
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D. C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **July 24, 2019**

ATN INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other
jurisdiction of incorporation)

001-12593
(Commission File Number)

47-0728886
(IRS Employer
Identification No.)

500 Cummings Center
Beverly, MA 01915
(Address of principal executive offices and zip code)

(978) 619-1300
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title:
Common Stock, par value \$.01 per share

Symbol:
ATNI

Exchange:
The Nasdaq Stock Market, LLC

Item 2.02 Results of Operations and Financial Condition.

On July 24, 2019, ATN International, Inc. (the “Company”) issued a press release announcing financial results for the three and six months ended June 30, 2019. A copy of the press release is furnished herewith as Exhibit 99.1.

Exhibit 99.1 is furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 [Press Release of the Company, dated July 24, 2019.](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ATLANTIC TELE-NETWORK, INC.

By: /s/ Justin D. Benincasa
Justin D. Benincasa
Chief Financial Officer

Dated July 24, 2019



NEWS RELEASE

FOR IMMEDIATE RELEASE

Wednesday July 24, 2019

CONTACT:

978-619-1300
 Michael T. Prior
 Chairman and
 Chief Executive Officer

Justin D. Benincasa
 Chief Financial Officer

ATN Reports
Second Quarter 2019 Results

Second Quarter Results

- Revenue excluding sale transactions and one-time items shows year-on-year organic growth
- International telecom results reflect operational improvements in all markets
- Sequential improvement in US Telecom operations resulting from seasonal factors and receipt of Connect America Fund Phase II funds

Beverly, MA (July 24, 2019) — ATN International, Inc. (Nasdaq: ATNI) today reported results for the second quarter ended June 30, 2019.

Business Review and Outlook

“Second quarter consolidated results reflected several positive elements that are expected to continue as we move ahead through 2019”, noted Michael Prior, Chief Executive Officer. “While reported revenues declined \$10.1 million and operating income declined \$13.0 million on a year-on-year basis, adjusting for sale transactions and the Federal Communications Commissions (“FCC”) hurricane support we received in last year’s second quarter, consolidated recurring revenue^[1] increased 4%, driving even higher year-on-year Adjusted EBITDA(2) performance. This improvement in underlying operations was led by our International Telecom operations. While revenue for the segment was down 2%, recurring revenue was up 9%, excluding the \$8.2 million in hurricane relief funds received from the FCC in the second quarter of 2018. The steady post-hurricane recovery of our U.S. Virgin Island business and continued broadband growth and margin expansion in other key international markets were the major contributing factors.

“The improvement in International Telecom operations more than offset US Telecom segment results, which were considerably below last year’s levels, but up sequentially, reflecting seasonally higher volumes and the beginning of revenue benefits from our Connect America Fund Phase II (“CAF II”) award. As we

have previously noted, there are several initiatives underway in our US Telecom business that, if successful, would improve results and provide a more stable revenue base. These include providing additional services to our carrier customers beyond traditional wholesale roaming, and investments in new business offerings that have the potential to be longer term growth drivers for ATN.

“Looking ahead, we expect our International Telecom business to continue to perform well this year and generate healthy cash flows. This operating segment is benefitting from the significant network investments we have made in the past few years, the continued steady recovery of our U.S. Virgin Islands business and improved market penetration and operating efficiencies across our portfolio. Also, we are optimistic that some of our initiatives will lead to an improved outlook for our US Telecom segment.

“Based on our current portfolio of businesses, we reaffirm our expectation that 2019 will be a year of major improvement in cash flows for ATN, and we continue to seek out opportunities that have the potential to be value-creating for ATN and our shareholders.”

Second Quarter 2019 Financial Results

Second quarter 2019 revenues were \$107.7 million compared to last year’s second quarter recurring revenue(1) of \$103.3 million. Last year’s reported revenues of \$117.8 million included \$4.5 million from the Company’s US solar assets portfolio that was sold in late 2018, non-recurring revenue of \$8.2 million for additional USF high cost support funding from the FCC for our U.S. Virgin Islands business and \$1.8 million from wholesale wireless cell sites that were sold last year. Operating income for the second quarter of 2019 was \$2.8 million compared with the prior year’s \$15.8 million, and Adjusted EBITDA(2) was \$24.2 million, compared to \$36.0 million in the prior year period. In addition to the \$14.5 million of 2018 revenue items noted above, the operating income comparison was also negatively affected by the prior year’s gain of \$2.3 million from the sale of certain US Telecom assets. Net loss attributable to ATN’s stockholders for the second quarter was \$0.9 million, or \$0.05 loss per share, compared with the prior year period’s net income of \$7.2 million, or \$0.45 income per diluted share.

(1) See Table 6 for reconciliation of Revenue to Recurring Revenue, which is a non-GAAP measure

(2) See Table 5 for reconciliation of Net Income to Adjusted EBITDA.

Second Quarter 2019 Operating Highlights

The Company has three reportable segments: (i) US Telecom; (ii) International Telecom; and (iii) Renewable Energy.

