

AT&T Analyst & Investor Conference

March 11, 2022



Introduction

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Cautionary Language Concerning Forward-looking Statements

Information set forth in this presentation contains financial estimates and other forward-looking statements that are subject to risks and uncertainties, and actual results might differ materially. A discussion of factors that may affect future results is contained in AT&T's filings with the Securities and Exchange Commission. AT&T disclaims any obligation to update and revise statements contained in this presentation based on new information or otherwise.

This presentation may contain certain non-GAAP financial measures. Information about non-GAAP financial measures is contained in the annex and reconciliations between the non-GAAP financial measures and the GAAP financial measures are available on the company's website at www.att.com/investor.relations.

Our Vision Forward

John Stankey
CEO



AT&T Delivered in 2021

More mobility postpaid
phone net additions
than in the past

10 years

1+ Million

Fiber net additions for
the fourth straight year

13+ Million

HBO Max and HBO
additional subscribers*

*See the appendix for further information.

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Today's Takeaways

1

Expanding 5G and Fiber

Serving customer segments and setting us up for growth

2

Differentiated path

Bringing value in unique ways

3

Reshaped cost structure

Improving our cash flows

4

Focused execution and approach

Driving returns and value creation

Dawn of a New Age of Connectivity

5x
increase

Data on Our Network
2021-2025

There has never been a
better time...to make
Internet for all a reality.

Taking Our Performance To The Next Level

AT&T is Well Positioned in Today's Evolving Macro Environment

The AT&T Opportunity

Strong cash flows

Dividend yield among best in Fortune 500

Increased financial flexibility

Clear upside tied to expanding growth opportunities

Today's Lineup

Network: Investing In Our Foundational Strength

Jeff McElfresh, CEO, AT&T Communications

Consumer: Disciplined Growth & Fiber Opportunities

Jenifer Robertson, Executive Vice President & General Manager – Mobility

Business: Driving Durable Value with Fiber and 5G

Rasesh Patel, Executive Vice President – Chief Product & Platform Officer

Cost Transformation: Sharpening Our Focus

Jeff McElfresh, CEO, AT&T Communications

Financial Outlook: Path to Sustainable Growth

Pascal Desroches, Senior Executive Vice President & CFO

Network: Investing In Our Foundational Strength

Jeff McElfresh
CEO, AT&T Communications



Consumer

4K streaming/gaming

Smart home

Work from home

Today

0.9

Terabytes



Future

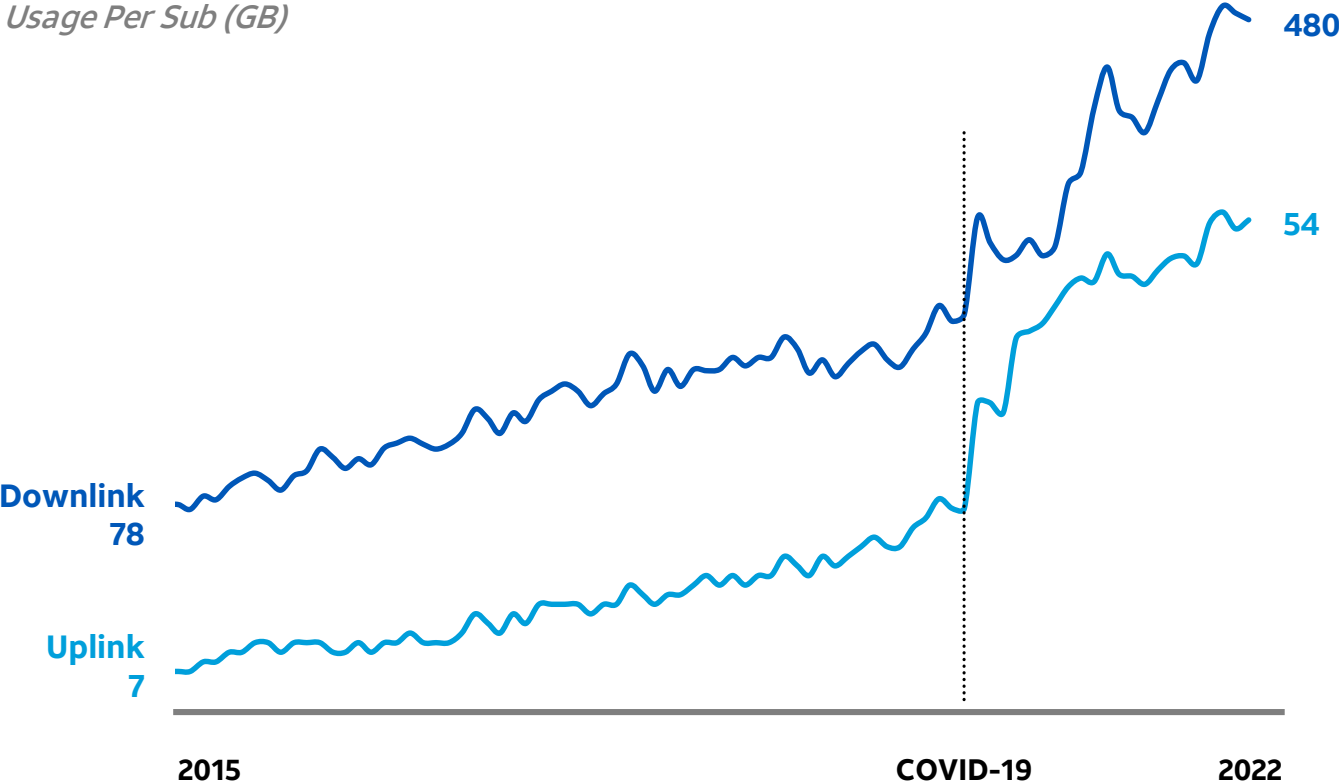
4.6

Terabytes

The demand for bandwidth continues to accelerate

Uplink and Downlink Consumption Trends

Usage Per Sub (GB)



	Today	Future
Connected devices	13	~40 devices
Daily Video streaming	3	5 hours
Monthly Mobile	11	50 GB
Evolving use cases		
Unicast 4K/8K	AR / VR	
Conferencing	Gaming	

