



4TH QUARTER EARNINGS

Financial and Operational Trends

INCOME STATEMENTS, CASH FLOWS, SEGMENT RESULTS, REVENUE DETAILS AND OPERATING VOLUMES

JANUARY 26TH, 2022



4TH QUARTER EARNINGS 2021



Consolidated Statements of Income

AT&T Inc.

Dollars in millions except per share amounts

Unaudited	3/31/20	6/30/20	9/30/20	12/31/20	2020	3/31/21	6/30/21	9/30/21	12/31/21	2021
Operating Revenues	\$ 42,779	\$ 40,950	\$ 42,340	\$ 45,691	\$ 171,760	\$ 43,939	\$ 44,045	\$ 39,922	\$ 40,958	\$ 168,864
Operating Expenses										
Cost of revenues										
Equipment	4,092	3,978	4,552	7,084	19,706	5,556	5,341	5,427	7,454	23,778
Broadcast, programming and operations	6,754	5,889	6,912	7,750	27,305	7,538	7,603	4,750	4,906	24,797
Other cost of revenues	8,342	8,116	8,375	8,076	32,909	7,993	8,155	7,649	7,435	31,232
Selling, general and administrative	8,760	9,831	9,266	10,182	38,039	9,382	9,361	9,207	9,994	37,944
Asset impairments and abandonments	123	2,319	73	16,365	18,880	-	4,555	161	188	4,904
Depreciation and amortization	7,222	7,285	7,030	6,979	28,516	5,809	5,761	5,619	5,673	22,862
Total Operating Expenses	35,293	37,418	36,208	56,436	165,355	36,278	40,776	32,813	35,650	145,517
Operating Income (Loss)	7,486	3,532	6,132	(10,745)	6,405	7,661	3,269	7,109	5,308	23,347
Interest Expense	2,018	2,041	1,972	1,894	7,925	1,870	1,684	1,667	1,663	6,884
Equity in Net Income (Loss) of Affiliates	(6)	(10)	5	106	95	52	41	91	447	631
Other Income (Expense) – Net	803	1,017	(231)	(3,020)	(1,431)	4,221	999	2,279	2,354	9,853
Income (Loss) Before Income Taxes	6,265	2,498	3,934	(15,553)	(2,856)	10,064	2,625	7,812	6,446	26,947
Income Tax Expense (Benefit)	1,302	935	766	(2,038)	965	2,122	751	1,539	1,056	5,468
Net Income (Loss)	4,963	1,563	3,168	(13,515)	(3,821)	7,942	1,874	6,273	5,390	21,479
Less: Net Income Attributable to Noncontrolling Interest	(353)	(282)	(352)	(368)	(1,355)	(392)	(304)	(355)	(347)	(1,398)
Net Income (Loss) Attributable to AT&T	\$ 4,610	\$ 1,281	\$ 2,816	\$ (13,883)	\$ (5,176)	\$ 7,550	\$ 1,570	\$ 5,918	\$ 5,043	\$ 20,081
Less: Preferred Stock Dividends	(32)	(52)	(54)	(55)	(193)	(50)	(56)	(50)	(51)	(207)
Net Income (Loss) Attributable to Common Stock	\$ 4,578	\$ 1,229	\$ 2,762	\$ (13,938)	\$ (5,369)	\$ 7,500	\$ 1,514	\$ 5,868	\$ 4,992	\$ 19,874
Diluted Earnings Per Share Attributable to Common Stock	\$ 0.63	\$ 0.17	\$ 0.39	\$ (1.95)	\$ (0.75)	\$ 1.04	\$ 0.21	\$ 0.82	\$ 0.69	\$ 2.76
Adjusted Diluted Earnings Per Share Attributable to Common Stock	\$ 0.84	\$ 0.83	\$ 0.76	\$ 0.75	\$ 3.18	\$ 0.86	\$ 0.89	\$ 0.87	\$ 0.78	\$ 3.40
EBITDA¹	\$ 14,708	\$ 10,817	\$ 13,162	\$ (3,766)	\$ 34,921	\$ 13,470	\$ 9,030	\$ 12,728	\$ 10,981	\$ 46,209
Adjusted EBITDA¹	\$ 14,232	\$ 14,112	\$ 13,313	\$ 12,889	\$ 54,546	\$ 13,564	\$ 13,585	\$ 13,019	\$ 11,301	\$ 51,469
Adjusted EBITDA Margin¹	33.3%	34.5%	31.4%	28.2%	31.8%	30.9%	30.8%	32.6%	27.6%	30.5%
Pro Forma Excluding U.S. Video and Vrio:²										
Pro Forma Operating Revenues	\$ 35,758	\$ 34,231	\$ 35,650	\$ 38,995	\$ 144,634	\$ 37,508	\$ 37,698	\$ 37,375	\$ 40,629	\$ 153,210
Adjusted Pro Forma EBITDA	\$ 12,826	\$ 12,859	\$ 12,192	\$ 12,241	\$ 50,118	\$ 12,495	\$ 12,217	\$ 12,526	\$ 11,263	\$ 48,501
Adjusted Pro Forma EBITDA Margin	35.9%	37.6%	34.2%	31.4%	34.7%	33.3%	32.4%	33.5%	27.7%	31.7%

Financial and Operating Statistics Summary

AT&T Inc.

