AT&T Investor Update

2nd Quarter Earnings

July 24, 2019

Q2 2019 AT&T EARNINGS

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. Reconciliations between the non-GAAP financial measures and the GAAP financial measures are available on the company's website at https://investors.att.com.

The "quiet period" for FCC Spectrum Auction 103 is in effect. During the quiet period, auction applicants are required to avoid discussions of bids, bidding strategy and post-auction market structure with other auction applicants.

Important additional Information:

AT&T has filed a Form 8-K reporting the quarterly results for the second quarter of 2019. The 8-K must be read in conjunction with this presentation and contains additional important details on the quarterly results.

Delivering on our commitments

Net debt lowered
On track with deleveraging goals; $18 billion since merger close

Strong wireless execution
Service revenues up 2.4% in 2Q with margin expansion
Continued smartphone net adds on the nation's best and fastest network

FirstNet helps drive network and 5G leadership

WarnerMedia synergies and merger plan on track
Award-winning original content drives digital subscriber growth
HBO Max slated to launch in spring 2020

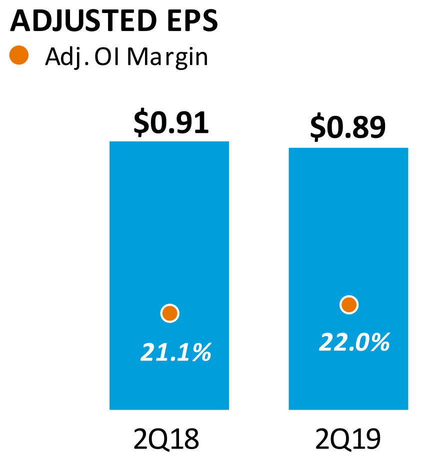
Stable Entertainment Group EBITDA
2Q EBITDA up 1.1%, driven by broadband revenue gains
Focusing on long-term value as video customer base evolves

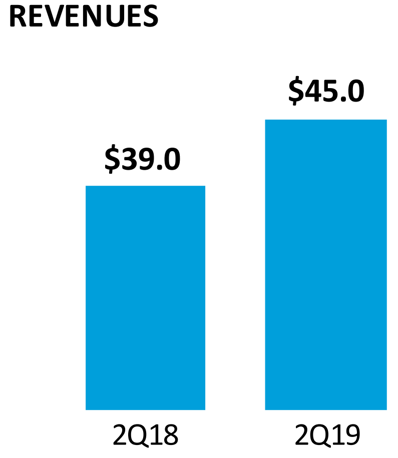
2Q19 Results

2Q19 Financial Summary

$ in billions, except EPS

2Q19 Highlights





	2Q18	2Q19
Reported EPS	**$0.81**	**$0.51**
Adjustments:		
• Actuarial (gain) loss on benefit plans	($0.21)	$0.18
• Amortization of intangibles	$0.16	$0.21
• Merger integration items	$0.14	$0.05
• Other adjustments[1]	$0.01	($0.06)
Adjusted EPS	**$0.91**	**$0.89**

Adjusted EPS of $0.89

Expect solid 2H to deliver full-year growth in low single digits

$45.0 billion in consolidated revenues

All segments growing on a constant currency basis

Up 0.6% on a pro forma basis, even with ~$400M FX impact and ~$100M lower wireless equipment revenue

Adjusted operating income margin of 22.0%

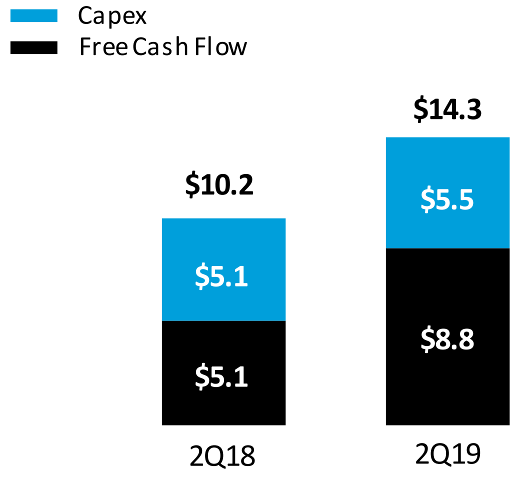
Up 90bps, with strength in Mobility and WarnerMedia and improvement in Entertainment Group