Source: AT&T Labs Outlook

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Small Business Midmarket

Retail and mobile businesses

Connected devices

Security / SD-WAN

Today

0.6

Terabytes



Future

2.2

Terabytes

Enterprise

Distributed/remote worker

Edge locations

Expanding security perimeter

Today

170

Petabytes



Future

1400

Petabytes

Fiber is foundational

Experience

Multi-gig capable

Speed

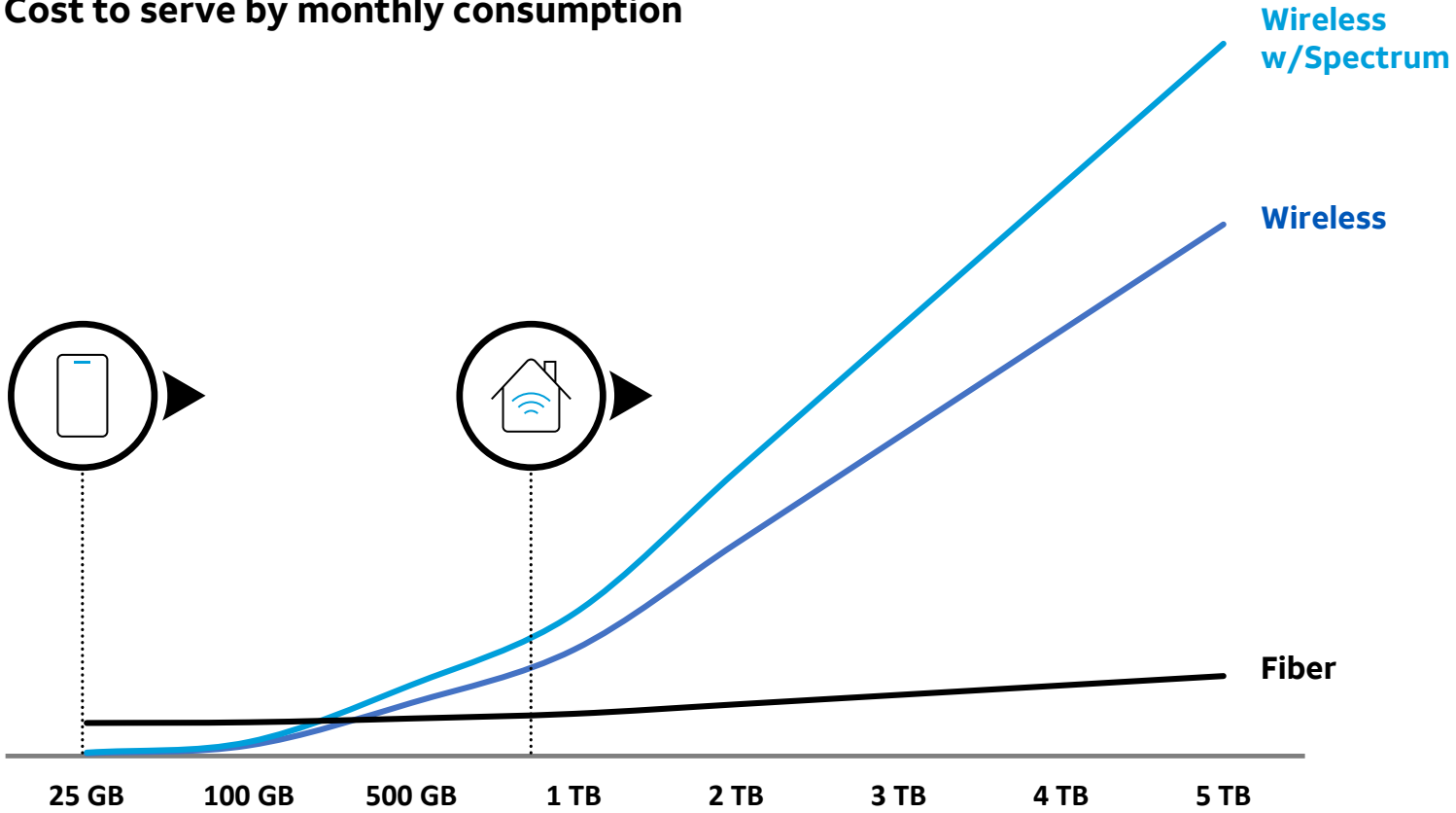
Symmetrical/low latency

Sustainable

Enables critical technologies

Fiber remains economical as data consumption increases

Cost to serve by monthly consumption

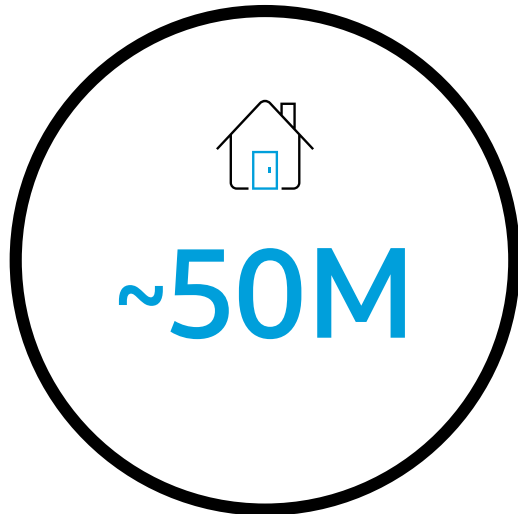


Source: AT&T Labs

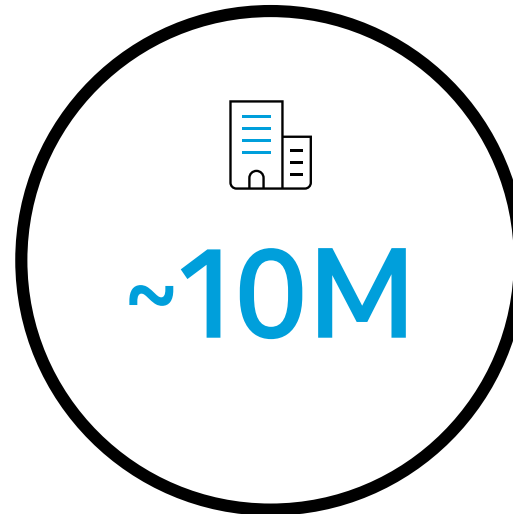
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U.S. market opportunity



