

AT&T Inc.
Financial Data

Consolidated Statements of Income						
<i>Dollars in millions except per share amounts</i>						
<i>Unaudited</i>	Third Quarter		Percent	Nine-Month Period		Percent
	2020	2019	Change	2020	2019	Change
Operating Revenues						
Service	\$ 37,782	\$ 40,317	(6.3)%	\$ 113,716	\$ 122,024	(6.8)%
Equipment	4,558	4,271	6.7 %	12,353	12,348	— %
Total Operating Revenues	42,340	44,588	(5.0)%	126,069	134,372	(6.2)%
Operating Expenses						
Cost of revenues						
Equipment	4,552	4,484	1.5 %	12,622	13,047	(3.3)%
Broadcast, programming and operations	6,912	7,066	(2.2)%	19,555	22,448	(12.9)%
Other cost of revenues (exclusive of depreciation and amortization shown separately below)	8,375	8,604	(2.7)%	24,833	25,910	(4.2)%
Selling, general and administrative	9,266	9,584	(3.3)%	27,857	29,077	(4.2)%
Asset impairments and abandonments	73	—	— %	2,515	—	— %
Depreciation and amortization	7,030	6,949	1.2 %	21,537	21,256	1.3 %
Total Operating Expenses	36,208	36,687	(1.3)%	108,919	111,738	(2.5)%
Operating Income	6,132	7,901	(22.4)%	17,150	22,634	(24.2)%
Interest Expense	1,972	2,083	(5.3)%	6,031	6,373	(5.4)%
Equity in Net Income (Loss) of Affiliates	5	3	66.7 %	(11)	36	— %
Other Income (Expense) — Net	(231)	(935)	(75.3)%	1,589	(967)	— %
Income Before Income Taxes	3,934	4,886	(19.5)%	12,697	15,330	(17.2)%
Income Tax Expense	766	937	(18.2)%	3,003	3,059	(1.8)%
Net Income	3,168	3,949	(19.8)%	9,694	12,271	(21.0)%
Less: Net Income Attributable to Noncontrolling Interest	(352)	(249)	(41.4)%	(987)	(762)	(29.5)%
Net Income Attributable to AT&T	\$ 2,816	\$ 3,700	(23.9)%	\$ 8,707	\$ 11,509	(24.3)%
Less: Preferred Stock Dividends	(54)	—	— %	(138)	—	— %
Net Income Attributable to Common Stock	\$ 2,762	\$ 3,700	(25.4)%	\$ 8,569	\$ 11,509	(25.5)%
Basic Earnings Per Share Attributable to Common Stock	\$ 0.39	\$ 0.50	(22.0)%	\$ 1.19	\$ 1.57	(24.2)%
Weighted Average Common Shares Outstanding (000,000)	7,147	7,327	(2.5)%	7,160	7,321	(2.2)%
Diluted Earnings Per Share Attributable to Common Stock	\$ 0.39	\$ 0.50	(22.0)%	\$ 1.19	\$ 1.57	(24.2)%
Weighted Average Common Shares Outstanding with Dilution (000,000)	7,173	7,356	(2.5)%	7,186	7,350	(2.2)%

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Consolidated Balance Sheets		
<i>Dollars in millions</i>		
<i>Unaudited</i>	Sep. 30, 2020	Dec. 31, 2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 9,758	\$ 12,130
Accounts receivable — net of related allowances for credit loss of \$1,386 and \$1,235	19,379	22,636
Prepaid expenses	1,420	1,631
Other current assets	19,414	18,364
Total current assets	49,971	54,761
Noncurrent Inventories and Theatrical Film and Television Production Costs	13,948	12,434
Property, Plant and Equipment — Net	128,722	130,128
Goodwill	143,688	146,241
Licenses — Net	98,397	97,907
Trademarks and Trade Names — Net	23,575	23,567
Distribution Networks — Net	14,249	15,345
Other Intangible Assets — Net	17,523	20,798
Investments in and Advances to Equity Affiliates	2,325	3,695
Operating Lease Right-Of-Use Assets	24,546	24,039
Other Assets	21,609	22,754
Total Assets	\$ 538,553	\$ 551,669
Liabilities and Stockholders' Equity		
Current Liabilities		
Debt maturing within one year	\$ 5,898	\$ 11,838
Accounts payable and accrued liabilities	42,728	45,956
Advanced billings and customer deposits	5,862	6,124
Accrued taxes	1,336	1,212
Dividends payable	3,741	3,781
Total current liabilities	59,565	68,911
Long-Term Debt	152,980	151,309
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	60,448	59,502
Postemployment benefit obligation	17,928	18,788
Operating lease liabilities	22,056	21,804
Other noncurrent liabilities	30,520	29,421
Total deferred credits and other noncurrent liabilities	130,952	129,515
Stockholders' Equity		
Preferred stock	—	—
Common stock	7,621	7,621
Additional paid-in capital	130,139	126,279
Retained earnings	55,094	57,936
Treasury stock	(17,950)	(13,085)
Accumulated other comprehensive income	649	5,470
Noncontrolling interest	19,503	17,713
Total stockholders' equity	195,056	201,934
Total Liabilities and Stockholders' Equity	\$ 538,553	\$ 551,669

