AT&T Investor Update

3rd Quarter Earnings

October 28, 2019

Q3 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 third 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 2019 commitments

Executing debt reduction plan

2.5x net-debt-to-adj-EBITDA by year end; share retirements begin in 4Q19
Goal — Adjusted EPS low single digit growth: on track to achieve
Goal — $26B FCF; now expecting $28B range
Goal — $6-8B in net asset monetization; expect to close ~$14B for full year

Growing wireless service revenues

Up ~2% YTD through 3Q; on track for 2019 service revenue growth

Stabilizing Entertainment Group EBITDA

Up ~2% YTD through 3Q

Delivering on merger plan, advancing video strategy

$700M run rate synergies by year end — on target
WarnerMedia growing operating income YTD through 3Q
HBO Max unveiling Oct. 29

Achieved network leadership, solidified with FirstNet

Nation's fastest[1] and also the best[2] wireless network; leading in 5G

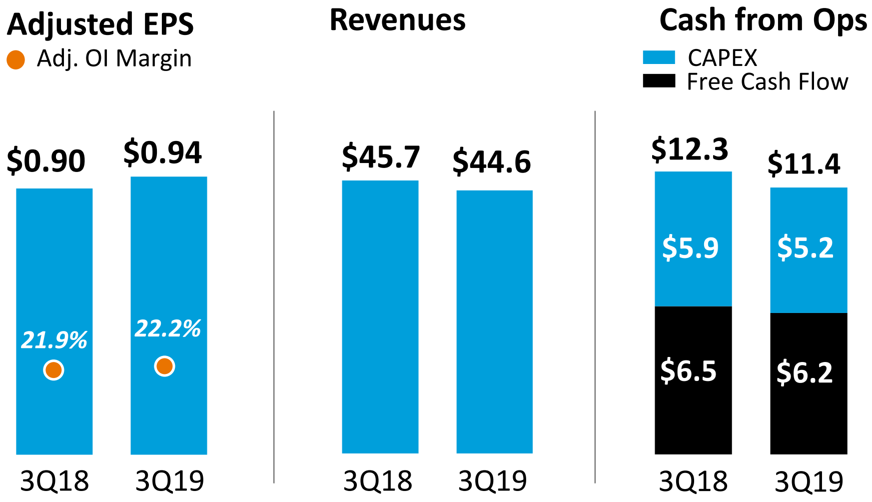
[1] *Based on analysis by Ookla® of Speedtest Intelligence® data average download speeds for Q3 2019.*
[2] *Based on Global Wireless Solutions (GWS)® "Best Network OneScore" awarded to AT&T for overall national wireless network performance in 2019.*

