

2<sup>nd</sup> QUARTER EARNINGS 2023

# Financial and Operational Schedules & Non-GAAP Reconciliations

**July 26, 2023**

**AT&T Inc.**  
**Financial Data**

<b>Consolidated Statements of Income</b>							
<i>Dollars in millions except per share amounts</i>							
<i>Unaudited</i>							
	Second Quarter		Percent	Six-Month Period		Percent	
	2023	2022	Change	2023	2022	Change	
<b>Operating Revenues</b>							
Service	\$ 24,850	\$ 24,268	2.4 %	\$ 49,467	\$ 48,267	2.5 %	
Equipment	5,067	5,375	(5.7)%	10,589	11,088	(4.5)%	
<b>Total Operating Revenues</b>	<b>29,917</b>	<b>29,643</b>	<b>0.9 %</b>	<b>60,056</b>	<b>59,355</b>	<b>1.2 %</b>	
<b>Operating Expenses</b>							
Cost of revenues							
Equipment	5,056	5,534	(8.6)%	10,714	11,570	(7.4)%	
Other cost of revenues (exclusive of depreciation and amortization shown separately below)	6,771	6,807	(0.5)%	13,444	13,506	(0.5)%	
Selling, general and administrative	7,009	7,265	(3.5)%	14,184	14,243	(0.4)%	
Asset impairments and abandonments and restructuring	—	631	— %	—	631	— %	
Depreciation and amortization	4,675	4,450	5.1 %	9,306	8,912	4.4 %	
<b>Total Operating Expenses</b>	<b>23,511</b>	<b>24,687</b>	<b>(4.8)%</b>	<b>47,648</b>	<b>48,862</b>	<b>(2.5)%</b>	
<b>Operating Income</b>	<b>6,406</b>	<b>4,956</b>	<b>29.3 %</b>	<b>12,408</b>	<b>10,493</b>	<b>18.3 %</b>	
<b>Interest Expense</b>	<b>1,608</b>	<b>1,502</b>	<b>7.1 %</b>	<b>3,316</b>	<b>3,128</b>	<b>6.0 %</b>	
<b>Equity in Net Income of Affiliates</b>	<b>380</b>	<b>504</b>	<b>(24.6)%</b>	<b>918</b>	<b>1,025</b>	<b>(10.4)%</b>	
<b>Other Income (Expense) — Net</b>	<b>987</b>	<b>2,302</b>	<b>(57.1)%</b>	<b>1,922</b>	<b>4,459</b>	<b>(56.9)%</b>	
<b>Income from Continuing Operations</b>							
<b>Before Income Taxes</b>	<b>6,165</b>	<b>6,260</b>	<b>(1.5)%</b>	<b>11,932</b>	<b>12,849</b>	<b>(7.1)%</b>	
Income tax expense on continuing operations	1,403	1,509	(7.0)%	2,717	2,949	(7.9)%	
<b>Income From Continuing Operations</b>	<b>4,762</b>	<b>4,751</b>	<b>0.2 %</b>	<b>9,215</b>	<b>9,900</b>	<b>(6.9)%</b>	
Income (loss) from discontinued operations, net of tax	—	(214)	— %	—	(199)	— %	
<b>Net Income</b>	<b>4,762</b>	<b>4,537</b>	<b>5.0 %</b>	<b>9,215</b>	<b>9,701</b>	<b>(5.0)%</b>	
<b>Less: Net Income Attributable to Noncontrolling Interest</b>							
	(273)	(380)	28.2 %	(498)	(734)	32.2 %	
<b>Net Income Attributable to AT&amp;T</b>	<b>\$ 4,489</b>	<b>\$ 4,157</b>	<b>8.0 %</b>	<b>\$ 8,717</b>	<b>\$ 8,967</b>	<b>(2.8)%</b>	
<b>Less: Preferred Stock Dividends</b>	<b>(52)</b>	<b>(52)</b>	<b>— %</b>	<b>(104)</b>	<b>(100)</b>	<b>(4.0)%</b>	
<b>Net Income Attributable to Common Stock</b>	<b>\$ 4,437</b>	<b>\$ 4,105</b>	<b>8.1 %</b>	<b>\$ 8,613</b>	<b>\$ 8,867</b>	<b>(2.9)%</b>	
<b>Basic Earnings (Loss) Per Share Attributable to Common Stock</b>							
From continuing operations	\$ 0.61	\$ 0.60	1.7 %	\$ 1.19	\$ 1.26	(5.6)%	
From discontinued operations	\$ —	\$ (0.03)	— %	\$ —	\$ (0.03)	— %	
	\$ 0.61	\$ 0.57	7.0 %	\$ 1.19	\$ 1.23	(3.3)%	
Weighted Average Common Shares Outstanding (000,000)							
	7,180	7,169	0.2 %	7,174	7,176	— %	
<b>Diluted Earnings (Loss) Per Share Attributable to Common Stock</b>							
From continuing operations	\$ 0.61	\$ 0.59	3.4 %	\$ 1.19	\$ 1.23	(3.3)%	
From discontinued operations	\$ —	\$ (0.03)	— %	\$ —	\$ (0.02)	— %	
	\$ 0.61	\$ 0.56	8.9 %	\$ 1.19	\$ 1.21	(1.7)%	
Weighted Average Common Shares Outstanding with Dilution (000,000)							
	7,180	7,611	(5.7)%	7,327	7,584	(3.4)%	