Dollars in millions except per share amounts

Unaudited	3/31/20	6/30/20	9/30/20	12/31/20	2020	3/31/21	6/30/21	9/30/21	12/31/21	2021
Capital Expenditures:										
Purchase of property and equipment	\$ 4,938	\$ 4,434	\$ 3,819	\$ 2,361	\$ 15,552	\$ 3,972	\$ 3,926	\$ 4,666	\$ 3,790	\$ 16,354
Interest during construction - capital expenditures	28	32	32	31	123	61	33	38	41	173
Acquisitions, net of cash acquired:										
Spectrum and business acquisitions	100	1,074	41	636	1,851	22,884	28	105	1,655	24,672
Interest during construction - spectrum	-	-	-	-	-	-	257	259	265	781
Dividends Declared Per Common Share	\$ 0.52	\$ 0.52	\$ 0.52	\$ 0.52	\$ 2.08	\$ 0.52	\$ 0.52	\$ 0.52	\$ 0.52	\$ 2.08
End of Period Common Shares Outstanding (000,000)	7,125	7,125	7,125	7,126	7,126	7,140	7,140	7,140	7,141	7,141
Debt Ratio	45.7%	46.6%	44.9%	46.7%	46.7%	49.6%	50.0%	49.7%	49.1%	49.1%
Total Employees	244,490	243,350	234,630	230,760	230,760	228,470	226,840	214,840	202,600	202,600

See Notes to Financial and Operational Trends on page 14.

Consolidated Statements of Cash Flows

AT&T Inc.

Dollars in millions

Unaudited	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
Operating Activities					
Net income (loss)	\$ (13,515)	\$ 7,942	\$ 1,874	\$ 6,273	\$ 5,390
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation and amortization	6,979	5,809	5,761	5,619	5,673
Amortization of film and television costs	2,155	2,886	3,370	2,165	2,585
Distributed (undistributed) earnings from investments in equity affiliates	(70)	(47)	62	87	82
Provision for uncollectible accounts	361	321	275	262	382
Deferred income tax expense (benefit)	(573)	1,848	(76)	1,415	2,059
Net (gain) loss on investments, net of impairments	(53)	(119)	(118)	(728)	38
Pension and postretirement benefit expense (credit)	(747)	(974)	(925)	(971)	(978)
Actuarial (gain) loss on pension and postretirement benefits	4,106	(2,844)	197	(374)	(1,119)
Asset impairments and abandonments	16,365	-	4,555	161	188
Changes in operating assets and liabilities:					
Receivables	(105)	751	664	(1,358)	(691)
Other current assets, inventories and theatrical film and television production costs	(5,234)	(3,518)	(3,467)	(4,943)	(4,544)
Accounts payable and other accrued liabilities	3,495	(3,060)	(1,238)	2,044	3,890
Equipment installment receivables and related sales	(1,281)	1,190	(379)	(96)	(980)
Deferred customer contract acquisition and fulfillment costs	(77)	244	166	(94)	(264)
Postretirement claims and contributions	(576)	(343)	136	(218)	(397)
Other - net	(1,148)	(159)	53	622	(60)
Total adjustments	23,597	1,985	9,036	3,593	5,864
Net Cash Provided by Operating Activities	10,082	9,927	10,910	9,866	11,254
Investing Activities					
Capital expenditures ³	(2,392)	(4,033)	(3,959)	(4,704)	(3,831)
Acquisitions, net of cash acquired ³	(636)	(22,884)	(285)	(364)	(1,920)
Dispositions	3,213	51	584	8,451	(346)
Distributions from DIRECTV in excess of cumulative equity in earnings	-	-	-	-	1,323
Other - net	(7)	14	(119)	(85)	18
Net Cash (Used in) Provided by Investing Activities	178	(26,852)	(3,779)	3,298	(4,756)
Financing Activities					
Net change in short-term borrowings with original maturities of three months or less	-	687	(611)	554	686
Issuance of other short-term borrowings	-	15,485	955	1,036	4,380
Repayment of other short-term borrowings	(1,757)	-	(857)	(1,591)	(5,062)
Issuance of long-term debt	1	9,097	-	834	-
Repayment of long-term debt	(2,381)	(902)	(253)	(498)	(1,489)
Note payable to DIRECTV, net of payments	-	-	-	1,439	(98)
Payment of vendor financing	(1,001)	(1,690)	(1,304)	(1,019)	(583)
Purchase of treasury stock	(15)	(176)	(9)	(6)	(11)
Issuance of treasury stock	17	63	22	4	7
Redemption of preferred interest in subsidiaries	(1,950)	-	-	-	-
Dividends paid	(3,741)	(3,741)	(3,830)	(3,748)	(3,749)
Other - net	588	(340)	(696)	(740)	(668)
Net Cash (Used in) Provided by Financing Activities	(10,239)	18,483	(6,583)	(3,735)	(6,587)
Net (decrease) increase in cash and cash equivalents and restricted cash	21	1,558	548	9,429	(89)
Cash and cash equivalents and restricted cash beginning of period	9,849	9,870	11,428	11,976	21,405
Cash and Cash Equivalents and Restricted Cash End of Period	\$ 9,870	\$ 11,428	\$ 11,976	\$ 21,405	\$ 21,316
Cash paid for interest	\$ 1,576	\$ 2,134	\$ 1,727	\$ 2,218	\$ 1,594

See Notes to Financial and Operational Trends on page 14.

AT&T Inc.