AT&T Inc.
Financial Data

Consolidated Statements of Cash Flows		
<i>Dollars in millions</i>		
<i>Unaudited</i>		
	Nine-Month Period	
	2020	2019
Operating Activities		
Net income	\$ 9,694	\$ 12,271
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	21,537	21,256
Amortization of television and film costs	6,448	7,059
Undistributed earnings from investments in equity affiliates	108	81
Provision for uncollectible accounts	1,611	1,855
Deferred income tax expense	2,248	1,039
Net (gain) loss on investments, net of impairments	(689)	(1,014)
Pension and postretirement benefit expense (credit)	(2,245)	(1,297)
Actuarial (gain) loss on pension and postretirement benefits	63	4,048
Asset impairments and abandonments	2,515	—
Changes in operating assets and liabilities:		
Receivables	2,321	2,503
Other current assets, inventories and theatrical film and television production costs	(7,836)	(9,337)
Accounts payable and other accrued liabilities	(4,905)	(936)
Equipment installment receivables and related sales	(148)	848
Deferred customer contract acquisition and fulfillment costs	453	(796)
Postretirement claims and contributions	(409)	(635)
Other - net	2,282	(220)
Total adjustments	23,354	24,454
Net Cash Provided by Operating Activities	33,048	36,725
Investing Activities		
Capital expenditures, including \$(92) and \$(160) of interest during construction	(13,283)	(15,843)
Acquisitions, net of cash acquired	(1,215)	(1,124)
Dispositions	428	3,775
(Purchases), sales and settlements of securities and investments, net	444	523
Advances to and investments in equity affiliates, net	(100)	(333)
Net Cash Used in Investing Activities	(13,726)	(13,002)
Financing Activities		
Net change in short-term borrowings with original maturities of three months or less	(17)	(22)
Issuance of other short-term borrowings	9,440	4,012
Repayment of other short-term borrowings	(7,710)	(4,702)
Issuance of long-term debt	31,987	15,034
Repayment of long-term debt	(37,583)	(24,368)
Payment of vendor financing	(1,965)	(2,601)
Issuance of preferred stock	3,869	—
Purchase of treasury stock	(5,483)	(409)
Issuance of treasury stock	88	576
Issuance of preferred interests in subsidiary	1,979	1,488
Dividends paid	(11,215)	(11,162)
Other	(5,158)	(187)
Net Cash Used in Financing Activities	(21,768)	(22,341)
Net (decrease) increase in cash and cash equivalents and restricted cash	(2,446)	1,382
Cash and cash equivalents and restricted cash beginning of year	12,295	5,400
Cash and Cash Equivalents and Restricted Cash End of Period	\$ 9,849	\$ 6,782

AT&T Inc.
Consolidated Supplementary Data

Supplementary Financial Data						
<i>Dollars in millions except per share amounts</i>						
<i>Unaudited</i>	Third Quarter		Percent	Nine-Month Period		Percent
	2020	2019	Change	2020	2019	Change
Capital expenditures						
Purchase of property and equipment	\$ 3,819	\$ 5,141	(25.7)%	\$13,191	\$ 15,683	(15.9) %
Interest during construction	32	48	(33.3)%	92	160	(42.5) %
Total Capital Expenditures	\$ 3,851	\$ 5,189	(25.8)%	\$13,283	\$ 15,843	(16.2) %
Dividends Declared per Common Share	\$ 0.52	\$ 0.51	2.0 %	\$ 1.56	\$ 1.53	2.0 %
End of Period Common Shares Outstanding (000,000)				7,125	7,303	(2.4) %
Debt Ratio				44.9 %	45.9 %	(100) BP
Total Employees				234,630	251,840	(6.8) %

Supplementary Operating Data								
<i>Subscribers and connections in thousands</i>								
<i>Unaudited</i>				<u>September 30,</u>		Percent		
				2020	2019	Change		
Broadband Connections								
IP	14,761		14,786		(0.2)	%		
DSL	614		789		(22.2)	%		
Total Broadband Connections	15,375		15,575		(1.3)	%		
Voice Connections								
Network Access Lines	7,562		8,831		(14.4)	%		
U-verse VoIP Connections	3,942		4,539		(13.2)	%		
Total Retail Voice Connections	11,504		13,370		(14.0)	%		
			<u>Third Quarter</u>	Percent	<u>Nine-Month Period</u>	Percent		
			2020	2019	Change	2020	2019	Change
Broadband Net Additions								
IP	213	(74)	—	%	102	33	—	%
DSL	(39)	(49)	20.4	%	(116)	(160)	27.5	%
Total Broadband Net Additions	174	(123)	—	%	(14)	(127)	89.0	%

COMMUNICATIONS SEGMENT

The Communications segment provides wireless and wireline telecom, video and broadband services to consumers located in the U.S. and businesses globally. The Communications segment contains three reporting units: Mobility, Entertainment Group, and Business Wireline.

