
Selling, general and administrative	—	572
Depreciation and amortization	—	222
Total operating expenses	—	1,853
Operating income	—	2,689
Other income:		
Gain on sale of disposition of Tower Portfolio	—	294,250
Other expense	(129)	(129)
(Loss) income before income taxes	(129)	296,810
Income tax (benefit) expense	(30)	78,123
(Loss) income from discontinued operations, net of tax	\$ (99)	\$ 218,687

Consummation of the sale triggered the recognition of approximately \$4.4 million of incremental transaction costs during the six months ended June 30, 2024, for contingent deal advisory fees and legal expenses, which are netted against the gain on sale of disposition of Tower Portfolio.

Note 17. Segment Information

The Company operates as one segment. The accounting policies of the Company's segment are the same as those described in the summary of significant accounting policies as described in our Annual Report on Form 10-K for the year ended December 31, 2024.

The Company's Chief Operating Decision Maker ("CODM") assesses performance at a consolidated level and decides how to allocate resources based on Adjusted EBITDA from continuing operations of the Broadband business.

The measure of segment assets is reported on the balance sheet as total consolidated assets.

The CODM uses (loss) income from continuing operations and Adjusted EBITDA to evaluate income generated from segment assets (return on assets) in deciding whether to reinvest profits into the operations of the Company or for other purposes, such as for acquisitions or to pay dividends.

Adjusted EBITDA is used to monitor budget versus actual results. The CODM also uses Adjusted EBITDA to analyze the Company's growth by monitoring current results versus prior year results. The analyses are used in assessing performance of the Company and in establishing management's compensation.

Adjusted EBITDA is a non-GAAP financial measure. The Company defines Adjusted EBITDA as income or loss from continuing operations calculated in accordance with GAAP, adjusted for the impact of depreciation and amortization, impairment expense, other income (expense), net, interest income, interest expense, income tax expense (benefit), stock compensation expense, transaction costs related to acquisition and disposition events (including professional advisory fees, integration costs, and related compensatory matters), restructuring expense, tax on equity award vesting and exercise events, and other non-comparable items. The Company believes that the exclusion of the expense and income items eliminated in calculating Adjusted EBITDA provides management and investors a useful measure for period-to-period comparisons of the Company's core operating results by excluding items that are not comparable across reporting periods or that do not otherwise relate to the Company's ongoing operations. Accordingly, the Company believes that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating the Company's operating results.

The following table summarizes the Company's revenue, loss from continuing operations, Adjusted EBITDA and significant expenses:

<i>(in thousand)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Service revenue and other	\$ 88,568	\$ 85,799	\$ 176,466	\$ 155,047
Significant expenses and other items:				
Cost of services exclusive of depreciation and amortization	32,624	34,541	65,654	60,526
Selling, general and administrative exclusive of stock-based compensation	27,556	27,969	54,831	51,981
Adjusted EBITDA	28,388	23,289	55,981	42,540
Stock-based compensation expense, net of amount capitalized	2,187	2,270	5,904	6,236
Restructuring, integration and acquisition	206	11,325	716	11,943
Depreciation and amortization	35,103	25,579	64,561	43,022
Interest expense	6,003	3,996	10,895	8,072
Other ¹	(3,015)	(1,908)	(3,748)	(3,644)
Income tax benefit	(3,048)	(5,200)	(4,167)	(6,226)
Loss from continuing operations	\$ (9,048)	\$ (12,773)	\$ (18,180)	\$ (16,863)

¹ Other primarily includes a gain on escrow settlement, patronage income, interest income, and benefit plan gains.

Note 18. Subsequent Event

On July 9, 2025 (the "Acquisition Closing Date"), Shentel completed the acquisition of the FTTH assets and operations of a fiber business based in Virginia for \$5.0 million. Shentel has concluded that the set of acquired assets and operations meets the definition of a business, and therefore, will apply the acquisition method of accounting, in accordance with the FASB's ASC 805, "Business Combinations".

