Anterix Fourth Quarter Fiscal 2026 Earnings Conference Call
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Participants

- Natasha Vecchiarelli, Vice President of Investor Relations and Corporate Communications, Anterix
- Scott Lang, President & Chief Executive Officer, Anterix
- Christopher Guttman-McCabe, Chief Regulatory & Corporate Communications Officer, Anterix
- Elena Marquez, Chief Financial Officer, Anterix

Participants

- Sebastiano Petty, Analyst, JP Morgan
- Michael Crawford, Analyst, B. Reilly Securities
- George Sutton, Analyst, Craig Hallam
- Adam Kelsey, Analyst, Titan Partners

PRESENTATION

Operator: Good day. And thank you for standing by. Welcome to the Anterix Fourth Quarter Fiscal 2026 Investor Update Call. (Operator Instructions) Please be advised that today's conference is being recorded. I'd now like to hand the conference over to Natasha Vecchiarelli, Vice President of Investor Relations and Corporate Communications. Please go ahead.

Natasha Vecchiarelli: Thank you, Operator. And good morning, everyone. I'm Natasha Vecchiarelli, Vice President of Investor Relations and Corporate Communications, and I welcome you to our fourth quarter fiscal year 2026 investor update call.

Joining me today are Scott Lang, our President and CEO; Elena Marquez, CFO; and Chris Guttman-McCabe, Chief Regulatory and Communications Officer. 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 encourage you to review our SEC filings for a detailed discussion, including Forms 10-K and 10-Q, which are available on our website. Please note that we do not undertake any obligation to update forward-looking statements. With that, I'll turn the call over to Scott.

Scott Lang: Thank you, Natasha. And good morning, everyone. As we close my first full fiscal year as CEO, I can tell you that Anterix has never been in a better place. Every aspect of this company is stronger and every aspect is performing. We focused this past year on setting a foundation, and that foundation has us ready for the tailwinds we are now seeing in the market.

Let's start with the performance of this last quarter. Activities with utilities has increased significantly just in the last 60 days. Conversations have moved from education and evaluation to now being anchored on deployment, pricing, and time to value. We see it in the number of active engagements, the volume of commercial discussions underway, the quality of opportunities moving through the pipeline, and a notable step-up in direct pricing requests from utilities returning to the table with an increased level of intent.

And with that, I am pleased to welcome Kim Kerr as our new Chief Revenue Officer. Kim brings deep experience across telecom, infrastructure, and enterprise markets. Her mandate is clear: scale our commercial execution for the next phase of growth. But what is just as important is the broader market dynamic. And you are seeing it play out in real transactions right in front of us. Amazon's planned acquisition of Globalstar to support direct-to-device capabilities, AT&T's $23-billion purchase of EchoStar spectrum, and SpaceX's acquisition of additional spectrum resources all point to the same conclusion.

Scarce licensed spectrum is becoming more valuable, not less. These are deals where the market is putting a real price on spectrum, and that price is climbing. These valuations are not speculation. It is recognizing in hard dollars that spectrum is a scarce and strategic asset, which is what we have been saying for a long time.

The value of spectrum is strong, demand is greater than supply, and that thesis is now coming to shape. This puts us in a position of strength, and we are ready for this moment. You might ask why? The answer is simple. We have done the work to de-risk any licensed 900 MHz investment from our from our first 11 customers and our robust ecosystem of solution developers to our strong financial position.

We also have a unique ability to match the needs of our customers while ensuring that we will monetize the full value of our spectrum. From allowing a utility to start with 10 MHz or start with six MHz and move to 10 MHz; schedule payment terms to match capital availability; deploy a single use case or deploy a wide range of solutions: our flexibility to meet every utility where they are is what makes us a compelling partner.

We recognize that many utilities are under intense pressure to address affordability, yet need and want the benefits that come with private broadband connectivity. Our flexibility is our strength.

Let me go a little deeper on some recent accomplishments. Within a three-month period, we signed four new utilities. Two, that reinforce our strength in the great state of Texas—CPS Energy and Texas-New Mexico Power—and also two in the Northwest region, Benton PUD and Northwestern Energy. Notably, two of these customers moved directly to 10 MHz agreements shortly after the FCC ruling.

Beyond our spectrum monetization, interest in our CatalyX offering has more than doubled since our February earnings call—evidence that customers are not only evaluating spectrum, they are committing to action. As they do, each relationship we have grows well beyond the initial spectrum sale into the recurring revenue opportunities that run these networks.