Segment Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Third Quarter		Percent	Nine-Month Period		Percent
	2020	2019	Change	2020	2019	Change
Segment Operating Revenues						
Mobility	\$ 17,894	\$ 17,701	1.1 %	\$ 52,445	\$ 52,356	0.2 %
Entertainment Group	10,053	11,197	(10.2)%	30,637	33,893	(9.6)%
Business Wireline	6,340	6,503	(2.5)%	19,046	19,588	(2.8)%
Total Segment Operating Revenues	34,287	35,401	(3.1)%	102,128	105,837	(3.5)%
Segment Operating Contribution						
Mobility	5,691	5,742	(0.9)%	17,284	16,818	2.8 %
Entertainment Group	779	1,084	(28.1)%	3,144	4,076	(22.9)%
Business Wireline	1,178	1,210	(2.6)%	3,535	3,824	(7.6)%
Total Segment Operating Contribution	\$ 7,648	\$ 8,036	(4.8)%	\$ 23,963	\$ 24,718	(3.1)%

Mobility

Mobility provides nationwide wireless service and equipment.

Mobility Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Third Quarter		Percent	Nine-Month Period		Percent
	2020	2019	Change	2020	2019	Change
Operating Revenues						
Service	\$ 13,883	\$ 13,930	(0.3) %	\$ 41,520	\$ 41,383	0.3 %
Equipment	4,011	3,771	6.4 %	10,925	10,973	(0.4) %
Total Operating Revenues	17,894	17,701	1.1 %	52,445	52,356	0.2 %
Operating Expenses						
Operations and support	10,182	9,948	2.4 %	29,083	29,511	(1.5) %
Depreciation and amortization	2,021	2,011	0.5 %	6,078	6,027	0.8 %
Total Operating Expenses	12,203	11,959	2.0 %	35,161	35,538	(1.1) %
Operating Income	5,691	5,742	(0.9) %	17,284	16,818	2.8 %
Equity in Net Income (Loss) of Affiliates	—	—	— %	—	—	— %
Operating Contribution	\$ 5,691	\$ 5,742	(0.9) %	\$ 17,284	\$ 16,818	2.8 %
Operating Income Margin	31.8 %	32.4 %	(60) BP	33.0 %	32.1 %	90 BP

Supplementary Operating Data						
<i>Subscribers and connections in thousands</i>						
<i>Unaudited</i>						
	September 30,		Percent			Percent
	2020	2019	Change			Change
Mobility Subscribers						
Postpaid	75,969	75,152	1.1 %			
Prepaid	18,100	17,740	2.0 %			
Reseller	6,708	7,120	(5.8) %			
Connected Devices	75,967	62,288	22.0 %			
Total Mobility Subscribers	176,744	162,300	8.9 %			
	Third Quarter		Percent	Nine-Month Period		Percent
	2020	2019	Change	2020	2019	Change
Mobility Net Additions						
Postpaid Phone Net Additions ¹	645	101	— %	657	254	— %
Total Phone Net Additions¹	776	255	— %	880	780	12.8 %
Postpaid ^{1, 2}	1,081	(217)	— %	954	(570)	— %
Prepaid ^{2, 3}	245	227	7.9 %	365	669	(45.4) %
Reseller ²	(4)	(231)	98.3 %	(252)	(677)	62.8 %
Connected Devices	4,203	3,900	7.8 %	9,976	10,947	(8.9) %
Total Mobility Net Additions	5,525	3,679	50.2 %	11,043	10,369	6.5 %
Postpaid Churn ¹	0.85 %	1.19 %	(34) BP	0.99 %	1.14 %	(15) BP
Postpaid Phone-Only Churn ¹	0.69 %	0.95 %	(26) BP	0.80 %	0.91 %	(11) BP

¹ The third quarter ended September 30, 2020 includes 233 (151 phone) "Keep Americans Connected Pledge" paying accounts. The third quarter and nine-month period ended September 30, 2020 exclude 121 (97 phone) customers who we have agreed not to terminate service under the "Keep Americans Connected Pledge." The third quarter and nine-month period ended September 30, 2020 postpaid churn excluding "Keep Americans Connected Pledge" paying accounts was 0.95% (0.77% phone) and 1.02% (0.82% phone), respectively.

² The third quarter and nine-month period ended September 30, 2020, exclude subscribers transferred in connection with business dispositions.

³ The third quarter and nine-month period ended September 30, 2020, exclude 188 subscriber disconnections resulting from updating our prepaid activation policy.

Entertainment Group

Entertainment Group provides video, including over-the-top (OTT) services, broadband and voice communication services primarily to residential customers. This business unit also sells advertising on video distribution platforms.