Segment Results

| | Three Months Ended June 30, 2019 (in Thousands) | | | | |
|--------------------|--|------------------------------|-------------------------|----------------------------|--------------|
| | US Telecom | International Telecom | Renewable Energy | Corporate and Other | Total |
| Revenue | \$ 26,413 | \$ 79,859 | \$ 1,449 | \$ — | \$ 107,721 |
| Adjusted EBITDA(1) | \$ 6,968 | \$ 24,656 | \$ 805 | \$ (8,209) | \$ 24,220 |
| Operating Income | \$ 1,521 | \$ 11,057 | \$ 167 | \$ (9,991) | \$ 2,754 |

| | Six Months Ended June 30, 2019 (in Thousands) | | | | |
|----------------------|--|------------------------------|-------------------------|----------------------------|--------------|
| | US Telecom | International Telecom | Renewable Energy | Corporate and Other | Total |
| Capital Expenditures | \$ 6,368 | \$ 23,692 | \$ 817 | \$ 4,519 | \$ 35,396 |

| | Three Months Ended June 30, 2018 (in Thousands) | | | | |
|--------------------|--|------------------------------|-------------------------|----------------------------|--------------|
| | US Telecom | International Telecom | Renewable Energy | Corporate and Other | Total |
| Revenue | \$ 30,284 | \$ 81,481 | \$ 6,023 | \$ — | \$ 117,788 |
| Adjusted EBITDA(1) | \$ 12,685 | \$ 27,617 | \$ 3,826 | \$ (8,173) | \$ 35,955 |
| Operating Income | \$ 7,841 | \$ 15,571 | \$ 1,927 | \$ (9,586) | \$ 15,753 |

| | Six Months Ended June 30, 2018 (in Thousands) | | | | |
|----------------------|--|------------------------------|-------------------------|----------------------------|--------------|
| | US Telecom | International Telecom | Renewable Energy | Corporate and Other | Total |
| Capital Expenditures | \$ 7,266 | \$ 95,520 | \$ 1,388 | \$ 3,074 | \$ 107,248 |

US Telecom

US Telecom revenues consist mainly of wireless revenues from our voice and data wholesale wireless operations and our smaller retail operations in the Southwestern United States, as well as enterprise and wholesale wireline revenues. Lower US Telecom segment revenues and operating income reflected a 10% year-over-year decline in wireless revenues, primarily due to lower wholesale traffic, and the sale of approximately 100 wholesale wireless cell sites early in the third quarter of 2018. US Telecom revenues increased 23% sequentially over the prior quarter, reflecting higher seasonal traffic volumes and the additional revenue from the 10 year CAF II award that began this quarter. Adjusted EBITDA(2) for this segment declined by 45% to \$7.0 million year-on-year due to the impact of the reduction in wireless revenues over that period and the additional operating costs related to early stage business investments first made in mid-2018.

International Telecom

International Telecom consists of a broad range of information and communications services including wireline and wireless data, internet, voice and video service revenues from our operations in Bermuda and the Caribbean. International Telecom revenues decreased 2% year-on-year mainly due to the \$8.2 million of USF high cost support funding from the FCC received in the second quarter of 2018 that was mostly offset by increased broadband revenues in several of our markets, including the U.S. Virgin Islands, where our operations continue to recover from the 2017 hurricanes. We expect continued year-on-year revenue improvement throughout the remainder of 2019, exclusive of the additional non-recurring revenue of \$7.2 million from FCC support received in the third quarter of 2018. International Telecom operating income decreased 29% to \$11.1 million from the prior year's quarter and Adjusted EBITDA(2) decreased 11% to \$24.7 million from the prior year's quarter, both as a result of the \$8.2 million impact on operating income

and Adjusted EBITDA(2) from the non-recurring FCC support received in the second quarter of 2018. This was partially offset by higher data revenues and increased revenues from the post-storm recovery.

Renewable Energy

Renewable Energy segment revenues are principally the result of the generation and sale of energy from our commercial solar projects in India. In the fourth quarter of 2018, ATN completed the sale of its portfolio of solar projects in the United States. As a result, second quarter 2019 revenues were \$1.4 million, compared to \$6.0 million in the prior year quarter, operating income was \$0.2 million compared to \$1.9 million in the prior year quarter and Adjusted EBITDA(1) amounted to \$0.8 million, compared to \$3.8 million in the second quarter of 2018. Year-on-year revenue, operating income and Adjusted EBITDA(2) comparisons for this segment will be negative for the remainder of 2019 as a result of this transaction.

