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Anterix, Inc. (ATEX)

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MANAGEMENT DISCUSSION SECTION

Operator: Good day, ladies and gentlemen, and welcome to the Anterix Fourth Quarter and Fiscal Year-End Conference Call. At this time, all participants have been placed on a listen-only mode, and we will open up the floor for your questions and comments after the presentation.

It is now my pleasure to turn the floor over to your host, Natasha Vecchiarelli. Ma'am, the floor is yours.

Natasha Vecchiarelli

Director-Investor Relations & Corporate Communications, Anterix, Inc.

Good morning, everyone, and welcome to the Anterix fourth quarter fiscal year 2022 investor call. I'm Natasha Vecchiarelli, Vice President of Investor Relations and Corporate Communications at Anterix. Joining me on today's call are Rob Schwartz, our President and CEO; Ryan Gerbrandt, our COO; Tim Gray, our CFO; and Chris Guttman-McCabe, our Chief Regulatory and Communications Officer.

Before we begin, please note that during today's presentation, we may make forward-looking statements either in our prepared remarks or in the associated question-and-answer session. These statements are based on current expectations or beliefs, and are subject to certain risks and uncertainties that may cause actual results to differ materially. Risk factors that may impact our performance are identified in our most recent SEC filings.

Following our prepared remarks, we will have an operator-led question-and-answer session. In addition, at the conclusion of today's call, a replay and transcript of our discussion will be posted to our Investor Relations website.

And, with that, I'll turn the call over to Anterix's President and CEO, Rob Schwartz.

Robert Schwartz

Chief Executive Officer, President & Director, Anterix, Inc.

Good morning, everyone, and thank you for joining the call. And, Natasha, welcome back from your maternity leave. This morning, I'll give you an update on our industry progress and customer pipeline, and Tim is going to take you through our year-end financials, and then we'll open up for questions.

Let me first spend a moment discussing the customer and industry progress Ryan and I are driving with our team. As we pursue our goal of being the de facto private broadband solution for the utility sector, I know at times how difficult it is to measure Anterix's progress beyond the closing of lease contracts. The evolution will take time, but the progress to-date has been significant, and the support we are receiving from the industry has never been stronger.

To start with, I'm happy to share that we have three signed letters of intent with utilities in our pipeline, one of which was signed in the past two weeks. Combined, these three represent approximately \$450 million in potential contracted proceeds. While these are non-binding LOIs, we are working with each of these utilities towards binding definitive agreements. We also have made a significant headway with a number of additional utilities who would fall in the larger contract category of our pipeline, with spectrum valuations greater than the deals we have closed to-date. We have a significant concentration of value in a relatively small population of customers. Our team remains as focused on closing the next deal as they are on our fiscal year 2024 target of having approximately \$1.8 billion in contracted proceeds.

And, as these larger deals are strategically important to our plan, it's helpful to highlight that some of these very large deals involve expanded processes with utility, adding an increased complexity to help and bring them to completion. In some instances, we are being asked to provide expertise and services that we initially would not have anticipated, but this flexibility is a strength of our team and has become a differentiator of our offering. Overall, we've also seen a positive seasoning of our pipeline. Notably, we have enough potential customer contract proceeds in Phase 2 and Phase 3 to achieve our 2024 goal. We are using every tool in our toolbox to continue our progress, which now includes our new platform that I'll describe shortly.

In addition to the movement within our pipeline, and the LOIs we have secured, the launch of our platform yesterday is another indication of growing market support for our offering. This is an important time of year for our industry, as well as commercially for Anterix. Two of the utility industry's largest trade shows are taking place this week and next, the Utility (sic) [Utilities] Technology Council convention and DISTRIBUTECH.

This is our first opportunity to meet with utilities and vendors in these forums for over two years since COVID. With thousands of attendees, these events provide a great opportunity for us to announce and market our offering. Our team on the ground has shared that the initial response we are getting to this news is exceptional. And while this is no substitute for a signed contract, from an industry perspective, it can't be overstated how this is further significant endorsement of our goal to drive nationwide utility adoption of 900 megahertz.