Free Cash Flow & Capital Investment Detail

Dollars in millions

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
Cash Flow Detail									
Net cash provided by operating activities	\$ 11,943	\$ 8,866	\$ 12,059	\$ 12,123	\$ 10,082	\$ 9,927	\$ 10,910	\$ 9,866	\$ 11,254
Add: Distributions from DIRECTV classified as investing activities								-	1,323
Less: Capital expenditures	(3,792)	(4,966)	(4,466)	(3,851)	(2,392)	(4,033)	(3,959)	(4,704)	(3,831)
Free Cash Flow¹	8,151	3,900	7,593	8,272	7,690	5,894	6,951	5,162	8,746

Capital Investment Detail

Capital expenditures	\$ 3,792	\$ 4,966	\$ 4,466	\$ 3,851	\$ 2,392	\$ 4,033	\$ 3,959	\$ 4,704	\$ 3,831
Add: Vendor financing payments	449	791	563	611	1,001	1,690	1,304	1,019	583
Capital Investment¹	4,241	5,757	5,029	4,462	3,393	5,723	5,263	5,723	4,414
Add: FirstNet capital expenditures reimbursement	902	7	72	64	920	-	-	-	515
Gross Capital Investment¹	5,143	5,764	5,101	4,526	4,313	5,723	5,263	5,723	4,929

Distributions from DIRECTV Investment

Classified as operating activities								\$ 130	\$ 489
Classified as investing activities								-	1,323
Total Distributions								130	1,812

AT&T Inc.

FirstNet - Capital Expenditures and Reimbursements

Dollars in millions

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
Capital Expenditures Impact									
Capital expenditures	\$ 3,792	\$ 4,966	\$ 4,466	\$ 3,851	\$ 2,392	\$ 4,033	\$ 3,959	\$ 4,704	\$ 3,831
FirstNet capital expenditures reimbursement	902	7	72	64	920	-	-	-	515
Capital expenditures, gross	4,694	4,973	4,538	3,915	3,312	4,033	3,959	4,704	4,346
FirstNet Reimbursements									
Capital expenditures	\$ 902	\$ 7	\$ 72	\$ 64	\$ 920	\$ -	\$ -	\$ -	\$ 515
Operating expenses	338	3	58	18	484	-	-	77	273
Total reimbursements (success-based)	1,240	10	130	82	1,404	-	-	77	788

See Notes to Financial and Operational Trends on page 14.

4TH QUARTER EARNINGS 2021



Operating Revenues and Adjusted EBITDA

AT&T Inc.

Dollars in millions

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
Operating Revenues	\$ 46,821	\$ 42,779	\$ 40,950	\$ 42,340	\$ 45,691	\$ 43,939	\$ 44,045	\$ 39,922	\$ 40,958
Communications⁴	28,382	26,779	26,505	27,195	29,486	28,178	28,128	28,218	30,206
Mobility	18,700	17,402	17,149	17,894	20,119	19,034	18,936	19,138	21,146
Business Wireline	6,521	6,266	6,305	6,261	6,251	6,046	6,052	5,938	5,901
Consumer Wireline	3,161	3,111	3,051	3,040	3,116	3,098	3,140	3,142	3,159
WarnerMedia	9,453	7,765	6,728	7,395	8,554	8,526	8,791	8,442	9,873
Latin America	1,758	1,590	1,232	1,396	1,498	1,374	1,437	1,480	1,063
Mexico	776	703	480	643	736	631	688	724	704
Vrio	982	887	752	753	762	743	749	756	359
Corporate and Other^{4,14}									
Corporate, Acquisition-Related and Significant Items	528	534	589	628	456	426	361	278	199
Video	8,075	7,407	7,021	7,014	7,168	6,725	6,639	2,149	-
Eliminations ⁵	(873)	(883)	(831)	(880)	(868)	(902)	(901)	(534)	(383)
Consolidations ⁵	(502)	(413)	(294)	(408)	(603)	(388)	(410)	(111)	-
Adjusted EBITDA	\$ 14,365	\$ 14,232	\$ 14,112	\$ 13,313	\$ 12,889	\$ 13,564	\$ 13,585	\$ 13,019	\$ 11,301
Communications⁴	11,338	11,444	11,531	11,132	10,422	11,419	11,425	11,237	10,607
Mobility	7,530	7,833	7,817	7,712	7,096	8,016	8,025	7,990	7,403
Business Wireline	2,518	2,379	2,591	2,497	2,313	2,336	2,343	2,289	2,214
Consumer Wireline	1,290	1,232	1,123	923	1,013	1,067	1,057	958	990
WarnerMedia	3,005	2,160	2,072	1,912	2,719	2,123	1,857	2,171	1,744
Latin America	205	93	33	59	95	93	110	123	74
Mexico	3	(11)	(58)	(19)	14	11	21	27	36
Vrio	202	104	91	78	81	82	89	96	38
Corporate and Other^{4,14}									
Corporate	(480)	(478)	(480)	(547)	(493)	(787)	(799)	(831)	(1,124)
Video	750	1,387	1,212	1,127	710	1,065	1,364	418	-
Eliminations and Consolidations ⁵	(454)	(374)	(256)	(370)	(565)	(349)	(372)	(99)	-

See Notes to Financial and Operational Trends on page 14.