3Q19 Results

3Q19 Financial Summary

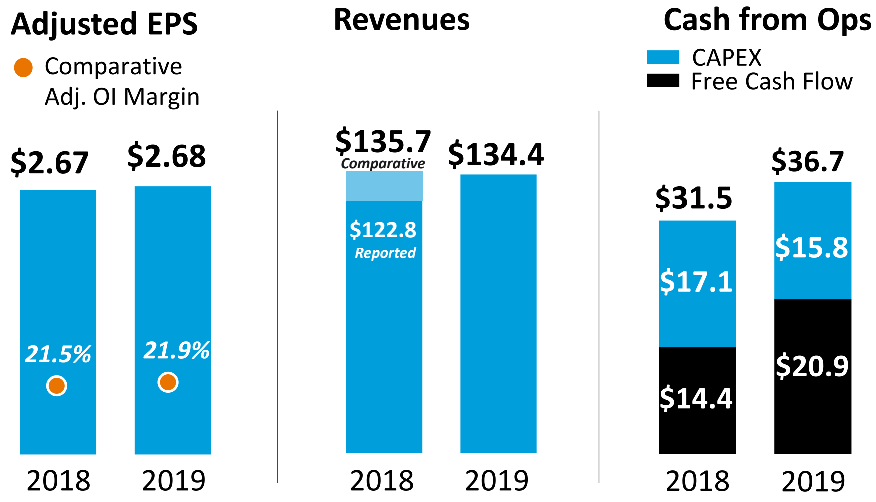
$ in billions, except EPS

3Q19



	3Q18	3Q19
Reported EPS	**$0.65**	**$0.50**
Adjustments:		
• Actuarial (gain) loss on benefit plans	-	$0.21
• Amortization of intangibles	$0.25	$0.19
• Merger integration items	$0.04	$0.02
• Other adjustments	($0.04)	$0.02
Adjusted EPS	**$0.90**	**$0.94**

3Q19 Year-to-Date Highlights



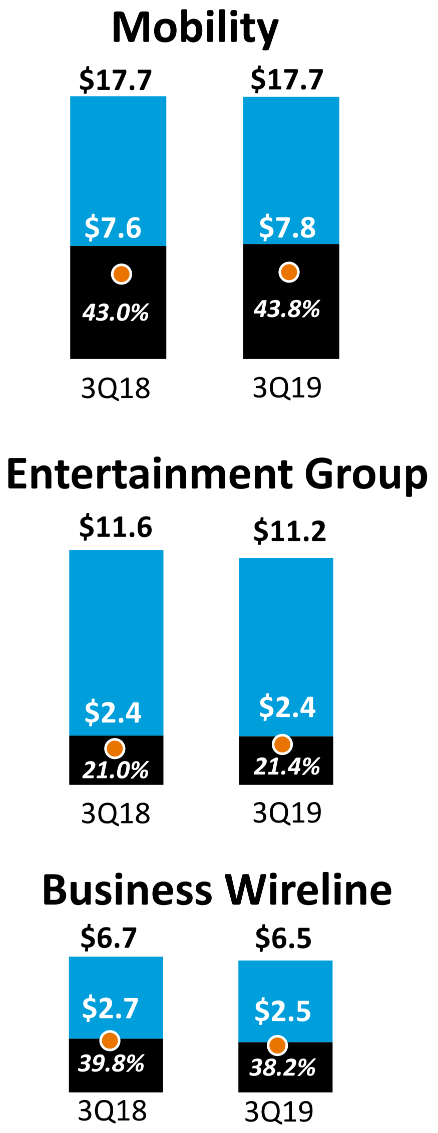
Adj. EPS of $2.68, on track for low single digit growth
YTD operating income margin up 40bps on a comparative basis

Revenues of $134 billion, down 0.9% on a comparative basis
Gains in Mobility and WarnerMedia partially offset declines in legacy services, video services and FX impacts

Free cash flow of $20.9 billion; $28.8B total on trailing-12-month basis; on track for year-end guidance
With asset monetization, on track for year-end leverage target

3Q19 Communications Segment

$ in billions REVENUES EBITDA EBITDA MARGIN



Service revenue growth, solid EBITDA, margin expansion

Wireless service revenues up 0.7%, up 1.9% year to date
EBITDA growth of 1.6%, up 2.2% year to date; EBITDA service margin of 55.7%

Solid phone growth with 255,000 phone net adds

101,000 postpaid phone net adds; solid postpaid phone churn of 0.95%
154,000 prepaid phone net adds; record low third-quarter churn
317,000 smartphone net adds

EBITDA stability with a continued focus on long-term value

IP Broadband revenues up 3.5%; 318,000 AT&T Fiber net adds; video and IPBB ARPUs grow
Operations and Support expenses down 3.9%