Built on the foundation of our Anterix Active Ecosystem Program, six initial C level executives have committed to oversight of this industry cooperation and collaboration to drive 900 megahertz solutions. And while we've talked about the significance of our Anterix Active Ecosystem Program, it bears repeating that it's a great illustration of the support we're receiving for our offering. The ecosystem now has 80 technology and service leaders, including companies like Cisco, Ericsson, GE, Mandiant, Motorola, Nokia, Qualcomm and many more. These ecosystem members have a vested interest in seeing our 900 megahertz spectrum be deployed by our customers for private broadband networks, and are a key part of our channel strategy.

Let me now elaborate on the details of our platform announcement made yesterday and why it matters to investors. This platform is designed to meet the needs and requests of our customers, and we expect the platform to further differentiate our offering in the marketplace, expand our competitive advantage, and continue to drive the leasing of our valuable spectrum asset.

We're not simply leasing spectrum. We are now driving solutions, and we believe this will make customer adoption easier. For our customers, the platform will provide Anterix with the ability to identify utility needs and match those needs with the Anterix Active Ecosystem community we have gathered, harnessing the power and scale of that combination. Among other benefits, it also establishes the capability to connect individual utility networks, capturing the value of that integration.

Let's walk through the individual pieces of the Anterix Active Ecosystem platform and see how they can help us accomplish the customer and investor focus objectives I just described. At the center of the platform is a newly formed Utility Strategic Advisory Board comprised of C-suite utility executives from six organizations at launch, Ameren, Dominion, Evergy, Exelon, Southern Company, and the Utility Broadband Alliance, which represents numerous additional utilities and technology developers.

The advisory board will serve as the industry touchstone for Anterix and for members of the Active Ecosystem Program, focusing Anterix and those innovators on real life industry needs and the development of solutions that will drive economies of scale, lower risk and complexity, and accelerate the availability of products. As part of the launch of the platform, five targeted initiatives have been identified, including a 4G/5G cloud core hosted by AWS, an enhanced multiband communications module, an integrated cybersecurity offering, a connected lab environment, and a public network roaming management solution.

And while the focus of our business remains on monetizing our spectrum asset, the platform will enhance and simplify the solution set for utilities and, as a result, drive adoption. We're joining forces with our ecosystem members in a program to continuously develop and offer needed products and services on 900 megahertz networks nationwide.

What we are learning through this process is that we need to engage significantly with our prospective customers during both the journey toward adoption of private LTE and the deployment after they've contracted with Anterix. This is the value we believe we are uniquely positioned to provide. From total cost of ownership studies to spectrum valuation, development of business models, rate case strategy, use case development, applying for infrastructure funds, and more, the adoption of private broadband has become a strategic decision for these utilities, not simply a replacement of a communications capability.

We are responding to these needs. The development of the platform and the utility solutions that will flow from it are exactly what our customers are asking for. This is how we continue to build our defensible position and provide value. Yes, it takes time. But the outcome of this partnership effort supports not just our near-term customers, but also the entire base of our pipeline and the resulting multi-decade relationships.

And with that, I'll turn it over to Tim.

Timothy Gray

Chief Financial Officer, Anterix, Inc.

Thanks, Rob. I'm pleased to announce that for our fiscal year 2022, for the first time on an annual basis, we yielded positive cash flow before share repurchases. This accomplishment was driven by the receipt of the full \$30 million of contracted proceeds from Evergy and approximately \$23 million in payments from Ameren. Further,

we expect receipt of an additional \$55 million of contracted proceeds from the SDG&E and Ameren contracts through mid-2026, which will continue to strengthen our balance sheet.

Turning to cash spend. As we've previously guided, we expect to spend roughly \$70 million per year through fiscal year 2024, including approximately \$40 million of OpEx and \$30 million in spectrum clearing costs. We do not expect our new ecosystem platform to have a material impact on our OpEx guidance or our project GAAP revenue for this fiscal year.

For fiscal year 2022, we spent approximately \$35 million in OpEx and \$25 million in spectrum clearing costs, which includes retuning costs, spectrum acquisitions and anti-windfall payments. Current fiscal year-to-date, we have an additional \$10 million in committed funds for contracts not yet closed to clear spectrum. Our overall clearing cost estimates remain consistent with the projections we've previously provided.

I'd like to note that in the two years since the Report and Order was issued, our spectrum clearing efforts have increased the number of counties where Anterix fully meets the FCC's broadband licensing requirements to over 2,000 counties throughout the United States. This is a significant accomplishment over this period of time. As a reminder, there was only one eligible applicant in each county as designed by the FCC rules, and getting a broadband license triggers the mandatory retuning provision. Our clearing efforts have put Anterix in a strong position to continue to bring broadband to the marketplace.