4TH QUARTER EARNINGS 2021



Communications

Mobility Results

Dollars in millions

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
Operating Revenues									
Service	\$ 13,948	\$ 13,968	\$ 13,669	\$ 13,883	\$ 14,022	\$ 14,048	\$ 14,346	\$ 14,527	\$ 14,669
Equipment	4,752	3,434	3,480	4,011	6,097	4,986	4,590	4,611	6,477
Total Operating Revenues	\$ 18,700	\$ 17,402	\$ 17,149	\$ 17,894	\$ 20,119	\$ 19,034	\$ 18,936	\$ 19,138	\$ 21,146
Operating Expenses									
Operations and support	11,170	9,569	9,332	10,182	13,023	11,018	10,911	11,148	13,743
Depreciation and amortization	2,027	2,045	2,012	2,021	2,008	2,014	2,023	2,035	2,050
Total Operating Expenses	13,197	11,614	11,344	12,203	15,031	13,032	12,934	13,183	15,793
Operating Income	\$ 5,503	\$ 5,788	\$ 5,805	\$ 5,691	\$ 5,088	\$ 6,002	\$ 6,002	\$ 5,955	\$ 5,353
Operating Income Margin	29.4%	33.3%	33.9%	31.8%	25.3%	31.5%	31.7%	31.1%	25.3%
EBITDA¹	\$ 7,530	\$ 7,833	\$ 7,817	\$ 7,712	\$ 7,096	\$ 8,016	\$ 8,025	\$ 7,990	\$ 7,403
EBITDA Margin¹	40.3%	45.0%	45.6%	43.1%	35.3%	42.1%	42.4%	41.7%	35.0%
EBITDA Service Margin¹	54.0%	56.1%	57.2%	55.5%	50.6%	57.1%	55.9%	55.0%	50.5%

See Notes to Financial and Operational Trends on page 14.

4TH QUARTER EARNINGS 2021



Communications

Mobility Operating Volumes and Statistics

Volumes in thousands

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
AT&T Mobility Subscribers and Connections									
Total Subscribers and Connections ⁶	165,889	169,198	171,407	176,744	182,558	186,108	191,646	196,519	201,791
Postpaid	75,207	75,148	74,919	75,969	77,154	77,934	79,059	80,249	81,534
Prepaid	17,803	17,808	18,008	18,100	18,102	18,387	18,681	19,028	19,028
Reseller	6,893	6,736	6,718	6,708	6,535	6,501	6,406	6,263	6,113
Connected Devices	65,986	69,506	71,762	75,967	80,767	83,286	87,500	90,979	95,116
Net Add Detail									
Net Subscriber Additions	3,590	3,310	2,208	5,525	5,855	3,551	5,537	4,873	5,271
Postpaid Net Adds	135	27	(154)	1,081	1,229	823	1,156	1,218	1,285
Prepaid Net Adds	8	(45)	165	245	14	279	297	351	29
Phone Detail									
Postpaid Phones	63,018	63,105	62,882	63,485	64,216	64,752	65,503	66,396	67,260
Prepaid Phones ⁶	16,682	16,687	16,856	16,832	16,779	16,992	17,161	17,405	17,398
Phone Detail - Net Adds									
Postpaid Phone Net Adds	229	163	(151)	645	800	595	789	928	884
Prepaid Phone Net Adds	(20)	(43)	135	131	(40)	207	174	249	24
Other Metrics									
Postpaid Smartphone Gross Adds and Upgrades (in millions)	5.7	3.9	3.8	4.4	6.9	5.1	5.0	5.6	6.6
Postpaid Upgrade Rate	4.8%	3.0%	3.3%	3.5%	6.5%	4.1%	3.9%	4.3%	5.3%
Churn Detail⁷									
Postpaid Phone Churn	1.07%	0.86%	0.84%	0.69%	0.76%	0.76%	0.69%	0.72%	0.85%
Postpaid Churn	1.29%	1.08%	1.05%	0.85%	0.94%	0.93%	0.87%	0.92%	1.02%
ARPU⁸									
Postpaid Phone-Only ARPU	\$ 55.52	\$ 55.68	\$ 54.47	\$ 54.70	\$ 54.46	\$ 54.10	\$ 54.24	\$ 54.37	\$ 54.06
Postpaid ARPU	50.49	50.63	49.76	49.94	49.50	49.13	49.26	49.17	48.97

See Notes to Financial and Operational Trends on page 14.

4TH QUARTER EARNINGS 2021



Communications

Business Wireline Results⁴

Dollars in millions

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
Operating Revenues									
Service	\$ 6,272	\$ 6,091	\$ 6,101	\$ 6,079	\$ 6,042	\$ 5,872	\$ 5,860	\$ 5,765	\$ 5,727
Equipment	249	175	204	182	209	174	192	173	174
Total Operating Revenues	\$ 6,521	\$ 6,266	\$ 6,305	\$ 6,261	\$ 6,251	\$ 6,046	\$ 6,052	\$ 5,938	\$ 5,901
Operating Expenses									
Operations and support	4,003	3,887	3,714	3,764	3,938	3,710	3,709	3,649	3,687
Depreciation and amortization	1,245	1,286	1,301	1,313	1,316	1,278	1,293	1,304	1,317
Total Operating Expenses	5,248	5,173	5,015	5,077	5,254	4,988	5,002	4,953	5,004
Operating Income	\$ 1,273	\$ 1,093	\$ 1,290	\$ 1,184	\$ 997	\$ 1,058	\$ 1,050	\$ 985	\$ 897
Operating Income Margin	19.5%	17.4%	20.5%	18.9%	15.9%	17.5%	17.3%	16.6%	15.2%
EBITDA¹	\$ 2,518	\$ 2,379	\$ 2,591	\$ 2,497	\$ 2,313	\$ 2,336	\$ 2,343	\$ 2,289	\$ 2,214
EBITDA Margin¹	38.6%	38.0%	41.1%	39.9%	37.0%	38.6%	38.7%	38.5%	37.5%

Communications

Supplemental Business Solutions Results (Wireline and Business Mobility)⁴

Dollars in millions

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
Operating Revenues									
Total Wireless Revenues	2,754	2,659	2,470	2,612	2,873	2,759	2,806	2,872	3,138
Operating Income	\$ 1,817	\$ 1,670	\$ 1,794	\$ 1,800	\$ 1,451	\$ 1,642	\$ 1,557	\$ 1,556	\$ 1,361
EBITDA¹	\$ 3,368	\$ 3,279	\$ 3,415	\$ 3,432	\$ 3,089	\$ 3,256	\$ 3,195	\$ 3,207	\$ 3,028

See Notes to Financial and Operational Trends on page 14.