[1] *2Q19 includes $(0.08) of gain on sale of Hulu equity investment, offset by $0.02 of other items*

Cash Flow and Capital Detail

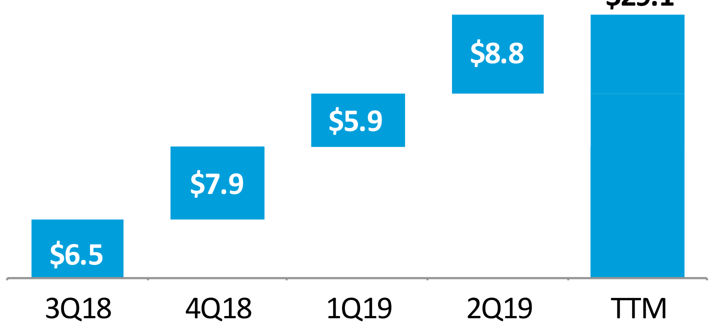
$ in billions, except EPS

Cash from Operations



Annualized Free Cash Flow

Trailing 12 months (TTM)



Cash from operations of $14.3 billion, up 40%

Reflects addition of WarnerMedia and $2.6B sale of WM receivables

Free cash flow of $8.8 billion; $29 billion trailing 12 months

Capex totaled $5.5 billion

Capital Investment totaled $6.5 billion, including cash payments for vendor financing of $1.0 billion

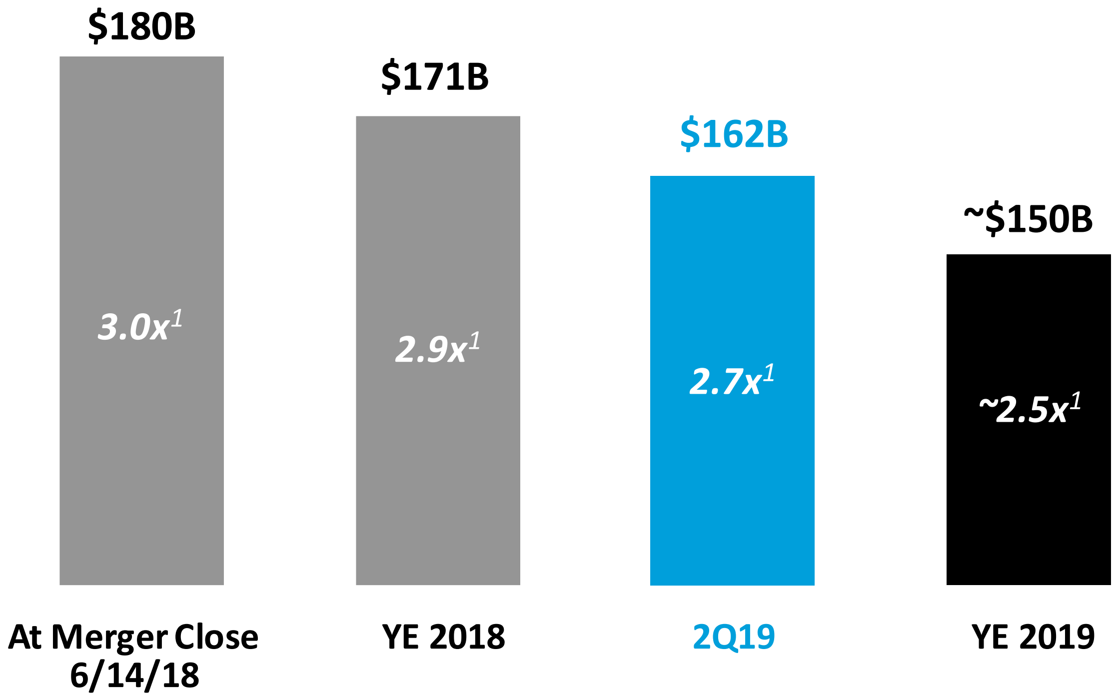
Net Debt reduced by $6.8 billion in the quarter