Our business plan continues to be fully funded with approximately \$106 million in cash on our balance sheet as of March 31, 2022, and no outstanding debt, providing ample capital and balance sheet flexibility to continue to support our business initiatives.

During the quarter, we continued to return capital to our shareholders through our share repurchase program. During our fourth quarter, we repurchased roughly 50,000 shares at a cost of \$3 million. Total activity during our fiscal year 2022 included approximately 250,000 shares repurchased at a cost of \$15 million. Our active repurchasing effort further underscores our ongoing confidence in our pipeline and the ability to generate positive cash flow.

I'll conclude by saying that, as our spectrum asset continues to increase in value as we convert it to broadband, combined with the overall strength of our pipeline and balance sheet, I am pleased with the foundation we have heading into our fiscal 2023.

Now, I will turn it over to the operator for questions.

QUESTION AND ANSWER SECTION

Operator: Ladies and gentlemen, the floor is now open for questions. [Operator Instructions] Your first question for today is coming from Walter Piecyk with LightShed. Walter, your line is live.

Walter Piecyk

Analyst, LightShed Ventures

Q

Thanks. Rob, can you talk about the letters of intent, when do you expect them to revert timing-wise into signed contract? And what does this mean – just refresh my memory in terms of I know you had like things at different phases, like what does that mean in terms of the rest of the pipeline?

Robert Schwartz

Chief Executive Officer, President & Director, Anterix, Inc.

A

Sure. Thanks, Walt. Good morning. Why don't I start there and then maybe pass it over to Ryan? Look, the letters of intent are just another indication of progress from our standpoint. As we've talked about in the past, there's all kinds of points of entry that utilities have shown, those who have transacted with us and those who are on the process of doing so. And it's just another way for us to get the framing of the potential for a transaction with these counterparties. I think it's also worth looking at all of the names of folks. When you saw the press release about the platform, C-suite, C-level folks that are that are showing the level of support they are for the collective action of the industry is really another indication of how these utilities are stepping forward.

As far as the point on timing, I'm going to pass to Ryan in a second, but we've said in the past, predicting the precision of timing we know is something that is virtually impossible with the kind of counterparties we're working with. These are very large, sophisticated, complicated organizations and the process that they go through takes time. And so, we continue to drive them forward.

To me, the macro indications of what's happening in the marketplace just continues to give us confidence about the scale of the opportunity and the demand that's developing for 900 megahertz. On the specific timing, I think it's a jump ball for us to be able to say how fast those specific LOIs will convert into contracts, but we have confidence that they will. Ryan, anything you want to add?

Walter Piecyk

Analyst, LightShed Ventures

Q

So what makes it, what gets a utility to the point of – I mean, when you say LOI, presumably someone is literally e-signing at least or signing a piece of paper. Like what's on that paper that that person is willing to sign as opposed to just saying like, hey, we're going to continue to work this out and then sign an ultimate contract, like why bother in this process at least signing anything until you're at final contract from their standpoint?

Robert Schwartz

Chief Executive Officer, President & Director, Anterix, Inc.

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Let me start. And, Ryan, you can finish in it. Look, Walt, this – again, I know you've been through this yourself. There are a lot of ways you can approach getting to a consummation of a deal. In some instances, it's valuable to frame up a transaction and start with a letter of intent. So the parties can agree what the intention is of the scale of the opportunity and a path forward. So that's usually how that's used as an indication of interest. But, again,

we've done deals where we've gone straight to contract and haven't done letters of intent as well. And so it really depends.

Each of these processes is very different, the institutions are different, the state regulatory environments are different. The way in which they're set up with their sophisticated procurement departments is different. And so it's really specific to each of the approaches. So the letters of intent is sometimes helpful for just that, for the parties to state their intentions so we know we're on the same page of the process and how we move forward.

Ryan Gerbrandt

Chief Operating Officer, Anterix, Inc.

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Yeah. I want to just reinforce one point, Rob. I mean, there – Walt, there'll be multiple ways [indiscernible] (16:52) we talked about. I don't see this as the exclusive way that we're going to see this process progresses. But these are complex processes. And as we've said before, these are sophisticated procurement teams that we're working through a lot of the details of these pending transactions. And these types of vehicles can be nice ways to be able to begin the process as we're starting to flesh out kind of key aspects of the delivery, of the spectrum transaction, and ultimately work our way incrementally towards the larger deal.

