



**LICT Corporation**  
**Provider of Communication**  
**Services to Rural America**

**Annual Shareholder**  
**Meeting**  
**June 25, 2024**

**STEPHEN J. MOORE**

**Vice President-Finance**

**CHRISTIAN MUELLER**

**Corporate Controller**

A series of several parallel white lines of varying lengths, slanted diagonally from the bottom left towards the top right, located in the lower right quadrant of the slide.

LICT



# 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, 2023. 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, 2023 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.

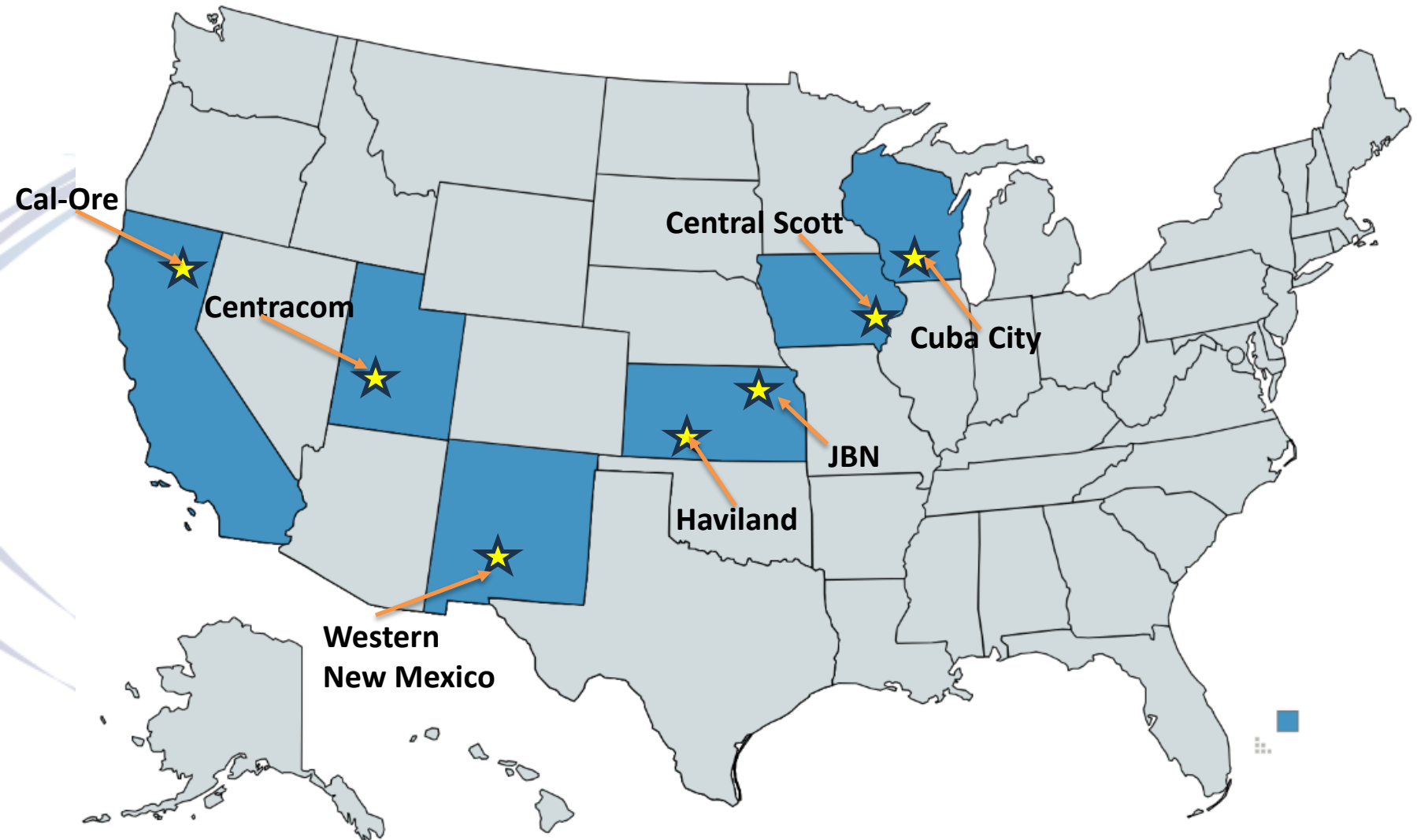
## **Non-GAAP Financial Measures**

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 acquisition in 1989**
  - **37 acquisitions**
    - **Manti in 2023**
  - **9 spin-offs**
    - **Michigan in 2023**
  - **Fiber, Fixed Wireless Growth and Spectrum initiative**
  - **Continued pro-active organic and M&A growth strategy**

# Major Initiatives of 2023

- **Accepted E-ACAM September 2023 for 2024 – 2038**
- **Wireless 5G – Sound Broadband**
  - **8 towers in 8 markets in 3 states**
  - **500+ customers**
- **Continued work on Grants**
- **Completed Spin-off of Michigan**
- **Acquisition of Manti**
- **Charitable**



# CHARITABLE GIVING

2023- \$1,161,000

\$9.6 million since inception in 2016

A series of several parallel white lines of varying thicknesses, slanted diagonally from the bottom right towards the top right, set against a blue gradient background.



