



**LICT Corporation**

**Provider of Communication  
Services to Rural America**

**2023**

**Annual Shareholder  
Meeting**

**June 2, 2023**

**STEPHEN J. MOORE**

**Vice President-  
Finance**



# Safe Harbor Statement

## **Safe Harbor Statement**

The information contained herein is current only as of the date hereof; however, unless otherwise indicated, financial information contained herein is as of December 31, 2022. The business, prospects, financial condition or performance of LICT Corporation (“LICT”) and its subsidiaries described herein may have changed since that date. LICT does not intend to update or otherwise revise the information contained herein. LICT makes no representation or warranty, express or implied, as to the completeness of the information contained herein.

Some statements herein are known as “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements include, but are not limited to, statements about our plans, objectives, expectations and intentions and other statements contained herein that are not historical facts. When used herein, the words “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “projects,” “continue,” “outlook” and similar expressions are generally intended to identify forward-looking statements. Because these forward-looking statements involve known and unknown risks and uncertainties, there are important factors that could cause actual results, events or developments to differ materially from those expressed or implied by these forward-looking statements, including our plans, objectives, expectations and intentions and other factors, including those factors discussed under “Risk Factors” in our Annual Report to shareholders for the fiscal year ended December 31, 2021 and other factors discussed in reports that we post on our website, [LICTCorp.com](http://LICTCorp.com). You should not place undue reliance on such forward-looking statements, which are based on the information currently available to us and speak only as of the date hereof. LICT does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