Walter Piecyk

Analyst, LightShed Ventures

Q

And just one follow-up on the announcement from yesterday. I mean, what it looks like to me is, like, hey, I'm a utility. I'm going through this lengthy process of evaluating it. I want to make sure there's an ecosystem there. So now we got a bunch of the majors in a room effectively even prior to them signing contracts or LOIs. Maybe some of them are LOIs on that list, I don't know. But I guess, they're basically, if you bring them together in this manner, it reduces their risk that they commit to something that ultimately an ecosystem doesn't broaden out in terms of the utilities. Is that effectively the right way to look at it?

Robert Schwartz

Chief Executive Officer, President & Director, Anterix, Inc.

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I think that's maybe the first step, Walt. Now, it's clearly – remember, our 900-megahertz spectrum is part of the 3GPP standard and there is an ecosystem that exists in companies like Ameren and SDG&E...

Walter Piecyk

Analyst, LightShed Ventures

Q

Sure.

Robert Schwartz

Chief Executive Officer, President & Director, Anterix, Inc.

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...and Evergy are deploying it. This is about being evergreen, right? This is about how do we create a process for continuous innovation on this 3GPP standard of 900 megahertz and how do we create an ecosystem around not just the infrastructure and the devices, but going up the vertical stack of applications. The cybersecurity offering is called out there as an example. That's a vital application that's necessary and, as you know, is continuously changing, right? The threat landscape keeps growing and utilities want to know they have an active capability with a significant group of parties, Mandiant, one of those groups is a leader in the response to some of the current threats.

And so for us, it's not about getting customers to contract with this, although it's clearly going to be a catalyst for that. It's about how do we create an environment that creates a continuously valuable solution over the multi-decades that we're signing these agreements.

Ryan Gerbrandt

Chief Operating Officer, Anterix, Inc.

And Rob...

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Walter Piecyk

Analyst, LightShed Ventures

And if these people are in some type of forum where they're having these discussions, shouldn't that make it easier for you to try and get a services business off the ground where maybe you create some type of cloud-based core, [ph] allow (19:29) what Dish is doing, and then enable that to be shared across multiple utilities? I mean, shouldn't this kind of new announcement yesterday make that easier?

Q

Robert Schwartz

Chief Executive Officer, President & Director, Anterix, Inc.

Absolutely. If you noticed, the five initial initiatives that we're putting forward, the first is a 4G/5G cloud core. And we've talked about that. We're doing it in conjunction with AWS. The trend of the carrier industry is going there as you know well and report on. And for us to be the connective tissue between these utilities to bring that scale capability, it's not just about having a cloud core for an individual utility, it's about what that does collectively.

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So when – and I mentioned cybersecurity. If you're coming in at a collective effort to be able to connect to these utilities, being able to detect the threat landscape across utilities and be able to use that broader information to be able to react to those kind of issues across the board is so much more valuable. Getting into the creation of really recognizing patterns and using that for proactive value we think is really at the top of the pyramid of the value chain of the opportunities as we do so, right? The cloud core is just a functional technology capability. It's what you do with that what really creates the value. Chris, did you want to add to that?

Chris Guttman-McCabe

Chief Regulatory & Communications Officer, Anterix, Inc.

Yeah, yeah. Thanks, Rob. And, Walt, a great question. I mean, a scale is an overused word. And yet when you think of this new platform and you think of – apply the word scale to both sides of the equation, on the utility side, you've got a half dozen executives. One of them represents another 15 to 30 companies in the ecosystem. So, on the side where the entities are identifying the concerns, that collaboration brings scale to thinking through what is needed. And then, obviously, on the other side, you've got the 80 companies poised to deliver on those needs.

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And so, it's – and in between, you have five products right now with what we expect to be dozens and dozens more going forward. So, it is – we are providing solutions. It does make things easier for the utilities, Walt, as you had said, and it really drives – again, an overused word, but it really drives scale to all sides of the decision-making, both before utility contracts and then after the contract.

Walter Piecyk

Analyst, LightShed Ventures

Clear. Thank you.

Q

Operator: Your next question for today is coming from Phil Cusick with JPMorgan. Phil, your line is live.