We are no longer simply participating in a spectrum market. We are positioned to monetize the much larger market being built on its foundation.

But that expansion is not limited to utilities. Licensed low band spectrum is no longer simply a communications input. It is strategic infrastructure and the range of industries competing for that scarce resource continues to expand. Demand is growing. Supply is fixed. Utilities recognize it, the broader market recognizes it.

As Chris will discuss in a moment, these same dynamics are also creating new opportunities to extend the value of our spectrum position. Our work with Lynk Global is one example: exploring additional layers of resilience and coverage including direct-to-device satellite connectivity within this broader architecture.

So, when I step back and look at the year, I see a market that has crossed an important threshold. Utilities have validated the model. Private wireless broadband has moved from evaluation to deployment. Demand is accelerating. Opportunity is expanding beyond utilities and licensed low-band spectrum is increasingly being recognized for what it is: strategic infrastructure.

As we look to the next year, the table is set, and we are in a strong position to execute. With that, I will turn the call over to Chris.

Christopher Guttman-McCabe: Thank you, Scott. And good morning, everyone.

As Scott discussed throughout the company, our focus is on enhancing and unlocking absolute shareholder value for our spectrum asset. That is why we are investigating extending the utilization and monetization of our spectrum across a broader set of use cases including evaluating how 900 MHz can be applied to direct-to-device satellite capabilities.

With Lynk Global, we are testing how enterprise-grade satellite networks can integrate into enterprise-grade terrestrial networks. While much of the direct-to-device discussion today is consumer-focused, we believe a larger long-term opportunity may be in the enterprise and critical infrastructure space where continuous connectivity is paramount. In this context, satellite can extend coverage where terrestrial infrastructure is not yet deployed and provide a resilient overlay where networks already exist.

Our testing with Lynk will span a range of devices including LAN mobile radios, smartphones, ruggedized computers, routers, and edge devices that will underpin the integration of AI, and we will complete this testing across multiple geographies.

Initial testing has been successful, moving this from a concept to early technical validation. We are assessing how this capability could be productized through integrated solutions, standalone capabilities, or broader ecosystem participation. The point is simple. We are in a great position to investigate every opportunity that captures value for our spectrum. With that, I will turn the call over to Elena.

Elena Marquez: Thanks, Chris. And good morning, everyone. I will start by reviewing our fiscal 2026 financial results. Our balance sheet is stronger than ever, and I'm pleased to share that we generated positive cash flows in fiscal 2026. We initially anticipated $80 million in cash receipts, but due to accelerated customer deliveries and strong execution from our spectrum teams, we collected $127 million.

We ended the fiscal year with no debt and over $98 million in cash, not including escrow deposits, with approximately $50 million remaining to be collected from contracts already signed. Turning to the income statement, currently our GAAP revenue represents the amortization of our long-term spectrum leases to customers.

Our quarterly gap revenue increased to approximately $2 million from $1.6 million in prior quarters, driven by license deliveries to customers during the second half of our fiscal year. Importantly, our fiscal 2026 results are largely driven by the gains on sale of spectrum, along with non-cash exchange gains associated with spectrum conversions from narrowband to broadband licenses. Through fiscal year-end, we converted narrowband to broadband licenses across 119 counties, resulting in a $105-million in non-cash exchange gains.

We also sold broadband licenses to customers covering 155 counties and recorded $34.8 million in gains on sale. Coupled with lower operating expenses, this resulted in a net-income and EPS-positive year.

In our forthcoming Form 10-K, you will also see an update to our Revenue Recognition Policy that reflects our evolving commercial approach to best meet our customer needs.

Historically, our go-to-market strategy was centered on a long-term spectrum leases with sales generally limited to certain complex system designated areas. As the market has matured, utilities have become increasingly focused on selecting the ownership structure that best aligns with their operational, regulatory, and financial objectives.

In response, we have evolved our commercial approach to provide greater flexibility, meeting customers where they are, and supporting deployment through either lease or sales structures. As a result, beginning with these transactions and going forward, revenue and cost of sales associated with spectrum sale agreements will be recognized on a gross basis in accordance with ASC 606.