Balance Sheet and Cash Flow Highlights

Total cash, cash equivalents and restricted cash at June 30, 2019 was \$146.7 million. Additionally, the Company ended the second quarter with \$5.3 million in short-term investments. Net cash provided by operating activities was \$18.5 million for the first six months of 2019, compared with \$46.0 million for the prior year period. The decrease in operating cash flow compared with the prior year is mostly the result of lower net income, the current year tax payments of \$27.0 million primarily related to the gain on the 2018 sale of the U.S. Solar asset portfolio, and other working capital activity in the current year. For the first six months of 2019, the Company used net cash of \$64.8 million for investing and financing activities. This included \$35.4 million in capital expenditures, \$10.0 million for other minority investments, \$5.0 million for the purchase of short-term cash investments and \$5.4 million of dividends on common stock. Management expects International Telecom capital expenditures to be approximately \$50.0 million for the full year 2019, approximately \$110.0 million below 2018 levels. In the US Telecom segment, we expect capital expenditures to be similar to 2018 levels, excluding new initiatives and early stage business spending. In the Renewable Energy segment, we expect \$6.0 - \$7.0 million of construction costs for the balance of 2019 related to building additional capacity.

Conference Call Information

ATN will host a conference call on Thursday, July 25, 2019 at 9:30 a.m. Eastern Time (ET) to discuss its second quarter 2019 results. The call will be hosted by Michael Prior, Chairman and Chief Executive Officer, and Justin Benincasa, Chief Financial Officer. The dial-in numbers are US/Canada: (877) 734-4582 and International: (678) 905-9376, conference ID 9697219. A replay of the call will be available at ir.atni.com beginning at 1:00 p.m. (ET) on July 25, 2019.

About ATN

ATN International, Inc. (Nasdaq: ATNI), headquartered in Beverly, Massachusetts, invests in and operates communications, energy and technology businesses in the United States and internationally, including the Caribbean region and Asia-Pacific, with a particular focus on markets with a need for significant infrastructure investments and improvements. Our operating subsidiaries today primarily provide: (i) advanced wireless and wireline connectivity to residential and business customers, including a range of mobile wireless solutions, high speed internet services, video services and local exchange services, (ii) distributed solar electric power to corporate and government customers and (iii) wholesale communications infrastructure services such as terrestrial and submarine fiber optic transport, communications tower facilities, managed mobile networks, and in-building systems. For more information, please visit www.atni.com.

Cautionary Language Concerning Forward Looking Statements

This press release contains forward-looking statements relating to, among other matters, our future financial performance and results of operations including revenue and adjusted EBITDA expectations for 2019 and capital expenditures; the competitive environment in our key markets, demand for our services and industry trends; our growth opportunities; the estimated timeline for an increase in revenues from our customers in the U.S. Virgin Islands following the hurricanes; and management's plans and strategy for the future. These forward-looking statements are based on estimates, projections, beliefs, and assumptions and are not guarantees of future events or results. Actual future events and results could differ materially from the events and results indicated in these statements as a result of many factors, including, among others, (1) the general performance of our operations, including operating margins, revenues, capital expenditures, and the future growth and retention of our major customers and subscriber base and consumer demand for solar power; (2) our ability to maintain favorable roaming arrangements, receive roaming traffic and satisfy the needs and demands of our major wireless customers; (3) our ability to efficiently and cost-effectively upgrade our networks and IT platforms to address rapid and significant technological changes in the telecommunications industry; (4) government regulation of our businesses, which may impact our FCC and other telecommunications licenses or our renewables businesses; (5) our reliance on a limited number of key suppliers and vendors for timely supply of equipment and services relating to our network infrastructure; (6) economic, political and other risks facing our operations; (7) the loss of or an inability to recruit skilled personnel in our various jurisdictions, including key members of management; (8) our ability to expand our renewable energy business; (9) our ability to find investment or acquisition or disposition opportunities that fit the strategic goals of the Company; (10) the occurrence of weather events and natural catastrophes; (11) increased competition; (12) the adequacy and expansion capabilities of our network capacity and customer service system to support our customer growth; (13) our continued access to capital and credit markets; and (14) the risk of currency fluctuation for those markets in which we operate. These and other additional factors that may cause actual future events and results to differ materially from the events and results indicated in the forward-looking statements above are set forth more fully under Item 1A "Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on February 28, 2019 and the other reports we file from time to time with the SEC. The Company undertakes no obligation and has no intention to update these forward-looking statements to reflect actual results, changes in assumptions or changes in other factors that may affect such forward-looking statements, except as required by law.

Use of Non-GAAP Financial Measures

In addition to financial measures prepared in accordance with generally accepted accounting principles (GAAP), this press release also contains non-GAAP financial measures. Specifically, ATN has included Recurring Revenue and Adjusted EBITDA in this release and in the tables included herein.

Recurring Revenue is defined as total revenue adjusted to exclude the receipt of incremental USF support funds, revenues from the U.S. Solar asset portfolio which was sold in Q4 2018, and revenues from the US Telecom sale of 100 wholesale wireless cell sites in Q2 2018.

Adjusted EBITDA is defined as net income attributable to ATN stockholders before (gain) loss on disposition of long-lived assets, restructuring charges, interest, taxes, depreciation and amortization, transaction-related charges, other income or expense, loss on damaged assets and other hurricane charges, net of insurance recovery and net income attributable to non-controlling interests.