Suburban/
Urban areas



Business
locations

Wireless assets are strong



99.5%

Reliability



2.9M

Total Square
Miles



8 Qtrs.

Consecutive
Improvement
Overall Network
satisfaction

Spectrum deployment strategy: ONE touch

Spectrum Holdings
Average MHz by Band as of 1/2022



Strong low band coverage



Solid mid-band position



Consistent experience

Deliberate capital investment deployment strategy

Fiber Build Plan

30M+ | **~3.5-4M**
Customer Locations by 2025 | Annually

5G+ Mid Band POPs Covered

~200M
by 2023



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Consumer: Disciplined Market Share & Fiber Opportunities

Jenifer Robertson

Executive Vice President & General Manager - Mobility



Our most loyal
customers want
to feel valued

Growing the value of the base

Postpaid Voice Net Adds

3.2M

Highest on record

+2x YoY

Installment Plan

~80%

Postpaid Voice Base

75% on Unlimited Plans

27% on highest ARPU plan



+14%

Customer Value

Simple

Unlimited Your Way

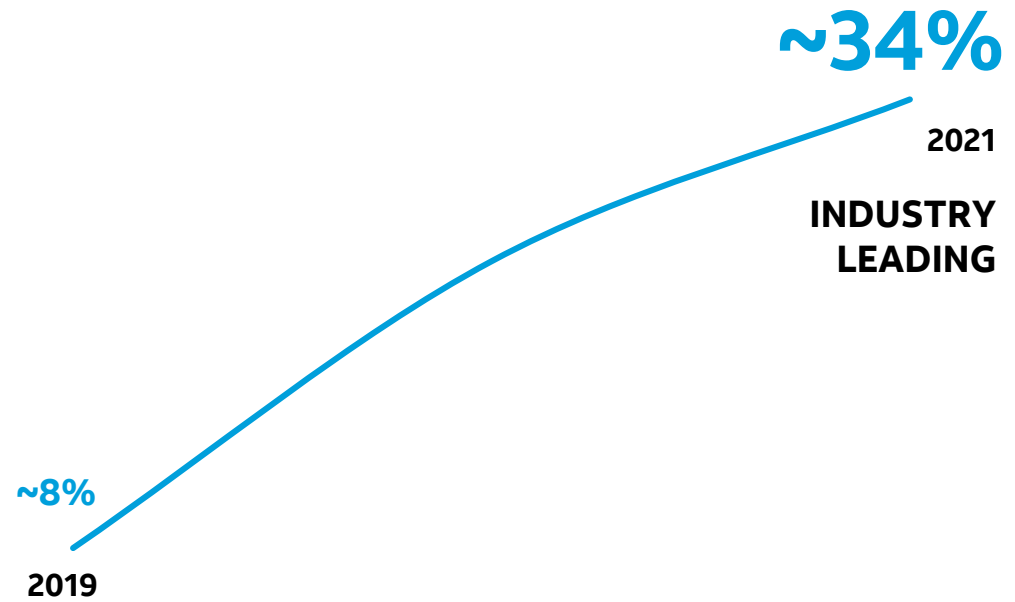
Reliable

Best Deals for Everyone

Secure

Active Armor

Share of Postpaid phone net adds



Midmarket and Public Safety

Growth through business relationships



~6M

Midmarket businesses
17M multi-line subscribers

Expanded distribution

Hispanic Segment

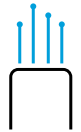
Growth through diverse segments



Differentiated products
and local distribution

Wireless Cross-Sell

Growth through fiber



50% higher

Wireless market share in
fiber footprint

Targeted offers and
proactive distribution

Speed

Hyper-gig symmetrical

Security

Active Armor included

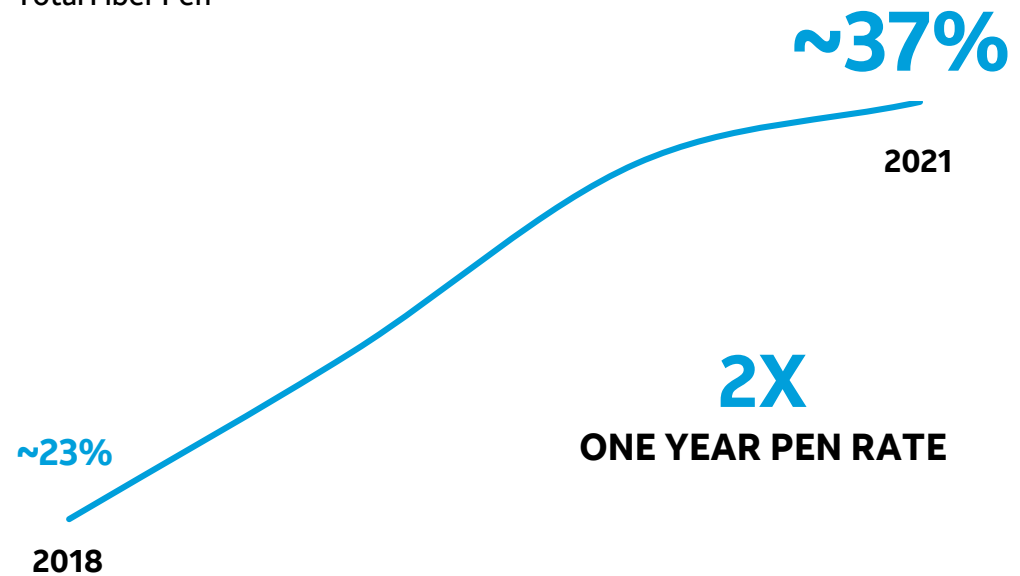
Simplicity

No contracts,
straightforward pricing

AT&T is accelerating penetration at record rates

Current penetration

Total Fiber Pen



Superior product and strong competitive position

Mid to
high teens

Fiber returns

Business: Driving Durable Value with Fiber and 5G

Rasesh Patel

Executive Vice President – Chief Product & Platform Officer



Strong relationships in Enterprise position us for Fiber & 5G transformation

Trusted Brand in Enterprise

Relationships with

~90%

of Fortune 1000

Leader in Connecting Businesses

~70%

of enterprise customers buy wireline and wireless services

IoT Leadership

95M+

Connected Devices (as of 2021)