**AT&T Inc.**  
**Financial Data**

<b>Consolidated Balance Sheets</b>		
<i>Dollars in millions</i>		
<i>Unaudited</i>	<b>Jun. 30,</b>	Dec. 31,
	<b>2023</b>	2022
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 9,528	\$ 3,701
Accounts receivable – net of related allowances for credit loss of \$528 and \$588	9,304	11,466
Inventories	2,348	3,123
Prepaid and other current assets	15,492	14,818
<b>Total current assets</b>	<b>36,672</b>	<b>33,108</b>
<b>Property, Plant and Equipment – Net</b>	<b>128,783</b>	<b>127,445</b>
<b>Goodwill – Net</b>	<b>67,854</b>	<b>67,895</b>
<b>Licenses – Net</b>	<b>125,049</b>	<b>124,092</b>
<b>Other Intangible Assets – Net</b>	<b>5,339</b>	<b>5,354</b>
<b>Investments in and Advances to Equity Affiliates</b>	<b>2,779</b>	<b>3,533</b>
<b>Operating Lease Right-Of-Use Assets</b>	<b>21,581</b>	<b>21,814</b>
<b>Other Assets</b>	<b>20,396</b>	<b>19,612</b>
<b>Total Assets</b>	<b>\$ 408,453</b>	<b>\$ 402,853</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
Debt maturing within one year	\$ 15,268	\$ 7,467
Note payable to DIRECTV	—	130
Accounts payable and accrued liabilities	33,038	42,644
Advanced billings and customer deposits	3,833	3,918
Dividends payable	2,020	2,014
<b>Total current liabilities</b>	<b>54,159</b>	<b>56,173</b>
<b>Long-Term Debt</b>	<b>128,012</b>	<b>128,423</b>
<b>Deferred Credits and Other Noncurrent Liabilities</b>		
Deferred income taxes	57,972	57,032
Postemployment benefit obligation	6,696	7,260
Operating lease liabilities	18,311	18,659
Other noncurrent liabilities	25,258	28,849
<b>Total deferred credits and other noncurrent liabilities</b>	<b>108,237</b>	<b>111,800</b>
<b>Redeemable Noncontrolling Interest</b>	<b>1,970</b>	<b>—</b>
<b>Stockholders' Equity</b>		
Preferred stock	—	—
Common stock	7,621	7,621
Additional paid-in capital	118,833	123,610
Retained (deficit) earnings	(10,698)	(19,415)
Treasury stock	(16,158)	(17,082)
Accumulated other comprehensive income	2,305	2,766
Noncontrolling interest	14,172	8,957
<b>Total stockholders' equity</b>	<b>116,075</b>	<b>106,457</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 408,453</b>	<b>\$ 402,853</b>

