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OPERATOR: Good afternoon ladies and gentlemen and welcome to the PDV Wireless second quarter update conference call. At this time all participants have been placed on a listen only mode and the floor will be open for your questions and comments following the presentation. Now, I'd like to turn the floor over to your host, John Pescatore. Sir, the floor is yours.

MR. PESCATORE: Thank you. Good afternoon everyone and welcome to PDV Wireless' earnings call for the second quarter of fiscal 2017. Joining me today, to discuss our results are Brian McCauley our Chairman, Morgan O'Brien our Vice Chairman, Tim Gray, our Chief Financial Officer and Robert Schwartz, our Chief Strategy and Development Officer. Before we begin, I'd like to hand it over to Tim to remind us of a few items.

MR. GRAY: Thank you John. Before we begin today's call, I'd like to make some brief comments. Earlier this afternoon we issued an earnings release and filed a quarterly report on form 10-Q with our second quarter results, copies of which are available on the investor relations portion of our website, as well as the SEC's website. Following our remarks, we will hold a question and answer session for analysts and investors.

Additionally, I'd like to remind our listeners that this conference call is open to the public and a recording of our discussion will be available on the investor relations portion of our website. We refer to a non-GAAP financial measure, adjusted EBITDA during today's call. This measure should not be considered an isolation from, or as a substitute or superior to our financial measures prepared in accordance with GAAP. We have provided a reconciliation for this financial measure to the most directly comparable GAAP financial measure in our earnings release. Any matters discussed today that are not historical facts constitute forward looking statements. These statements are based on current management expectations, but involve risks and uncertainties that could cause our actual results to differ materially from those suggested by such statements.

The potential risks and uncertainties include those identified in the risk factors section of our annual report on form 10-K filed with the SEC on June 13, 2016, and our subsequent filings with the SEC. You should not place undue reliance on these forward looking

statements. We speak only as of today. PDV Wireless assumes no obligation to update any forward looking statements, except as required by law. Now, I'll turn it over to John.

MR. PESCATORE: Thanks Tim. In our second quarter, we have continued to see favorable developments in many areas of our business. To start, our Dispatch Plus business continues to make progress and we believe that the actions and programs we're trial-ing and implementing in our seven markets are leading us on the right path forward. The most positive evidence overall is that our sales funnel continues to show improvement and our marketing efforts are generating more and more qualified leads.

In addition, among the areas receiving focus and showing improvement, we've made enhancements to our service offerings and coverage. For example, our family of solutions now includes Dispatch Plus for Smart Phones. A downloadable application, allowing users to directly connect with Dispatch Plus two-way radios. Essentially, this new solution enables a user's smart phone to become a push-to-talk radio while adding the power of Dispatch Plus' suite of applications. Unlike other cellular based push to talk solutions, Dispatch Plus for smart phones is carrier agnostic and is the only phone based push to talk solution that is specifically designed to work with our Dispatch Plus two-way radios. Our intuitive solutions make available to smart phone users, our full suite of workforce management applications, plus wide area push to talk anywhere there is cellular coverage, thereby providing a nationwide foot print. We're excited to have added this dynamic enhancement to our product line.

Turning to sales, to date, our total unit count has grown to approximately 2,800. We're pleased to report that our sales funnel is improving and average churn through the second end of the quarter also remains low; which we believe is a reflection of our customer satisfaction and our success in meeting their needs.

Although we're still developing the Dispatch Plus business, we continue to see progress and return on our efforts and investments in a number of areas, including building out and augmenting our distribution network and growing our customer base. As we've talked about previously, we're trial-ing different approaches to increase qualified leads and ultimately revenue. We're very pleased with the early results of our recently formed centralized business development team. They've exceeded our goals for generating qualified leads for our sales channels and they continue to build momentum. In addition, as a result of their efforts and close coordination with marketing and sales

personnel, the quality of our pipeline and our efficiency and managing leads through the sales process has improved.

Turning to the regulatory front: as most of you may already be aware, in September, the FCC Chairman circulated to the Commissioner's offices an item which we believe to be a draft, notice of inquiry or NOI. We see this as progress and Morgan will discuss this further in a few minutes. In the meantime, we continue to engage with willing incumbents and other interested parties to address their questions and work on resolutions to their concerns.

Regarding FirstNet, as we previously disclosed, we received written notice that our proposal is no longer being considered for the award. While we were disappointed in this result, we went into the process knowing we were an underdog but win or lose, we would realize important benefits from our participation. As a result of our involvement, we've established and strengthened relationships with many equipment vendors, service providers, technology firms and other parties that are already benefitting our company's other business initiatives. And in turn, we've raised the awareness of PDV Wireless in the marketplace. We take pride in our leadership team that is experienced and capable well beyond our current business and we intend to continue to explore appropriate growth opportunities outside of the dispatch business.