Shentel is in the process of finalizing its evaluation of the tangible and intangible assets acquired and liabilities assumed, as well as the initial purchase price allocation as of the Acquisition Closing Date, including the determination of any resulting goodwill.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"). When used in this report, the words "anticipate," "believe," "estimate," "expect," "intend," "may," "will," "should," "could" or "plan" and similar expressions as they relate to Shenandoah Telecommunications Company or its management are intended to identify these forward-looking statements. All statements regarding Shenandoah Telecommunications Company's expected future financial position, operating results and cash flows, business strategy, financing plans, forecasted trends relating to the markets in which Shenandoah Telecommunications Company operates and similar matters are forward-looking statements. We cannot assure you that the Company's expectations expressed or implied in these forward-looking statements will turn out to be correct. The Company's actual results could be materially different from its expectations because of various factors, including, but not limited to, those discussed under the caption "Risk Factors" in the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 2024 ("2024 Form 10-K"). The forward-looking statements included in this Form 10-Q are made only as of the date of the statement. We undertake no obligation to revise or update such statements to reflect current events or circumstances after the date hereof, or to reflect the occurrence of unanticipated events, except as required by law.

The following management's discussion and analysis should be read in conjunction with the Company's 2024 Form 10-K, including the consolidated financial statements and related notes included therein.

Overview

Shenandoah Telecommunications Company ("Shentel", "we", "our", "us", or the "Company") is a provider of a comprehensive range of broadband communication services in eight contiguous states in the eastern United States.

Recent Developments

Asset Purchase Agreement

The Company executed an Asset Purchase Agreement in April 2025 to acquire fiber-to-the-home ("FTTH") assets and operations of a fiber business based in Virginia for \$5 million, including passings over 1,500 homes and businesses with approximately 700 customers in Virginia. The Company completed the acquisition on July 9, 2025.

Amendment No. 4 to Credit Agreement

On April 16, 2025, Shentel entered into Amendment No. 4 to Credit Agreement (the "Fourth Amendment") to the Company's existing Credit Agreement, dated as of July 1, 2021, with various financial institutions party thereto (the "Lenders") and CoBank, ACB, as administrative agent for the Lenders (as previously amended by Amendment No. 1 to Credit Agreement, dated as of May 17, 2023, the Consent and Amendment No. 2 to Credit Agreement, dated October 24, 2023, and the Amendment No. 3 to Credit Agreement, Incremental Term Loan Funding Agreement, Joinder and Assignment and Assumption, dated as of April 1, 2024, the "Credit Agreement").

The Credit Agreement consists of: (i) a \$150 million available revolving credit facility due July 1, 2026 (the "Revolver"), (ii) a \$150 million delayed draw amortizing term loan due July 1, 2026 ("Term Loan A-1"), (iii) a \$150 million delayed draw amortizing term loan due July 1, 2028, and (iv) a \$225 million delayed draw amortizing term loan due July 1, 2028. Pursuant to the Fourth Amendment, the maturity date of the Revolver and Term Loan A-1 were extended to July 1, 2027. Additionally, the Fourth Amendment increased the maximum Total Net Leverage Ratio (as defined in the Credit Agreement) permitted as of the last day of any fiscal quarter to 4.75:1.00.

H.R.1 - 119th Congress (2025-2026)

On July 4, 2025, H.R.1 was signed into law and includes numerous changes to existing tax law, including provisions providing current deductibility of certain property additions and limitations on interest deductions based on a tax EBITDA framework. These provisions are generally effective beginning in 2025, and we currently anticipate they will partially defer our income tax payments in future years and will not have a material impact on our effective tax rate. Management continues to review the H.R.1 tax provisions to assess impacts to our consolidated financial statements.

Results of Operations

Three Months Ended June 30, 2025 Compared with the Three Months Ended June 30, 2024

The Company's consolidated results from operations are summarized as follows:

(\$ in thousands)	Three Months Ended June 30,				Change	
	2025	% of Revenue	2024	% of Revenue	\$	%
External revenue						
Residential & SMB - Incumbent Broadband Markets	\$ 42,837	48.4 %	\$ 44,243	51.6 %	\$ (1,406)	(3.2)%
Residential & SMB - Glo Fiber Expansion Markets	19,796	22.4 %	14,093	16.4 %	5,703	40.5 %
Commercial Fiber	19,483	22.0 %	20,723	24.2 %	(1,240)	(6.0)%
RLEC & Other	6,452	7.3 %	6,740	7.9 %	(288)	(4.3)%
Total revenue	88,568	100.0 %	85,799	100.0 %	2,769	3.2 %
Operating expenses						
Cost of services	32,624	36.8 %	34,541	40.3 %	(1,917)	(5.5)%
Selling, general and administrative	29,743	33.6 %	30,239	35.2 %	(496)	(1.6)%
Restructuring, integration and acquisition	206	0.2 %	11,325	13.2 %	(11,119)	(98.2)%
Depreciation and amortization	35,103	39.6 %	25,579	29.8 %	9,524	37.2 %
Total operating expenses	97,676	110.3 %	101,684	118.5 %	(4,008)	(3.9)%
Operating loss	(9,108)	(10.3)%	(15,885)	(18.5)%	6,777	(42.7)%
Other (expense) income:						
Interest expense	(6,003)	(6.8)%	(3,996)	(4.7)%	(2,007)	50.2 %
Other income, net	3,015	3.4 %	1,908	2.2 %	1,107	58.0 %
Loss from continuing operations before income taxes	(12,096)	(13.7)%	(17,973)	(20.9)%	5,877	(32.7)%
Income tax benefit	(3,048)	(3.4)%	(5,200)	(6.1)%	2,152	(41.4)%
Loss from continuing operations	(9,048)	(10.2)%	(12,773)	(14.9)%	3,725	(29.2)%
Loss from discontinued operations, net of tax	—	— %	(99)	(0.1)%	99	(100.0)%
Net (loss) income	(9,048)	(10.2)%	(12,872)	(15.0)%	3,824	(29.7)%
Dividends on redeemable noncontrolling interest	1,497	1.7 %	—	— %	1,497	— %
Net loss attributable to common shareholders	\$ (10,545)	(11.9)%	\$ (12,872)	(15.0)%	\$ 2,327	(18.1)%

Shentel updated the presentation of certain Residential & SMB - Incumbent Broadband Market, Commercial Fiber and RLEC & Other revenues for the prior year to conform with changes in how management currently views these lines of business.

Residential & SMB - Incumbent Broadband Markets revenue

Revenue from residential and small and medium business (“SMB”) customers in Incumbent Broadband Markets are primarily earned through the Company's provision of data, video and voice services over primarily hybrid fiber coaxial (“HFC”) cable and to a lesser extent FTTH networks in incumbent markets.

Residential & SMB - Incumbent Broadband Markets revenue decreased by \$1.4 million, or 3.2%, in the three months ended June 30, 2025 compared with the three months ended June 30, 2024 primarily due to lower video revenue driven by a 14.5% decline in video revenue generating units (“RGUs”).

Residential & SMB - Glo Fiber Expansion Markets revenue

Revenue from residential and SMB customers in Glo Fiber Expansion Markets are primarily earned through the Company's provision of data, video and voice services over FTTH networks in new greenfield expansion markets.

Residential & SMB - Glo Fiber Expansion Markets revenue increased by \$5.7 million, or 40.5%, in the three months ended June 30, 2025 compared with the three months ended June 30, 2024 primarily due to a 43.1% year-over-year growth in data RGUs driven by the Company's increase in data penetration rate and increase in passings.

Commercial Fiber revenue

Revenue from Commercial Fiber customers is primarily earned through the Company's provision of high-speed Ethernet, wavelength, dark fiber leasing and managed services over fiber optic networks.

Commercial Fiber revenue decreased by \$1.2 million, or 6.0%, in the three months ended June 30, 2025 compared with the three months ended June 30, 2024 primarily due to \$0.8 million in non-cash deferred revenue adjustments and \$0.9 million in early termination fees earned in the prior year. Excluding these variances, Commercial Fiber revenue grew 2.7% over the prior period 2024.

RLEC & Other revenue

Shentel's RLEC & Other revenue is primarily earned through the Company's provision of voice and digital subscriber line ("DSL") telephone services over copper networks primarily in Shenandoah County, Virginia and Ross County, Ohio. Shentel also earns governmental support revenue through the federal Universal Service Fund.

RLEC & Other revenue decreased by \$0.3 million, or 4.3%, in the three months ended June 30, 2025 compared with the three months ended June 30, 2024 primarily due to a 20.5% decline in DSL RGUs and 38% decline in switched access revenue, partially offset by an increase in governmental support revenue.

Cost of services

Cost of services primarily consist of costs to acquire and deliver video programming, internal labor to maintain our network and service our customers, maintenance and third party network line expenses.

Cost of services decreased by \$1.9 million, or 5.5%, in the three months ended June 30, 2025 compared with the three months ended June 30, 2024 due to decreases in network payroll, line and programming costs.

Selling, general and administrative

Selling, general and administrative expenses consist of employee compensation, advertising, software maintenance, stock-based compensation, and operating taxes.