4TH QUARTER EARNINGS 2021



Communications

Consumer Wireline Results⁴

Dollars in millions

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
Operating Revenues									
Broadband ⁹	\$ 2,107	\$ 2,109	\$ 2,092	\$ 2,128	\$ 2,205	\$ 2,205	\$ 2,266	\$ 2,290	\$ 2,324
Legacy Voice and Data Services	604	581	560	538	534	519	504	484	470
Other Service and Equipment	450	421	399	374	377	374	370	368	365
Total Operating Revenues	\$ 3,161	\$ 3,111	\$ 3,051	\$ 3,040	\$ 3,116	\$ 3,098	\$ 3,140	\$ 3,142	\$ 3,159
Operating Expenses									
Operations and support	1,871	1,879	1,928	2,117	2,103	2,031	2,083	2,184	2,169
Depreciation and amortization	726	712	730	734	738	762	769	775	789
Total Operating Expenses	2,597	2,591	2,658	2,851	2,841	2,793	2,852	2,959	2,958
Operating Income	\$ 564	\$ 520	\$ 393	\$ 189	\$ 275	\$ 305	\$ 288	\$ 183	\$ 201
Operating Income Margin	17.8%	16.7%	12.9%	6.2%	8.8%	9.8%	9.2%	5.8%	6.4%
EBITDA¹	\$ 1,290	\$ 1,232	\$ 1,123	\$ 923	\$ 1,013	\$ 1,067	\$ 1,057	\$ 958	\$ 990
EBITDA Margin¹	40.8%	39.6%	36.8%	30.4%	32.5%	34.4%	33.7%	30.5%	31.3%

Communications

Consumer Wireline Operating Volumes and Statistics

Volumes in thousands

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
Total Broadband and DSL Connections									
Fiber	3,887	4,096	4,321	4,678	4,951	5,186	5,432	5,721	5,992
Non Fiber	9,711	9,458	9,154	8,984	8,742	8,581	8,386	8,125	7,853
DSL	521	492	469	440	407	379	356	334	315
Total Broadband and DSL Net Adds									
Fiber	191	209	225	357	273	235	246	289	271
Non Fiber	(332)	(253)	(304)	(170)	(242)	(161)	(195)	(261)	(272)
DSL	(41)	(29)	(23)	(29)	(33)	(28)	(23)	(22)	(19)
Broadband ARPU⁸	\$ 51.36	\$ 51.84	\$ 51.61	\$ 52.43	\$ 53.72	\$ 53.52	\$ 54.76	\$ 55.16	\$ 55.96

See Notes to Financial and Operational Trends on page 14.

4TH QUARTER EARNINGS 2021



WarnerMedia⁴

Statement of Segment Income

Dollars in millions

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21	
Segment Operating Revenues										
Subscription	\$ 3,356	\$ 3,400	\$ 3,265	\$ 3,477	\$ 3,623	\$ 3,830	\$ 3,961	\$ 3,988	\$ 3,817	
Content and Other	4,328	2,900	2,292	2,318	3,042	2,959	3,091	3,053	4,411	
Advertising	1,769	1,465	1,171	1,600	1,889	1,737	1,739	1,401	1,645	
Total Segment Operating Revenues	\$ 9,453	\$ 7,765	\$ 6,728	\$ 7,395	\$ 8,554	\$ 8,526	\$ 8,791	\$ 8,442	\$ 9,873	
Segment Operating Expenses										
Direct Costs										
Programming ¹⁰	3,827	3,082	2,375	3,181	3,040	3,774	4,154	3,068	4,290	
Marketing	753	550	545	655	779	850	983	1,096	1,208	
Other	778	775	820	734	882	813	854	932	1,059	
Selling, general and administrative	1,090	1,198	916	913	1,134	966	943	1,175	1,572	
Depreciation and amortization	169	161	164	169	177	163	165	163	165	
Total Segment Operating Expenses	6,617	5,766	4,820	5,652	6,012	6,566	7,099	6,434	8,294	
Segment Operating Income	\$ 2,836	\$ 1,999	\$ 1,908	\$ 1,743	\$ 2,542	\$ 1,960	\$ 1,692	\$ 2,008	\$ 1,579	
Equity in Net Income (Loss) of Affiliates	23	15	4	12	(13)	70	47	(73)	(6)	
Segment Contribution	\$ 2,859	\$ 2,014	\$ 1,912	\$ 1,755	\$ 2,529	\$ 2,030	\$ 1,739	\$ 1,935	\$ 1,573	
Segment Operating Income Margin	30.0%	25.7%	28.4%	23.6%	29.7%	23.0%	19.2%	23.8%	16.0%	
EBITDA¹	\$ 3,005	\$ 2,160	\$ 2,072	\$ 1,912	\$ 2,719	\$ 2,123	\$ 1,857	\$ 2,171	\$ 1,744	
EBITDA Margin¹	31.8%	27.8%	30.8%	25.9%	31.8%	24.9%	21.1%	25.7%	17.7%	
Revenue Eliminations	\$ (319)	\$ (670)	\$ (1,540)	\$ (511)	\$ (636)	\$ (643)	\$ (616)	\$ (712)	\$ (1,098)	
Cash Paid for Programming and Produced Film/TV Content¹⁰	4,287	4,322	2,897	3,062	4,617	4,535	5,261	4,766	4,602	