Looking more strategically at our monetization opportunity, to date, we have contracted only 15% of our nationwide spectrum on a MHz-POP basis through long-term leases and sales. Importantly, the majority of our remaining spectrum assets concentrate in some of the most valuable markets in the country, sitting within the top 20 metropolitan areas where scarcity dynamics are most acute.

It is increasingly clear that both our historical average contract pricing and broader market comparables on a per MHz-POP basis far exceed those implied by our current market valuation. With this context, we are pursuing all opportunities to extract maximum value for our shareholders.

In closing, we're a company backed by a scarce asset in high demand with fixed supply. We're well positioned with a strong balance sheet and a lean model. Our focus remains on disciplined financial execution, continuous spectrum monetization, and capturing spectrum-adjacent recurring revenue, all aimed at delivering long-term shareholder value.

With that, I'll turn it back over to Scott.

Scott Lang: Thanks, Elena. Let me put all the information we just discussed into a broader context.

Any device that consumes, monitors, or controls the flow of critical data, whether in utilities, industrial operations, logistics networks, satellite, or other mission-critical environments, needs secure, deterministic connectivity, and that connectivity is scarce. Demand for it is expanding. The supply of spectrum that can deliver it is fixed.

That is the intersection we sit at: the one we have been building toward deliberately from day one. We do not see this dynamic changing. We believe it is where the most durable value in this market will be created. And capturing that value for our shareholders is exactly what we intend to continue to do. We love the position we're in. Thank you for your support. Operator, we are ready for questions.

QUESTIONS AND ANSWERS

Operator: As a reminder, if you'd like to ask a question at this time please press star one one on your telephone and wait for your name to be announced. To withdraw your question, please press star one again. Please stand by while we compile the Q&A roster. Our first question comes from Sebastiano Petty with JP Morgan.

Sebastiano Petty: Hi, thanks for taking the question. Scott, in your prepared remarks, you touched on the CatalyX conversations you're having. Any update on, you know, is that with existing partners? Are you having maybe follow-on conversations about master services agreement like would you have announced with CPS Energy? And then I guess, you know oh, yes, I'm sorry. And then just my second question, just on the non-utility use cases, obviously seems like there's opportunity growing there and interest.

I mean is Anterix's appetite for some non-utility use cases growing? And is this, you know separate or… with what may come from the Lynk partnership, or are they kind of more ingrained there? Thank you.

Scott Lang: Okay. Thanks Sebastiano, appreciate the questions and good morning. On the CatalyX, first, I'm going to hand it over to Chris to touch on some of the use cases of what we're doing with the spectrum outside of utilities. But on CatalyX—as we've talked about, as we started to shape the product initiatives and our ARR initiatives and the service initiatives, we had the luxury of looking at our existing customer base who were standing up these networks, delivering results and understanding where some friction points are to help them move faster.

There were a couple of that stood out. One of those were CatalyX and is basically the entire SIM management, giving them a "single throat to choke" of our superpower of spectrum licensing, bringing devices onto the network that they are deploying. Every device that gets connected to a network needs a SIM. And we have strong skills within that.

We have strong relationships within that. We have relationships within our ecosystem where we can move faster and have a more simple master service agreement that they can sign versus multiple agreements that they sign. So it helps them eliminate some of the some of the friction to move faster to start getting value from the network when they've bought the network and stood up the infrastructure, the CatalyX solution has really helped.

What I refer to is the fact that it has doubled and the speed of this. I think we launched this a couple one or two quarters ago. Every customer we've talked to has wanted to learn more about it. The new prospects are wanting to learn more about it. And so we've done an enormous amount of education. We are now establishing master service agreements within our contracts and within our deals. And it's moved from understanding it, evaluating it, to priced and paper that's getting in front of our customers.

And so that is what we are excited about, of the increase of the interest, the education of it, and the actual traction we're seeing with not only our existing customers, but all the new customers, like to see this as well. We're not a spectrum speculator, we're in this. we're building a real business, and help them reach the value desperately wanted by the business executives. So that's a little bit of context there for catalects especially just you know to address your question, Sebastiano, but also for any others that want to learn a little bit more of the history on that. But Chris, why don't you touch on the use case?

Chris Guttman-McCabe: Yes, and Scott, one thing to add, the beauty of these products is we can enter into a contract with these products even before a spectrum contract, right? These can help provide, as Scott referenced, to soft landing to a spectrum product, I mean to a spectrum contract. And as we look at these opportunities, clearly they are with existing customers.