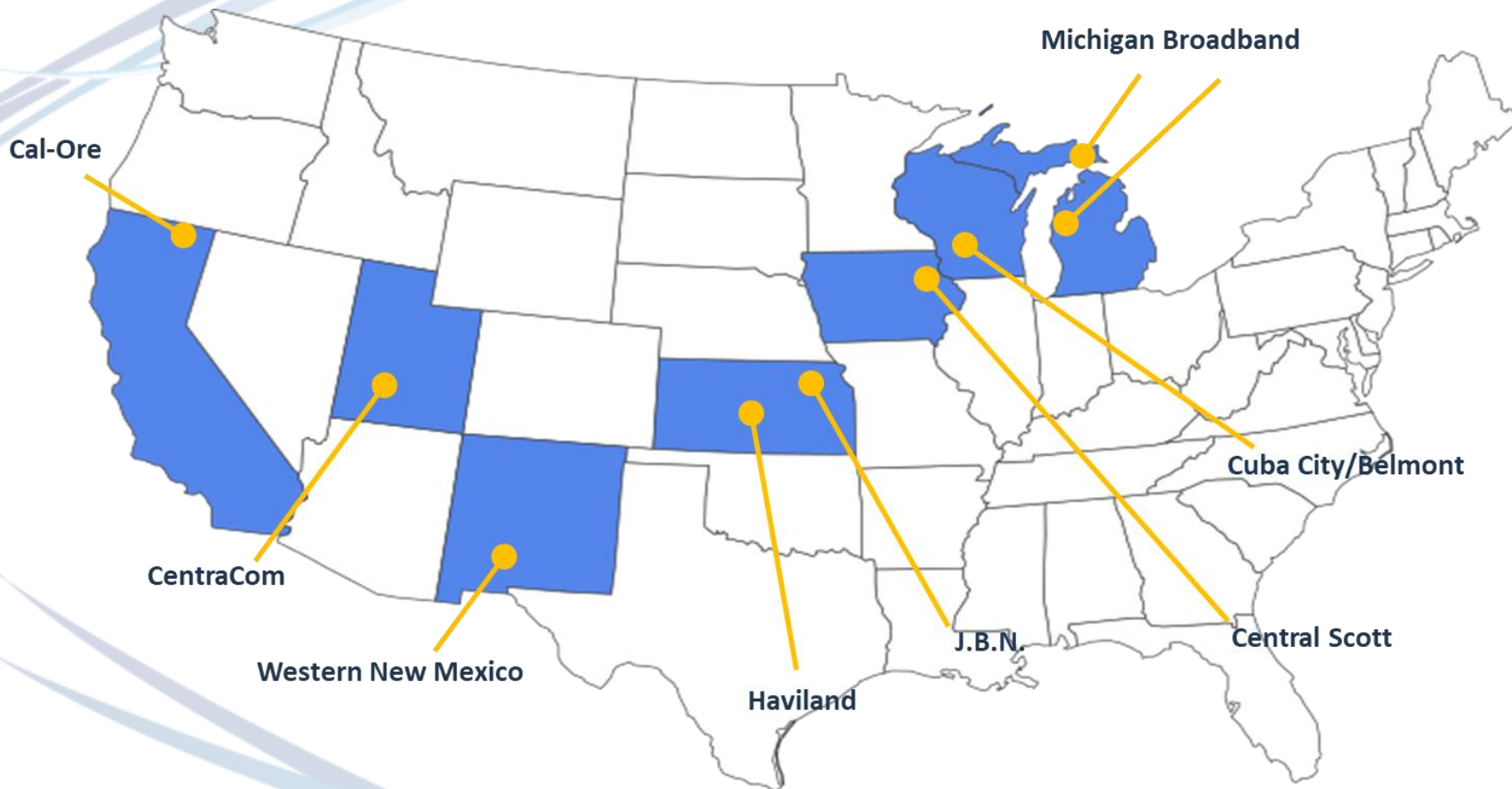
## **Non-GAAP Financial Measures**

The Company uses certain non-GAAP financial measures in evaluating its performance. Throughout this presentation, reference is made to EBITDA, Free Cash Flow and adjustments to GAAP and non-GAAP measures to exclude the effect of special items. Management believes the non-GAAP measures are useful for investors because they enable them to view performance in a manner similar to the method used by the Company’s management. Free Cash Flow may also be useful to investors in assessing the Company’s ability to generate cash and meet its debt service requirements. In addition, management believes that the adjustments to GAAP and non-GAAP measures to exclude the effect of special items may be useful to investors in understanding period-to-period operating performance and in identifying historical and prospective trends.

The non-GAAP financial measures, as used herein, are not necessarily comparable to similarly titled measures of other companies. Furthermore, these non-GAAP measures have limitations as analytical tools and should not be considered in isolation from, or as an alternative to, net income or loss, operating income, cash flow or other combined income or cash flow data prepared in accordance with GAAP. Because of these limitations, EBITDA and Free Cash Flow should not be considered as measures of discretionary cash available to invest in business growth or reduce indebtedness. The Company compensates for these limitations by relying primarily on its GAAP results and using the non-GAAP measures only supplementally.

The information in this document should be read in conjunction with the financial statements and footnotes contained in our documents posted on our website.

# LICT Today



# Background

- **Assumed control of Lynch Corporation in 1985**
- **LICT spun-off from Lynch in 1999**
- **Made first Rural Local Exchange Carrier (RLEC) acquisition in 1989**
- **In Total -**
  - **34 acquisitions**
  - **8 spin-offs**

**E**

**S** - Charitable Giving

**G**

# S - CHARITABLE GIVING

2022 Shareholder Contribution

**\$1,051,000**

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**\$100.**

PER SHARE





**DESIGNATED  
CONTRIBUTION  
SINCE INCEPTION**

**\$8.5 MILLION**

**S - Service**

**A - Affordability**

**A - Availability**

**S - Speed**

# Initiatives

- **Michigan Spin-off**
- **Wireless New Co – Sound Broadband**
- **Acquisitions**
- **Strategic Review**
- **Execute build plans**

# Surge in Public Funding

- **Federal (RC3 & RC4) /State Loans and Grants**
- **Infrastructure Bill**
- **Alternative Connect America Model (ACAM)**
- **State Universal Funds**
- **Affordable Connectivity Program**

# Balanced Growth

- **Accelerated Growth in Broadband**
  - **Fiber**
  - **Fixed Wireless**
- **Acquisition Opportunities**

# CapEx

**Network Expansion**

**Spectrum**

**Acquisitions**

# FINANCIALS

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# Financials (\$000's)

	<u>Unaudited</u>	
	<u>2022</u>	<u>2021</u>
<b>Revenue</b>	\$131,293	\$129,160
<b>EBITDA</b>	\$57,551	\$57,841
<b>EPS - Continuing Ops (excluding one-time items)</b>	\$1,294	\$1,368
<b>Shares Outstanding</b>	17,341	17,871

Note: FY 2022 Financial information included in this presentation are unaudited numbers.