**AT&T Inc.**  
**Financial Data**

<b>Consolidated Statements of Cash Flows</b>		
<i>Dollars in millions</i>		
<i>Unaudited</i>		
	Six-Month Period	
	2023	2022
<b>Operating Activities</b>		
Income from continuing operations	\$ 9,215	\$ 9,900
Adjustments to reconcile income from continuing operations to net cash provided by operating activities from continuing operations:		
Depreciation and amortization	9,306	8,912
Provision for uncollectible accounts	929	870
Deferred income tax expense	1,836	2,324
Net (gain) loss on investments, net of impairments	(160)	333
Pension and postretirement benefit expense (credit)	(1,341)	(1,735)
Actuarial and settlement (gain) loss on pension and postretirement benefits - net	(74)	(2,398)
Asset impairments and abandonments and restructuring	—	631
Changes in operating assets and liabilities:		
Receivables	1,342	1,292
Other current assets	1,106	11
Accounts payable and other accrued liabilities	(5,769)	(3,905)
Equipment installment receivables and related sales	(302)	342
Deferred customer contract acquisition and fulfillment costs	34	(506)
Postretirement claims and contributions	(556)	(186)
Other - net	1,034	(515)
Total adjustments	7,385	5,470
Net Cash Provided by Operating Activities from Continuing Operations	16,600	15,370
<b>Investing Activities</b>		
Capital expenditures	(8,605)	(9,476)
Acquisitions, net of cash acquired	(515)	(9,570)
Dispositions	16	22
Distributions from DIRECTV in excess of cumulative equity in earnings	974	1,638
(Purchases), sales and settlements of securities and investments - net	(1,056)	73
Other - net	(55)	2
Net Cash Used in Investing Activities from Continuing Operations	(9,241)	(17,311)
<b>Financing Activities</b>		
Net change in short-term borrowings with original maturities of three months or less	(914)	172
Issuance of other short-term borrowings	5,406	2,593
Repayment of other short-term borrowings	(867)	(15,613)
Issuance of long-term debt	9,633	479
Repayment of long-term debt	(7,609)	(24,213)
Repayment of note payable to DIRECTV	(130)	(722)
Payment of vendor financing	(3,756)	(3,337)
Purchase of treasury stock	(189)	(872)
Issuance of treasury stock	3	28
Issuance of preferred interests in subsidiary	7,151	—
Redemption of preferred interests in subsidiary	(5,333)	—
Dividends paid	(4,097)	(5,835)
Other - net	(828)	(2,144)
Net Cash Used in Financing Activities from Continuing Operations	(1,530)	(49,464)
Net increase (decrease) in cash and cash equivalents and restricted cash from continuing operations	5,829	(51,405)
<b>Cash flows from Discontinued Operations:</b>		
Cash (used in) provided by operating activities	—	(3,731)
Cash provided by (used in) investing activities	—	872
Cash provided by (used in) financing activities	—	37,065
Net increase (decrease) in cash and cash equivalents and restricted cash from discontinued operations	—	34,206
<b>Net increase (decrease) in cash and cash equivalents and restricted cash</b>	<b>\$ 5,829</b>	<b>\$ (17,199)</b>
Cash and cash equivalents and restricted cash beginning of year	3,793	21,316
<b>Cash and Cash Equivalents and Restricted Cash End of Period</b>	<b>\$ 9,622</b>	<b>\$ 4,117</b>