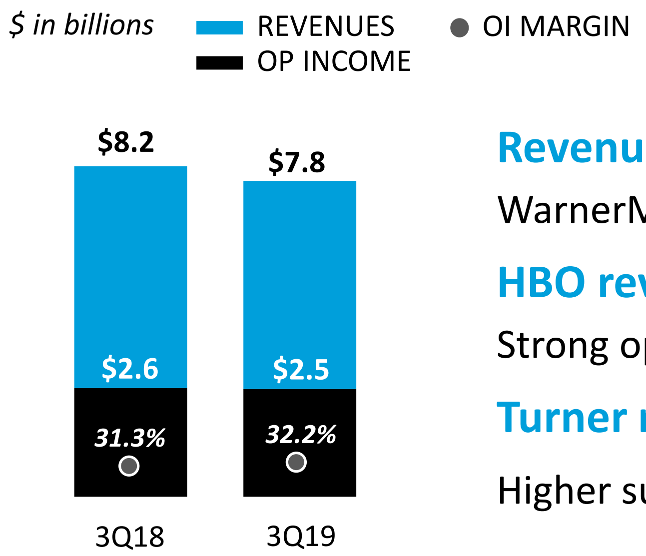
Number of premium video subscribers on heavily discounted plans reduced

1,163,000 premium video net losses in the quarter
195,000 OTT net losses in the quarter with fewer promotions

Business wireline revenue trend improvements continue on a YOY basis

Strategic and managed services revenue grew 6.1%

3Q19 WarnerMedia Segment



Revenues reflect comparison to strong 3Q18 movie slate at Warner Bros.

WarnerMedia led industry with 39 Primetime Emmy Awards and 15 News and Documentary Emmy Awards

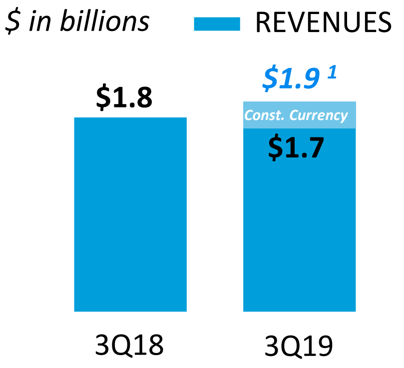
HBO revenues up nearly 11% due to content revenue gains

Strong operating income growth driven by international content licensing

Turner revenues stable with expanding margins, operating income up nearly 3%

Higher subscription revenues offset lower advertising and content licensing revenues

3Q19 Latin America Segment



Revenues impacted by foreign exchange rates, up 4% on a constant currency basis[1]

EBITDA of $105M, up 21%, driven by $81 million improvement in Mexico

~600,000 Mexico wireless net additions

[1] *constant currency basis excludes Venezuela*

2020 – 2022 3-year Plan and Capital Allocation

Investment Thesis

Key Trends

1. Demand for premium content grows
2. Demand for connectivity grows

Essential Capabilities

1. Advanced high-speed networks
2. Large base of direct customer relationships
3. Access to premium content
4. Advertising technology & inventory

As a result of prior investments, our businesses are performing well today and we are positioned to deliver substantial value

Financial Outlook & Capital Allocation Plan: 2020 - 2022

Revenue Growth

- **Revenue growth every year driven by Mobility, Fiber & WarnerMedia**
- **1-2% three-year CAGR**

Adjusted EBITDA Margin Growth

- **Stable in 2020, even with HBO Max investment**
- **Ongoing cost evaluation and operational review**
  - *Overseen by Corporate Development and Finance Committee*
- **200bps above 2019 by 2022, targeting 35% Margin**
  - *~$6B of EBITDA growth by 2022; includes HBO Max investment*
  - *WM merger synergies; incremental cost savings; continued Mobility improvement; Mexico EBITDA growth*

Free Cash Flow

- **Stable at $28B range in 2020**
  - *Growing by more than $1B per year in 2021 & 2022*
- **2022 Free Cash Flow of $30B - $32B**

Dividend growth & payout ratio

- **Continued modest annual dividend increases**
- **Dividends as % of FCF — less than 50% in 2022**

Post-dividend free cash flow

- **50-70% for retiring majority of shares issued for TWX**

Net Debt to Adjusted EBITDA

- **2.0 to 2.25x by 2022**

Portfolio Management and M&A

- **Continued portfolio review and monetization of non-core assets**
  - *Analyzing merits of each business; all assets under review*
  - *Overseen by Board's Corporate Development & Finance Committee*
  - *Continued regular updates to shareholders*
- **No major acquisitions**