I'd like to take a minute to provide an update on our development where we continue to explore ways to utilize our existing spectrum and available technologies to offer services to industries, while providing a path to broadband, contingent upon the approval of our joint petition. In that regard, we have been evaluating both off-the-shelf and emerging technology solutions with potential vendors. For example, as part of those efforts we've successfully lab tested equipment that could be used to deliver field area network solutions to critical infrastructure, including utilities and oil and gas companies. We are also evaluating opportunities to utilize our licenced spectrum to improve emerging industrial internet-of-things technologies, to provide enhanced quality and performance, as most of these business models currently depend on unlicensed spectrum.

Additionally, in keeping with sound corporate practice, earlier today, we filed a universal form S-3 Registration Statement, or shelf prospectus with the SEC. A universal registration statement gives us the ability to issue various securities. Given our current cash position, we have no plans to issue any securities under the shelf registration.

Although, having an effective form S-3 could provide us with the flexibility should we need it for future strategic initiatives. Under the SEC rules, the shelf registration will be available for up to 3 years once it becomes effective.

Now I'd like to turn it over to Morgan O'Brien, our Vice Chairman, to provide an update.

MR. O'BRIEN: Thanks John. Good afternoon everyone. I'll start with an update on the regulatory process. As stated in our last call, we have been actively working to advance the joint petition for rule making, which we previously filed with the FCC in partnership with the Enterprise Wireless Alliance to propose the realignment of a portion of the 900-MHz spectrum from narrowband to broadband.

As John highlighted a few moments ago, in September an item which we believe to be a notice of inquiry, was put on circulation for vote by the FCC's Commissioner's offices, which we view as a positive step in the process. The intent of the notice of inquiry is generally for the FCC to gather more information for the record. As it relates to our joint petition, this particular NOI is likely to request additional information on specific issues and proposed solutions raised in the comments in ex parte filed with the FCC. We of course won't know for sure, until we see the actual contents of the NOI which we look forward to receiving.

I do want to be clear that this is not an immediate process, as the item on circulation has no defined time line associated with it and depends on the affirmative vote of a majority of the commissioners. With the upcoming presidential election and its cascading issues, the FCC is likely focused on many other agenda items, which has the potential to push our item further down on the list. However it is worth noting that, Chairman Wheeler has listed the expansion of broadband deployment as a top initiative under his administration. We continue to believe in the merits of our proposal and that our joint petition is consistent with the FCC's stated priorities and precedents.

While waiting for the FCC, representatives of PDV Wireless have met with the Chairman's office and the offices of the other four commissioners regarding our petition and its merits. We have also continued our outreach with utilities and related industry associations and are in detailed dialogue with those willing to sit down with us. We have met with several interested parties and clearly demonstrated the feasibility of working together by signing licence transfer agreements.

We continue to negotiate further such agreements with incumbents. Also worth noting, that utilities who are not incumbents in 900-MHz are interested in accessing new technologies. We are reaching out to them to discuss such services that we may be able to provide. I think that covers the current status of the petition and the actions we continue to take to move this process forward.

Turning to our FirstNet bid, in mid October we received notification that our proposal was not selected to participate in the final bid award process. While we are disappointed to receive this news, we are very cognizant of the fact that actively participating in the FirstNet bidding process has afforded us long term benefits. We spent months with leading edge companies, exploring the frontiers available to e-technology and discovering innovations for broadband applications and services. All of that learning, now forms an essential part of our planning for broadband planning at 900-MHz. I am personally very proud of what we were able to achieve during this process. The preparation in the compiling of our bid, required determination and collective thought, shared among PDV employees and the over 30 partnerships formed with our world class consortium. Together we shaped a very compelling and detailed proposal, which afforded us the chance to be selected in the capability round as a qualified bidder.

Though we cannot pretend to be in agreement with the decision to exclude our proposal in the remaining stages of the assessment and contract award process, we can take some considerable measure of satisfaction in being among the relatively small group of bidders that stepped up to be considered as the potential builder and operator of a nationwide broadband system that would meet the demanding needs and requirements of federal, state and local public safety personnel. We have always had a keen focus on the critical infrastructure business, which has communications needs, requirements, coverage and reliability similar to that of FirstNet. We have and will continue to be more than willing, to assist our partners with our intellectual assets in any way can. Although we are now out of the FirstNet bid, there are many exciting prospects on the horizon at PDV Wireless and I look forward to working together with our team to see them through the success. And with that, I'll turn it over to Tim, to provide an update on our financials.

