

AT&T 1Q20 Highlights

Following are certain 1Q20 highlights to assist in comparability. The full set of earnings materials with all reported results and non-GAAP reconciliations is posted [here](#), including trend schedules.

Consolidated results	1Q20	
EPS Reported	\$0.63	1Q20 adj. EPS down \$0.02; did not adjust \$0.05 impact from COVID-19 costs (more than half are short term)
EPS Adjusted	\$0.84	
Revenues	\$42.8 billion	Down 4.6%; ~(\$600M) impact from COVID-19; ~(\$300M) FX impact
Adj. EBITDA	\$14.2 billion	Down 3.3% including comparability reclass ⁴ ; (\$433M) cost impact from COVID-19; (\$119M) FX impact
Free Cash Flow	\$3.9 billion	Q1 seasonality and timing impacts
Capex	\$5.0 billion	
Net Debt to Adj. EBITDA	~2.6x	~\$154B in net debt; ~\$10B cash on hand at end of 1Q20 142 million shares repurchased in 1Q20

Revenues (\$M)	1Q20	1Q19	% Change	\$ Change	Excluding COVID-19
Mobility ¹	17,402	17,363	0.2%	39	
<i>Wireless service revenue</i>	13,968	13,629	2.5%	339	
Entertainment Group	10,515	11,328	-7.2%	(813)	
Business Wireline ¹	6,332	6,478	-2.3%	(146)	
WarnerMedia	7,359	8,379	-12.2%	(1,020)	
Latin America	1,590	1,718	-7.5%	(128)	
Xandr	489	426	14.8%	63	
Other ^{1,2}	(908)	(865)	5.0%	(43)	
Total	42,779	44,827	-4.6%	(2,048)	-3.2%

¹1Q19 Historical results in the Mobility and Business Wireline business units of the Communications segment have been recast to remove operations in Puerto Rico and the U.S. Virgin Islands, which are now reported in Corporate & Other.

²1Q20 is primarily content eliminations (\$794) and EG advertising eliminations (\$413) offset by Corp/Other revenues (+\$388) (see footnote 1).

Adj. EBITDA (\$M)	1Q20	1Q19	% Change	\$ Change	Excluding COVID-19
Mobility ¹	7,833	7,322	7.0%	511	
Entertainment Group	2,624	2,801	-6.3%	(177)	
Business Wireline ¹	2,381	2,446	-2.7%	(65)	
WarnerMedia	1,842	2,386	-22.8%	(544)	
Latin America	93	127	-26.8%	(34)	
Xandr	319	266	19.9%	53	
Other ^{3,4}	(860)	(546)	NM	(314)	
Total	14,232	14,802	-3.9%	(570)	-0.9%
<i>Comparability Reclass⁴</i>	<i>(69)</i>	<i>(150)</i>	<i>NM</i>	<i>81</i>	
Prior Methodology	14,163	14,652	-3.3%	(489)	-0.4%

³1Q20 is Corp. EBITDA (-\$555) and advertising elims (-\$374), offset by purchase accounting reclass of released content amort (+\$69)⁴

⁴To compare to the historical method of amortizing Released Content, all pre-acquisition released content amortization is shown in "Comparability Reclass" as a reduction to EBITDA.

Adj. Operating Income (\$M)	1Q20	1Q19	% Change	\$ Change	Excluding COVID-19
Total	9,066	9,585	-5.4%	(519)	-0.9%
<i>Adj. Operating Income Margin</i>	<i>21.2%</i>	<i>21.4%</i>		<i>-20 bps</i>	+50 bps

Key Statistics			1Q20
Mobility*			
Service Revenue	\$13,968 M	Up \$339M, or 2.5%;	
EBITDA	\$7,833 M	Up \$511M, or 7%	
EBITDA Svc Margin	56.1%		
Total Phone Net Adds	120k	163k postpaid, -43k prepaid	
Postpaid Phone Net Adds	163k	vs. 79k last year; FirstNet momentum continues	
Postpaid Phone Churn	0.86%	6bps improvement from last year	
Postpaid Phone ARPU	\$55.68	Up 0.7%	
Prepaid Net Adds	-45k		
Entertainment Group			
Revenue	\$10,515 M	Down 7.2%, mostly from video and legacy product declines	
EBITDA	\$2,624 M	Includes non-cash impacts; cash generation stable	
EBITDA Margin	25.0%		
Premium Video ARPU	\$126.27	Up 9.8% with focus on quality subscribers	
IP Broadband ARPU	\$51.84	Up 3.5%; mix shift to Fiber	
Premium Video Net Adds	(897k)	Focus on profitability; Lower gross additions	
OTT Video Net Adds	(138k)	Fewer promotions	
AT&T Fiber Net Adds	209k	(73k) Broadband net adds	
WarnerMedia			
Revenue	\$7,359 M	1Q20 included comparison against strong 1Q19 theatrical carryover revenues; COVID-19 revenue impact from lower sports-related advertising	
Op. Income	\$1,699 M	OI impact from COVID-19 costs and HBO Max investment	
Balance Sheet			
Net Debt	\$154 B	~\$10B cash balance at end of 1Q20	
Net Debt to Adj. EBITDA	~2.6x	142 million shares repurchased in 1Q20	
		Suspended share repurchase program	

*1Q19 historical results and volumes have been recast to remove operations in Puerto Rico and the U.S. Virgin Islands.