Entertainment Group Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Third Quarter		Percent	Nine-Month Period		Percent
	2020	2019	Change	2020	2019	Change
Operating Revenues						
Video entertainment	\$ 6,964	\$ 7,933	(12.2) %	\$ 21,335	\$ 24,042	(11.3) %
High-speed internet	2,128	2,117	0.5 %	6,329	6,296	0.5 %
Legacy voice and data services	538	628	(14.3) %	1,679	1,969	(14.7) %
Other service and equipment	423	519	(18.5) %	1,294	1,586	(18.4) %
Total Operating Revenues	10,053	11,197	(10.2) %	30,637	33,893	(9.6) %
Operating Expenses						
Operations and support	7,997	8,797	(9.1) %	23,618	25,839	(8.6) %
Depreciation and amortization	1,277	1,316	(3.0) %	3,875	3,978	(2.6) %
Total Operating Expenses	9,274	10,113	(8.3) %	27,493	29,817	(7.8) %
Operating Income	779	1,084	(28.1) %	3,144	4,076	(22.9) %
Equity in Net Income (Loss) of Affiliates	—	—	— %	—	—	— %
Operating Contribution	\$ 779	\$ 1,084	(28.1) %	\$ 3,144	\$ 4,076	(22.9) %
Operating Income Margin	7.7 %	9.7 %	(200) BP	10.3 %	12.0 %	(170) BP

Supplementary Operating Data						
<i>Subscribers and connections in thousands</i>						
<i>Unaudited</i>						
	September 30,		Percent			
	2020	2019	Change			
Video Connections						
Premium TV	17,100	20,418	(16.3) %			
AT&T TV Now	683	1,145	(40.3) %			
Total Video Connections	17,783	21,563	(17.5) %			
Broadband Connections						
Total Broadband Connections	14,102	14,301	(1.4) %			
Fiber Broadband Connections	4,678	3,696	26.6 %			
Voice Connections						
Retail Consumer Switched Access Lines	2,977	3,467	(14.1) %			
U-verse Consumer VoIP Connections	3,361	3,973	(15.4) %			
Total Retail Consumer Voice Connections	6,338	7,440	(14.8) %			
	Third Quarter		Percent	Nine-Month Period		
	2020	2019	Change	2020	2019	Percent Change
Video Net Additions						
Premium TV ¹	(590)	(1,163)	49.3 %	(2,373)	(2,485)	4.5 %
AT&T TV Now	(37)	(195)	81.0 %	(243)	(446)	45.5 %
Total Video Net Additions	(627)	(1,358)	53.8 %	(2,616)	(2,931)	10.7 %
Broadband Net Additions						
Total Broadband Net Additions ¹	158	(119)	— %	(17)	(108)	84.3 %
Fiber Broadband Net Additions ¹	357	318	12.3 %	791	933	(15.2) %

¹ The third quarter ended September 30, 2020 includes 116 premium TV and 104 broadband (28 fiber) "Keep Americans Connected Pledge" paying accounts. The third quarter and nine-month period ended September 30, 2020 excludes 7 premium TV and 13 broadband (4 fiber) connections who we have agreed not to terminate service under the "Keep Americans Connected Pledge."

Business Wireline

Business Wireline unit provides advanced IP-based services, as well as traditional data services to business customers.

Business Wireline Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Third Quarter		Percent	Nine-Month Period		Percent
	2020	2019	Change	2020	2019	Change
Operating Revenues						
Strategic and managed services	\$ 3,967	\$ 3,900	1.7 %	\$ 11,789	\$ 11,513	2.4 %
Legacy voice and data services	2,031	2,252	(9.8) %	6,227	6,973	(10.7) %
Other service and equipment	342	351	(2.6) %	1,030	1,102	(6.5) %
Total Operating Revenues	6,340	6,503	(2.5) %	19,046	19,588	(2.8) %
Operating Expenses						
Operations and support	3,833	4,022	(4.7) %	11,563	12,029	(3.9) %
Depreciation and amortization	1,329	1,271	4.6 %	3,948	3,735	5.7 %
Total Operating Expenses	5,162	5,293	(2.5) %	15,511	15,764	(1.6) %
Operating Income	1,178	1,210	(2.6) %	3,535	3,824	(7.6) %
Equity in Net Income (Loss) of Affiliates	—	—	— %	—	—	— %
Operating Contribution	\$ 1,178	\$ 1,210	(2.6) %	\$ 3,535	\$ 3,824	(7.6) %
Operating Income Margin	18.6 %	18.6 %	— BP	18.6 %	19.5 %	(90) BP

Business Solutions

As a supplemental presentation to our Communications segment operating results, we are providing a view of our AT&T Business Solutions results which includes both wireless and fixed operations. This combined view presents a complete profile of the entire business customer relationship and underscores the importance of mobile solutions to serving our business customers. Results have been recast to conform to the current period's classification of consumer and business wireless subscribers.