Leader in CX

JD Power

for Large/Medium Businesses

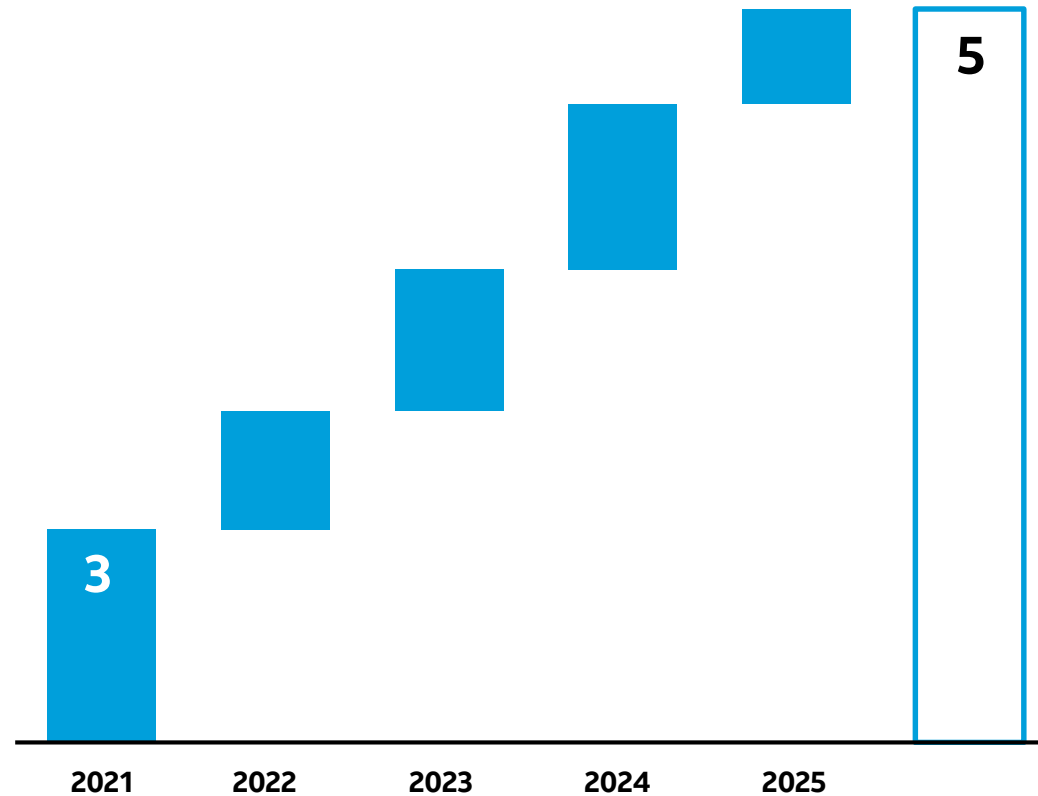
Taking share with

FirstNet

Expanding Fiber Footprint to Small & Midmarket Businesses

Integrated fiber plan – business

Customer Locations (M)



Expand Small Business Broadband Share from low 20s to ~30%¹

IRR = low to mid twenties

1. In-Market Broadband Share for Small Business

Expanding Share in Small Business and Midmarket

Profitable Growth Opportunity

>80%

New or switching to AT&T

Durable Relationships

>60 Months

~\$10k LTVs

Expanding Share in Small Business and Midmarket



Fiber

Retail Businesses



Fixed Wireless

Mobile Businesses



Expanding Distribution

Improved reach & simplified CX

Accelerated momentum in Business Mobility

53%

2021 Flow Share
in Postpaid Phone¹

Taking a majority of highest value
Business Mobility services

54%

2021 IoT
Connectivity Share²

#1 IoT Mobile Network Operator
in the U.S.

1. Modeled using Competitive and Market Analyst publicly reported data.

2. Thru 3Q21

FirstNet is America's public safety network



Taking Share in Public Safety

3M Connections in four years

~\$1.7B Business

+60% YoY

Modernizing Public Safety

Platform Expansion
Body Cams, Fleet & Surveillance

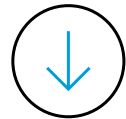
Push to Talk
Interoperability to over 7.2M Radio Users