Selling, general and administrative expense decreased by \$0.5 million, or 1.6%, in the three months ended June 30, 2025 compared with the three months ended June 30, 2024 due to decreases in professional fees and software maintenance costs, partially offset by an increase in property taxes.

Restructuring, integration and acquisition

Restructuring, integration and acquisition expense decreased by \$11.1 million, or 98.2%, in the three months ended June 30, 2025 compared with the three months ended June 30, 2024. Restructuring, integration and acquisition expense in 2024 related primarily to costs incurred to effect the Company's acquisition (the "Horizon Transaction") of Horizon Acquisition Parent LLC ("Horizon") and integration costs during the post-acquisition period.

Depreciation and amortization

Depreciation and amortization increased by \$9.5 million, or 37.2%, in the three months ended June 30, 2025 compared with the three months ended June 30, 2024 due to the Company's expansion of its Glo Fiber network and a \$4.2 million write-off of plant under construction inventory assets no longer expected to be used.

Interest expense

Interest expense increased by \$2.0 million, or 50.2%, in the three months ended June 30, 2025 compared with the three months ended June 30, 2024 due to an increase in the Company's outstanding debt.

Other income, net

Other income, net increased by \$1.1 million, or 58.0%, in the three months ended June 30, 2025 compared with the three months ended June 30, 2024 due to a favorable settlement of the Horizon acquisition related escrow claim.

Income tax benefit

Income tax benefit decreased by \$2.2 million, or 41.4%, in the three months ended June 30, 2025 compared with the three months ended June 30, 2024 due to lower pre-tax loss in the current period.

Six Months Ended June 30, 2025 Compared with the Six Months Ended June 30, 2024

The Company's consolidated results from operations are summarized as follows:

(\$ in thousands)	Six Months Ended June 30,				Change	
	2025	% of Revenue	2024	% of Revenue	\$	%
External revenue						
Residential & SMB - Incumbent Broadband Markets	\$ 86,196	48.8 %	\$ 88,047	56.8 %	\$ (1,851)	(2.1)%
Residential & SMB - Glo Fiber Expansion Markets	38,240	21.7 %	26,211	16.9 %	12,029	45.9 %
Commercial Fiber	39,095	22.2 %	30,706	19.8 %	8,389	27.3 %
RLEC & Other	12,935	7.3 %	10,083	6.5 %	2,852	28.3 %
Total revenue	176,466	100.0 %	155,047	100.0 %	21,419	13.8 %
Operating expenses						
Cost of services	65,654	37.2 %	60,526	39.0 %	5,128	8.5 %
Selling, general and administrative	60,735	34.4 %	58,217	37.5 %	2,518	4.3 %
Restructuring, integration and acquisition	716	0.4 %	11,943	7.7 %	(11,227)	(94.0)%
Depreciation and amortization	64,561	36.6 %	43,022	27.7 %	21,539	50.1 %
Total operating expenses	191,666	108.6 %	173,708	112.0 %	17,958	10.3 %
Operating loss	(15,200)	(8.6)%	(18,661)	(12.0)%	3,461	(18.5)%
Other (expense) income:						
Interest expense	(10,895)	(6.2)%	(8,072)	(5.2)%	(2,823)	35.0 %
Other income, net	3,748	2.1 %	3,644	2.4 %	104	2.9 %
Loss from continuing operations before income taxes	(22,347)	(12.7)%	(23,089)	(14.9)%	742	(3.2)%
Income tax benefit	(4,167)	(2.4)%	(6,226)	(4.0)%	2,059	(33.1)%
Loss from continuing operations	(18,180)	(10.3)%	(16,863)	(10.9)%	(1,317)	7.8 %
Income from discontinued operations, net of tax	—	— %	218,687	141.0 %	(218,687)	NMF
Net (loss) income	(18,180)	(10.3)%	201,824	130.2 %	(220,004)	NMF
Dividends on redeemable noncontrolling interest	2,969	1.7 %	—	— %	2,969	NMF
Net loss attributable to common shareholders	\$ (21,149)	(12.0)%	\$ 201,824	130.2 %	\$ (222,973)	NMF

Shentel updated the presentation of certain Residential & SMB - Incumbent Broadband Markets, Commercial Fiber and RLEC & Other revenues in the prior year to conform with changes in how management currently views these lines of business.

Additionally, Shentel acquired Horizon on April 1, 2024 and consequently, results for the six months ended June 30, 2024 included three months of Horizon revenue, whereas the comparable six months ended June 30, 2025 included six months of Horizon revenue. Information below includes the results of the acquired Horizon markets during the first three months of 2025 and explanations of the remaining change.