Business Solutions Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Third Quarter		Percent	Nine-Month Period		Percent
	2020	2019	Change	2020	2019	Change
Operating Revenues						
Wireless service	\$ 1,951	\$ 1,888	3.3 %	\$ 5,784	\$ 5,546	4.3 %
Strategic and managed services	3,967	3,900	1.7 %	11,789	11,513	2.4 %
Legacy voice and data services	2,031	2,252	(9.8) %	6,227	6,973	(10.7) %
Other service and equipment	342	351	(2.6) %	1,030	1,102	(6.5) %
Wireless equipment	662	692	(4.3) %	1,957	1,899	3.1 %
Total Operating Revenues	8,953	9,083	(1.4) %	26,787	27,033	(0.9) %
Operating Expenses						
Operations and support	5,508	5,645	(2.4) %	16,642	16,771	(0.8) %
Depreciation and amortization	1,650	1,573	4.9 %	4,912	4,643	5.8 %
Total Operating Expenses	7,158	7,218	(0.8) %	21,554	21,414	0.7 %
Operating Income	1,795	1,865	(3.8) %	5,233	5,619	(6.9) %
Equity in Net Income (Loss) of Affiliates	—	—	— %	—	—	— %
Operating Contribution	\$ 1,795	\$ 1,865	(3.8) %	\$ 5,233	\$ 5,619	(6.9) %
Operating Income Margin	20.0 %	20.5 %	(50) BP	19.5 %	20.8 %	(130) BP

WARNERMEDIA SEGMENT

The WarnerMedia segment develops, produces and distributes feature films, television, gaming and other content in various physical and digital formats globally, and also includes our Xandr business, which utilizes data analytics to provide targeted advertising services. Results from Turner, Home Box Office (HBO) and Warner Bros. businesses are combined with AT&T's Regional Sports Network (RSN), Otter Media Holdings and Xandr in the WarnerMedia segment. All previously reported periods have been recast to include Xandr, which was a separate reportable segment prior to the second quarter of 2020.

Segment Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Third Quarter		Percent	Nine-Month Period		Percent
	2020	2019	Change	2020	2019	Change
Segment Operating Revenues						
Turner	\$ 3,176	\$ 3,007	5.6 %	\$ 9,326	\$ 9,860	(5.4)%
HBO	1,781	1,819	(2.1)%	4,905	5,045	(2.8)%
Warner Bros.	2,411	3,333	(27.7)%	8,907	10,240	(13.0)%
Eliminations and other	146	191	(23.6)%	(962)	845	— %
Total Segment Operating Revenues	7,514	8,350	(10.0)%	22,176	25,990	(14.7)%
Cost of revenues						
Turner	1,689	1,036	63.0 %	3,974	4,512	(11.9)%
HBO	1,244	847	46.9 %	3,155	2,356	33.9 %
Warner Bros.	1,600	2,261	(29.2)%	6,179	7,183	(14.0)%
Selling, general and administrative	1,364	1,278	6.7 %	4,152	3,994	4.0 %
Eliminations and other	(313)	(93)	— %	(1,455)	(127)	— %
Depreciation and amortization	171	165	3.6 %	501	425	17.9 %
Total Operating Expenses	5,755	5,494	4.8 %	16,506	18,343	(10.0)%
Operating Income	1,759	2,856	(38.4)%	5,670	7,647	(25.9)%
Equity in Net Income of Affiliates	11	15	(26.7)%	30	137	(78.1)%
Total Segment Operating Contribution	\$ 1,770	\$ 2,871	(38.3)%	\$ 5,700	\$ 7,784	(26.8)%

Turner

Turner creates and programs branded news, entertainment, sports and kids multi-platform content that is sold to various distribution affiliates. Turner also sells advertising on its networks and digital properties.

Turner Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Third Quarter		Percent	Nine-Month Period		Percent
	2020	2019	Change	2020	2019	Change
Operating Revenues						
Subscription	\$ 1,840	\$ 1,927	(4.5) %	\$ 5,693	\$ 5,835	(2.4) %
Advertising	1,077	913	18.0 %	2,830	3,440	(17.7) %
Content and other	259	167	55.1 %	803	585	37.3 %
Total Operating Revenues	3,176	3,007	5.6 %	9,326	9,860	(5.4) %
Operating Expenses						
Cost of revenues	1,689	1,036	63.0 %	3,974	4,512	(11.9) %
Selling, general and administrative	399	424	(5.9) %	1,171	1,301	(10.0) %
Depreciation and amortization	69	68	1.5 %	207	167	24.0 %
Total Operating Expenses	2,157	1,528	41.2 %	5,352	5,980	(10.5) %
Operating Income	1,019	1,479	(31.1) %	3,974	3,880	2.4 %
Equity in Net Income (Loss) of Affiliates	(6)	10	— %	—	46	— %
Operating Contribution	\$ 1,013	\$ 1,489	(32.0) %	\$ 3,974	\$ 3,926	1.2 %
Operating Income Margin	32.1 %	49.2 %	(1,710) BP	42.6 %	39.4 %	320 BP

Home Box Office

Home Box Office consists of premium pay television and OTT services domestically and premium pay, basic tier television and OTT services internationally, as well as content licensing and home entertainment.