Adjusted EPS Growth

- **Adj. EPS of $3.60 - $3.70 in 2020**
- **Adj. EPS of $4.50 - $4.80 in 2022**

Includes HBO Max investment of 15-20¢ per share in 2020, decreasing to ~10¢ per share in both 2021 & 2022

Financial Guidance & Capital Allocation:
3 Year Modeling Perspectives

2020 – 2022 Financial Guidance and Expected Drivers

Revenue growth: 1-2% three-year CAGR

- **Wireless service revenues growing 2+% CAGR**
  - *Subscriber growth from FirstNet & network quality*
- **5G device adoption drives equipment revenues**
- **WarnerMedia growth**
  - *Revenue Synergies*
  - *HBO Max*
  - *Advertising and Content*
- **Broadband growth**

Adj. EBITDA margin growth: 200bps improvement

- **WarnerMedia synergies**
- **Cost reduction plan**
- **Mexico EBITDA growth**

Capital allocation plan returns ~$75B to shareholders

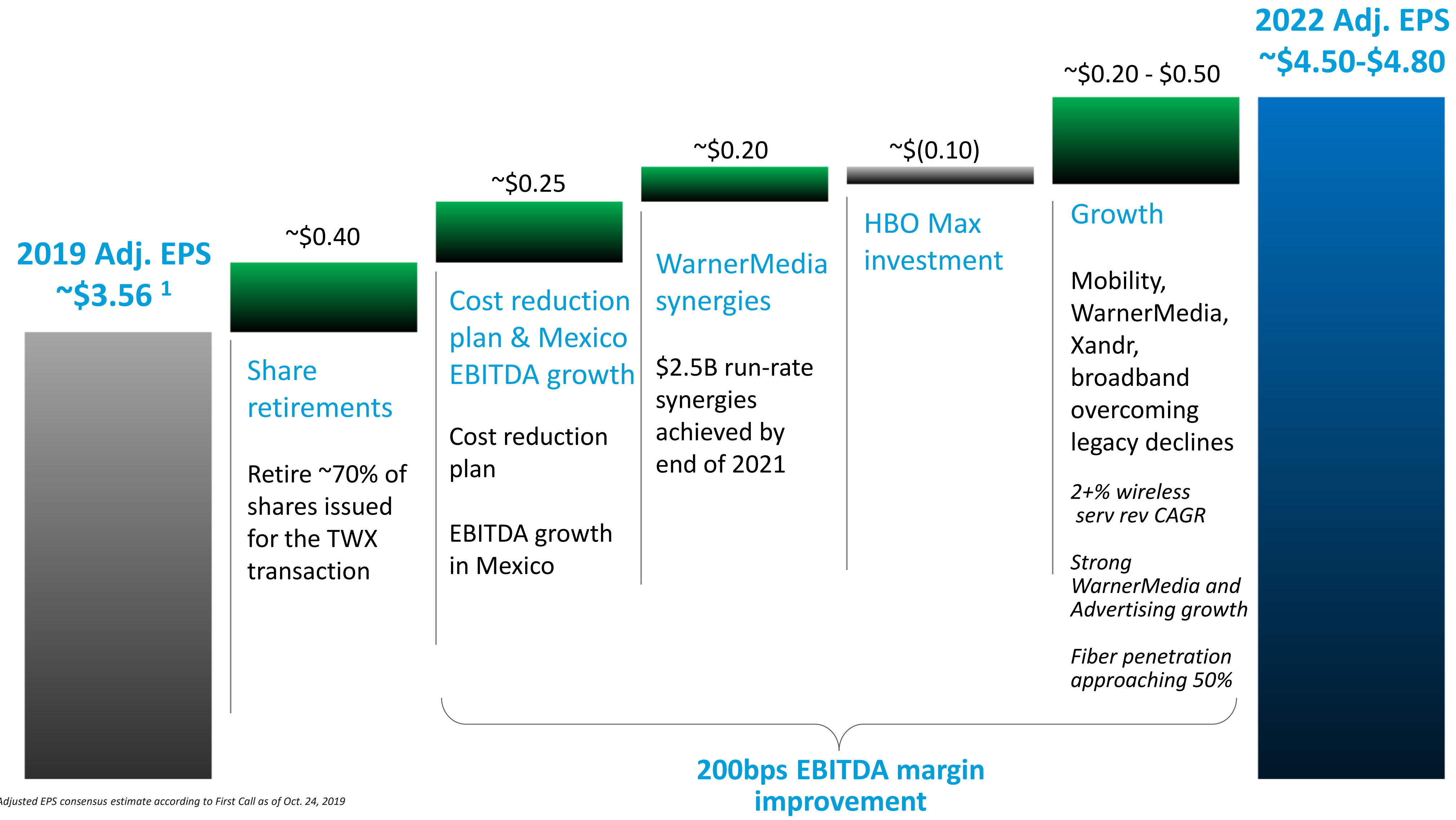
- **Retire ~$30B of shares**, in addition to **~$45B of dividends**
  - *~50-70% of FCF after dividends*
  - *Targeting ~70% of shares issued for TWX transaction*
  - *Drives ~$0.40 increase in EPS*
- **Continue to pay down debt**, with target leverage in the 2.0x to 2.25x range
  - *100% of TWX acquisition debt retired by end of 2022*
- **Continue to examine Asset Portfolio for monetization**
  - *In 2020, expect to realize another $5-10B in asset monetization*
- **Continued capital investment with higher content spend**
- **No material M&A**