You know, we've got, you know Scott hired our new chief product officer, Ross Spero, and you know, in front of existing customers. And clearly this concept of MSAs and these opportunities are being presented, integrated into and as part of our forward-looking.

So Sebastiano, as you asked about the other verticals in the other sectors, you know I want to go back to what Scott said, because I do think everyone in the spectrum world is beginning to realize this. And the quote was, any device that consumes, monitors, or controls the flow of critical data needs private connectivity. And you could apply that to any sector of the 17 critical infrastructure sectors.

So as we look at it, yes, there are inbounds from other sectors coming to us, and yes, we do, and can do an analysis of whether that makes sense, but you did, you zeroed in on that key one which is satellite and direct-to-device. And so we've kicked off an investigation. Actual testing happened the end of last week and into this week. And it all looks great. And so as we say, looking at, I think Elena said, I think Scott said it, I know I said it in our prepared remarks, we're looking at every opportunity to monetize our spectrum to the benefit and to the value of our shareholders. And clearly that includes, you know, looking at these other verticals.

Operator: Our next question comes from Mike Crawford with B. Reilly Securities.

Chris Guttman-McCabe: Good morning, Mike.

Michael Crawford: All right, good morning. First, just to circle back to the – uh -- direct-to-device opportunity: how would Lynk work as its satellites if ever launched any scale would traverse in and out of markets where you've licensed your spectrum to others like utilities.

Chris Guttman-McCabe: Yes. Hi, Mike. So the you know the reality is that the use of this capability is evolving, but we are comfortable that you know from market to market, we can have folks that are utilizing this product and in the next market they may or may not be.

And so whether or not we have legal a portion 15-ish percent from a POPs perspective of the country that that's totally fine there's there's no issue with with that from a technical perspective and you know this is the reality with anyone who's going to utilize direct to device, right? There's, I think, AT&T and Verizon have a petition in front of the Commission right now to use a portion of portion of low-band spectrum where they do not have nationwide licensing of that spectrum.

So we're comfortable that this can be a product if that's the path we go down. And we're excited. Lynk has our bands in their spectrum. We think they're a very viable entity. We're excited to work with them. And we'll see how this all plays out.

Scott Lang: Yes. The first round of testing has gone extremely well on it as well Mike. We've got some of the initial results already. They're terrific and continuing to span the number of devices and the number of tests is only going to increase now.

Michael Crawford: Okay. Thank you for that. And then just to switch to a few quick modeling questions. What are you planning for cash in the future? and total expenses including stock comp for the current fiscal '27.

Elena Marquez: Yes. Thanks, Mike. You know we're obviously very fortunate to be in a very strong financial position with all of the cash that we were able to collect this year with accelerating deliveries. We have $50 million to collect still from the current customers with about $25 million in cash coming in in this current fiscal year. We have lowered our expenses significantly, of course, from about $45 million run rate back in the first half of FY25 to well below 40, I want to say, $37-38 million.

I would expect to be at approximately $40 million OPEX at the most, all-in with one-time expenses in the current fiscal year. You know and of course, we're currently not exactly guiding on the clearing costs as we are, it's the lever that we've always pulled up and down. And now we will be, of course, focusing on not only delivering to the current customers, but only also unlocking the value of the expenses suspended band tied to near-term opportunities.

So of course, as our pipeline continues to move, we will continue moving that up and down. But we did spend about $27 million in clearing last year. I certainly expect it to be a bit more this year, but I think it may be a placeholder for now that you could use.

Michael Crawford: Okay thank you.

Elena Marquez: Does that answer your question?

Michael Crawford: Well, yes. And then given that -- now you're going to recognize spectrum sale revenue on a gross basis. Is that when contracts are signed or when spectrum is delivered or a combo of both? And should we expect you to restate prior financials or not?

Elena Marquez: Yes thank you so much, Michael, great question which you know allows me to clarify some of the points you just raised. So no, absolutely no restatement of prior periods. This is a prospective change really driven by, you know, our go-to-market approach. As it evolves, right, we're being very flexible with our customers and meeting them where they are. And you know, our approach used to be primarily long-term leases. And now of course, as evidenced by the last four contracts, we're very much open to sales of spectrum. And with that, we, you know again, had to reevaluate our GAAP accounting and this was long in the making.