WarnerMedia

Basic Networks - Supplemental disclosures provided for modeling purposes⁴

Dollars in millions

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21	
Operating Revenues										
Subscription	\$ 1,901	\$ 2,049	\$ 1,804	\$ 1,840	\$ 1,920	\$ 2,013	\$ 1,955	\$ 1,948	\$ 1,929	
Advertising	1,126	957	796	1,077	1,111	1,267	1,218	876	1,027	
Content and other	235	156	388	259	211	254	192	202	182	
Total Operating Revenues	\$ 3,262	\$ 3,162	\$ 2,988	\$ 3,176	\$ 3,242	\$ 3,534	\$ 3,365	\$ 3,026	\$ 3,138	
Direct Costs										
Programming costs	\$ 1,234	\$ 1,104	\$ 700	\$ 1,511	\$ 1,118	\$ 1,508	\$ 1,670	\$ 824	\$ 1,330	
Marketing	140	131	125	128	134	125	134	119	159	
Other	224	216	265	178	238	271	268	282	272	
Total Direct Costs	\$ 1,598	\$ 1,451	\$ 1,090	\$ 1,817	\$ 1,490	\$ 1,904	\$ 2,072	\$ 1,225	\$ 1,761	

See Notes to Financial and Operational Trends on page 14.

4TH QUARTER EARNINGS 2021



WarnerMedia

Direct-to-Consumer (DTC) - Supplemental disclosures provided for modeling purposes⁴

Dollars in millions

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
Operating Revenues									
Subscription	\$ 1,431	\$ 1,338	\$ 1,441	\$ 1,624	\$ 1,687	\$ 1,810	\$ 1,996	\$ 2,036	\$ 1,881
Content and other	273	159	186	157	216	119	140	206	218
Total Operating Revenues	\$ 1,704	\$ 1,497	\$ 1,627	\$ 1,781	\$ 1,903	\$ 1,929	\$ 2,136	\$ 2,242	\$ 2,099
Direct Costs									
Programming costs	\$ 648	\$ 585	\$ 806	\$ 966	\$ 899	\$ 998	\$ 1,071	\$ 1,127	\$ 1,235
Marketing	184	95	266	307	428	421	504	535	654
Other	244	231	289	278	302	266	319	379	425
Total Direct Costs	\$ 1,076	\$ 911	\$ 1,361	\$ 1,551	\$ 1,629	\$ 1,685	\$ 1,894	\$ 2,041	\$ 2,314

WarnerMedia

Direct-to-Consumer (DTC) Operating Volumes and Statistics

Volumes in thousands

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
Total Global HBO Max and HBO Subscribers	54,662	53,841	55,576	56,894	60,613	63,921	67,527	69,414	73,751
Domestic HBO Max and HBO Subscribers¹¹	34,587	33,096	36,347	38,033	41,528	44,183	47,029	45,181	46,790
HBO Max - Wholesale	-	-	23,594	25,106	30,785	30,935	31,451	29,026	29,369
HBO Max - Retail	-	-	2,975	3,625	6,880	9,693	12,077	12,647	13,910
HBO	30,331	28,829	5,918	5,614	197	55	32	30	29
HBO Commercial	4,256	4,267	3,860	3,688	3,666	3,500	3,469	3,478	3,482
International HBO Max and HBO Subscribers¹²	20,075	20,745	19,229	18,861	19,085	19,738	20,498	24,233	26,961
Domestic ARPU¹³	\$ 11.94	\$ 11.97	\$ 11.72	\$ 11.43	\$ 11.46	\$ 11.72	\$ 11.90	\$ 11.82	\$ 11.15

WarnerMedia

Theatrical, TV Content and Games Licensing - Supplemental disclosures provided for modeling purposes⁴

Dollars in millions

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
Operating Revenues									
Theatrical product	\$ 1,570	\$ 1,106	\$ 1,029	\$ 1,068	\$ 1,186	\$ 1,190	\$ 1,284	\$ 1,343	\$ 1,423
Television product	1,983	1,769	1,876	960	1,566	1,674	1,678	1,607	3,072
Games and other	565	365	351	383	495	349	405	403	613
Total Operating Revenues	\$ 4,118	\$ 3,240	\$ 3,256	\$ 2,411	\$ 3,247	\$ 3,213	\$ 3,367	\$ 3,353	\$ 5,108
Direct Costs									
Film and TV Production costs	\$ 2,103	\$ 1,824	\$ 1,893	\$ 1,176	\$ 1,592	\$ 1,877	\$ 2,006	\$ 1,825	\$ 2,714
Marketing	427	300	153	219	215	303	340	437	389
Other	293	222	187	205	250	185	196	188	282
Total Direct Costs	\$ 2,823	\$ 2,346	\$ 2,233	\$ 1,600	\$ 2,057	\$ 2,365	\$ 2,542	\$ 2,450	\$ 3,385

See Notes to Financial and Operational Trends on page 14.