Residential & SMB - Incumbent Broadband Markets revenue

Residential & SMB - Incumbent Broadband Markets revenue decreased by \$1.9 million, or 2.1%, in the six months ended June 30, 2025 compared with the six months ended June 30, 2024. Shentel recognized \$1.7 million of revenues earned in the acquired Horizon markets during the first three months of 2025. The remaining decrease of \$3.6 million was primarily due to lower video revenue driven by a 14.5% decline in video RGUs.

Residential & SMB - Glo Fiber Expansion Markets revenue

Residential & SMB - Glo Fiber Expansion Markets revenue increased by \$12.0 million, or 45.9%, in the six months ended June 30, 2025 compared with the six months ended June 30, 2024. Shentel recognized \$0.7 million of revenues earned in the acquired Horizon markets during the first three months of 2025. The remaining increase of \$11.3 million was primarily due to a

43.1% year-over-year growth in data RGUs driven by the Company's increase in data penetration rate and increase in passings.

Commercial Fiber revenue

Commercial Fiber revenue increased by \$8.4 million, or 27.3%, in the six months ended June 30, 2025 compared with the six months ended June 30, 2024. Shentel recognized \$9.9 million of revenues earned in the acquired Horizon markets during the first three months of 2025. The remaining decrease of \$1.5 million was primarily due to less early termination fees and non-cash deferred revenue adjustments.

RLEC & Other revenue

RLEC & Other revenue increased by \$2.9 million, or 28.3%, in the six months ended June 30, 2025 compared with the six months ended June 30, 2024. Shentel recognized \$2.9 million of revenues earned in the acquired Horizon markets during the first three months of 2025.

Cost of services

Cost of services increased by \$5.1 million, or 8.5%, in the six months ended June 30, 2025 compared with the six months ended June 30, 2024. Shentel incurred \$7.6 million of cost of services in the acquired Horizon markets during the first three months of 2025. The remaining decrease of \$2.5 million was due to decreases in network payroll, line, and programming costs.

Selling, general and administrative

Selling, general and administrative expense increased by \$2.5 million, or 4.3%, in the six months ended June 30, 2025 compared with the six months ended June 30, 2024. Shentel incurred \$3.2 million of selling, general and administrative costs in the acquired Horizon markets during the first three months of 2025. The remaining decrease of \$0.7 million due to decreases in professional fees and bad debt expenses, partially offset by increases in property taxes and marketing and selling payroll.

Restructuring, integration and acquisition

Restructuring, integration and acquisition expense decreased by \$11.2 million, or 94.0%, in the six months ended June 30, 2025 compared with the six months ended June 30, 2024. Restructuring, integration and acquisition expense in 2024 related primarily to costs incurred to effect the Horizon Transaction and integration of costs during the post-acquisition period.

Depreciation and amortization

Depreciation and amortization increased by \$21.5 million, or 50.1%, in the six months ended June 30, 2025 compared with the six months ended June 30, 2024. Shentel incurred \$9.2 million of depreciation and amortization related to the tangible and intangible assets acquired in the Horizon Transaction during the first three months of 2025. The remaining increase of \$12.3 million was due to the Company's expansion of its Glo Fiber network and a \$4.2 million write-off of plant under construction inventory assets no longer expected to be used.

Interest expense

Interest expense increased by \$2.8 million, or 35.0%, in the six months ended June 30, 2025 compared with the six months ended June 30, 2024 due to an increase in the Company's outstanding debt.

Other income, net

Other income, net increased by \$0.1 million, or 2.9%, in the six months ended June 30, 2025 compared with the six months ended June 30, 2024 due to a favorable settlement of the Horizon acquisition related escrow claim, partially offset by higher interest income earned in the prior year.

Income tax benefit

Income tax benefit decreased by \$2.1 million, or 33.1%, in the six months ended June 30, 2025 compared with the six months ended June 30, 2024 due to lower pre-tax loss in the current period and higher excess tax benefits derived from vesting of restricted stock.