Philip A. Cusick

Analyst, JPMorgan Securities LLC

Q

Hi, guys. Thanks. A couple if I can. So, to follow up first on Walt. The letter of intent with Ameren, I think, took a year before a contract was signed. Can you – and you had guided early in the year of deals to be done by March and then they're going to be done now, and it seems like things are just taking longer. So, is this a question of the process is becoming more complex with the services and things like sort of value-add opportunities or are there issues inside these companies that have cropped up about doing these deals at all? Can you give us some idea? Thanks.

Robert Schwartz

Chief Executive Officer, President & Director, Anterix, Inc.

A

Sure. Thanks. Good morning, Phil. A couple of thoughts there. First of all, in specific with regards – Ameren was the first, right? We can't forget that, and Ameren started their efforts in advance of us having our FCC ruling. So, clearly, that was a lengthier process as they were the pioneer in moving forward.

We do think there's absolutely, as the pioneers break the ice here, there's going to be – it makes it easier for others to move forward. But you are correct that the complexity of these transactions is, I would say, more significant now that we're getting into it because of the strategic rationale. We started these conversations with, I would say, down in the bowels of utilities with the telecom engineers that were looking to replace existing systems, and that was the first premise. Now, as you can see by the names of the folks who are involved in this platform announcement, like the C suite, there are major strategic initiatives that are being solved by these platforms. And while that heightens the value of the concept, it also heightens the level of work and diligence and planning that has to be done by utilities to get these kind of things approved across organizations.

These are large, complicated organizations with multiple operating companies and multiple strategic leaders that have to really sign off on this. But what's happening really is the increasing tailwinds, right? You guys know and report about the broader macro interest and the demand for private networks, which is an important part of it. But specific within the utility sector, I touched on cybersecurity, and needless – and you don't have to open a paper to understand that every day there's an increasing threats from what's going on in the global landscape, that utilities are one of the primary focuses.

And what's been shown is – and through our platform and otherwise, is that a modern communication system is an important part of being able to monitor these assets, to be able to detect these threats. The increasing weather events that are happening, wildfires are no longer a West Coast situation, it is now a nationwide risk issue. And the – we've demonstrated it, and San Diego Gas & Electric has publicly talked about and our work with Schweitzer about the value of being able to use these to prevent wildfires. That gets you into a whole another sector of utility. It's not a telecom question, it's a strategic decision about how they use these to be able to mitigate wildfires.

And now with the decarbonization objectives of all utilities and our global commitments, the need to be able to have two-way communications out to all these distributed energy sources is also happening. But that's a very complicated problem utilities are trying to solve. And so, we're now integrating to solving these top strategic issues for utilities. And those take time from a planning standpoint of which we're a component of it, but we're not driving solely. And so, it's not just about purchasing spectrum, releasing spectrum or building an LTE network, it's about solving these macro problems. And that does increase the complexity and timing. But these are issues that must be solved by utilities. So, that's why when we say it's not if, but when, we're certain that the communications

systems we're providing are going to help solve these. But the complexity of decision-making absolutely is elongated because of the strategic nature.

Philip A. Cusick

Analyst, JPMorgan Securities LLC

Q

Okay. In the past, you've said that the final stage of the pipeline was about \$400 million in there. Is that these three LOIs, or is there someone else in there that didn't quite make it to the LOI stage?

Robert Schwartz

Chief Executive Officer, President & Director, Anterix, Inc.

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Yeah. Ryan, maybe you want to respond to that one.

Ryan Gerbrandt

Chief Operating Officer, Anterix, Inc.

A

Yeah. Happy to. Yeah, mostly that is correct. Obviously, we've got some activity Rob hit on in the prepared remarks, too, in terms of the developing through both Phase 2 and Phase 3, but we've got all of those covered in there and, positively, have been seeing momentum across the whole phase set of the pipeline as we continue to drive maturation of all those deals. And that's very important. As we said, obviously, we're focused, laser focused on the next deal, but the ability to move the volumes through was really where the critical mass comes from, as we're also keeping our eye on our fiscal year 2024 goal, I mean how we continue to progress those through.

Philip A. Cusick

Analyst, JPMorgan Securities LLC

Q

Okay. And then one more for me. Any preference among the three in the LOI stage of whether they're on a prepayment or pay overtime sort of a situation?

Robert Schwartz

Chief Executive Officer, President & Director, Anterix, Inc.

A

I think, Phil, we're still seeing a preference for prepayment for most of our utilities. So, I think that, generally, we'll continue to see that trend.