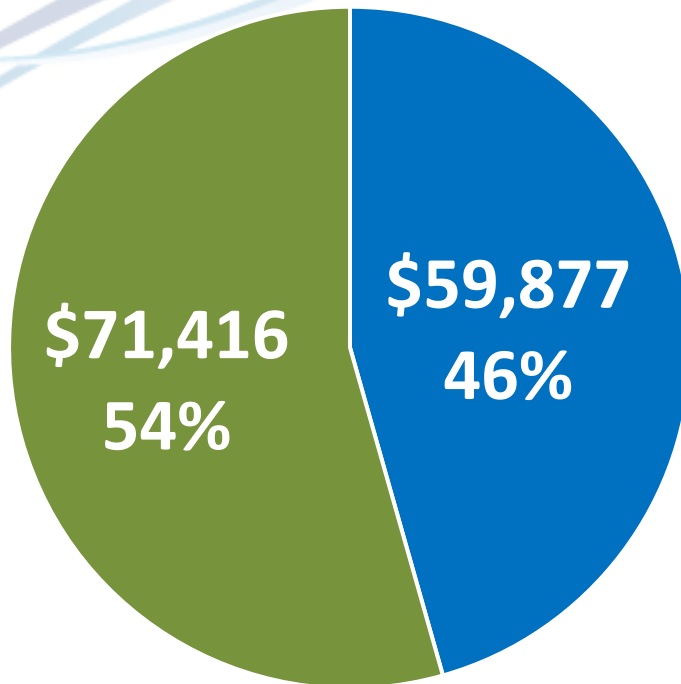


# Balanced Operating Results (\$000's)

	<u>Unaudited</u>		<u>CAGR</u>
<u>Revenue</u>	<u>2022</u>	<u>2017</u>	
Regulated:	\$59,877	\$59,203	0.2%
Non-regulated:	<u>71,416</u>	<u>45,702</u>	<u>7.7%</u>
<b>Total:</b>	<b>\$131,293</b>	<b>\$104,905</b>	<b>3.8%</b>
 <u>EBITDA</u>			
Regulated:	\$27,651	\$28,997	-0.8%
Non-regulated:	<u>29,900</u>	<u>17,496</u>	<u>9.3%</u>
<b>Total:</b>	<b>\$57,551</b>	<b>\$46,493</b>	<b>3.6%</b>

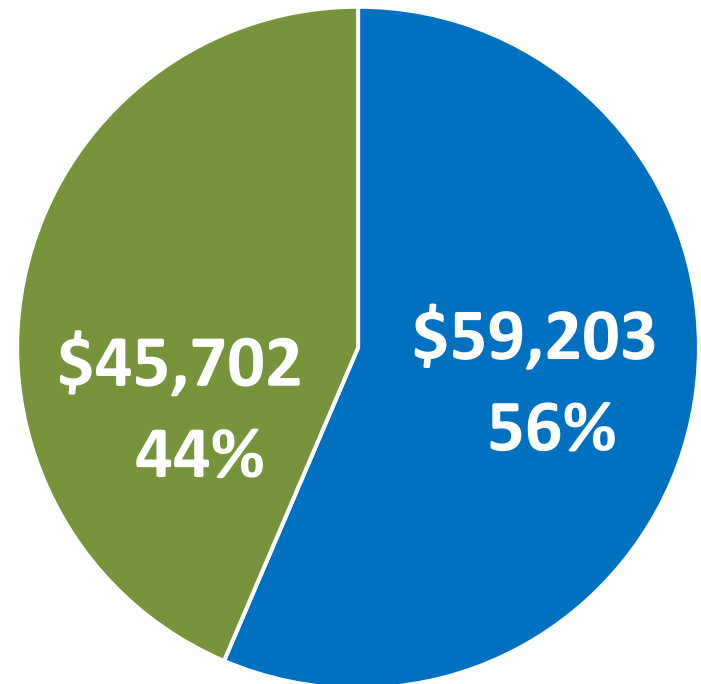
# Improving Revenue Mix (\$000's)

Unaudited 2022



Total Revenue:  
\$131,293

2017



Total Revenue:  
\$104,905

 Regulated Revenue

 Non-Regulated Revenue

# Liquidity and Leverage (\$ 000's)

	<u>Unaudited</u>	
	<u>2022</u>	<u>2017</u>
<b>Cash and Deposits</b>	\$27,257	\$7,054
<b>Debt</b>	38,623	31,001
<b>Net Cash (Debt)</b>	<b>(\$11,366)</b>	<b>(\$23,947)</b>

# Shareholder Compensation

Year	# of Shares Repurchased	Year End Shares O/S
2022	530	17,341
2021	622	17,871
2020	655	18,533
2019	743	19,188
2018	613	19,931
2017	808	20,509
2016	457	21,282

# Investments

- Aureon (Iowa Network Services)
  - Other similar Investments
- Spectrum licenses

<u>Auction</u>	<u>Band</u>	<u>Licenses</u>
108	EBS – 2.5 GHz	46
110	3.45-3.55 GHz	24
107	3.7-3.98 GHz	5
105	3.6- 3.7 GHz	162
1002	600 MHz	2
102	24 GHz	10
101	28 GHz	47
Other		5

# Summary

## History of Shareholder Value

- **Strategic Review**
- **Growth**
  - Incumbent Markets - Maximize Data Speeds
  - Fiber Expansion to Grow and Diversify Revenue
  - Expand Fixed Wireless Broadband
- **Significant flow of funds for Broadband**
- **Giving back to strengthen communities**

**THANK YOU**

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