Network Coverage
Band 14 deployment >95% completed

Positioned to Win as Auto industry transitions to EV & Autonomous

>50M

Connected cars



80%+

Market share



TOYOTA



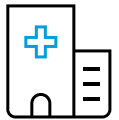
HONDA



mazda



Our next set of verticals



Manufacturing

\$20B

Addressable TAM by 2026
Next gen connected factory

Healthcare

78x

Increase in telehealth in the month immediately following COVID

Next generation of enterprise services

Network
Edge

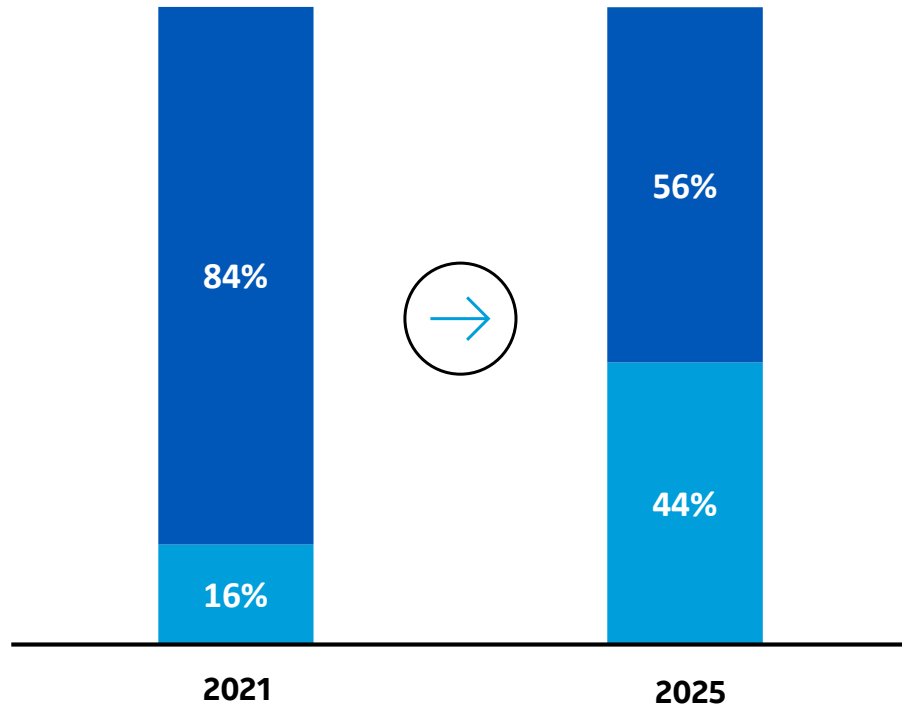
Private
5G

Hybrid
Work

Reorienting the business

Business wireline EBITDA¹ mix

■ Fiber & Fixed Wireless ■ Other



Driving durable value thru Fiber and 5G

Take share in Small Business and Midmarket

Expand vertical model and next gen services

Streamline Product Portfolio and deliver stable EBITDA margins

1. See appendix for further information on Non-GAAP measures.

Cost Transformation: Sharpening Our Focus

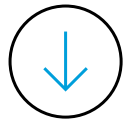
Jeff McElfresh
CEO, AT&T Communications



Sharpening focus on network footprint

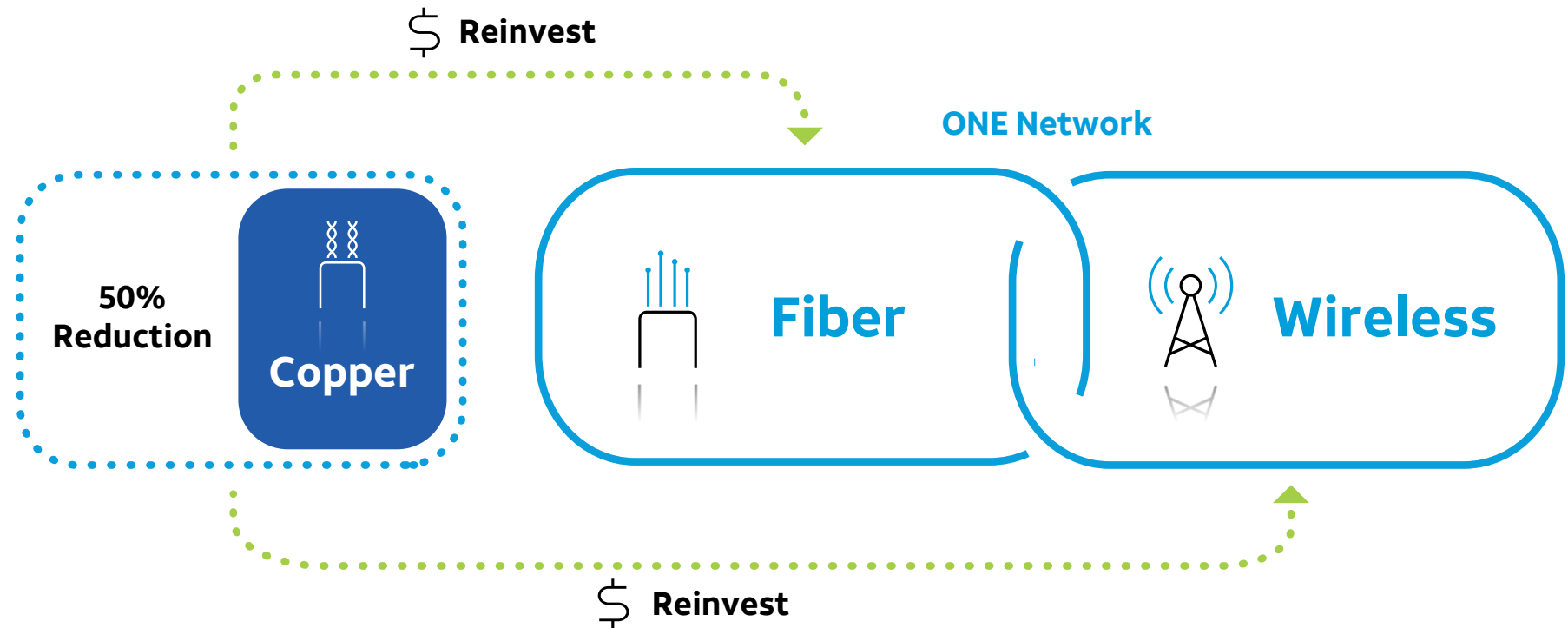
20%

Fiber in 2021



75%+

Fiber & 5G by 2025



ONE Platform

Enabling our customer experience

Streamlining internal infrastructure

Portfolio



200

Reduction

Billing Systems



30

Reduction

Data Centers



20

Reduction

Applications



1500

Migration

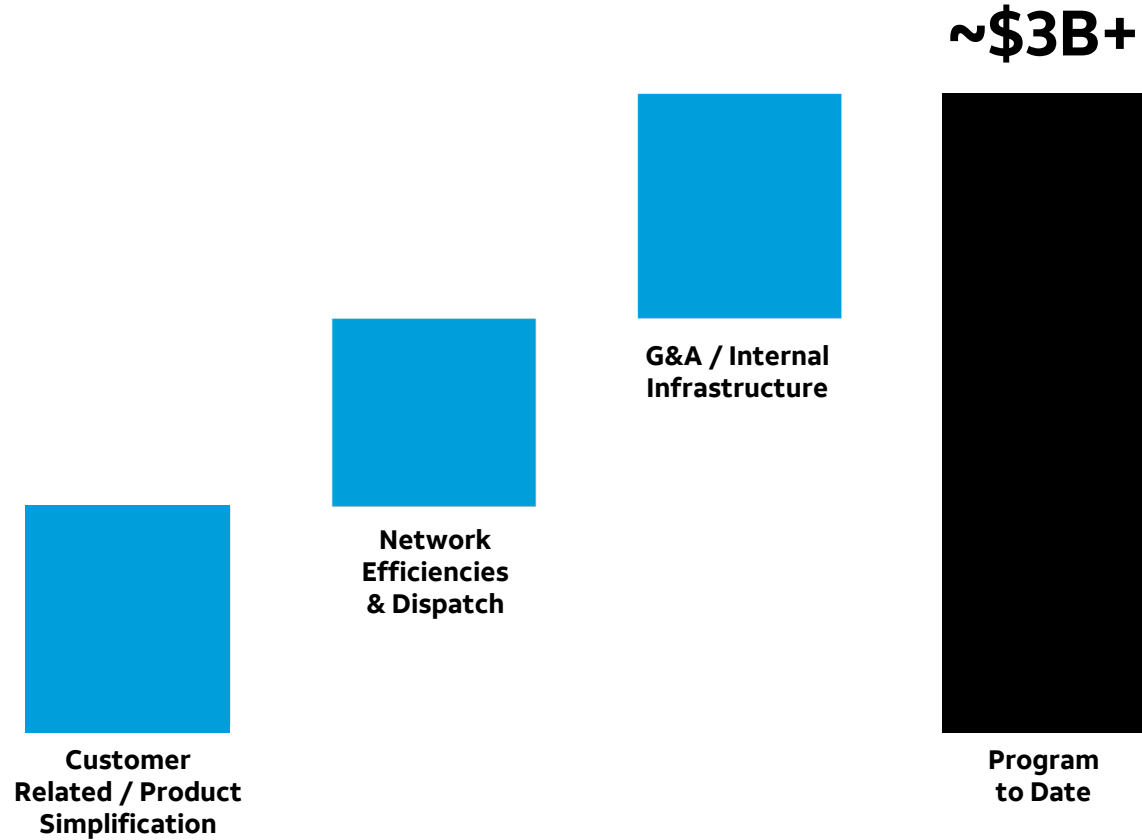