4TH QUARTER EARNINGS 2021



Latin America

Statement of Segment Income

Dollars in millions

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
Segment Operating Revenues									
Video Entertainment	\$ 982	\$ 887	\$ 752	\$ 753	\$ 762	\$ 743	\$ 749	\$ 756	\$ 359
Wireless Service	487	467	345	385	459	439	447	463	485
Wireless Equipment	289	236	135	258	277	192	241	261	219
Total Segment Operating Revenues	\$ 1,758	\$ 1,590	\$ 1,232	\$ 1,396	\$ 1,498	\$ 1,374	\$ 1,437	\$ 1,480	\$ 1,063
Segment Operating Expenses									
Operations and support	1,553	1,497	1,199	1,337	1,403	1,281	1,327	1,357	989
Depreciation and amortization	294	281	242	250	260	262	264	157	153
Total Segment Operating Expenses	1,847	1,778	1,441	1,587	1,663	1,543	1,591	1,514	1,142
Segment Operating Income (Loss)	(89)	(188)	(209)	(191)	(165)	(169)	(154)	(34)	(79)
Equity in Net Income (Loss) of Affiliates	2	4	8	14	(2)	(4)	2	9	(1)
Segment Contribution	\$ (87)	\$ (184)	\$ (201)	\$ (177)	\$ (167)	\$ (173)	\$ (152)	\$ (25)	\$ (80)
Segment Operating Income Margin	-5.1%	-11.8%	-17.0%	-13.7%	-11.0%	-12.3%	-10.7%	-2.3%	-7.4%
EBITDA¹	\$ 205	\$ 93	\$ 33	\$ 59	\$ 95	\$ 93	\$ 110	\$ 123	\$ 74
EBITDA Margin¹	11.7%	5.8%	2.7%	4.2%	6.3%	6.8%	7.7%	8.3%	7.0%

Latin America

Mexico Results

Dollars in millions

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
EBITDA¹	\$ 3	\$ (11)	\$ (58)	\$ (19)	\$ 14	\$ 11	\$ 21	\$ 27	\$ 36
EBITDA Margin¹	0.4%	-1.6%	-12.1%	-3.0%	1.9%	1.7%	3.1%	3.7%	5.1%

Latin America

Mexico Operating Volumes and Statistics

Volumes in thousands

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
Wireless Subscribers	19,159	19,158	17,973	18,414	18,943	18,981	19,046	19,473	20,362
Postpaid	5,103	4,962	4,771	4,710	4,696	4,725	4,745	4,781	4,807
Prepaid	13,584	13,692	12,777	13,249	13,758	13,756	13,810	14,199	15,057
Reseller	472	504	425	455	489	500	491	493	498
Wireless Net Adds	540	(1)	(1,085)	441	529	38	65	427	889
Wireless Churn⁷	7.43%	6.54%	6.94%	5.90%	5.95%	5.91%	6.04%	5.99%	5.75%
Wireless ARPU⁸	\$ 8.30	\$ 7.78	\$ 5.84	\$ 6.40	\$ 7.04	\$ 6.85	\$ 6.94	\$ 6.97	\$ 6.80

See Notes to Financial and Operational Trends on page 14.

4TH QUARTER EARNINGS 2021



Corporate

Supplemental Results - Corporate¹⁴

Dollars in millions

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
Total Operating Revenues	\$ 528	\$ 534	\$ 589	\$ 628	\$ 456	\$ 426	\$ 361	\$ 278	\$ 199
Operating Expenses									
Operations and support	1,008	1,012	1,069	1,175	949	1,213	1,160	1,109	1,323
Depreciation and amortization	128	90	99	65	56	35	30	129	178
Total Operating Expenses	1,136	1,102	1,168	1,240	1,005	1,248	1,190	1,238	1,501
Operating Loss	\$ (608)	\$ (568)	\$ (579)	\$ (612)	\$ (549)	\$ (822)	\$ (829)	\$ (960)	\$ (1,302)

Operations and Support:

Reclassification of amortization of prior service credits	\$ 454	\$ 610	\$ 611	\$ 611	\$ 610	\$ 669	\$ 672	\$ 670	\$ 669
Other Corporate expenses	554	402	458	564	339	544	488	439	654

AT&T Inc.

Other Income (Expense) - Net

Dollars in millions

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
Interest income and other gain/(loss) items ¹⁵	\$ 23	\$ (214)	\$ (3)	\$ (1,186)	\$ 67	\$ 136	\$ 28	\$ 681	\$ 9
Net pension and postretirement credit, excluding actuarial gain/(loss)	996	1,017	1,020	1,018	1,019	1,241	1,168	1,224	1,226
Actuarial gain/(loss)	(1,123)	-	-	(63)	(4,106)	2,844	(197)	374	1,119
Other Income (Expense) - Net	\$ (104)	\$ 803	\$ 1,017	\$ (231)	\$ (3,020)	\$ 4,221	\$ 999	\$ 2,279	\$ 2,354

AT&T Inc.

Equity in Net Income (Loss) of Affiliates

Dollars in millions

Unaudited	9/30/21	12/31/21
Equity in Net Income (Loss) of Affiliates	\$ 91	\$ 447
Less: Equity in Net Income (loss) from Other investments	(66)	(15)
Equity in Net Income from DIRECTV investment	157	462
Add: DIRECTV intangible amortization (proportionate share)	392	434
Adjusted Equity in Net Income from DIRECTV investment¹⁶	\$ 549	\$ 896

See Notes to Financial and Operational Trends on page 14.

Notes to Financial and Operational Trends

AT&T Inc.

¹ See Discussion and Reconciliation of Non-GAAP Measures included in Form 8-K dated January 26, 2022. Additionally, see Non-GAAP Reconciliations in the 1Q21 Financial and Operational Trends for certain business units for which historical results were recast in the Form 8-K dated April 9, 2021. Beginning in the third quarter of 2021, AT&T includes all cash received from DIRECTV as part of its non-GAAP measure, Free Cash Flow, including distributions reported as investing activities pursuant to GAAP.

² Pro Forma results reflect the July 31, 2021 separation of the U.S. video business and the November 15, 2021 divestiture of Vrio. See Form 8-K dated January 26, 2022 and Supplemental Quarterly Pro Forma Financial Information schedule included on the AT&T Investor Relations Website for further explanation of these pro forma metrics.

³ Interest during construction is included in both Acquisitions and in Capital Expenditures (see Financial and Operating Statistics Summary on page 2).