The Company believes that the inclusion of these non-GAAP financial measures helps investors gain a meaningful understanding of the Company's core operating results and enhances the usefulness of comparing such performance with prior periods. ATN's management uses these non-GAAP measures, in addition to GAAP financial measures, as the basis for measuring our core operating performance and comparing such performance to that of prior periods. The non-GAAP financial measures included in this press release are not meant to be considered superior to or a substitute for results of operations prepared in accordance with GAAP. Reconciliations of these non-GAAP financial measures used in this press

release to the most directly comparable GAAP financial measure is set forth in the text of, and the accompanying tables to, this press release. While our non-GAAP financial measures are an important tool for financial and operational decision-making and for evaluating our own operating results over different periods of time, we urge investors to review the reconciliation of these financial measures to the comparable GAAP financial measures included below, and not to rely on any single financial measure to evaluate our business.

ATN International, Inc.
Unaudited Condensed Consolidated Balance Sheets
(in Thousands)

| | June 30, 2019 | December 31, 2018 |
|--|---------------------|----------------------|
| Assets: | | |
| Cash and cash equivalents | \$ 145,611 | \$ 191,836 |
| Restricted cash | 1,071 | 1,071 |
| Short-term investments | 5,281 | 393 |
| Other current assets | 98,266 | 82,465 |
| Total current assets | 250,229 | 275,765 |
| Property, plant and equipment, net | 613,703 | 626,852 |
| Operating lease right-of-use assets | 68,587 | — |
| Goodwill and other intangible assets, net | 165,933 | 166,979 |
| Other assets | 48,524 | 37,708 |
| Total assets | \$ 1,146,976 | \$ 1,107,304 |
| Liabilities and Stockholders' Equity: | | |
| Current portion of long-term debt | \$ 4,688 | \$ 4,688 |
| Taxes payable | 8,342 | 31,795 |
| Current portion of operating lease liabilities | 10,021 | — |
| Other current liabilities | 107,250 | 104,167 |
| Total current liabilities | 130,301 | 140,650 |
| Long-term debt, net of current portion | \$ 84,478 | \$ 86,294 |
| Deferred income taxes | 5,702 | 10,276 |
| Operating lease liabilities | 58,748 | — |
| Other long-term liabilities | 49,206 | 46,760 |
| Total long-term liabilities | 198,134 | 143,330 |
| Total liabilities | 328,435 | 283,980 |
| Total ATN International, Inc.'s stockholders' equity | 689,683 | 695,387 |
| Non-controlling interests | 128,858 | 127,937 |
| Total equity | 818,541 | 823,324 |
| Total liabilities and stockholders' equity | \$ 1,146,976 | \$ 1,107,304 |

ATN International, Inc.
Unaudited Condensed Consolidated Statements of Operations
(in Thousands, Except per Share Data)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|-----------------|------------------------------|-----------------|
| | 2019 | 2018 | 2019 | 2018 |
| Revenues: | | | | |
| Wireless | \$ 46,996 | \$ 50,496 | \$ 88,608 | \$ 101,043 |
| Wireline | 59,276 | 61,269 | 119,473 | 109,365 |
| Renewable energy | 1,449 | 6,023 | 2,939 | 11,855 |
| Total revenue | <u>107,721</u> | <u>117,788</u> | <u>211,020</u> | <u>222,263</u> |
| Operating expenses: | | | | |
| Termination and access fees | 27,930 | 28,257 | 55,818 | 54,171 |
| Engineering and operations | 19,107 | 18,409 | 38,139 | 36,561 |
| Sales, marketing and customer service | 9,874 | 8,413 | 19,264 | 16,974 |
| General and administrative | 26,590 | 26,754 | 50,405 | 52,296 |
| Transaction-related charges | 28 | 438 | 68 | 465 |
| Depreciation and amortization | 21,549 | 21,913 | 42,267 | 43,217 |
| (Gain) loss on disposition of assets | (111) | (2,333) | 191 | (2,049) |
| Loss on damaged assets and other hurricane related charges, net of insurance recovery | — | 184 | — | 666 |
| Total operating expenses | <u>104,967</u> | <u>102,035</u> | <u>206,152</u> | <u>202,301</u> |
| Operating income | 2,754 | 15,753 | 4,868 | 19,962 |
| Other income (expense): | | | | |
| Interest expense, net | (746) | (1,840) | (1,099) | (3,679) |
| Other income (expense) | (255) | (1,045) | (68) | (1,798) |
| Other income (expense), net | <u>(1,001)</u> | <u>(2,885)</u> | <u>(1,167)</u> | <u>(5,477)</u> |
| Income before income taxes | 1,753 | 12,868 | 3,701 | 14,485 |
| Income tax expense (benefit) | (274) | 2,088 | 939 | 6,008 |
| Net Income | 2,027 | 10,780 | 2,762 | 8,477 |
| Net income attributable to non-controlling interests, net | <u>(2,883)</u> | <u>(3,564)</u> | <u>(5,198)</u> | <u>(6,816)</u> |
| Net income (loss) attributable to ATN International, Inc. stockholders | <u>\$ (856)</u> | <u>\$ 7,216</u> | <u>\$ (2,436)</u> | <u>\$ 1,661</u> |
| Net income (loss) per weighted average share attributable to ATN International, Inc. stockholders: | | | | |
| Basic Net Income (Loss) | <u>\$ (0.05)</u> | <u>\$ 0.45</u> | <u>\$ (0.15)</u> | <u>\$ 0.10</u> |
| Diluted Net Income (Loss) | <u>\$ (0.05)</u> | <u>\$ 0.45</u> | <u>\$ (0.15)</u> | <u>\$ 0.10</u> |
| Weighted average common shares outstanding: | | | | |
| Basic | 15,997 | 15,962 | 15,986 | 15,996 |
| Diluted | 15,997 | 16,010 | 15,986 | 16,046 |