We’re now able to recognize revenue on the gross basis from our sales. So what you will see, again, I’m happy to provide you some guidance on this, again, guided by the current contracts. As you have seen, there’s an uptick in our GAAP revenue in the fourth quarter. So now we’re at about $2 million. So certainly expect that running through from our long-term leases for the four quarters in this current year.

However there will be a $13-million revenue recognition related to CPS energy contract in the fourth quarter as an addition. And that, of course, does not include any new contracts that we may sign this year. Did I answer all of your questions or did I miss something?

Michael Crawford: Well thank you. I’m sorry, can you just clarify again what you said about that $13 million? When is that going to be recognized? It’s going to be in the fourth quarter of fiscal ‘27?

Elena Marquez: Yes. That will be in the fourth quarter of FY27, that is correct. And that is tied, the revenue recognition will be tied to the actual delivery dates of the licenses.

Michael Crawford: Okay, perfect thank you and then just last one for me is, given that we’re 72 out of 90 days into this quarter. Is there -- any further color you could provide on closing costs in this one quarter, as well as potential gain on sale of intangible assets or gain on -- exchange of narrowband for broadband licenses. Just in this one quarter, that’s nearly done.

Elena Marquez: Yes. Thank you, Mike. I am seeing that our clearing costs are fairly consistent to kind of the average that we’ve seen in the past year quarterly. So I’m not seeing a huge uptick in the first quarter as far as the gains are -- gains on sale, I would rather not guide because with the FCC, we could get a license in on the last day of the quarter that could be extremely material, right? So if I guide you, unfortunately, I could be very off, up or down. So I will continue not guiding on that.

Michael Crawford: All right thank you very much.

Elena Marquez: Of course.

Scott Lang: Thanks, Mike.

Operator: As a reminder, if you’d like to ask a question at this time please press star 1-1 on your touchtone phone. Our next question comes from George Sutton with Craig Hallam.

George Sutton: Thank you.

Scott Lang: Good morning, George.

George Sutton: Good morning. You mentioned a notable step up in pricing discussions. I wondered if you could provide a little sense of how broad are… are you referring to that comment to be? Are you specifically referring to CatalyX, or are you referring to the broader set of license opportunities? Okay.

Scott Lang: George, it is probably, I would say it’s broader. I’d say it’s CatalyX, but specifically on that point, I was referring to spectrum. I have now just entered my second, well yes, my second full fiscal year as CEO. So just turning the clock back four quarters. I’ll go even five quarters ago compared to today or any other time that I've understood with some of the history of this company.

Number of active large utilities, small utilities. It's really a branch. There are some… there are some utilities that are smaller utilities that range single-digit millions, and some utilities at the other end of the range, the larger utilities, that are nine-digit numbers. So the range on that is very broad. The diversity is very strong.

And it's well represented in each of those categories from smaller to larger. The consistency is give us some indicative pricing, strong interest of getting to 5 x 5, strong interest in the methodical approach we can give them to bite off 3 x 3 with their pathway and committed to 5 x 5.

Our commitment is we want to monitor monetize the entire 5 x 5. That is what we are doing. That's what we have. We're confident in it. The utilities consistently want it. They see it as a scarce and strategic asset. So everybody we're talking to is really aligned on getting to the 5 x 5, and they like our affordability and the phased approach that we can give... get them there without any risk of a stranded asset from where they are today and where they get there with this affordability challenge that's in front of them.

And so I would tell you, George, there's a lot of excitement within the company and with the team with the activity and the response. and the requests we're getting from utilities. And then of course, on the other side of that is the excitement last week that we just got out of the satellite initial test with Link. and some of the other dynamics we're seeing in the market of the demand for spectrum. And it is only continuing to grow.

We continue to see that will continue to grow. The supply is fixed. Well that's maybe a little longer answer than you were looking for, but I would say that we feel like we're in a really good place, and the energy here is very strong.

George Sutton: So last quarter you made it pretty clear that pricing in effect was going up. You were eliminating new Accelerator program deals. Can you just give us an update on what remains in terms of Accelerator opportunities? Are you still honoring anyone who started those discussions at that time?

Scott Lang: We do not have any broad agreements out there. The seller pricing is over. That has not been renewed. We do not intend to renew that. And the pricing that we're doing now is very customized by each utility, each demand, the value of each market.