Philip A. Cusick

Analyst, JPMorgan Securities LLC

Q

Okay. Thanks, guys.

Robert Schwartz

Chief Executive Officer, President & Director, Anterix, Inc.

A

Thank you.

Operator: Your next question for today is coming from Simon Flannery with Morgan Stanley. Simon, your line is live.

Simon Flannery

Analyst, Morgan Stanley & Co. LLC

Q

Great. Thank you very much. Good morning. So, I think you reiterated the goal of \$1.8 billion for fiscal 2024 in contracted proceeds. That's less than two years away. You obviously didn't hit the \$200 million for the past year. You obviously have these LOIs, which is going to be helpful. But can you just give us – what gives you confidence in reiterating that guide given the sort of slower process we saw over the last year or so to actually getting these contracts over the line? And are you still targeting that \$300 million to \$500 million of cash proceeds by fiscal 2024?

Robert Schwartz

Chief Executive Officer, President & Director, Anterix, Inc.

Sure. So thanks, Simon. Good morning.

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Simon Flannery

Analyst, Morgan Stanley & Co. LLC

Good morning.

Q

Robert Schwartz

Chief Executive Officer, President & Director, Anterix, Inc.

The answer simply is yes, still affirming our objective and our target of \$1.8 billion by fiscal 2024. We are – as I mentioned in my comments and some of the responses earlier, still see lots of signs of why this growing demand – while the processes individually take a lot of time, everything is moving forward in a really strong and powerful way. And I think this platform announcement and support is just another sign of that. And as we see this collective solution coming together, we think it makes it even easier for utilities to understand and transact.

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There's a number of signs of where our confidence come from. The experimental licenses that you've seen, the letters of intent we're talking about, we didn't really touch on it yet, but the federal funding we see as a coming stimulus as well, and we've been having conversations with utilities about that and seeing some good interest that we think, for those who are outliers, it can help push them forward in a timely basis as well.

And so overall, we see the seasoning of the market continue to happen. The speed of each individual transaction, absolutely frustrating that it doesn't go as fast as we'd like, but we haven't seen anything indicating that there isn't forward movement across the board. Anything, Ryan, you want to add to that?

Ryan Gerbrandt

Chief Operating Officer, Anterix, Inc.

Yeah. I'd like to add one thing. I want to come back – so, we talked a little bit about kind of the evolving strategic imperative as it relates to the complexity in terms of how we're engaging the deals. But there's a flipside to that that I think is very positive to your question, Simon. That strategic imperative and the fact that we are seeing this elevate into a C-suite issue, and private LTE and broadband being directly relatable to the solution set that utilities are exploring for reliability, for clean energy goals, for providing cyber protections only furthers reinforces the logical outcome and the critical importance that private LTE is playing both in their near-term tactical plans and in their broader strategic plans.

A

And so, those indicators are critical as we're seeing the general trajectory, time aside for a minute, but in terms of the big picture of how we see adoption ultimately play out. And all of those indicators only further reinforce what we've been hearing from the market for a while in terms of the logical trajectory that they're on with private broadband.

Simon Flannery

Analyst, Morgan Stanley & Co. LLC

Right. And one quick...

Q

Robert Schwartz

Chief Executive Officer, President & Director, Anterix, Inc.

I think...

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Simon Flannery

Analyst, Morgan Stanley & Co. LLC

Go on.

Q

Robert Schwartz

Chief Executive Officer, President & Director, Anterix, Inc.

Go ahead, Simon.

A

Simon Flannery

Analyst, Morgan Stanley & Co. LLC

Yeah. I just had a clarification for Tim. The \$55 million in contracted proceeds through mid-2026. How much of that are you expecting to receive this coming year?

Q

Timothy Gray

Chief Financial Officer, Anterix, Inc.

Yeah. Simon, thanks for the question. Our expectation is that we will get about \$25 million to \$26 million of that this fiscal year.

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Simon Flannery

Analyst, Morgan Stanley & Co. LLC

Great. Any color on quarters?

Q

Timothy Gray

Chief Financial Officer, Anterix, Inc.

No, that's a little bit of a moving target as we deliver spectrum. But based on the parameters of the contracts, this fiscal year, we should receive those dollars.

A

Simon Flannery

Analyst, Morgan Stanley & Co. LLC

Right. And then I was interested in the ecosystem announcement on the reference to a multiband communications module. I know a lot of utilities are looking at CBRS along with the 900 MHz, but any clarification or color around that would be great, how that fits in.