**S - Service**

**A - Affordability**

**A - Availability**

**S - Speed**

# Key Strengths

- **Diverse Revenues Streams**
  - Fiber / Fixed Wireless / Cable
  - Business / Residential
  - Regulated / Non-Regulated
    - E-ACAM \$37.2 million annually
      - 2024 – 2038
- **Staff**
- **Rural nature of organization**

# Challenges and Opportunities

- **Government Funding**
  - **Affordable Connectivity Program-Ended May of 2024**
    - **LICT continues support through January 2025 for LICT those customers that were already participating.**
    - **Congress & FCC look for funding to replace this program.**
- **Pricing - In competitive markets**
- **Buildout**

# Surge in Public Funding

- **Enhanced Alternative Connect America Model (E-ACAM)**
- **Universal Service Funds**
- **Federal/State Loans and Grants**
- **Infrastructure Bill - Bead**

# Growth Strategy

- **Expand Fiber & Fixed Wireless Network**
  - E-ACAM
  - Out of Territory

# CapEx

**Network Expansion – over next 5 years**

**\$500+ million Gross**

**\$350+ million Net of grants**

# FINANCIALS





# Financials

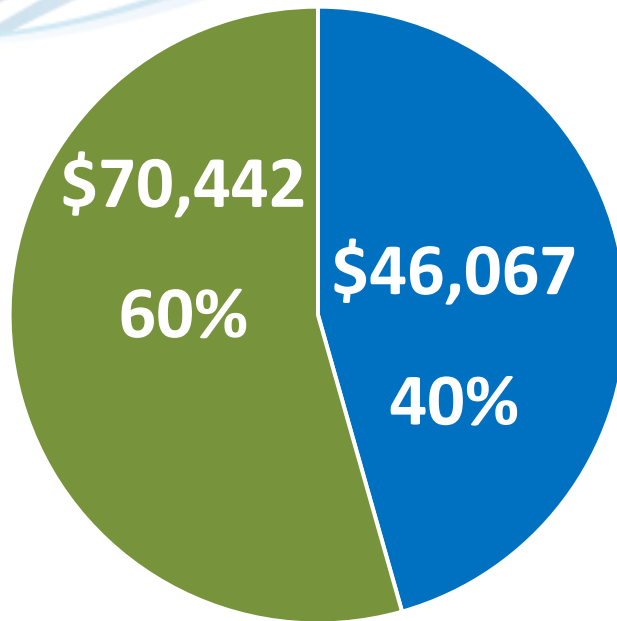
(000's)

	<u>2023</u>	<u>2022</u>
<b>Revenue</b>	\$116,509	\$115,478
<b>EBITDA</b>	\$45,554	\$48,744
<b>Capital Expenditures</b>	\$37,408	\$41,336
<b>EPS-Continuing Operations</b>	\$598	\$738
<b>Shares Outstanding</b>	16,971	17,341

# Revenue Mix

(000s)

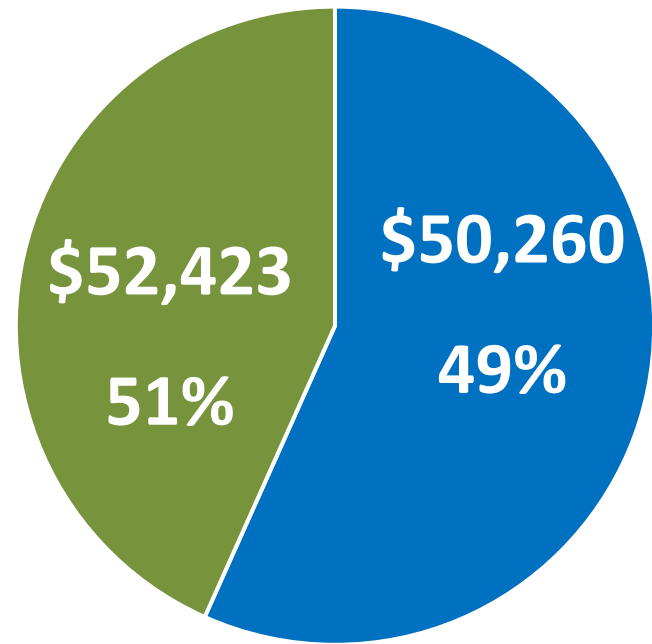
2023



Total Revenue:  
\$116,509

 No-Regulated Revenue

2019



Total Revenue:  
\$102,683

 Regulated Revenue

Both periods exclude Michigan

# Liquidity and Leverage

(\$ 000's)

2023

**Cash and Deposits**      \$26,545

**Debt**      53,452

**Net Cash (Debt)**      (\$26,907)

Exclude Michigan

# Shareholder Compensation

Year	# of Shares Repurchased	Year End Shares O/S
2023	370	16,971
2022	530	17,341
2021	622	17,871
2020	655	18,533
2019	743	19,188

# Investments

- MachTen
- Aureon (Iowa Network Services)
- Brick Skirt Holding (DFT Telephone)
- 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

- **E -ACAM Opportunity – PROJECT SUNSHINE!!!**
- **Incumbent Markets**
  - **Maximize Broadband Speeds**
- **Growth**
  - **Fiber Expansion to Grow and Diversify Revenue**
  - **Use Fixed Wireless Broadband Extend Speed Capabilities**
    - **Quickly**
    - **Economically efficient**
- **Significant flow of funds for Broadband**
- **Giving back to strengthen communities**

**THANK YOU**

A decorative graphic consisting of several parallel white lines of varying lengths, slanted diagonally from the bottom-left towards the top-right, located in the lower right quadrant of the image.





**LICT Corporation**  
**Provider of Communication**  
**Services to Rural America**

**Annual Shareholder**  
**Meeting**  
**June 25, 2024**