Home Box Office Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Third Quarter		Percent	Nine-Month Period		Percent
	2020	2019	Change	2020	2019	Change
Operating Revenues						
Subscription	\$ 1,624	\$ 1,533	5.9 %	\$ 4,403	\$ 4,383	0.5 %
Content and other	157	286	(45.1) %	502	662	(24.2) %
Total Operating Revenues	1,781	1,819	(2.1) %	4,905	5,045	(2.8) %
Operating Expenses						
Cost of revenues	1,244	847	46.9 %	3,155	2,356	33.9 %
Selling, general and administrative	450	225	— %	1,081	768	40.8 %
Depreciation and amortization	27	33	(18.2) %	73	67	9.0 %
Total Operating Expenses	1,721	1,105	55.7 %	4,309	3,191	35.0 %
Operating Income	60	714	(91.6) %	596	1,854	(67.9) %
Equity in Net Income of Affiliates	—	10	— %	15	40	(62.5) %
Operating Contribution	\$ 60	\$ 724	(91.7) %	\$ 611	\$ 1,894	(67.7) %
Operating Income Margin	3.4 %	39.3 %	(3,590) BP	12.2 %	36.7 %	(2,450) BP

Warner Bros.

Warner Bros. consists of the production, distribution and licensing of television programming and feature films, the distribution of home entertainment products and the production and distribution of games.

Warner Bros. Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Third Quarter		Percent	Nine-Month Period		Percent
	2020	2019	Change	2020	2019	Change
Operating Revenues						
Theatrical product	\$ 1,068	\$ 1,375	(22.3) %	\$ 3,203	\$ 4,408	(27.3) %
Television product	960	1,461	(34.3) %	4,605	4,384	5.0 %
Video games and other	383	497	(22.9) %	1,099	1,448	(24.1) %
Total Operating Revenues	2,411	3,333	(27.7) %	8,907	10,240	(13.0) %
Operating Expenses						
Cost of revenues	1,600	2,261	(29.2) %	6,179	7,183	(14.0) %
Selling, general and administrative	373	445	(16.2) %	1,327	1,360	(2.4) %
Depreciation and amortization	43	39	10.3 %	124	122	1.6 %
Total Operating Expenses	2,016	2,745	(26.6) %	7,630	8,665	(11.9) %
Operating Income	395	588	(32.8) %	1,277	1,575	(18.9) %
Equity in Net Income (Loss) of Affiliates	(23)	(25)	8.0 %	(50)	(19)	— %
Operating Contribution	\$ 372	\$ 563	(33.9) %	\$ 1,227	\$ 1,556	(21.1) %
Operating Income Margin	16.4 %	17.6 %	(120) BP	14.3 %	15.4 %	(110) BP

LATIN AMERICA SEGMENT

The Latin America segment provides entertainment and wireless service outside of the U.S. Our international subsidiaries conduct business in their local currency and operating results are converted to U.S. dollars using official exchange rates. The Latin America segment contains two business units: Vrio and Mexico.

Segment Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Third Quarter		Percent	Nine-Month Period		Percent
	2020	2019	Change	2020	2019	Change
Segment Operating Revenues						
Vrio	\$ 753	\$ 1,013	(25.7)%	\$ 2,392	\$ 3,112	(23.1)%
Mexico	643	717	(10.3)%	1,826	2,093	(12.8)%
Total Segment Operating Revenues	1,396	1,730	(19.3)%	4,218	5,205	(19.0)%
Segment Operating Contribution						
Vrio	(34)	13	— %	(101)	43	— %
Mexico	(143)	(179)	20.1 %	(461)	(591)	22.0 %
Total Segment Operating Contribution	\$ (177)	\$ (166)	(6.6)%	\$ (562)	\$ (548)	(2.6)%

Vrio provides entertainment services to customers utilizing satellite technology in Latin America and the Caribbean.

Vrio Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Third Quarter		Percent	Nine-Month Period		Percent
	2020	2019	Change	2020	2019	Change
Operating Revenues	\$ 753	\$ 1,013	(25.7) %	\$ 2,392	\$ 3,112	(23.1) %
Operating Expenses						
Operations and support	675	851	(20.7) %	2,119	2,598	(18.4) %
Depreciation and amortization	126	162	(22.2) %	400	496	(19.4) %
Total Operating Expenses	801	1,013	(20.9) %	2,519	3,094	(18.6) %
Operating Income	(48)	—	— %	(127)	18	— %
Equity in Net Income of Affiliates	14	13	7.7 %	26	25	4.0 %
Operating Contribution	\$ (34)	\$ 13	— %	\$ (101)	\$ 43	— %
Operating Income Margin	(6.4)%	— %	(640) BP	(5.3)%	0.6 %	(590) BP

Supplementary Operating Data			
<i>Subscribers and connections in thousands</i>			
<i>Unaudited</i>			
	September 30,		Percent
	2020	2019	Change
Vrio Video Subscribers	10,893	13,306	(18.1) %
	Third Quarter		Percent
	2020	2019	Change
Vrio Video Net Additions¹	229	(167)	— %

¹ The nine-month period ended September 30, 2020 excludes the impact of 2.2 million subscriber disconnections resulting from the closure of our DIRECTV operations in Venezuela.

Mexico

Mexico provides wireless services and equipment to customers in Mexico.