Real Estate



15M

Sq ft
Reduction

On track to deliver \$6B benefit by 2023



Financial Outlook: Path to Sustainable Growth

Pascal Desroches

Senior Executive Vice President & CFO



Capital Allocation Framework

Investing for **growth**

Maintaining an attractive **dividend**

Strengthening the **balance sheet**

Increasing **financial flexibility** to maximize shareholder value

**Focused Total
Return Strategy**

Financial Outlook

	AT&T Pro Forma*	Guidance*	
	2021	2022	2023
Total Revenue	\$118.2 billion	Low single digit growth	Low single digit growth
Wireless Service Revenue	\$57.6 billion	3%+ growth	Low single digit growth
Broadband Revenue	\$9.1 billion	6%+ growth	Mid to high single digit growth
Adjusted EBITDA*	\$40.3 billion	\$41 - \$42 billion	\$43.5 - \$44.5 billion
Adjusted EPS*	\$2.41	\$2.42 - \$2.46	\$2.50 - \$2.60
Capital Investment* <i>Subset: 5G Spectrum Deployment</i>	~\$20.1 billion ~\$1 billion	~\$24 billion ~\$5 billion	~\$24 billion ~\$5 billion
Free Cash Flow* (includes impact from vendor financing payments)	\$19.2 billion	\$16 billion range	\$20 billion range

Free cash flow* is defined as cash from operations and cash distributions from DIRECTV (classified as investing activities) minus capital expenditures and cash paid for vendor financing.

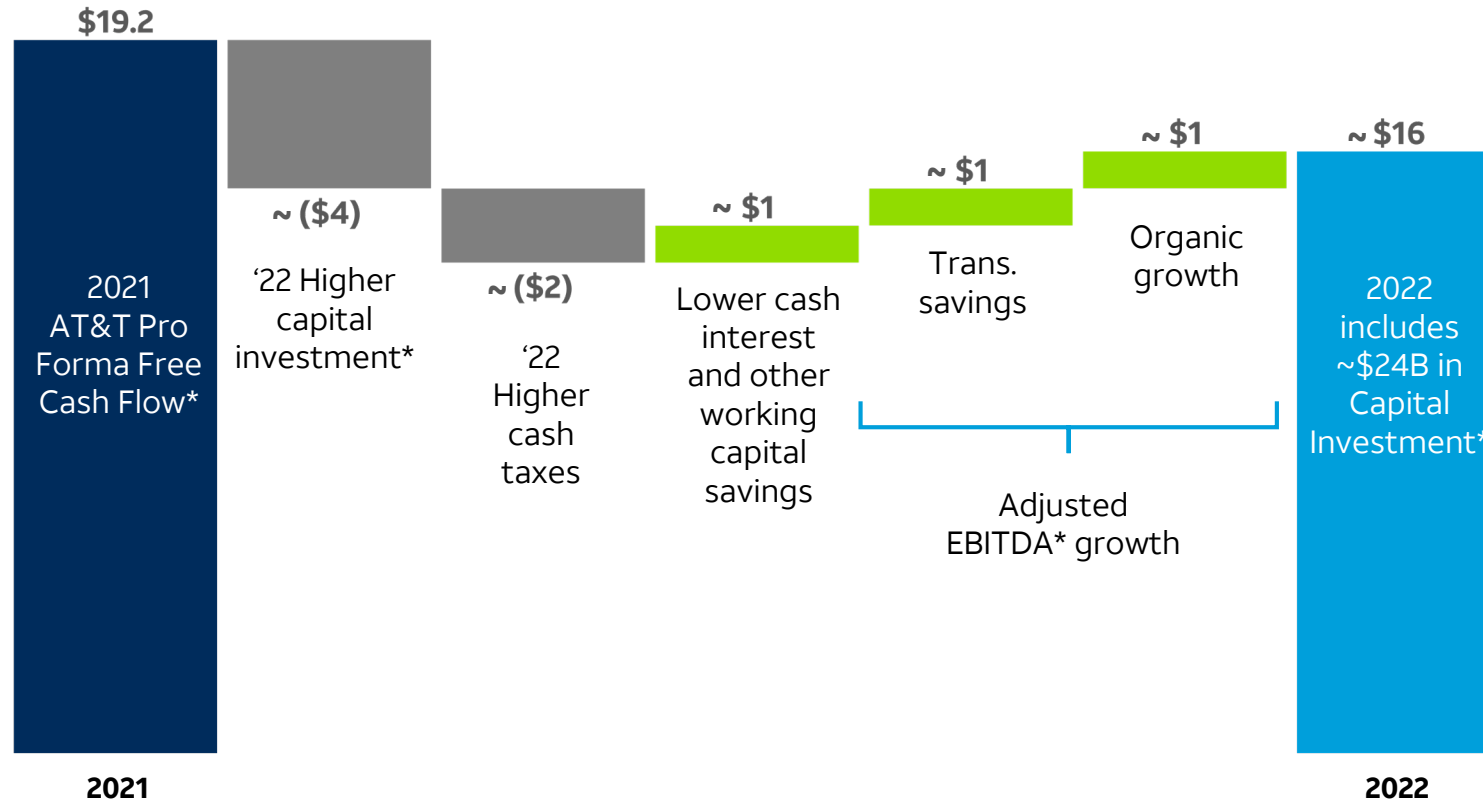
*See appendix for further information on Non-GAAP measures and Pro Forma results.