ATN International, Inc.
Unaudited Condensed Consolidated Cash Flow Statement
(in Thousands)

| | Six Months Ended June 30, | |
|---|---------------------------|-------------------|
| | 2019 | 2018 |
| Net income | \$ 2,762 | \$ 8,477 |
| Depreciation and amortization | 42,267 | 43,217 |
| Provision for doubtful accounts | 2,736 | 2,249 |
| Loss on disposition of assets | 412 | (2,049) |
| Stock-based compensation | 3,334 | 3,679 |
| Deferred income taxes | (4,574) | (1,279) |
| Change in prepaid and accrued income taxes | (16,853) | 1,249 |
| Change in other operating assets and liabilities | (11,703) | (11,142) |
| Other non-cash activity | 141 | 1,636 |
| Net cash provided by operating activities | 18,522 | 46,037 |
| Capital expenditures | (35,273) | (40,594) |
| Hurricane rebuild capital expenditures | (123) | (66,654) |
| Hurricane insurance proceeds | — | 34,606 |
| Purchases of other investments | (10,000) | (2,000) |
| Proceeds from sale of investments | 141 | 5,348 |
| Purchase of short-term investments | (5,028) | — |
| Proceeds from sale of assets | — | 4,130 |
| Divestiture of business, net of transferred cash of \$0 and \$0.3 million, respectively | — | 926 |
| Government grants | — | 5,400 |
| Net cash used in investing activities | (50,283) | (58,838) |
| Dividends paid on common stock | (5,439) | (5,441) |
| Distributions to non-controlling interests | (3,878) | (12,836) |
| Principal repayments of term loan | (1,887) | (4,786) |
| Payment of debt issuance costs | (1,340) | — |
| Stock-based compensation share repurchases | (1,578) | (3,660) |
| Repurchases of non-controlling interests | (861) | (61) |
| Investments made by minority shareholders | 488 | — |
| Net cash used in financing activities | (14,495) | (26,784) |
| Effect of foreign currency exchange rates on total cash, cash equivalents and restricted cash | 31 | (178) |
| Net change in total cash, cash equivalents and restricted cash | (46,225) | (39,763) |
| Total cash, cash equivalents and restricted cash, beginning of period | 192,907 | 219,890 |
| Total cash, cash equivalents and restricted cash, end of period | \$ 146,682 | \$ 180,127 |

ATN International, Inc.
Selected Segment Financial Information
(In Thousands)

For the three months ended June 30, 2019 is as follows:

| | US Telecom | International Telecom | Renewable Energy | Corporate and Other * | Total |
|---|------------------|--------------------------|---------------------|--------------------------|-------------------|
| Statement of Operations Data: | | | | | |
| Revenue | | | | | |
| Wireless | \$ 25,656 | \$ 21,340 | \$ — | \$ — | \$ 46,996 |
| Wireline | 757 | 58,519 | — | — | 59,276 |
| Renewable Energy | — | — | 1,449 | — | 1,449 |
| Total Revenue | <u>\$ 26,413</u> | <u>\$ 79,859</u> | <u>\$ 1,449</u> | <u>\$ —</u> | <u>\$ 107,721</u> |
| Operating Income (Loss) | \$ 1,521 | \$ 11,057 | \$ 167 | \$ (9,991) | \$ 2,754 |
| Stock-based compensation | \$ — | 11 | \$ — | 2,017 | \$ 2,028 |
| Non-controlling interest (net income or (loss)) | \$ (603) | \$ (2,260) | \$ (20) | \$ — | \$ (2,883) |
| Non GAAP measure: | | | | | |
| Adjusted EBITDA (1) | \$ 6,968 | \$ 24,656 | \$ 805 | \$ (8,209) | \$ 24,220 |
| Balance Sheet Data (at June 30, 2019): | | | | | |
| Cash, cash equivalents and investments | \$ 22,925 | \$ 38,403 | \$ 22,522 | \$ 67,042 | \$ 150,892 |
| Total current assets | 52,278 | 95,437 | 40,129 | 62,385 | 250,229 |
| Fixed assets, net | 72,501 | 474,185 | 44,309 | 22,708 | 613,703 |
| Total assets | 222,110 | 657,062 | 88,683 | 179,121 | 1,146,976 |
| Total current liabilities | 34,464 | 73,671 | 1,465 | 20,702 | 130,301 |
| Total debt | — | 89,167 | — | — | 89,167 |