**AT&T Inc.**  
**Consolidated Supplementary Data**

Supplementary Financial Data						
<i>Dollars in millions except per share amounts</i>						
<i>Unaudited</i>	Second Quarter		Percent	Six-Month Period		Percent
	<b>2023</b>	2022	Change	<b>2023</b>	2022	Change
<b>Capital expenditures</b>						
Purchase of property and equipment	\$ 4,224	\$ 4,867	(13.2)%	\$ 8,515	\$ 9,399	(9.4) %
Interest during construction - capital expenditures	46	41	12.2 %	90	77	16.9 %
<b>Total Capital Expenditures</b>	<b>\$ 4,270</b>	<b>\$ 4,908</b>	<b>(13.0)%</b>	<b>\$ 8,605</b>	<b>\$ 9,476</b>	<b>(9.2) %</b>
<b>Acquisitions, net of cash acquired</b>						
Business acquisitions	\$ —	\$ —	— %	\$ —	\$ —	— %
Spectrum acquisitions	5	9	(44.4)%	68	8,965	(99.2) %
Interest during construction - spectrum	219	317	(30.9)%	447	605	(26.1) %
<b>Total Acquisitions</b>	<b>\$ 224</b>	<b>\$ 326</b>	<b>(31.3)%</b>	<b>\$ 515</b>	<b>\$ 9,570</b>	<b>(94.6) %</b>
Cash paid for interest - continuing operations	\$ 1,633	\$ 1,874	(12.9)%	\$ 3,604	\$ 4,028	(10.5) %
Cash paid for income taxes, net of refunds - continuing operations	\$ 325	\$ 266	22.2 %	\$ 335	\$ 338	(0.9) %
Dividends Declared per Common Share	\$ 0.2775	\$ 0.2775	— %	\$0.5550	\$ 0.5550	— %
End of Period Common Shares Outstanding (000,000)				7,149	7,126	0.3 %
Debt Ratio				54.8 %	50.1 %	470 BP
Total Employees				156,630	172,400	(9.1) %

## COMMUNICATIONS SEGMENT

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

Results have been recast to remove prior service credits from our historical reporting.

Segment Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Second Quarter		Percent	Six-Month Period		Percent
	2023	2022	Change	2023	2022	Change
<b>Segment Operating Revenues</b>						
Mobility	\$ 20,315	\$ 19,926	2.0 %	\$ 40,897	\$ 40,001	2.2 %
Business Wireline	5,279	5,595	(5.6)%	10,610	11,235	(5.6)%
Consumer Wireline	3,251	3,174	2.4 %	6,490	6,335	2.4 %
Total Segment Operating Revenues	28,845	28,695	0.5 %	57,997	57,571	0.7 %
<b>Segment Operating Income</b>						
Mobility	6,613	6,048	9.3 %	12,884	11,737	9.8 %
Business Wireline	396	490	(19.2)%	774	1,129	(31.4)%
Consumer Wireline	168	145	15.9 %	262	304	(13.8)%
Total Segment Operating Income	\$ 7,177	\$ 6,683	7.4 %	\$ 13,920	\$ 13,170	5.7 %

Supplementary Operating Data			
<i>Subscribers and connections in thousands</i>			
<i>Unaudited</i>			
	June 30,		Percent
	2023	2022	Change
<b>Broadband Connections</b>			
Broadband	15,045	15,136	(0.6)%
DSL	259	373	(30.6)%
Total Broadband Connections	15,304	15,509	(1.3)%
<b>Voice Connections</b>			
Retail Consumer Switched Access Lines	4,677	5,725	(18.3)%
U-verse Consumer VoIP Connections	2,749	3,124	(12.0)%
Total Retail Consumer Voice Connections	7,426	8,849	(16.1)%
	Second Quarter		Percent
	2023	2022	Change
<b>Broadband Net Additions</b>			
Broadband	(16)	6	— %
DSL	(25)	(30)	16.7 %
Total Broadband Net Additions	(41)	(24)	(70.8)%

## Mobility

Mobility provides nationwide wireless service and equipment.