Mexico Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Third Quarter		Percent	Nine-Month Period		Percent
	2020	2019	Change	2020	2019	Change
Operating Revenues						
Wireless service	\$ 385	\$ 455	(15.4) %	\$ 1,197	\$ 1,376	(13.0) %
Wireless equipment	258	262	(1.5) %	629	717	(12.3) %
Total Operating Revenues	643	717	(10.3) %	1,826	2,093	(12.8) %
Operating Expenses						
Operations and support	662	774	(14.5) %	1,914	2,312	(17.2) %
Depreciation and amortization	124	122	1.6 %	373	372	0.3 %
Total Operating Expenses	786	896	(12.3) %	2,287	2,684	(14.8) %
Operating Income (Loss)	(143)	(179)	20.1 %	(461)	(591)	22.0 %
Equity in Net Income of Affiliates	—	—	— %	—	—	— %
Operating Contribution	\$ (143)	\$ (179)	20.1 %	\$ (461)	\$ (591)	22.0 %
Operating Income Margin	(22.2)%	(25.0)%	280 BP	(25.2)%	(28.2)%	300 BP

Supplementary Operating Data						
<i>Subscribers and connections in thousands</i>						
<i>Unaudited</i>						
	September 30,		Percent			Percent
	2020	2019	Change			Change
Mexico Wireless Subscribers						
Postpaid	4,710	5,352	(12.0) %			
Prepaid	13,249	12,848	3.1 %			
Reseller	455	419	8.6 %			
Total Mexico Wireless Subscribers	18,414	18,619	(1.1) %			
	Third Quarter		Percent	Nine-Month Period		Percent
	2020	2019	Change	2020	2019	Change
Mexico Wireless Net Additions¹						
Postpaid	(61)	(137)	55.5 %	(393)	(359)	(9.5) %
Prepaid	472	668	(29.3) %	(335)	1,183	— %
Reseller	30	67	(55.2) %	83	166	(50.0) %
Total Mexico Wireless Net Additions	441	598	(26.3) %	(645)	990	— %

¹ The nine-month period ended September 30, 2020 excludes the impact of 101 subscriber disconnections resulting from conforming our policy on reporting of fixed wireless resellers.

Supplemental AT&T Advertising Revenues

As a supplemental presentation, we are providing a view of total advertising revenues generated by AT&T, which combines the advertising revenues recorded across all operating segments. This combined view presents the entire portfolio of revenues generated from AT&T assets.

Advertising Revenues						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Third Quarter		Percent	Nine-Month Period		Percent
	2020	2019	Change	2020	2019	Change
Operating Revenues						
Turner	\$ 1,077	\$ 913	18.0 %	\$ 2,830	\$ 3,440	(17.7)%
Entertainment Group	408	421	(3.1)%	1,115	1,170	(4.7)%
Xandr	497	504	(1.4)%	1,348	1,415	(4.7)%
Other	105	106	(0.9)%	278	281	(1.1)%
Eliminations	(408)	(421)	3.1 %	(1,115)	(1,170)	4.7 %
Total Advertising Revenues	\$ 1,679	\$ 1,523	10.2 %	\$ 4,456	\$ 5,136	(13.2)%

SUPPLEMENTAL SEGMENT RECONCILIATION

Three Months Ended								
Dollars in millions								
Unaudited								
September 30, 2020								
	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)	Equity in Net Income (Loss) of Affiliates	Segment Contribution	
Communications								
Mobility	\$ 17,894	\$ 10,182	\$ 7,712	\$ 2,021	\$ 5,691	\$ —	\$ 5,691	
Entertainment Group	10,053	7,997	2,056	1,277	779	—	779	
Business Wireline	6,340	3,833	2,507	1,329	1,178	—	1,178	
Total Communications	34,287	22,012	12,275	4,627	7,648	—	7,648	
WarnerMedia								
Turner	3,176	2,088	1,088	69	1,019	(6)	1,013	
Home Box Office	1,781	1,694	87	27	60	—	60	
Warner Bros.	2,411	1,973	438	43	395	(23)	372	
Eliminations and other	146	(171)	317	32	285	40	325	
Total WarnerMedia	7,514	5,584	1,930	171	1,759	11	1,770	
Latin America								
Vrio	753	675	78	126	(48)	14	(34)	
Mexico	643	662	(19)	124	(143)	—	(143)	
Total Latin America	1,396	1,337	59	250	(191)	14	(177)	
Segment Total	43,197	28,933	14,264	5,048	9,216	\$ 25	\$ 9,241	
Corporate and Other								
Corporate	431	1,012	(581)	61	(642)			
Acquisition-related items	—	38	(38)	1,921	(1,959)			
Certain significant items	—	113	(113)	—	(113)			
Eliminations and consolidations	(1,288)	(918)	(370)	—	(370)			
AT&T Inc.	\$ 42,340	\$ 29,178	\$ 13,162	\$ 7,030	\$ 6,132			

