

Anterix Inc. (Q4 2025 Earnings)
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Corporate Speakers:

- Natasha Vecchiarelli; Anterix Inc.; President of Investor Relations and Corporate Communications
- Scott Lang; Anterix Inc.; President and Chief Executive Officer
- Christopher Guttman-McCabe; Anterix Inc.; Chief Regulatory and Communications Officer
- Timothy Gray; Anterix Inc.; Chief Financial Officer
- Ryan Gerbrandt; Anterix Inc.; Chief Operating Officer

Participants:

- George Sutton; Craig-Hallum; Analyst
- Michael Crawford; B. Riley Securities

PRESENTATION

Operator: Good day and thank you for standing by. Welcome to Anterix Fiscal Fourth Quarter 2025 Earnings Conference Call. (Operator Instructions) Please note that today's conference may be recorded.

I will now hand the conference over to your first speaker host, Natasha Vecchiarelli. Please go ahead.

Natasha Vecchiarelli: Thank you, Operator. And good morning, everyone. I'm Natasha Vecchiarelli, Vice President of Investor Relations and Corporate Communications. Welcome to our fiscal '25 fourth quarter investor update call. Joining me today are Scott Lang, President and CEO, Tim Gray CFO, Chris Guttman-McCabe, Chief Regulatory and Communications Officer, and Ryan Gerbrandt, COO.

Before we begin, please note that today's discussion may include forward-looking statements regarding our outlook, operations and expected performance. These are based on current assumptions and subject to risks and uncertainties. We do not undertake any obligation to update forward-looking statements. We encourage you to review our SEC filings, including Forms 10-K and 10-Q, for a detailed discussion of these risks, which are available on our website.

With that, I'll turn the call over to Scott.

Scott Lang: Good morning, everyone. I am excited to give you a brief update on the progress we have made since our last earnings call where we announced three important initiatives to drive growth for Anterix that will return value to our shareholders, our employees and deliver great benefits to our customers.

First, we committed to focus on optimizing our cost structure and streamlining our operations. We are already seeing these benefits that Tim will cover in detail shortly. Second, we launched AnterixAccelerator, designed to test the correlation between price and action in the industry. We are very pleased with how this initiative has ramped up during the quarter. As of today, we are oversubscribed, with utilities that are in active discussions and negotiations for the \$250 million of spectrum we made available as part of the program. What we are seeing is clear. The demand for 900 megahertz LTE continues to be strong.

And finally, the strategic review process that Morgan Stanley is leading has been active and continues. We entered it from a position of strength with 0 debt, nearly \$150 million in outstanding contracted proceeds, a \$3 billion pipeline, a proven deployment model, and a disciplined cost structure. We have no predetermined outcome, particularly at our current market cap. This initiative continues, and we will keep you updated as appropriate.

Before I introduce Chris to give us an update on the FCC process, I want to address a question that we've been asked about other spectrum choices that may become available to the utility industry. One of those that might be more well known is at 800 megahertz. We are confident that our economics, along with our market leadership of actual deployments and our long-term commitment to the industry, will continue to be the utilities' preferred choice. To reinforce this, our current 3x3 offering is being deployed at scale and is already delivering the robust and powerful bandwidth that utilities need to meet today's demands and support virtually any use case well into the future.

But as we have said before, we are not standing still. We are pushing forward. Our momentum toward a 5x5 future is accelerating, unlocking even greater potential for the digital grid. We are in a strong position as the market leader. We will continue to be aggressive to drive value for this company, and I am excited for our future.

With that, I will hand it over to Chris.

Christopher Guttman-McCabe: Thank you, Scott. And good morning, everyone. I'm excited about the momentum we've seen since the last investor call. To recap, earlier in 2025, the FCC developed and adopted a Notice of Proposed Rulemaking to modify the 900 megahertz rules to allow for a 5x5 megahertz opportunity.

Since our last call, both the initial comment period and the reply comment period have now officially closed. What came through loud and clear in those filings was a course of support from multiple utilities, 20 technology companies like Ericsson, GE, Nokia and more as well as multiple industry associations, all calling for an evolution of the band to support the growing demand for private, secure, dedicated wireless networks.

Again, we're excited about the current status of the proceeding and believe there is a real opportunity to cement the United States as a global leader in smart grid communications as well as private network deployments by authorizing this next phase of broadband

innovation. The case has been made, the record is strong, and we're optimistic about a forward-looking outcome. As stewards of the 900 megahertz band, we will continue to engage with the FCC and with stakeholders in the proceeding in this final stage of the process, urging a timely and favorable outcome. We thank Chairman Carr for his leadership and the commission for its hard work to date, and we look forward to updating you as this proceeding moves towards a conclusion.

With that, I'll turn it over to Tim to walk through our financial performance.