MR. GRAY: Thanks Morgan. I will review the key highlights for the company's financial results for the second quarter of fiscal year 2017. My review is not intended to replace the full financial disclosures enclosed in the company's 10-Q filed today or

our most recent annual report on form 10-Q filed with the SEC, and we encourage listeners to review those filings for additional information.

Revenue for the company's second fiscal quarter, ended September 30, 2016, was 1.1-million dollars; compared with 0.8-million dollars for the quarter ended September 30, 2015. For the quarter, the company reported a net-loss of 7.8-million dollars, or negative 54-cents per share; compared with a net-loss of 5.5-million dollars, or a negative 38-cents per share for the same quarter in the previous year's.

The increase in revenue is primarily attributable to the growth of our Dispatch Plus business. Cost of revenue for the three months ended September 30, 2016, was 1.7-million dollars, an increase of 1.2-million dollars from the quarter ended September 30, 2015. The increase primarily reflects the cost to maintain and operate the company's Dispatch Plus networks, including personnel costs, site rentals and maintenance.

Adjusted EBITDA for the second quarter was a negative 6.2 million dollars. That's compared with a negative 4.3-million dollars for the same quarter in the prior year. The decrease in adjusted EBITDA in this year's second fiscal quarter, over the same quarter in the prior year, was due to the decrease in gross margin related to the increased operating costs connected with our ongoing network build-out and additional general and administrative costs to support the growth of the business. This year's second quarter also included approximately 1.6-million dollars of expenses to support the FirstNet bid.

The company continues to have a strong cash position, with 137-million dollars available as of September 30, 2016; which is a decrease from June 30, 2016 of 6.2-million dollars. Our spending on the FirstNet Bid decreased significantly from the prior quarter and based on Morgan's earlier comments, we are winding down the efforts while maximizing the value to the existing business. Beyond these costs, we don't expect any significant additional FirstNet related costs moving forward. And as John mentioned earlier, the universal shelf registration statement will provide us with additional flexibility should we need it for future strategic initiatives. That concludes our prepared remarks. Now, I would like to turn it back over to the operator to facilitate questions.

OPERATOR: Thank you very much Ladies and Gentlemen, the floor is now open for questions. If you do have any questions or comments please press "star one" on your telephone keypad now. Pressing "Star two" will remove yourself from the queue should your question be answered. And lastly we ask that while posing your question, please pick up your handset if

listening on speaker phone to provide optimum sound quality. Again, to ask a question please press star-one now. Please hold while we poll for questions.

Okay, I'm showing no questions so far. I'd like to remind the listeners that if you do have a question, to please press star-one on your telephone keypad now. We have a question coming from Brett Gardner. Your line is live. My apology, Brett, it looks like you've left the queue. If you do have a question, please press star-one now. Okay Mr. Gardner, your line is live.

MR. GARDNER: I'm sorry about that, I don't know what happened. I don't think tangibles increased, probably about 200,000 out of this quarter. Was that spectrum purchases?

MR. GRAY: This is Tim. Yes. We closed one transaction in the quarter to buy some more 900-MHz spectrum. We won't give you more details about that but, it was for roughly \$200,000.

MR. GARDNER: Okay, so you can't comment on whether the price is higher than it's historically been, or can you give any color on that?

MR. GRAY: It's in the range of what we've been purchasing spectrum for in the transactions that we've been making over the past year to eighteen months.

MR. GARDNER: Okay great, thank you.

OPERATOR: Thank you very much ladies and gentlemen. The floor remains open for questions. If you do have any questions or comments, please press star-one now. Okay and we'll take our next question from Mark Fleischauer. Your line is live.

MR. FLEISCHAUER: Hi guys. I guess Morgan, this is for you. Could you give us, to the extent you can, any update or progress with respect to some of the incumbents in the 900-band that you're working with, in terms of testing some of the potential issues that may come to fore in the NOI?

MR. O'BRIEN: Hey Mark. We actually aren't testing. We're in discussions and there at some point, we may do testing based on what the NOI suggests. But I would say that for the most part, we're able to, when we're talking to these guys, we're able to resolve the issues that they have if they're just willing to listen to us.

MR. PESCATORE: And Mark, we've done internal work from an engineering and technology standpoint, and over the last, from the beginning, that work has formed our optimism relative to the ability to resolve the issues that have been raised on the record. And ultimately, as I think we've said before, having the NOI out or information from an FCC perspective about this, provides a better foundation on which to adjudicate any of these type of issues that come up.