2020 Consolidated Financial Guidance

REVENUE GROWTH	**1% - 2%**	• *Wireless service revenue growth* • *Equipment revenue growth from 5G device adoption* • *WarnerMedia - Advertising growth and HBO Max impact*
Base Business: *HBO Max investment:* **EPS – *ADJUSTED*** **ADJ. EBITDA MARGIN %**	*$3.75 - $3.90* *($0.15) - ($0.20)* ***$3.60 - $3.70*** **Stable with 2019**	• *Includes significant share retirement* • *New cost initiatives* • *Wireless service revenue growth* • *WarnerMedia synergies*
FREE CASH FLOW[1]	**$28B range**	• *Dividend payout in the low 50's% range* • *Includes HBO Max investment*
GROSS CAPITAL INVESTMENT[2]	**$20B range**	• *Downward bias due to Fiber build commitment completion*
MONETIZATION OF ASSETS	**$5 - $10B**	• *Continued portfolio review of non-core assets*

[1] *Free Cash Flow is defined as cash from operations minus capital expenditures*
[2] *Capital Investment includes vendor financing payments, which are excluded from capital expenditures and reported in accordance with GAAP as financing activities.*

2020 – 2022 Financial Guidance - Adj. EPS of $4.50 - $4.80 in 2022



[1] *2019 Adjusted EPS consensus estimate according to First Call as of Oct. 24, 2019*

Board and Leadership

Continued Board Refreshment

- 10 new directors joined Board since 2012
  - *Added relevant skill sets and backgrounds*
- 2 new directors in next 18 months
  - *Technology executive with experience executing strategic cost initiatives to be added imminently; will join Corporate Development and Finance Committee*
  - *Additional director to be added in 2020*

CEO Succession

- CEO through at least 2020
- CEO succession planning
  - *Thorough process overseen by Board's HR Committee*
- Separate Chairman and CEO roles upon CEO retirement

Strategic Transformation for Significant Long-Term Value Creation

Significantly growing revenue, EBITDA, free cash flow and EPS

Continued investment in growth initiatives

Ongoing cost reduction and operational efficiency

Disciplined capital allocation and attractive shareholder returns

Portfolio Evaluation

Strong leadership and Board involvement

Q&A

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