Additional Information

Shentel provides broadband internet, video and voice services to residential and commercial customers in portions of Virginia, West Virginia, Maryland, Pennsylvania, Kentucky, Delaware, Ohio and Indiana, via fiber optic and hybrid fiber coaxial cable networks. We also lease dark fiber and provide Ethernet and Wavelength fiber optic services to enterprise and wholesale customers throughout the entirety of our service area. Shentel's Broadband business also provides voice and DSL telephone services as a Rural Local Exchange Carrier ("RLEC") to customers in Shenandoah County and portions of adjacent counties in Virginia, and in Ross County and portions of adjacent counties in Ohio. These integrated networks are connected by over 17,700 route miles of fiber.

The following table indicates selected operating statistics. Shentel updated the presentation of certain revenues and voice RGUs in the prior year to conform with changes in how management views these lines of business. This reclassification resulted in updated Average Revenue per User ("ARPU") and voice RGUs for the prior period.

	Three Months Ended June 30,	
	2025	2024
Homes and businesses passed (1)		
<i>Incumbent Broadband Markets</i>	244,007	232,531
<i>Glo Fiber Expansion Markets</i>	378,916	297,545
Total homes and businesses passed	622,923	530,076
Residential & SMB RGUs:		
<i>Incumbent Broadband Markets</i>	111,730	111,256
<i>Glo Fiber Expansion Markets</i>	76,276	53,285
Broadband Data	188,006	164,541
Video	37,626	42,079
Voice	26,129	24,848
Total Residential & SMB RGUs (excludes RLEC)	251,761	231,468
Residential & SMB Penetration (2)		
<i>Incumbent Broadband Markets</i>	45.8 %	47.8 %
<i>Glo Fiber Expansion Markets</i>	20.1 %	17.9 %
Broadband Data	30.2 %	31.0 %
Video	6.0 %	7.9 %
Voice	4.4 %	4.9 %
Residential & SMB ARPU (3)		
<i>Incumbent Broadband Markets</i>	\$ 83.05	\$ 83.49
<i>Glo Fiber Expansion Markets</i>	\$ 76.72	\$ 77.56
Broadband Data	\$ 80.56	\$ 81.64
Video	\$ 125.15	\$ 116.96
Voice	\$ 32.68	\$ 35.21
Fiber route miles	17,740	16,029
Total fiber miles (4)	1,936,922	1,798,211

(1) Homes and businesses are considered passed ("passings") if we can connect them to our network without further extending the distribution system. Passings is an estimate based upon the best available information. Passings will vary among video, broadband data and voice services.

(2) Penetration is calculated by dividing the number of users by the number of passings or available homes, as appropriate.

(3) ARPU calculation = (Residential & SMB Revenue) / average RGUs / 3 months.

(4) Total fiber miles are measured by taking the number of fiber strands in a cable and multiplying that number by the route distance. For example, a 10 mile route with 144 fiber strands would equal 1,440 fiber miles.

Financial Condition, Liquidity and Capital Resources

Sources and Uses of Cash: The Company's principal sources of liquidity are our cash and cash equivalents, cash generated from operations, government grants and borrowings under our credit agreement, which contains a \$150 million revolving credit facility (the "Revolver") and \$525 million in delayed draw amortizing term loans (the "Term Loans" and collectively with the Revolver, the "Credit Agreement").

In 2021, Congress passed the American Rescue Plan Act and the Infrastructure Investment and Jobs Act to subsidize the deployment of high-speed broadband internet access in unserved areas. We have been awarded approximately \$151.1 million in grants to serve approximately 27,100 unserved homes in the states of Virginia, Ohio, Maryland and West Virginia and to upgrade the capacity of the Ohio middle mile network. The grants will be paid to the Company as certain milestones are completed. As of June 30, 2025, the Company had \$94.6 million in grants available. The Company expects to fulfill the majority of its obligations under these programs by 2026.

As of June 30, 2025, the Company's total available liquidity was \$266.7 million, consisting of (i) cash and cash equivalents totaling \$29.1 million; (ii) \$143.0 million of availability under the Company's revolving credit facility; and (iii) an aggregate of \$94.6 million remaining reimbursements available under government grants, which reimbursements are subject to fulfilling the terms of the underlying agreements.

Net cash provided by operating activities from continuing operations was approximately \$43.7 million during the six months ended June 30, 2025, representing an increase of \$20.5 million compared with the prior year period, primarily driven by increases in revenue and timing of changes in working capital.

Net cash used in investing activities from continuing operations was approximately \$151.9 million during the six months ended June 30, 2025, representing a decrease of \$337.0 million compared with the prior year period, primarily driven by a \$347.1 million decrease in cash disbursed for acquisitions and a \$9.6 million increase in cash receipts from government grant programs, partially offset by a \$18.5 million increase in capital expenditures driven by expansion of Glo Fiber and government-subsidized markets.