Mobility Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Second Quarter		Percent	Six-Month Period		Percent
	2023	2022	Change	2023	2022	Change
<b>Operating Revenues</b>						
Service	\$ 15,745	\$ 15,004	4.9 %	\$ 31,228	\$ 29,728	5.0 %
Equipment	4,570	4,922	(7.2) %	9,669	10,273	(5.9) %
<b>Total Operating Revenues</b>	<b>20,315</b>	<b>19,926</b>	<b>2.0 %</b>	<b>40,897</b>	<b>40,001</b>	<b>2.2 %</b>
<b>Operating Expenses</b>						
Operations and support	11,579	11,861	(2.4) %	23,792	24,188	(1.6) %
Depreciation and amortization	2,123	2,017	5.3 %	4,221	4,076	3.6 %
<b>Total Operating Expenses</b>	<b>13,702</b>	<b>13,878</b>	<b>(1.3) %</b>	<b>28,013</b>	<b>28,264</b>	<b>(0.9) %</b>
<b>Operating Income</b>	<b>\$ 6,613</b>	<b>\$ 6,048</b>	<b>9.3 %</b>	<b>\$ 12,884</b>	<b>\$ 11,737</b>	<b>9.8 %</b>
<b>Operating Income Margin</b>	<b>32.6 %</b>	<b>30.4 %</b>	<b>220 BP</b>	<b>31.5 %</b>	<b>29.3 %</b>	<b>220 BP</b>

Supplementary Operating Data						
<i>Subscribers and connections in thousands</i>						
<i>Unaudited</i>						
	June 30,		Percent			
	2023	2022	Change			
<b>Mobility Subscribers</b>						
Postpaid	85,846	82,694	3.8 %			
Postpaid phone	70,331	68,311	3.0 %			
Prepaid	19,352	19,095	1.3 %			
Reseller	6,656	5,480	21.5 %			
Connected Devices	117,177	96,104	21.9 %			
<b>Total Mobility Subscribers<sup>1</sup></b>	<b>229,031</b>	<b>203,373</b>	<b>12.6 %</b>			
<sup>1</sup> Wireless subscribers at June 30, 2023 includes an increase of 295 subscribers and connections (206 postpaid, including 74 phone, and 89 connected devices) resulting from our 3G network shutdown.						
	Second Quarter		Percent	Six-Month Period		Percent
	2023	2022	Change	2023	2022	Change
<b>Mobility Net Additions</b>						
Postpaid Phone Net Additions	326	813	(59.9) %	750	1,504	(50.1) %
<b>Total Phone Net Additions</b>	<b>449</b>	<b>1,009</b>	<b>(55.5) %</b>	<b>913</b>	<b>1,813</b>	<b>(49.6) %</b>
Postpaid	464	1,058	(56.1) %	1,006	2,023	(50.3) %
Prepaid	167	231	(27.7) %	207	347	(40.3) %
Reseller	432	21	— %	540	4	— %
Connected Devices	5,129	5,292	(3.1) %	9,586	9,760	(1.8) %
<b>Total Mobility Net Additions</b>	<b>6,192</b>	<b>6,602</b>	<b>(6.2) %</b>	<b>11,339</b>	<b>12,134</b>	<b>(6.6) %</b>
Postpaid Churn	0.95 %	0.93 %	2 BP	0.97 %	0.93 %	4 BP
Postpaid Phone-Only Churn	0.79 %	0.75 %	4 BP	0.80 %	0.77 %	3 BP

## Business Wireline

Business Wireline provides advanced ethernet-based fiber services, IP Voice and managed professional services, as well as traditional voice and data services and related equipment to business customers.