MR. O'BRIEN: Right, Mark, if you mean by testing, a particular licensee wants us to construct facilities at a certain location, and then they find out whether or not there are interference problems, we have not done that. At this point we just haven't gotten there.

MR. PESCATORE: With a third party.

MR. O'BRIEN: With a third party.

MR. PESCATORE: The issues, I just want to remind everyone, the issues that have been brought up from a technical standpoint, are the types of issues that have been asked and answered in many other re-banding initiatives in the past. And, we of course stand ready to work with any incumbent on the challenges that they see with the petition and we certainly had discussions with some of them and continue to work through any of those kind of problems.

The best evidence is, we do have incumbents that have moved and have/we've done some swaps as you can tell by the license, the FCC database records and, are in fact operating in a new place. But anyway.

MR. FLEISCHAUER: That's helpful. I know that besides interference, there's some other questions with respect to channel spacing and things like that, that it sounds like you guys are making some progress on, when there's a willing party to engage.

MR. O'BRIEN: Yes, and that's exactly it Mark. If we can, if there are off the shelf combiners that operate with 150-kHz spacing, there are off the shelf combiners that operate with 150-kHz spacing. There's nothing to test. The question for these guys is, what happens to their operating area if they properly deploy these combiners? And our response is, nothing.

MR. PESCATORE: But, should there be anything, it's on us to provide comparable facilities. So in that particular example, if there's additional antennas that might have to go up, or the combiners have to be replaced, those are all things as we previously stated, it's our obligation to provide those comparable facilities, but. Some of the best evidence is when an incumbent moves down in the band and operates their network and some of that is happening, but.

MR. FLEISCHAUER: As you've gone through some of this process, or continue to work through some of these things, any update over the last month or two, with respect to whether on the technical front, whether on better understanding as to the usage of a lot of these licenses, whether/which licenses are actually being used? Just any more sense as to the characteristic of these comments. Do you continue to make progress on that or is that something that is hard to do?

MR. O'BRIEN: The answer is, yes we continue to make progress on that. And in making that progress and in getting it to these systems, we do not find anything that we didn't expect to find. And, the systems operate, I mean, they are land mobile radio systems, we are very familiar with

them. A lot of the reaction, and we've said this before, a lot of the reaction is more driven by lawyers than engineers when you read the comments.

MR. PESCATORE: Again Mark, we are positioned, we've been out there in the market on a commercial basis, trying to sit down with utilities and other critical infrastructure companies. Because, we think as we sit down and talk about their future needs and requirements, the incumbents and others, then out of those discussions also the relationships get built. The trust gets there. We have solutions and are working through being able to get out there. We've done more work with industry associations, participating in various regional meetings. And so the outreach effort is expanded. We've got a great team working on it and we've tried to approach it not from necessarily a regulatory point of view, but from a business and partner point of view, to try to get in. Because, these are the very same customers we'd like to serve long term. Versus, just enter into a swap and be regulatory opponents if you will.

MR. FLEISCHAUER: Got it, thanks. That's very useful. My last question on a different topic. I know you mentioned in the call that are no near term needs to use the shelf. I have two questions on the duration. I think you said it's available for 3 years. Is there anything to read in terms of the timing, as to why go now? And given the uncertainty on the regulatory front, why now a little bit and also, why 100-million dollars? Is there anything further to read into this I am saying.

MR. PESCATORE: There's nothing to read into it. We thought it was good corporate practice to get it filed, to give us the flexibility should we need it. We have a strong cash position. There are no current plans to do so, but as you think about potential strategic initiatives that could be out there and the kind of view that we take with wireless opportunities, we just thought it was prudent to have it available should something like that arise. There's nothing more to read into it.

We would have typically even put it up at the very first point that we could of, which was I believe a year after so maybe, in connection with our year end. And we elected not to because we didn't want folks, anyone to read into anything about that related to FirstNet. Would folks be thinking that we're raising money for that? Because we're not. It's just good corporate housekeeping. That's how I'd put it now.

MR. GRAY: And Mark this is Tim, once the SEC makes the registration statement affective, it's up for three years; so that's the time line.

MR. FLEISCHAUER: Got it. Okay thanks guys. I appreciate it.

MR. PESCATORE: Thank you Mark.

OPERATOR: Thank you very much ladies and gentlemen, I'm showing no further questions in the queue. I'd like to turn the floor back to John Pescatore for any closing comments.

MR. PESCATORE: I just want to thank everyone for their time today. And as always, the team is available so feel free to reach out if you have questions or followup to this. But again, thank you for your time and have a great evening.

OPERATOR: Thank you very much Ladies and Gentlemen. This concludes today's presentation. You may disconnect your lines and have a wonderful day. Thank you for your participation.

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