Net cash provided by financing activities from continuing operations was approximately \$93.2 million during the six months ended June 30, 2025, representing an increase of \$23.3 million compared with the prior year period, primarily driven by an increase of \$100.0 million in borrowings under the Term Loans, partially offset by a decrease in proceeds from equity issuances and a \$2.3 million increase in principal payments on long-term debt.

Indebtedness: As of June 30, 2025, the Company's net indebtedness was approximately \$511.8 million, including \$513.1 million in outstanding Term Loans, net of unamortized loan fees of \$1.3 million. The borrowed amounts bear interest at a variable rate determined by one-month term SOFR, plus a margin based on net leverage. The weighted-average interest rate for the Term Loans was 6.97% at June 30, 2025.

Shentel's Term Loans, which consist of Term Loan A-1, Term Loan A-2 and Term Loan A-3, have outstanding balances of \$140.9 million, \$147.8 million and \$224.4 million, respectively. The Term Loans require quarterly payments based on a percentage of the outstanding balance. On April 16, 2025, Shentel amended the Credit Agreement (the "Fourth Amendment") to extend the maturity date of the Revolver and Term Loan A-1 to July 1, 2027. Both Term Loan A-2 and Term Loan A-3 mature on July 1, 2028.

Refer to Note 9, *Debt*, in the Company's unaudited condensed consolidated financial statements for more information about the Credit Agreement.

The Fourth Amendment of Shentel's Credit Agreement also amended certain covenant provisions, including increasing the maximum Total Net Leverage Ratio (as defined in the Credit Agreement) permitted as of the last day of any fiscal quarter to 4.75:1.00. As of June 30, 2025, the Company was in compliance with the financial covenants in our Credit Agreement.

We expect our cash on hand, cash flows from continuing operations, and availability of funds from our Credit Agreement as well as government grants will be sufficient to meet our anticipated liquidity needs for business operations for the next twelve months. There can be no assurance that we will continue to generate cash flows at or above current levels.

During the six months ended June 30, 2025, our capital expenditures of \$169.4 million exceeded our net cash provided by operating activities of continuing operations by \$125.7 million, and we expect our capital expenditures to exceed the cash flows provided from continuing operations through 2026, as we expand our Glo Fiber broadband network.

The actual amount and timing of our future capital requirements may differ materially from our estimates depending on the demand for our products and services, new market developments and expansion opportunities.

Our cash flows from operations could be adversely affected by events outside our control, including, without limitation, changes in overall economic conditions including rising inflation, changes in tariffs, regulatory requirements, changes in technologies, changes in competition, demand for our products and services, availability of labor resources and capital, natural disasters, pandemics and outbreaks of contagious diseases and other adverse public health developments, such as COVID-19, and other conditions. Our ability to attract and maintain a sufficient customer base is critical to our ability to maintain positive cash flows from operations. The foregoing events individually or collectively could affect our results.

Critical Accounting Policies

There have been no material changes to the critical accounting policies previously disclosed in Part II, Item 8 of our 2024 Form 10-K for the year ended December 31, 2024.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have borrowed a total of \$525 million pursuant to the variable rate delayed draw Term Loans available under the Credit Agreement. As of June 30, 2025, Shentel has borrowed the full amount available under our Term Loans A-1, A-2 and A-3.

As of June 30, 2025, the Company had \$513.1 million of gross variable rate debt outstanding. The weighted-average interest rate was 6.97% for the Term Loans at June 30, 2025. An increase in market interest rates of 1.00% would add approximately \$5.1 million to annual interest expense.

Shentel has pay fixed, receive variable interest rate swaps totaling \$150.0 million of notional principal (the “Swaps”). The Swaps contain monthly payment terms that became effective in May 2024 which extend through their maturity dates in June 2026. The Swaps are designated as cash flow hedges, representing 50% of the Company’s Term Loan A-1 and A-2 outstanding debt. The Company uses the Swaps to manage its exposure to interest rate risk for a portion of its long-term variable-rate Term Loans through interest rate swaps. Shentel effectively pays a fixed weighted-average interest rate of 2.90%, prior to interest rate margin provided under our credit facility.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial and Principal Accounting Officer (the certifying officers) have conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of June 30, 2025. Our certifying officers concluded that our disclosure controls and procedures were effective as of June 30, 2025.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the fiscal quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

We are currently involved in, and may in the future become involved in, legal proceedings, claims and investigations in the ordinary course of our business. Although the results of these legal proceedings, claims and investigations cannot be predicted with certainty, we do not believe that the final outcome of any matters that we are currently involved in are reasonably likely to have a material adverse effect on our business, financial condition, results of operations or cash flows. Regardless of final outcomes, however, any such proceedings, claims, and investigations may nonetheless impose a significant burden on management and employees and be costly to defend, with unfavorable preliminary or interim rulings.