So it's a very customized approach that we are working with every opportunity, whether it's in the alternative industries we're looking at that has reached out to us or whether it's specifically with utilities, the size of the utility, it's really a customized approach. The more recent deals that we announced were very strong pricing and they wanted to go to 5 x 5 ASAP.

So it really ranges, but the net of the answer is there are there are no new Accelerator deals that are active right now. That program is closed. And the other one, the pricing is very strong. And we have flexibility, but we also have a very scarce asset that we can… will be paid accordingly for that asset.

But I look at our current appreciation of where we are. And Elena touched on this. The price per POP backed into our enterprise value now gives us an enormous amount of headroom before we even begin to touch the value of our spectrum and the pricing we're putting on the table as a result of the demand, the scarcity, of what we have and the value, the nature of its strategic value that it brings to the utilities.

George Sutton: Got you thank you for that one question on the product side. So, I know Ross is in the in the midst of hopefully finding 10 products in terms of things that you can offer in the ecosystem. And we've basically announced two and slash three if we include satellite. Elena has talked about an eight to one revenue opportunity relative to your license value that you would receive. Can you just give us a sense of what is a rational expectation for you to see in a typical market over time relative to that eight-to-one opportunity?

Scott Lang: You're referring specifically to the adjacent new products.

George Sutton: Correct. Correct.

Scott Lang: The products. ARR. Okay. You know Ross and I had a, we talked very deeply on this. What we will not do is chase every rabbit. There's a lot of opportunities. There could be a lot of, we'd chase a lot of rabbits right now. We're not going to do that.

We are singularly focused on building products and reducing friction that helps us sell spectrum and helps utilities get the value of spectrum faster. The first two we identified were CatalyX and TowerX, the agreement we established with Crown Castle for nationwide tower access. There are a couple of new ones that Ross is doing a terrific job with his team. They were in early stages of discussing that existing customers have highlighted. That we're starting to hear about and see in the market. It's early for me to indicate what those are today, but there are a couple of early stage things we're looking at.

But we also want to deliver on some of the ones we've already launched, and they're doing a really nice job where it's turning into paper, it's turning into real clarity, into a real value proposition that utilities can put their teeth into.

So I'd love to give you a number of what we expect that to look like this year. It's a little early. I'd like to see a couple of these wins turn into a real financial P&L business model, and then we'll be ready. But it has become part of the -- of the metric this team is accountable to deliver to our board and to, therefore to our investors.

So for the first time this company now has a performance metric that we are being measured by the team, that this is an important aspect of our company because it helps us sell spectrum, it helps our customer be successful and it also addresses a broader opportunity that Elena and Chris referred to. But I think we'll be in a place where we can start sharing some specifics. And put a time on it, but that would be our goal.

George Sutton: So finally, just more of a comment, but you mentioned single-digit million opportunities and then nine-figure opportunities. If we're taking a poll, I would prefer the nine-figure opportunities.

Chris Guttman-McCabe: I would too.

Scott Lang: Well, you know, we like all of our children. We love all of our children. We love it all. So listen, it's all good. We're really in a good place. We like where we're at. There's been a lot of work by this team. I just can't say enough about how hard this team is working and how fun, thoughtful, engaged our board is, and our customers at the table, and really the teamwork going on, not just within the company, but just all of our ecosystem partners, it really has taken a village and everybody's working nicely together. It's nice to see that there's good progress and good excitement. Or for good reason across the company.

George Sutton: All right. Thanks, Ken.

Scott Lang: Thanks George.

Operator: Thanks, George. Thanks, George. Our next question comes from Adam Kelsey with Titan Partners.

Adam Kelsey: Thank you. Scott, staying on the topic of the $8 per dollar multiplier that was referenced. But as the 5 x 5 configuration evolves and the D2D opportunities scale, do you have any comments on how that $8 multiplier may change?

Scott Lang: Is this -- are you referring to the $8 that gets unlocked as a result of every dollar of spectrum that gets purchased?

Adam Kelsey: Correct. I'm curious if that $8 would probably increase now that you're going from 3 x 3 to 5 x 5 and now that we have the D2D opportunity.

Scott Lang: I think everybody's going to want to comment on that. It's pretty exciting as we start to think about it. The notion and the context of the work we did to put the $8 on the table is that the amount of companies and investment necessary, whether it's a D2D or whether it's a satellite company that's enabling D2D, or I mentioned logistics and mentioned some of the other industries out there and specifically for utilities, that the number of dollars that starts we see flowing around us as a result of standing up these network infrastructures is pretty significant.