Q

Robert Schwartz

Chief Executive Officer, President & Director, Anterix, Inc.

Yes. So, the module that we've referenced in our release, the multiband communications module, as you know, we're working with numerous utilities that either have CBRS licenses or using unlicensed CBRS, and we see the

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integration of that as we've talked about for a while as being a really strong complement, having a communications module. And this is – for those who don't know this, it's the card that gets slotted into most communication devices, especially those that are used for fixed wireless like a Cisco or GE device that puts it on a cellular network.

The commonality of those cards to have multiple bands, CBRS and 900 MHz plus other bands of carriers, so they have the ability to deploy it immediately, start on the carrier network and evolve on to your private network as it gets built out. So, we see that as being a highly functional product. And it's a great example of kind of the crowdsourcing that we did across the ecosystem of the vendors that all needed this, utilities that were asking for it. But there was no one at a central point that was going to take the collective action to help develop it and create the economic benefit for the industry and for us and our shareholders.

Simon Flannery

Analyst, Morgan Stanley & Co. LLC

Q

Right. Thank you.

Operator: [Operator Instructions] Your next question for today is coming from Mike Crawford with B. Riley. Mike, your line is live.

Mike Crawford

Analyst, B. Riley Securities, Inc.

Q

Thank you. Do the letters of intent include proposed megahertz for pop ranges?

Robert Schwartz

Chief Executive Officer, President & Director, Anterix, Inc.

A

I'm sorry, Mike, could you repeat that question, please?

Mike Crawford

Analyst, B. Riley Securities, Inc.

Q

Do the LOIs include proposed pricing ranges in terms of megahertz-pop of areas served by the entities that have entered LOI with you?

Robert Schwartz

Chief Executive Officer, President & Director, Anterix, Inc.

A

Yeah. So, I would say the LOI's range in what's in them, contained in them, and they're all under NDAs. So, I can't really reveal the specifics. But in general, there are indications of directional interest in getting the contract and contract specifics, including pricing as well. And so, for us, it's just, again, another indication directionally of the volume of utilities. It's a path forward, not the only path forward, Mike, and we see it as just a good indication from those three utilities about their commitment to move forward.

Mike Crawford

Analyst, B. Riley Securities, Inc.

Q

And those indications, would that be consistent with the 600 megahertz and AWS-3 auction guidepost that you've been using to guide discussions previously?

Robert Schwartz

Chief Executive Officer, President & Director, Anterix, Inc.

Yeah. We're still confident, Mike, about fair market value being in that range, for sure. And so, all of our conversations end up in that zone from our experience to date. As you know, it's a wide range, but it is what defines fair market value for us. And that includes the conversations with the parties that are in those non-binding LOIs.

A

Mike Crawford

Analyst, B. Riley Securities, Inc.

And I think Dominion serves 7 million customers in 20 states. Do you know what the average guideposts were in those territories in terms of average clearing price in those auctions?

Q

Robert Schwartz

Chief Executive Officer, President & Director, Anterix, Inc.

We can follow up with that. I don't have it offhand, Mike, but happy to share that with you from the information we have. Their service territory, as you know, is public information. And so, it's just the math of looking at those prior auctions. We're happy to follow up with that.

A

Mike Crawford

Analyst, B. Riley Securities, Inc.

Okay. Thank you.

Q

Operator: Ladies and gentlemen, that is all the time we have for questions today. I would like to turn the floor over to Rob for any closing remarks.

Robert Schwartz

Chief Executive Officer, President & Director, Anterix, Inc.

Thank you, operator, and thank you, everybody, for the good questions. Look, we appreciate the patience. This is a – it's an effort for us to drive a de facto position within a very valuable marketplace and provide a very important service for our nation's electric grid. From our standpoint, we see that we have a very valuable asset on our balance sheet that we continue to perfect through all of our retuning. And it's really a question of timing of how we convert that to cash flow. But the asset remains on our balance sheet. And every day that goes by, as we see more and more interest in private networks, we see that the value of that asset continues to increase from our perspective. So, again, thanks, everybody. Look forward to talking to you soon.

Operator: Thank you. Ladies and gentlemen, this does conclude today's conference call. You may disconnect your phone lines at this time and have a wonderful day. Thank you for your participation.

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