ITEM 1A. RISK FACTORS

We discuss in our Annual Report on Form 10-K various risks that may materially affect our business. We use this section to update this discussion to reflect material developments since our Form 10-K was filed. As of June 30, 2025, the Company has identified one additional risk factor related to potential cost pressures associated with tariffs as presented in the Financial Condition and Liquidity section.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities

None.

Use of Proceeds from Registered Securities

None.

Purchases of Equity Securities by the Issuer or Affiliated Purchasers

In conjunction with the vesting of stock awards or exercise of stock options, the grantees may surrender awards necessary to cover the statutory tax withholding requirements and any amounts required to cover stock option strike prices associated with the transaction. The following table provides information about shares surrendered during the quarter ended June 30, 2025, to settle employee tax withholding obligations related to the vesting of stock awards.

(in thousands, except per share amounts)

	Number of Shares Surrendered	Average Price Paid per Share
April 1 to April 30	—	\$—
May 1 to May 31	—	—
June 1 to June 30	18	13.23
Total	18	

ITEM 5. OTHER INFORMATION

During the three months ended June 30, 2025, none of our officers or directors adopted or terminated any “Rule 10b5-1 trading arrangement” or any “non-Rule 10b5-1 trading arrangement” as each term is defined in Item 408 of Regulation S-K.

ITEM 6. Exhibits Index

Exhibit No. Exhibit Description

10.1	Amendment No. 4 to Credit Agreement, dated April 16, 2025, by and among Shentel Broadband Operations LLC, certain subsidiaries of Shentel Telecommunications Company, CoBank ACB, as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.1 to Shentel’s Current Report on Form 8-K filed April 17, 2025).
31.1*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.3*	Certification of Principal Accounting Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
32**	Certifications pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. § 1350.
(101)	Formatted in Inline XBRL (Extensible Business Reporting Language)
101.INS	Inline XBRL Instance Document - the instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith

** This certification is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (Exchange Act), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (Securities Act), or the Exchange Act.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SHENANDOAH TELECOMMUNICATIONS COMPANY

/s/ James J. Volk

James J. Volk

Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: July 31, 2025

CERTIFICATION

I, Christopher E. French, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Shenandoah Telecommunications Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (1) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (2) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (3) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (4) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (1) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/S/ CHRISTOPHER E. FRENCH

Christopher E. French, President and Chief Executive Officer
(Principal Executive Officer)

Date: July 31, 2025

CERTIFICATION

I, James J. Volk, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Shenandoah Telecommunications Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (1) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (2) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (3) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (4) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (1) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/JAMES J. VOLK

James J. Volk, Senior Vice President – Chief Financial Officer

(Principal Financial Officer)

Date: July 31, 2025

CERTIFICATION

I, Tracy Willis, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Shenandoah Telecommunications Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (1) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (2) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (3) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (4) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (1) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/S/TRACY WILLIS

Tracy Willis, Vice President - Chief Accounting Officer

(Principal Accounting Officer)

Date: July 31, 2025

EXHIBIT 32

**Written Statement of Chief Executive Officer and Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Each of the undersigned, the President and Chief Executive Officer and the Senior Vice President - Chief Financial Officer, of Shenandoah Telecommunications Company (the "Company"), hereby certifies that, on the date hereof:

- (1) The quarterly report on Form 10-Q of the Company for the three and six months ended June 30, 2025 filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) Information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/S/CHRISTOPHER E. FRENCH

Christopher E. French
President and Chief Executive Officer
(Principal Executive Officer)
July 31, 2025

/S/JAMES J. VOLK

James J. Volk
Senior Vice President – Chief Financial Officer
(Principal Financial Officer)
July 31, 2025

The foregoing certification is being furnished solely pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 (the "Exchange Act") and 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document. This certification shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to liability under that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act except to the extent this Exhibit 32 is expressly and specifically incorporated by reference in any such filing.