⁴ In 1Q21, results were reclassified to conform to current-period presentation. See Form 8-K dated April 9, 2021. Changes include: (1) Communications segment results were recast to remove the Video and Government Solutions held-for-sale businesses, instead reporting those results in Corporate and Other. (2) Business Wireline revenues are characterized as either "service" or "equipment". (3) Consumer Wireline business unit (formerly Broadband) and Video have historically been operated as a single business unit, which included our U-verse products that provide both video and broadband services to customers and run on a shared network infrastructure. In conjunction with finalizing the deal terms of our previously announced Video transaction with TPG, we have refined cost allocations, specifically shared infrastructure and deferred customer acquisition costs. (4) WarnerMedia segment results reflect the operation of WarnerMedia as one integrated organization, and as such, operating contribution is reported at the segment level. For modeling purposes, supplemental disclosures of revenue and direct costs are provided herein for the following areas: Basic Networks (formerly Turner business unit), Direct-to-Consumer (DTC) (formerly Home Box Office business unit), and Theatrical, TV Content and Games Licensing (formerly Warner Bros. business unit). In 2Q21, WarnerMedia segment results were recast to conform to current-period presentation reflecting a net presentation for operating revenues and for operating expenses.

⁵ Eliminations and consolidations remove transactions that either involve dealings between AT&T companies, including content licensing with WarnerMedia, or relate to advertising arrangements recorded in both the WarnerMedia segment and Video operations (included in Corporate and Other). After the July 31, 2021 separation of the U.S. video business, transactions between WarnerMedia and DIRECTV are third-party activities and advertising arrangements are reflected only in the WarnerMedia segment. After the November 15, 2021 divestiture of Vrio, transactions between WarnerMedia and Vrio are third-party activities.

⁶ 4Q20 subscribers include a reduction of 41K subscribers resulting from a true-up after the divestiture of Puerto Rico and U.S. Virgin Islands mobility operations.

⁷ Churn is calculated by dividing the aggregate number of wireless subscribers who canceled service during a month by the total number of wireless subscribers at the beginning of that month. The churn rate for the period is equal to the average of the churn rate for each month of that period.

⁸ For Mobility and Mexico, ARPU is defined as wireless subscriber revenues during the period divided by average wireless subscribers during the period. Wireless service revenues include subscriber revenues and other revenues. In Consumer Wireline, Broadband ARPU is defined as Broadband revenues (see footnote 9 below) during the period divided by average Broadband connections (excluding DSL) during the period.

⁹ Broadband revenues are comprised of revenues from IP Fiber and IP Non-Fiber subscribers and exclude DSL revenues, which are included in Legacy Voice and Data Services.

¹⁰ Programming includes amortization of film and television costs reflected in the Consolidated Statements of Cash Flows. Cash Paid for Programming and Produced Film/TV Content is net of the elimination of transactions between WarnerMedia business units.

¹¹ Domestic HBO Max and HBO Subscribers include the following categories of U.S. accounts: (1) HBO Max – Wholesale: accounts that have access to HBO Max through a wholesale distributor (including wholesale subscribers that may not have signed in), (2) HBO Max – Retail: accounts that have access to HBO Max and are billed directly by WarnerMedia or by a third party via in-app purchase, (3) HBO: accounts that do not have access to HBO Max, and (4) HBO Commercial: commercial accounts that do not have access to HBO Max and are billed on a bulk basis (e.g., hotels, etc.). Domestic HBO Max and HBO Subscribers do not include free trials or Cinemax subscribers.

¹² International HBO Max and HBO Subscribers consist of non-domestic accounts with access to HBO Max (including wholesale subscribers that may not have signed in) and HBO accounts, and exclude free trial, basic and Cinemax subscribers.

¹³ Domestic ARPU is defined as Domestic HBO Max and HBO Subscriber revenues during the period divided by average Domestic HBO Max and HBO Subscribers during the period, excluding HBO Commercial and other bulk-billed revenues and subscribers during the period.

¹⁴ Corporate includes: (1) businesses no longer integral to our operations or which we no longer actively market, (2) corporate support functions, (3) impacts of corporate-wide decisions for which the individual operating segments are not being evaluated, including certain Video operations and support costs and network depreciation costs that are retained by AT&T after separation, and (4) the reclassification of the amortization of prior service credits, which we continue to report with segment operating expenses, to consolidated "Other Income (Expense) - Net". To maintain comparability of AT&T's operating segment results, and while operational plans and cost reduction initiatives are implemented, costs previously allocated to the Video business that were retained after the transaction (net of reimbursements from DIRECTV under transition service agreements) are reported in Corporate and Other through 2022 (see Form 8-K dated September 9, 2021). Operating loss for 4Q21 reflects \$290M of retained Video costs (net), including \$140M of retained depreciation. Corporate included the following held-for-sale businesses prior to their divestiture: Puerto Rico and U.S. Virgin Islands mobility and business wireline operations (divested in October 2020), AT&T Government Solutions (divested in March 2021) and Crunchyroll (divested in August 2021).

¹⁵ 4Q21 Interest income and other gain/(loss) includes (\$194M) net losses from divested businesses and other adjustments which have been excluded from adjusted EPS. See Adjusting Items in the Financial and Operational Schedules & Non-GAAP Reconciliations.

¹⁶ Adjusted equity in net income from DIRECTV investment is calculated as equity income from DIRECTV reported in Equity in Net Income (Loss) of Affiliates and excludes AT&T's proportionate share of the noncash depreciation and amortization of fair value accretion from DIRECTV's revaluation of assets and purchase price allocation.