Timothy Gray: Thanks, Chris. And good morning, all. As a reminder, in our fiscal '25, we executed key spectrum sales agreements with Encore and LCRA, two critical steps in expanding 900 megahertz broadband coverage across Texas. We've now contracted spectrum that covers 93% of Texas counties, creating a powerful regional deployment model that can be replicated nationwide. In addition, these deals for a combined \$116 million represent our best year of contracted proceeds.

We also received milestone payments of \$44 million from Encore and \$8.5 million from Amarin and successfully accelerated delivery of spectrum to a customer ahead of schedule resulting in an additional \$34 million in cash received at the end of January. We closed the fourth quarter of fiscal year '25 with over \$47 million in cash and no debt, a position we view as a meaningful strategic advantage.

Additionally, we have approximately \$150 million of contracted proceeds outstanding with \$80 million expected in fiscal '26. These are not potential deals, they're binding commitments that provide clear visibility and confidence in our future cash flow.

As Scott mentioned, we undertook a thorough review of our cost structure and implemented targeted changes to strengthen our long-term financial discipline. These efforts resulted in roughly a \$4 million reduction to our operating expense run rate from the first half of fiscal '25, enhancing both efficiency and cash flow. Importantly, we achieved these savings without impacting our ability to serve our customers or advance strategic priorities. We're now operating leaner and continue to be well positioned to execute.

As we look toward FY '26, we are entering the year with a healthy cash position, \$80 million in contracted payments expected during the fiscal year, a streamlined cost structure that enhances cash generation, and a capital-light model where customer-funded deployments allow us to scale without incurring significant CapEx. We will continue to focus on monetizing our pipeline, expanding our customer base and delivering value through both strategic execution and financial discipline.

With that, let's open the line for questions.

QUESTIONS AND ANSWERS

Operator: (Operator Instructions) Our first question coming from the line of George Sutton from Craig-Hallum.

George Sutton: I think the real meaningful update is the fact that you're oversubscribed on the \$250-million Accelerator program. Can you just give us a sense of what are the incentives? I assume there's multiple players involved. Is this a first come, first serve scenario? Can you just walk through how these customers are thinking of it?

Scott Lang: Hey George, good to hear from you. It's Scott here. Yes. We launched this, and we've been -- at the last quarterly earnings call we've been very pleased with the energy this has picked up. And there's a number of players involved. The negotiations are very active, and we couldn't be really more pleased. There were -- just to give you an idea, there were well over a dozen utilities that participated in it, and the demand for private LTE 900 megahertz was very strong. And we learned a tremendous amount.

I would also say every one of those utilities have continued to stay engaged and in active conversations. And then a large number of them have continued all the way through to where we're actually negotiating. And you could imagine to see that kind of a ramp up in one quarter in the utility industry. I think it is pretty well in my entire career nearly unheard of one quarter for the utility industry to kind of rally and get behind the demand. And as we said in the prepared remarks, kind of testing this correlation between economics and action, and we couldn't feel better about the position that we're in, with the economics we can bring to the table and the powerful results that we're seeing with our existing customers and how much robustness that they're seeing from the network.

So it's been active. We've been very pleased. The conversations and the negotiations are very active, and we're pleased with where we're at.

George Sutton: So you have a partner program in addition to your program that is part of the Accelerator program. Have some of these utilities begun to engage with some of the partners as a result? And is that part of the negotiation?

Scott Lang: There have been other companies that have participated in the Accelerator program. I'll let Ryan speak to a couple of those in a moment. I would tell you, we're not going to get into exactly which ones or where they're at in their own negotiations. But I will tell you that the consistent theme is the C-level exposure of the importance of making network-first decision really tees up the additional players that are getting involved with bringing these holistic solutions live and standing these networks up.

So -- but Ryan, do you want to talk about a couple of specific companies that have kind of jumped in and been part of the program?

Ryan Gerbrandt: Yes. I'd be happy to. Good morning, George. And yes, what you're noting is we have recognized kind of as we initiated the Accelerator program, still consistent with what we've said before is that spectrum still is just one part of the overall decision-making that we're really trying to bring utilities through where spectrum is the

first of several that they have to make. It was critical as we were contemplating how to help them through that process to encompass as much of the kind of larger technology partners as necessary to help facilitate that.

And we were delighted to have Ericsson, Nokia, and GE jump in, as you saw in the announcement, who defined really what were bespoke products to this project, to this program, meaning that they were unique, that these were unique packages specifically targeted to provide a level of support and acceleration to these utilities and as part of the conversations across the overarching aspects of the program -- of the Accelerator program.

George Sutton: Super. One last question. So I'm curious how the 5x5 could potentially slow somewhat for those who are requiring that as sort of their launch thought process. So hypothetically, if I'm a potential customer, I want to take advantage of this program, but I also know that 5x5 is really my requirement, can I still be involved in this program? Or how does that work?