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Free Cash Flow Walk – 2021 to 2022

In billions



Free cash flow* is defined as cash from operations and cash distributions from DIRECTV (classified as investing activities) minus capital expenditures and cash paid for vendor financing.

*See appendix for further information on Non-GAAP measures and Pro Forma results.

Free Cash Flow Walk – 2021 to 2022

2022 Adj. EBITDA* organic growth drivers:

- **Mobility growth** from growing subscriber base and stable ARPU and ramping MVNO volumes
- **Consumer Wireline growth** with accelerating broadband revenue growth from Fiber
- **Business Wireline trend improvement**

~\$1B in incremental transformation savings

~\$1B in cash interest and other working capital savings

Free cash flow* is defined as cash from operations and cash distributions from DIRECTV (classified as investing activities) minus capital expenditures and cash paid for vendor financing.

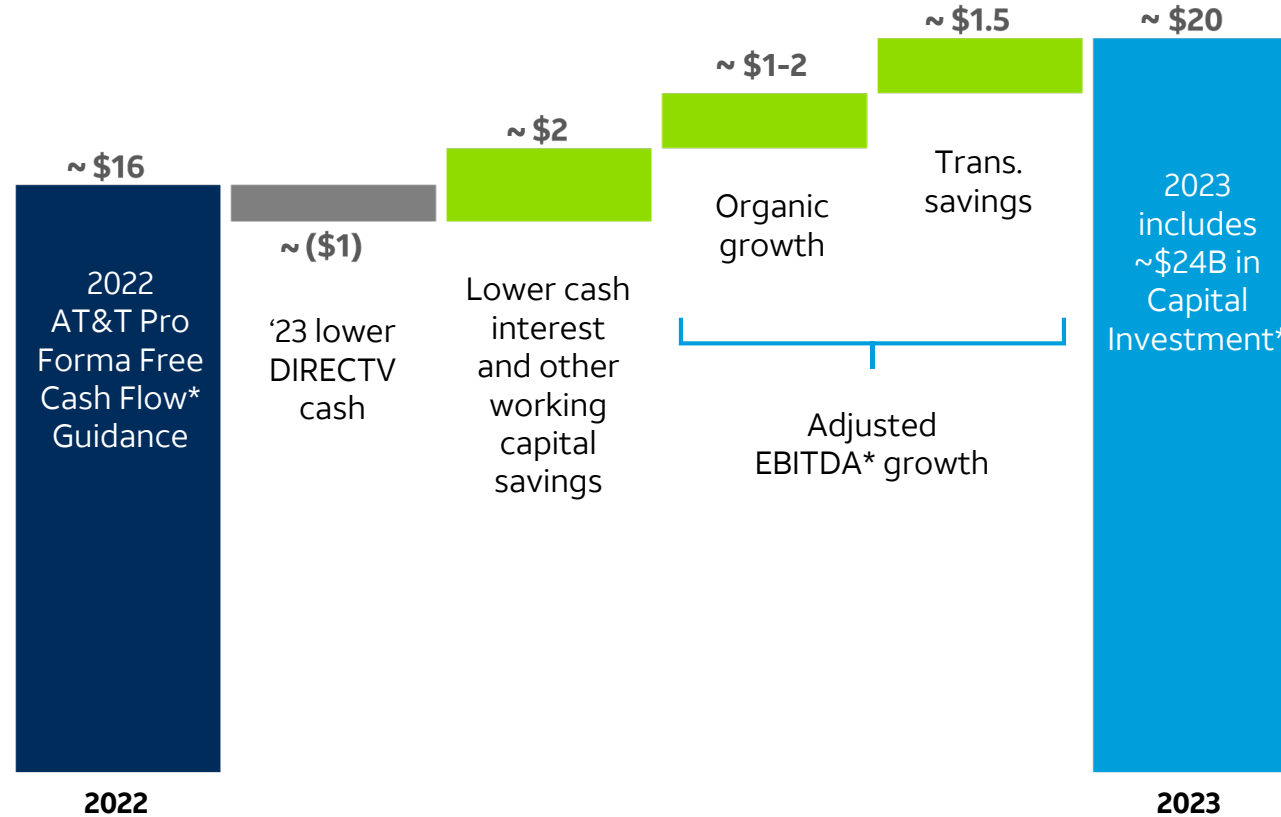
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Free Cash Flow Walk – 2022 to 2023

In billions



Free cash flow* is defined as cash from operations and cash distributions from DIRECTV (classified as investing activities) minus capital expenditures and cash paid for vendor financing.