$8.8 billion	Free cash flow *(includes $2.6B A/R sale)*
+ $3.6 billion	Dispositions *(Hulu, Hudson Yards)*
- $3.7 billion	Net dividend payments
- $1.9 billion	Payments for vendor financing and other items
$6.8 billion	2Q de-levering

Company raises FCF guidance to $28 billion range

Reaffirms all other 2019 guidance

Net Debt Reduction



$18 billion reduction in 12 months

~$30 billion by year-end 2019

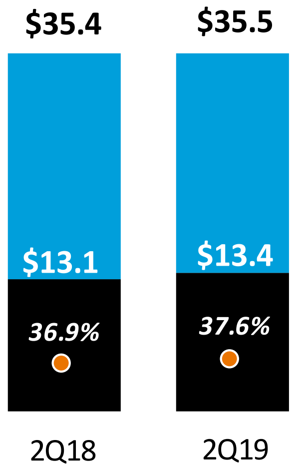
Right on track for 2.5x range target

[1] *Net debt to Adj. EBITDA ratio; illustrative of approximately $60B Adj. EBITDA.*

Beyond 2.5x range, will consider opportunistic share repurchases while continuing to pay down debt

2Q19 Communications Segment

$ in billions REVENUES EBITDA MARGIN EBITDA



Wireless revenue growth drives stability with higher EBITDA margins

Wireless service revenues up 2.4%

Entertainment Group EBITDA and margins show continued improvement

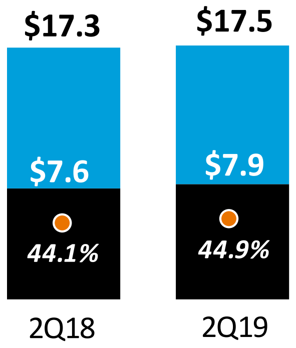
Business Wireline revenue trends improve; EBITDA margins solid with continued cost management

- Including wireless, Business Solutions revenue up 2.3%

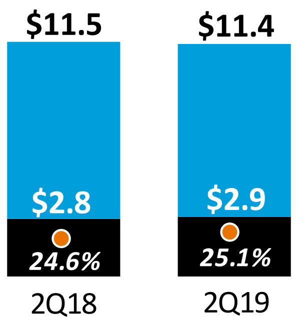
EBITDA growth and margin expansion in Mobility and Entertainment

EBITDA margin up 70 basis points

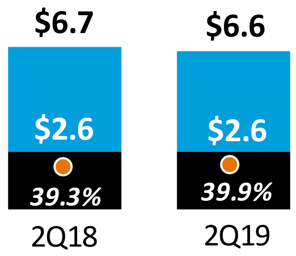
Mobility



Entertainment Group



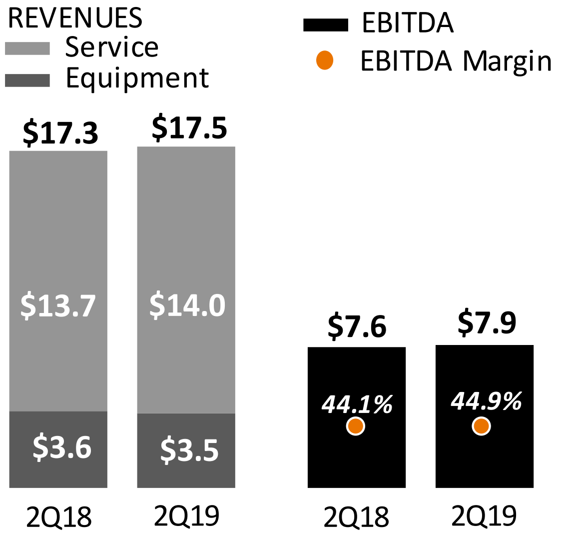
Business Wireline



2Q19 Communications Segment – Mobility

$ in billions

Mobility



Solid revenue, EBITDA and margin gains

Wireless service revenues up 2.4%; total wireless revenue up 1.3%, with historically low upgrade rate