Scott Lang: George, great question. We haven't seen any hesitation from utilities to jump in with 3x3 when they're seeing the results coming from our existing deployments and the -- how much power that is still remaining in these current deployments that are being pushed and there's still room.

And having said that, I would say they're all excited about our 5x5 plan and the more they learn about it, it makes them even more comfortable that 3x3 is more than enough bandwidth for the many years ahead that they see of any use case they can throw at it. But the trajectory to 5x5 is very powerful for us. And -- but we haven't seen anybody hesitate out of a concern with the just 3x3 at this point in time.

Operator: (Operator Instructions) Our next question coming from the line of Mike Crawford from B. Riley Securities.

Michael Crawford: Who else has recently joined your Anterix Active ecosystem besides Digi International, which put out some news in that regard a couple of days ago?

Scott Lang: Ryan, do you want to take that?

Ryan Gerbrandt: Yes. I could speak a little bit to it. I don't have the full list of kind of who joined recently. I mean he's probably noticing, Mike. I mean we've continued to focus on in partnership with our advisory board, another direction of utility executives of what is necessary as we continue to strategically grow that, and so I anticipate we're going to continue to see a handful of new come in. I think we're somewhere 140, 140-plus of total participants in the program right now.

The Digi announcement you saw was actually a product offering that they put out, specifically an IoT edge gateway that was capable of supporting some edge compute and capacity. A great innovation. I mean I think this is where we're going to continue to see

the intersection of a lot of the AI kind of edge conversation and what we're trying to do. It's a natural evolution of these use cases where connectivity really provides data and real-time access to enable those kinds of more sophisticated solutions as we see it start playing out in the market.

So seeing those product lines come in natively kind of off-the-shelf supporting 900 is exactly what we would expect to see with a growing ecosystem and ultimately being able to put whole things in. So we're pretty excited about it overall.

Michael Crawford: Okay. Then if Grain Management acquires this 800 megahertz spectrum and targets utilities, what would happen if that entity negotiated the deal, what's the utility in the region where you have spectrum? And what would be -- what would you try -- what would be the fallback, I guess, strategy to deploy your spectrum in a region where incidents like that might occur?

Scott Lang: Well there were a lot of ifs there. We -- the more spectrum, the better. We like where we are positioned with 900 megahertz. We like where we are with our proven deployments. And when I talk about proven deployments, remember, seven utilities, \$400 million of contracts have now moved over the last few years from lab to field and they are now providing references for these next wave of utilities that are in the queue and we're negotiating with to expand the 900.

Our economics are extremely powerful of what we can bring to the table. When we look at the current market cap, and the Accelerator program, we still have dry powder, and we're going to continue to be aggressive as the market leader to continue to show our market leadership across this industry.

Regarding 800, I think it could become an alternative. It could become a choice, but we think we're going to be in a great position to continue to be the preferred choice for utilities when they look at it holistically from a -- what they're seeing and what we're seeing in the field, what any use cases on the near-term horizon and the economics that we bring to the table, and the fact that our current 3x3 is very powerful, all the device manufacturers are completely behind it. There is no pause in our plan to get to 5x5. And in fact, as Chris shared in our prepared remarks, we are very pleased with the progress of that.

So I guess that would be my -- hopefully, that kind of starts to frame of how we're thinking about it, Mike?

Michael Crawford: Yes. Then just maybe final question for me is how -- it's nice that you have this \$150 million to \$160 million of contracted proceeds coming in, in the next couple of years. Do you have any goal for how much you would like to add to that in deals signed in the next, say, 12 to 18 months?

Scott Lang: Tim, do you want to talk a little bit about kind of what -- how we're looking at our next 12 months, rest of this fiscal year, please?

Timothy Gray: Sure. So Mike, our internal goals are to grow from the \$116 million that we had last year, which was the best year that we've had. We believe with the Accelerator program, we're going to be able to do that quite successfully. I'm not going to give any specific set of numbers, but we think we project that we will be able to grow a pretty significant percentage from the \$116 million that we did last year in contract proceeds.

Operator: And I will now turn the call back over to Mr. Scott Lang for any closing remarks.

Scott Lang: I want to do a call out for our customers that are really teamed up with us in full partnership to drive this movement across the industry. I want to thank my team and the Anterix team that are continuing to drive great results that I have a pleasure of seeing every single day, all of our partners, and the customers that we're in conversations with and negotiations with. We're excited to be great partners and great stewards in the industry. And I look forward to checking in with all of you in the next quarter or so and continue to share the progress that we're making in the company.

That's it for now and I hope you all have a great day. Thank you.

Operator: This concludes today's conference call. Thank you for your participation. You may now disconnect.