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Free Cash Flow Walk – 2022 to 2023

2023 Adj. EBITDA* organic growth drivers:

- **Mobility growth** from growing subscriber base, strong ARPU, higher MVNO volumes and roaming recovery
- **Consumer Wireline growth** with accelerating broadband revenue growth from Fiber
- **Business Wireline exiting** with growth in higher margin SMB connectivity solutions offsetting legacy pressures

~\$1.5B in incremental transformation savings

~\$2B in cash interest and other working capital savings

*Expect 2023 to be peak capital intensity**

Free cash flow* is defined as cash from operations and cash distributions from DIRECTV (classified as investing activities) minus capital expenditures and cash paid for vendor financing.

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Transformation

Over \$3B of transformation savings to date have been absorbed that are expected to be tailwinds going forward

**OVER \$3B
RUN-RATE
SAVINGS**

Network
Efficiencies &
Dispatch

Customer
Related/
Product
Simplification

G&A/Internal
Infrastructure

**FUTURE
TAILWINDS**

International
Roaming

Advertising and
Promotional
Impacts

Transformation
Investment

Expect AT&T to emerge as a **simplified,
more focused and purpose-driven company**
committed to growth and creating shareholder value

Wrap up



Appendix – Non-GAAP Measures

AT&T Pro Forma for 2021 reflects the historical operating results of the company excluding certain businesses (WarnerMedia, Xandr, Playdemic, Otter Media, Vrio, Video and other dispositions included in Corporate and Other), as if such transfers occurred as of January 1, 2020, and reflects many but not all adjustments required for pro forma financial information prepared in accordance with Article 11 of Regulation S-X. See our Form 8-K dated March 11, 2022 for further discussion and information. Guidance for 2022 and 2023 is presented on a comparable basis to AT&T Pro Forma for 2021.

EBITDA and **Adjusted EBITDA** are non-GAAP financial measures that are frequently used by investors and credit rating agencies to provide relevant and useful information. EBITDA is operating income before depreciation and amortization. Adjusted EBITDA is calculated by excluding from operating revenues, operating expenses and income tax expense certain significant items that are non-operational or non-recurring in nature, including dispositions and merger integration and transaction costs, actuarial gains and losses, significant abandonments and impairment, severance and other material gains and losses. For 2021, reconciliation of Business Wireline EBITDA to the most directly comparable GAAP measure is provided in the 4Q21 Financial and Operational Schedules & Non-GAAP Reconciliations document on our Investor Relations website, investors.att.com. For 2021, reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure is included in our Form 8-K dated March 11, 2022. EBITDA and Adjusted EBITDA estimates depend on future levels of revenues and expenses which are not reasonably estimable at this time. Accordingly, we cannot provide a reconciliation between projected EBITDA and projected Adjusted EBITDA and the most comparable GAAP metrics without unreasonable effort.

Adjusted earnings per share. Adjusted EPS is calculated by excluding from operating revenues, operating expenses and income tax expense certain significant items that are non-operational or non-recurring in nature, including disposition and merger integration and transaction costs, actuarial gains and losses, significant abandonments and impairment, severance and other material gains and losses. For 2021, reconciliation of this non-GAAP financial measure to the most directly comparable GAAP measure is included in our Form 8-K dated March 11, 2022. The company expects adjustments to 2022 and 2023 reported diluted EPS (that excludes any impact of adoption of new accounting standards) to include the proportionate share of intangible amortization at the DIRECTV equity method investment in the range of \$1.5 billion for 2022 and \$1.3 billion for 2023, a non-cash mark-to-market benefit plan gain/loss, and other items. The company expects the mark-to-market adjustment, which is driven by interest rates and investment returns that are not reasonably estimable at this time, to be a significant item. Our 2022 and 2023 Adjusted EPS depends on future levels of revenues and expenses which are not reasonably estimable at this time. Accordingly, we cannot provide a reconciliation between these projected non-GAAP metrics and the reported GAAP metrics without unreasonable effort.

Capital investment includes capital expenditures and cash paid for vendor financing. For 2021, reconciliation of this non-GAAP financial measure to the most directly comparable GAAP measure is included in our Form 8-K dated March 11, 2022. In 2022, AT&T Capital Investment is expected to be in the \$24 billion range (with capital expenditures in the \$20 billion range and vendor financing payments in the \$4 billion range). Due to high variability and difficulty in predicting items that impact capital expenditures and vendor financing payments, the company is not able to provide a reconciliation between projected capital investment and the most comparable GAAP metrics without unreasonable effort. **Capital intensity** is calculated as operating revenues divided by Capital Investment.

Free cash flow is a non-GAAP financial measure that is frequently used by investors and credit rating agencies to provide relevant and useful information. Free cash flow is defined as cash from operations and cash distributions from DIRECTV (classified as investing activities) minus capital expenditures and cash paid for vendor financing. For 2021, reconciliation of this non-GAAP financial measure to the most directly comparable GAAP measure is included in our Form 8-K dated March 11, 2022. Our projected total dividend payout ratio for 2023 is calculated as expected total dividends paid of \$8.2 billion (\$8.0 billion common and \$0.2 billion preferred) divided by projected free cash flow of approximately \$20 billion. Due to high variability and difficulty in predicting items that impact cash from operating activities, cash distributions from DIRECTV, capital expenditures and vendor financing payments, the company is not able to provide a reconciliation between projected free cash flow and the most comparable GAAP metric without unreasonable effort.

Net Debt to adjusted EBITDA ratios are non-GAAP financial measures that are frequently used by investors and credit rating agencies to provide relevant and useful information. Our Net Debt to Adjusted EBITDA ratio is calculated by dividing the Net Debt (calculated as total debt less cash and cash equivalents) by the sum of the most recent four quarters of Adjusted EBITDA.

Global HBO Max and HBO subscribers consist of domestic and international HBO Max and HBO subscribers, and exclude free trials, basic and Cinemax subscribers. Domestic HBO Max and HBO subscribers consist of U.S. accounts with access to HBO Max (including wholesale subscribers and subscribers receiving access through bundled services with affiliates that may not have signed in) and HBO accounts, and exclude free trials and Cinemax subscribers. International HBO Max and HBO subscribers consist of non-domestic accounts with access to HBO Max and HBO accounts, and exclude free trial, basic and Cinemax subscribers.