Some of those dollars we think should run through us, and specifically the CatalyX and the TowerX because it adds a great value to the market to any customer to have those running through us. There are a couple of others that, as I mentioned, that Ross and his team are looking at and will be very deliberate on understanding what those are.

Whether that $8 grows or not, I'm not ready to put a number on that. We did quite a bit of work. We didn't just grab a number out of the air for the $8. So we'll do the same amount of math as we start to see progress as a result with the successful milestones we hit last year on the link test.

Now as we test more devices and we study that more as the impact that our spectrum can create on satellite, directed device, and others, we'll revisit the $8, but I don't see the $8 going down. I see it's fairly well the foundation under the eight and potentially going up. But Chris, do you want to add anything?

Chris Guttman-McCabe: Scott, I agree with everything you said. Adam, I do love the way you're looking at it, right?There is an element of if you build it, they will come in the sense that, you know we were at DistribuTECH, we had our four of our customers on a panel, they all talked about crossing over in the next few years, a million devices on their network, right?

And so we can all, I think, envision a future where the what these networks are being used for and the products that are being developed will evolve I think Scott's right- you know specifically we're not we're not going to revisit the eight dollars yet but- six months ago we weren't talking at all about a product being satellite connectivity, direct-to-device, right, and no one was in in in the private, you know, network utility space so, you know, the reality of connectivity opportunities is changing, and we're excited to be where we are. Our teams are sitting it with existing customers extensively talking about these experiences and coming up so we you know we're we're excited about where we are- but. It is all evolving as we are sitting here.

Adam Kelsey: Great. And one follow-up from me, Scott, you also mentioned ongoing conversations or at least initial conversations with non-utility potential customers. I know when, way back when we were undergoing the first initial NPRM, there were several non-utility customers that were in support of the R&O. Curious if you'd characterize some of these conversations as a continuance from those initial efforts or new non-utility customers coming to the table.

Scott Lang: I would say it's both. You know where Chris and I are looking and going through our list here of companies, and it's a little bit of both. It's not surprising that the ones that have always been out there had a need for connectivity as part of their really critical aspects of their business and just driving more connectivity. The new ones coming into play, certainly the FCC clearance to 5 x 5 has hit the radar screen of companies that really are excited about engaging with us on our journey and seeing our progress. So it's a little bit of both, I would say.

Chris Guttman-McCabe: Yes, and Adam, we're, leading, but also listening and following, right? So you know we have we have customers who are thinking of standing up and well not thinking or pursuing and deploying a network and are looking at providing connectivity to like minded entities within their footprint. Right.

So that alone is driving interest. When you look at, you know LCRA, you know they are looking at providing service. They've been very public about this to entities within their service territory and their service footprint. So I think you're going to see, you're going to begin to get a sense of what those entities are, who they are, what sectors they represent. And some of it's just happening organically with our customer base.

Operator: That concludes today's question and answer session. I'd like to turn the call back to Scott Lang for closing remarks.

Scott Lang: Thank you everyone, for joining. Again, we love where we're at. I've had the opportunity to get in front of a lot of customers over this last quarter. Many times the customers are bringing many people from different parts of the organization. Our story is resonating, we're available now we're proven.

We give them flexibility as our strength message. They love the flexibility as our strength and a pathway for them to be successful with real customers showing real value from these business cases. A full ecosystem coming to the table that helps them get past just a spectrum decision, but really delivering those results.

So when we compare that and the ability for us to put a business case on the table, it really addresses the acute affordability challenges for the industry, but also offers us tremendous ability to take care of our shareholders, take care of our customers, and continue to grow. It's a very powerful message that evolves with their company and the ability for us now with the strength of our ecosystem and the migration happening with devices can give them confidence: confidence there is no stranded asset that they're going to leave behind and to back that up with their timeline of how they want to deploy the networks that's right for them.

It's a very powerful message. And so we love where we're at. There's a lot more demand than there is supply. We have some really good existing customers that are helping us out and really advocating for this. And as the new prospects get around the table, they start to share that excitement and that gets even more exciting for us. So I want to thank everybody for support and we look forward to keeping you in touch with our progress. Have a great day.

Operator: This concludes today's conference. Thank you for participating. You may now disconnect. All right. We're done. Good job.