ATN International, Inc.
Selected Segment Financial Information
(In Thousands)

For the three months ended June 30, 2018 is as follows:

| | US Telecom | International Telecom | Renewable Energy | Corporate and Other * | Total |
|---|------------------|--------------------------|---------------------|--------------------------|-------------------|
| Statement of Operations Data: | | | | | |
| Revenue | | | | | |
| Wireless | \$ 28,582 | \$ 21,914 | \$ — | \$ — | \$ 50,496 |
| Wireline | 1,702 | 59,567 | — | — | 61,269 |
| Renewable Energy | — | — | 6,023 | — | 6,023 |
| Total Revenue | <u>\$ 30,284</u> | <u>\$ 81,481</u> | <u>\$ 6,023</u> | <u>\$ —</u> | <u>\$ 117,788</u> |
| Operating Income (Loss) | \$ 7,841 | \$ 15,571 | \$ 1,927 | \$ (9,586) | \$ 15,753 |
| Stock-based compensation | \$ — | 20 | 29 | 2,054 | \$ 2,103 |
| Non-controlling interest (net income or (loss)) | \$ (786) | \$ (2,567) | \$ (211) | \$ — | \$ (3,564) |
| Non GAAP measure: | | | | | |
| Adjusted EBITDA (1) | \$ 12,685 | \$ 27,617 | \$ 3,826 | \$ (8,173) | \$ 35,955 |

ATN International, Inc.
Selected Segment Financial Information
(In Thousands)

For the six months ended June 30, 2019 is as follows:

| | US Telecom | International Telecom | Renewable Energy | Corporate and Other * | Total |
|---|------------------|--------------------------|---------------------|--------------------------|-------------------|
| Statement of Operations Data: | | | | | |
| Revenue | | | | | |
| Wireless | \$ 46,093 | \$ 42,515 | \$ — | \$ — | \$ 88,608 |
| Wireline | 1,813 | 117,660 | — | — | 119,473 |
| Renewable Energy | — | — | 2,939 | — | 2,939 |
| Total Revenue | <u>\$ 47,906</u> | <u>\$ 160,175</u> | <u>\$ 2,939</u> | <u>\$ —</u> | <u>\$ 211,020</u> |
| Operating Income (Loss) | \$ (2,006) | \$ 24,935 | \$ (16) | \$ (18,045) | \$ 4,868 |
| Stock-based compensation | \$ — | 21 | \$ — | 3,313 | \$ 3,334 |
| Non-controlling interest (net income or (loss)) | \$ (522) | \$ (4,656) | \$ (20) | \$ — | \$ (5,198) |
| Non GAAP measure: | | | | | |
| Adjusted EBITDA (1) | \$ 9,209 | \$ 51,542 | \$ 1,376 | \$ (14,733) | \$ 47,394 |
| Statement of Cash Flows Data: | | | | | |
| Capital expenditures | \$ 6,368 | \$ 23,692 | \$ 817 | \$ 4,519 | \$ 35,396 |

ATN International, Inc.
Selected Segment Financial Information
(In Thousands)

For the six months ended June 30, 2018 is as follows:

| | US Telecom | International Telecom | Renewable Energy | Corporate and Other * | Total |
|---|------------------|--------------------------|---------------------|--------------------------|-------------------|
| Statement of Operations Data: | | | | | |
| Revenue | | | | | |
| Wireless | \$ 55,983 | \$ 45,060 | \$ — | \$ — | \$ 101,043 |
| Wireline | 2,800 | 106,565 | — | — | 109,365 |
| Renewable Energy | — | — | 11,855 | — | 11,855 |
| Total Revenue | <u>\$ 58,783</u> | <u>\$ 151,625</u> | <u>\$ 11,855</u> | <u>\$ —</u> | <u>\$ 222,263</u> |
| Operating Income (Loss) | \$ 13,065 | \$ 21,211 | \$ 3,863 | \$ (18,177) | \$ 19,962 |
| Stock-based compensation | \$ — | 48 | 57 | 3,574 | \$ 3,679 |
| Non-controlling interest (net income or (loss)) | \$ (1,469) | \$ (4,836) | \$ (511) | \$ — | \$ (6,816) |
| Non GAAP measure: | | | | | |
| Adjusted EBITDA (1) | \$ 24,677 | \$ 45,410 | \$ 7,565 | \$ (15,391) | \$ 62,261 |
| Statement of Cash Flows Data: | | | | | |
| Capital expenditures | \$ 7,266 | \$ 95,520 | \$ 1,388 | \$ 3,074 | \$ 107,248 |