Business Wireline Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Second Quarter		Percent	Six-Month Period		Percent
	2023	2022	Change	2023	2022	Change
<b>Operating Revenues</b>						
Service	\$ 5,114	\$ 5,416	(5.6) %	\$ 10,314	\$ 10,894	(5.3) %
Equipment	165	179	(7.8) %	296	341	(13.2) %
<b>Total Operating Revenues</b>	<b>5,279</b>	<b>5,595</b>	<b>(5.6) %</b>	<b>10,610</b>	<b>11,235</b>	<b>(5.6) %</b>
<b>Operating Expenses</b>						
Operations and support	3,550	3,792	(6.4) %	7,173	7,494	(4.3) %
Depreciation and amortization	1,333	1,313	1.5 %	2,663	2,612	2.0 %
<b>Total Operating Expenses</b>	<b>4,883</b>	<b>5,105</b>	<b>(4.3) %</b>	<b>9,836</b>	<b>10,106</b>	<b>(2.7) %</b>
<b>Operating Income</b>	<b>\$ 396</b>	<b>\$ 490</b>	<b>(19.2) %</b>	<b>\$ 774</b>	<b>\$ 1,129</b>	<b>(31.4) %</b>
<b>Operating Income Margin</b>	<b>7.5 %</b>	<b>8.8 %</b>	<b>(130) BP</b>	<b>7.3 %</b>	<b>10.0 %</b>	<b>(270) BP</b>



## Consumer Wireline

Consumer Wireline provides broadband services, including fiber connections that provide our multi-gig services to residential customers in select locations. Consumer Wireline also provides legacy telephony voice communication services.

Consumer Wireline Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Second Quarter		Percent	Six-Month Period		Percent
	2023	2022	Change	2023	2022	Change
<b>Operating Revenues</b>						
Broadband	\$ 2,561	\$ 2,393	7.0 %	\$ 5,088	\$ 4,748	7.2 %
Legacy voice and data services	383	445	(13.9) %	779	905	(13.9) %
Other service and equipment	307	336	(8.6) %	623	682	(8.7) %
<b>Total Operating Revenues</b>	<b>3,251</b>	<b>3,174</b>	<b>2.4 %</b>	<b>6,490</b>	<b>6,335</b>	<b>2.4 %</b>
<b>Operating Expenses</b>						
Operations and support	2,226	2,244	(0.8) %	4,510	4,480	0.7 %
Depreciation and amortization	857	785	9.2 %	1,718	1,551	10.8 %
<b>Total Operating Expenses</b>	<b>3,083</b>	<b>3,029</b>	<b>1.8 %</b>	<b>6,228</b>	<b>6,031</b>	<b>3.3 %</b>
<b>Operating Income</b>	<b>\$ 168</b>	<b>\$ 145</b>	<b>15.9 %</b>	<b>\$ 262</b>	<b>\$ 304</b>	<b>(13.8) %</b>
<b>Operating Income Margin</b>	<b>5.2 %</b>	<b>4.6 %</b>	<b>60 BP</b>	<b>4.0 %</b>	<b>4.8 %</b>	<b>(80) BP</b>

Supplementary Operating Data			
<i>Subscribers and connections in thousands</i>			
<i>Unaudited</i>			
	June 30,		Percent
	2023	2022	Change
<b>Broadband Connections</b>			
Total Broadband and DSL Connections	13,895	14,105	(1.5) %
Broadband	13,695	13,825	(0.9) %
Fiber Broadband Connections	7,738	6,597	17.3 %
<b>Voice Connections</b>			
Retail Consumer Switched Access Lines	1,829	2,228	(17.9) %
U-verse Consumer VoIP Connections	2,126	2,521	(15.7) %
<b>Total Retail Consumer Voice Connections</b>	<b>3,955</b>	<b>4,749</b>	<b>(16.7) %</b>
	Second Quarter		Percent
	2023	2022	Change
<b>Broadband Net Additions</b>			
Total Broadband and DSL Net Additions	(54)	(43)	(25.6) %
Broadband	(35)	(25)	(40.0) %
Fiber Broadband Net Additions	251	316	(20.6) %

## LATIN AMERICA SEGMENT

The segment provides wireless services and equipment to customers in Mexico.