EBITDA growth of 3.1%; EBITDA service margin of 56.1%

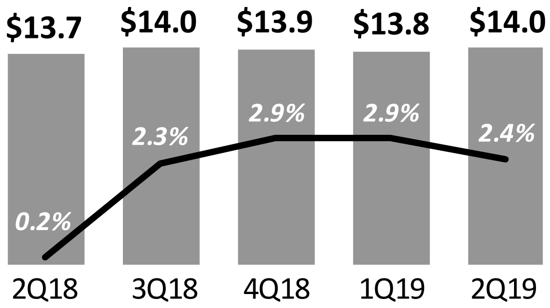
Strong phone growth with 355,000 postpaid and prepaid phone net adds

72,000 postpaid phone net adds; 0.86% postpaid phone churn

283,000 prepaid phone net adds; all-time low Cricket churn

388,000 smartphone net adds

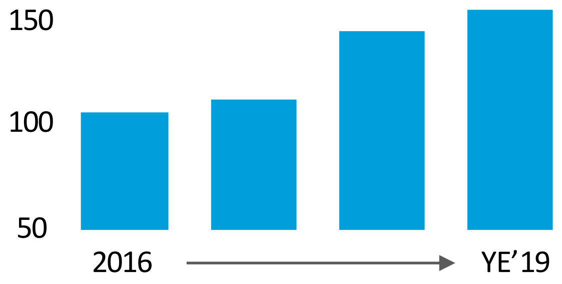
Service Revenue Growth*



EBITDA Growing

~50% Increase in Spectrum Deployed

Avg MHz/Pop in top 100 Markets

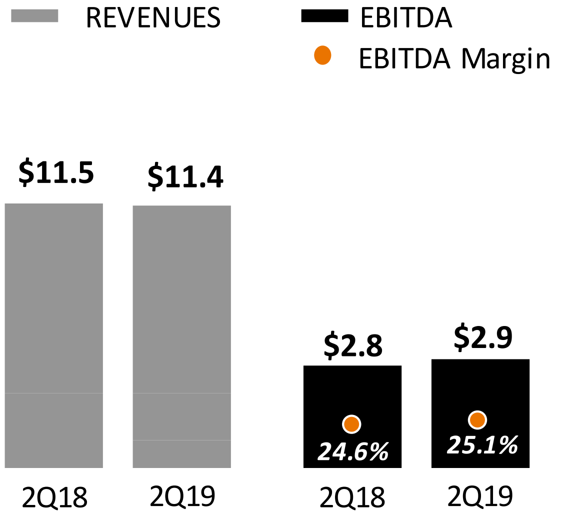


** 2018 growth rates presented on a comparable basis, to exclude the impact of ASC 606.*

2Q19 Communications Segment – Entertainment Group

$ in billions

Entertainment Group



Modest EBITDA growth, with a continued focus on long-term value

Broadband revenues grow; premium video and IP broadband ARPUs grow ~5%

Operating & Support expenses down 1.6%

Number of premium video subscribers on heavily discounted plans reduced

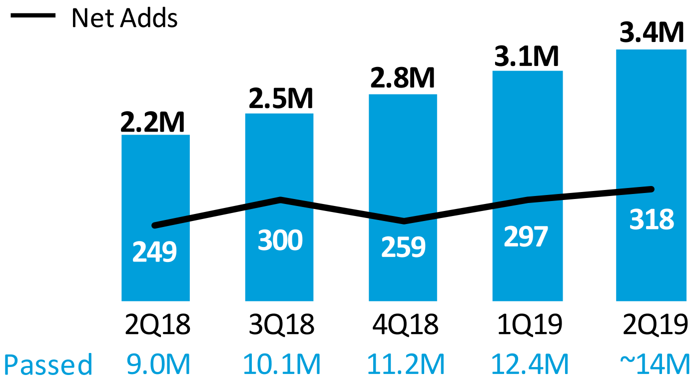
778,000 premium video net losses in the quarter; 1 million remain on two-year pricing promotion