ATN International, Inc.
Selected Segment Financial Information
(In Thousands)
at December 31, 2018

| | US Telecom | International Telecom | Renewable Energy | Corporate and Other * | Total |
|---|---------------|--------------------------|---------------------|--------------------------|------------|
| Balance Sheet Data (at December 31, 2018): | | | | | |
| Cash, cash equivalents and investments | \$ 19,118 | \$ 32,390 | \$ 62,678 | \$ 78,043 | \$ 192,229 |
| Total current assets | 36,801 | 75,304 | 80,553 | 83,107 | 275,765 |
| Fixed assets, net | 78,102 | 482,770 | 45,599 | 20,381 | 626,852 |
| Total assets | 172,634 | 622,454 | 130,427 | 181,789 | 1,107,304 |
| Total current liabilities | 15,783 | 82,575 | 3,465 | 38,827 | 140,650 |
| Total debt | — | 90,970 | 12 | — | 90,982 |

(1) See Table 5 for reconciliation of Net Income to Adjusted EBITDA

* Corporate and Other refer to corporate overhead expenses and consolidating adjustments

| | June 30, 2018** | September 30, 2018** | Quarter ended December 31, 2018** | March 31, 2019 | June 30, 2019 |
|--|--------------------|-------------------------|---|-------------------|------------------|
| US Telecom Operational Data: | | | | | |
| Wireless - Total Domestic Base Stations | 1,121 | 1,035 | 1,045 | 1,046 | 1,048 |
| International Telecom Operational Data: | | | | | |
| Wireline - Voice / Access lines* | 167,900 | 170,400 | 171,100 | 171,200 | 171,200 |
| Wireline - Data Subscribers* | 114,900 | 116,800 | 119,800 | 123,600 | 125,400 |
| Wireline - Video Subscribers | 45,000 | 43,600 | 41,700 | 41,000 | 39,700 |
| Wireless - Subscribers* | 308,600 | 300,600 | 300,400 | 293,500 | 290,300 |

* Subscriber counts were adjusted for all periods presented based upon a change in methodology

** For the presented 2018 quarters, subscribers for wireline voice, data and video in the U.S. Virgin Islands are included as active and in the subscriber count, but many were not billed post-hurricane

ATN International, Inc.
Reconciliation of Non-GAAP Measures
(In Thousands)

Reconciliation of Net Income to Adjusted EBITDA for the Three Months Ended June 30, 2019 and 2018

Three Months Ended June 30, 2019

| | <u>US Telecom</u> | <u>International Telecom</u> | <u>Renewable Energy</u> | <u>Corporate and Other *</u> | <u>Total</u> |
|--|-----------------------|----------------------------------|-----------------------------|----------------------------------|------------------|
| Net income (loss) attributable to ATN International, Inc. stockholders | | | | | \$ (856) |
| Net income attributable to non-controlling interests, net of tax | | | | | 2,883 |
| Income tax expense | | | | | (274) |
| Other (income) expense, net | | | | | 255 |
| Interest expense, net | | | | | 746 |
| Operating income | \$ 1,521 | \$ 11,057 | \$ 167 | \$ (9,991) | \$ 2,754 |
| Depreciation and amortization | 5,551 | 13,606 | 638 | 1,754 | 21,549 |
| (Gain) Loss on disposition of assets | (104) | (7) | — | — | (111) |
| Transaction-related charges | — | — | — | 28 | 28 |
| Adjusted EBITDA | <u>\$ 6,968</u> | <u>\$ 24,656</u> | <u>\$ 805</u> | <u>\$ (8,209)</u> | <u>\$ 24,220</u> |

Three Months Ended June 30, 2018

| | <u>US Telecom</u> | <u>International Telecom</u> | <u>Renewable Energy</u> | <u>Corporate and Other *</u> | <u>Total</u> |
|---|-----------------------|----------------------------------|-----------------------------|----------------------------------|------------------|
| Net Income (loss) attributable to ATN International, Inc. stockholders | | | | | \$ 7,216 |
| Net income attributable to non-controlling interests, net of tax | | | | | 3,564 |
| Income tax benefit | | | | | 2,088 |
| Other expense, net | | | | | 1,045 |
| Interest expense, net | | | | | 1,840 |
| Operating income | \$ 7,841 | \$ 15,571 | \$ 1,927 | \$ (9,586) | \$ 15,753 |
| Depreciation and amortization | 6,835 | 11,794 | 1,899 | 1,385 | 21,913 |
| (Gain) loss on disposition of assets | (2,401) | 68 | — | — | (2,333) |
| Loss on damaged assets and other hurricane related charges, net of insurance recovery | — | 184 | — | — | 184 |
| Transaction-related charges | 410 | — | — | 28 | 438 |
| Adjusted EBITDA | <u>\$ 12,685</u> | <u>\$ 27,617</u> | <u>\$ 3,826</u> | <u>\$ (8,173)</u> | <u>\$ 35,955</u> |

* Corporate and Other refer to corporate overhead expenses and consolidating adjustments

Reconciliation of Net Income to Adjusted EBITDA for the Six Months Ended June 30, 2019 and 2018