Three Months Ended								
<i>Dollars in millions</i>								
<i>Unaudited</i>								
<i>September 30, 2019</i>								
	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)	Equity in Net Income (Loss) of Affiliates	Segment Contribution	
Communications								
Mobility	\$ 17,701	\$ 9,948	\$ 7,753	\$ 2,011	\$ 5,742	\$ —	\$ 5,742	
Entertainment Group	11,197	8,797	2,400	1,316	1,084	—	1,084	
Business Wireline	6,503	4,022	2,481	1,271	1,210	—	1,210	
Total Communications	35,401	22,767	12,634	4,598	8,036	—	8,036	
WarnerMedia								
Turner	3,007	1,460	1,547	68	1,479	10	1,489	
Home Box Office	1,819	1,072	747	33	714	10	724	
Warner Bros.	3,333	2,706	627	39	588	(25)	563	
Eliminations and other	191	91	100	25	75	20	95	
Total WarnerMedia	8,350	5,329	3,021	165	2,856	15	2,871	
Latin America								
Vrio	1,013	851	162	162	—	13	13	
Mexico	717	774	(57)	122	(179)	—	(179)	
Total Latin America	1,730	1,625	105	284	(179)	13	(166)	
Segment Total	45,481	29,721	15,760	5,047	10,713	\$ 28	\$ 10,741	
Corporate and Other								
Corporate	407	703	(296)	131	(427)			
Acquisition-related items	—	190	(190)	1,771	(1,961)			
Certain significant items	—	39	(39)	—	(39)			
Eliminations and consolidations	(1,300)	(915)	(385)	—	(385)			
AT&T Inc.	\$ 44,588	\$ 29,738	\$ 14,850	\$ 6,949	\$ 7,901			

SUPPLEMENTAL SEGMENT RECONCILIATION

Nine Months Ended									
Dollars in millions									
Unaudited									
September 30, 2020									
	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)	Equity in Net Income (Loss) of Affiliates	Segment Contribution		
Communications									
Mobility	\$ 52,445	\$ 29,083	\$ 23,362	\$ 6,078	\$ 17,284	\$ —	\$ 17,284		
Entertainment Group	30,637	23,618	7,019	3,875	3,144	—	3,144		
Business Wireline	19,046	11,563	7,483	3,948	3,535	—	3,535		
Total Communications	102,128	64,264	37,864	13,901	23,963	—	23,963		
WarnerMedia									
Turner	9,326	5,145	4,181	207	3,974	—	3,974		
Home Box Office	4,905	4,236	669	73	596	15	611		
Warner Bros.	8,907	7,506	1,401	124	1,277	(50)	1,227		
Eliminations and other	(962)	(882)	(80)	97	(177)	65	(112)		
Total WarnerMedia	22,176	16,005	6,171	501	5,670	30	5,700		
Latin America									
Vrio	2,392	2,119	273	400	(127)	26	(101)		
Mexico	1,826	1,914	(88)	373	(461)	—	(461)		
Total Latin America	4,218	4,033	185	773	(588)	26	(562)		
Segment Total	128,522	84,302	44,220	15,175	29,045	\$ 56	\$ 29,101		
Corporate and Other									
Corporate	1,256	2,819	(1,563)	241	(1,804)				
Acquisition-related items	—	431	(431)	6,122	(6,553)				
Certain significant items	—	2,539	(2,539)	—	(2,539)				
Eliminations and consolidations	(3,709)	(2,709)	(1,000)	(1)	(999)				
AT&T Inc.	\$ 126,069	\$ 87,382	\$ 38,687	\$ 21,537	\$ 17,150				

Nine Months Ended								
<i>Dollars in millions</i>								
<i>Unaudited</i>								
<i>September 30, 2019</i>								
	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)	Equity in Net Income (Loss) of Affiliates	Segment Contribution	
Communications								
Mobility	\$ 52,356	\$ 29,511	\$ 22,845	\$ 6,027	\$ 16,818	\$ —	\$ 16,818	
Entertainment Group	33,893	25,839	8,054	3,978	4,076	—	4,076	
Business Wireline	19,588	12,029	7,559	3,735	3,824	—	3,824	
Total Communications	105,837	67,379	38,458	13,740	24,718	—	24,718	
WarnerMedia								
Turner	9,860	5,813	4,047	167	3,880	46	3,926	
Home Box Office	5,045	3,124	1,921	67	1,854	40	1,894	
Warner Bros.	10,240	8,543	1,697	122	1,575	(19)	1,556	
Eliminations and other	845	438	407	69	338	70	408	
Total WarnerMedia	25,990	17,918	8,072	425	7,647	137	7,784	
Latin America								
Vrio	3,112	2,598	514	496	18	25	43	
Mexico	2,093	2,312	(219)	372	(591)	—	(591)	
Total Latin America	5,205	4,910	295	868	(573)	25	(548)	
Segment Total	137,032	90,207	46,825	15,033	31,792	\$ 162	\$ 31,954	
Corporate and Other								
Corporate	1,290	2,129	(839)	505	(1,344)			
Acquisition-related items	(72)	579	(651)	5,719	(6,370)			
Certain significant items	—	381	(381)	—	(381)			
Eliminations and consolidations	(3,878)	(2,814)	(1,064)	(1)	(1,063)			
AT&T Inc.	\$ 134,372	\$ 90,482	\$ 43,890	\$ 21,256	\$ 22,634			