168,000 DIRECTV NOW net losses in the quarter with fewer promotions

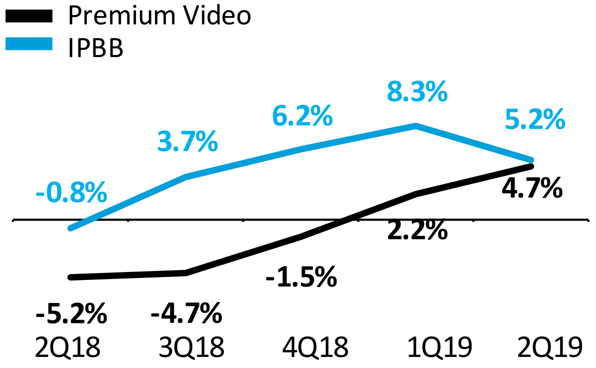
AT&T TV test markets slated to launch in 3Q

318,000 AT&T Fiber net adds as fiber build meets goal

AT&T Fiber Subscribers



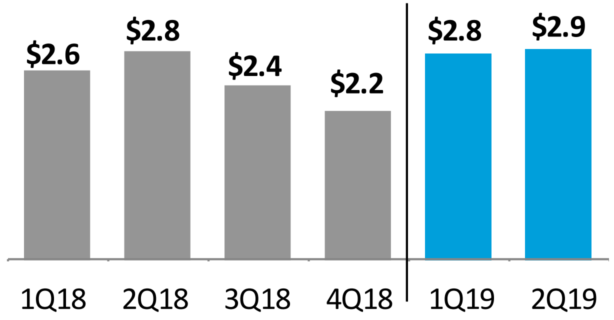
ARPU Growth[1]



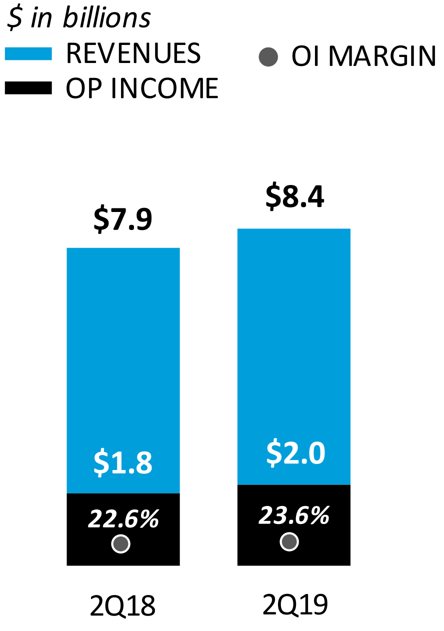
[1] 2018 is shown on a comparable basis, to exclude the impact of ASC 606.

Driving EBITDA Stability

$ in billions



2Q19* WarnerMedia Segment



Revenues up 5.5% with solid operating income growth

Record 191 Emmy nominations, led by HBO with an industry-leading 137 nominations

HBO Max slated to launch in Spring 2020

Warner Bros. strong performance in theatrical; growth in games

Aquaman home entertainment; *Mortal Kombat 11* release

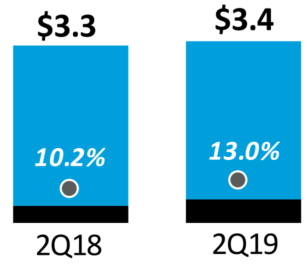
HBO revenues up 3% with stable operating income

Original content drives strong digital sub growth

Turner delivers strong 15% operating income growth

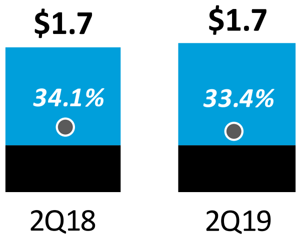
Subscription revenues grow; ad revenues impacted by shift of NCAA Championship

Warner Bros.



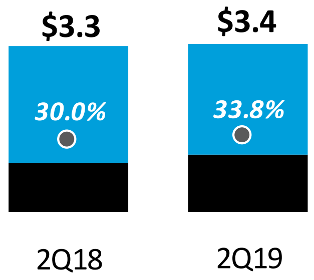
Op. Income +$102M

HBO



Op. Income +$4M

Turner



Op. Income +$151M

** Results reflect the combination of historic Time Warner Inc. adjusted results and AT&T's RSNs (reported in the Turner division). Otter Media financials included in WarnerMedia results after the 8/7/18 acquisition of the controlling interest. Prior to this date, Otter Media was included as an equity-method investment.*

Q&A

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