Six Months Ended June 30, 2019

| | <u>US Telecom</u> | <u>International Telecom</u> | <u>Renewable Energy</u> | <u>Corporate and Other *</u> | <u>Total</u> |
|--|-----------------------|----------------------------------|-----------------------------|----------------------------------|------------------|
| Net income attributable to ATN International, Inc. stockholders | | | | | \$ (2,436) |
| Net income attributable to non-controlling interests, net of tax | | | | | 5,198 |
| Income tax expense | | | | | 939 |
| Other (income) expense, net | | | | | 68 |
| Interest expense, net | | | | | 1,099 |
| Operating income | \$ (2,006) | \$ 24,935 | \$ (16) | \$ (18,045) | \$ 4,868 |
| Depreciation and amortization | 11,149 | 26,621 | 1,253 | 3,244 | 42,267 |
| (Gain) Loss on disposition of long-lived assets | 66 | (14) | 139 | — | 191 |
| Transaction-related charges | — | — | — | 68 | 68 |
| Adjusted EBITDA | <u>\$ 9,209</u> | <u>\$ 51,542</u> | <u>\$ 1,376</u> | <u>\$ (14,733)</u> | <u>\$ 47,394</u> |

Six Months Ended June 30, 2018

| | <u>US Telecom</u> | <u>International Telecom</u> | <u>Renewable Energy</u> | <u>Corporate and Other *</u> | <u>Total</u> |
|---|-----------------------|----------------------------------|-----------------------------|----------------------------------|------------------|
| Net Income attributable to ATN International, Inc. stockholders | | | | | \$ 1,661 |
| Net income attributable to non-controlling interests, net of tax | | | | | 6,816 |
| Income tax expense | | | | | 6,008 |
| Other (income) expense, net | | | | | 1,798 |
| Interest expense, net | | | | | 3,679 |
| Operating income | \$ 13,065 | \$ 21,211 | \$ 3,863 | \$ (18,177) | \$ 19,962 |
| Depreciation and amortization | 13,348 | 23,465 | 3,673 | 2,731 | 43,217 |
| (Gain) Loss on disposition of long-lived assets | (2,146) | 68 | 29 | — | (2,049) |
| Loss on damaged assets and other hurricane related charges, net of insurance recovery | — | 666 | — | — | 666 |
| Transaction-related charges | 410 | — | — | 55 | 465 |
| Adjusted EBITDA | <u>\$ 24,677</u> | <u>\$ 45,410</u> | <u>\$ 7,565</u> | <u>\$ (15,391)</u> | <u>\$ 62,261</u> |

* Corporate and Other refer to corporate overhead expenses and consolidating adjustments

ATN International, Inc.
Reconciliation of Non GAAP Measures
(in Thousands)

Reconciliation of Revenue to Recurring Revenue for the Three Months Ended June 30, 2019 and 2018

Three Months Ended June 30, 2019

| | US Telecom | International Telecom | Renewable Energy | Total |
|------------------------------------|---------------|--------------------------|---------------------|------------|
| Revenue | \$ 26,413 | \$ 79,859 | \$ 1,449 | \$ 107,721 |
| Adjustments for Recurring Revenue: | — | — | — | — |
| Recurring Revenue | \$ 26,413 | \$ 79,859 | \$ 1,449 | \$ 107,721 |

Three Months Ended June 30, 2018

| | US Telecom | International Telecom | Renewable Energy | Total |
|--|---------------|--------------------------|---------------------|------------|
| Revenue | \$ 30,284 | \$ 81,481 | \$ 6,023 | \$ 117,788 |
| Less: USF incremental high cost support funding | — | (8,181) | — | (8,181) |
| Less: Revenues of US Solar asset portfolio, sold in Q4 2018 | — | — | (4,498) | (4,498) |
| Less: Revenues from US Telecom wholesale wireless cell sites sold in Q2 2018 | (1,792) | — | — | (1,792) |
| Recurring Revenue | \$ 28,492 | \$ 73,300 | \$ 1,525 | \$ 103,317 |

Reconciliation of Revenue to Recurring Revenue for the Six Months Ended June 30, 2019 and 2018

Six Months Ended June 30, 2019

| | US Telecom | International Telecom | Renewable Energy | Total |
|------------------------------------|---------------|--------------------------|---------------------|------------|
| Revenue | \$ 47,898 | \$ 160,176 | \$ 2,939 | \$ 211,013 |
| Adjustments for Recurring Revenue: | — | — | — | — |
| Recurring Revenue | \$ 47,898 | \$ 160,176 | \$ 2,939 | \$ 211,013 |

Six Months Ended June 30, 2018

| | US Telecom | International Telecom | Renewable Energy | Total |
|--|---------------|--------------------------|---------------------|------------|
| Revenue | \$ 58,783 | \$ 151,625 | \$ 11,855 | \$ 222,263 |
| Less: USF incremental high cost support funding | — | (8,181) | — | (8,181) |
| Less: Revenues of US Solar asset portfolio, sold in Q4 2018 | — | — | (9,100) | (9,100) |
| Less: Revenues from US Telecom wholesale wireless cell sites sold in Q2 2018 | (4,052) | — | — | (4,052) |
| Recurring Revenue | \$ 54,731 | \$ 143,444 | \$ 2,755 | \$ 200,930 |