Segment Results							
<i>Dollars in millions</i>							
<i>Unaudited</i>							
	Second Quarter		Percent	Six-Month Period		Percent	
	2023	2022	Change	2023	2022	Change	
<b>Operating Revenues</b>							
Wireless service	\$ 635	\$ 534	18.9 %	\$ 1,226	\$ 1,024	19.7 %	
Wireless equipment	332	274	21.2 %	624	474	31.6 %	
<b>Total Segment Operating Revenues</b>	<b>967</b>	<b>808</b>	<b>19.7 %</b>	<b>1,850</b>	<b>1,498</b>	<b>23.5 %</b>	
<b>Operating Expenses</b>							
Operations and support	821	721	13.9 %	1,559	1,352	15.3 %	
Depreciation and amortization	185	169	9.5 %	360	330	9.1 %	
<b>Total Segment Operating Expenses</b>	<b>1,006</b>	<b>890</b>	<b>13.0 %</b>	<b>1,919</b>	<b>1,682</b>	<b>14.1 %</b>	
<b>Operating Income (Loss)</b>	<b>\$ (39)</b>	<b>\$ (82)</b>	<b>52.4 %</b>	<b>\$ (69)</b>	<b>\$ (184)</b>	<b>62.5 %</b>	
<b>Operating Income Margin</b>	<b>(4.0)%</b>	<b>(10.1)%</b>	<b>610 BP</b>	<b>(3.7)%</b>	<b>(12.3)%</b>	<b>860 BP</b>	

Supplementary Operating Data				
<i>Subscribers and connections in thousands</i>				
<i>Unaudited</i>				
	June 30,		Percent	
	2023	2022	Change	
<b>Mexico Wireless Subscribers</b>				
Postpaid	5,030	4,835	4.0 %	
Prepaid	16,196	15,422	5.0 %	
Reseller	463	443	4.5 %	
<b>Total Mexico Wireless Subscribers</b>	<b>21,689</b>	<b>20,700</b>	<b>4.8 %</b>	
	Second Quarter		Percent	Percent
	2023	2022	Change	Change
<b>Mexico Wireless Net Additions</b>				
Postpaid	56	25	— %	— %
Prepaid	50	187	(73.3) %	— %
Reseller	(30)	(15)	— %	80.0 %
<b>Total Mexico Wireless Net Additions</b>	<b>76</b>	<b>197</b>	<b>(61.4) %</b>	<b>(74.6) %</b>

## SUPPLEMENTAL SEGMENT RECONCILIATION

Three Months Ended					
<i>Dollars in millions</i>					
<i>Unaudited</i>					
<b>June 30, 2023</b>					
	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)
<b>Communications</b>					
Mobility	\$ 20,315	\$ 11,579	\$ 8,736	\$ 2,123	\$ 6,613
Business Wireline	5,279	3,550	1,729	1,333	396
Consumer Wireline	3,251	2,226	1,025	857	168
Total Communications	28,845	17,355	11,490	4,313	7,177
<b>Latin America - Mexico</b>	967	821	146	185	(39)
Segment Total	29,812	18,176	11,636	4,498	7,138
Corporate and Other					
Corporate:					
DTV-related retained costs	—	178	(178)	152	(330)
Parent administration support	(3)	332	(335)	2	(337)
Securitization fees	17	154	(137)	—	(137)
Value portfolio	91	24	67	6	61
Total Corporate	105	688	(583)	160	(743)
Certain significant items	—	(28)	28	17	11
Total Corporate and Other	105	660	(555)	177	(732)
AT&T Inc.	\$ 29,917	\$ 18,836	\$ 11,081	\$ 4,675	\$ 6,406
<i>June 30, 2022</i>					
	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)
<b>Communications</b>					
Mobility	\$ 19,926	\$ 11,861	\$ 8,065	\$ 2,017	\$ 6,048
Business Wireline	5,595	3,792	1,803	1,313	490
Consumer Wireline	3,174	2,244	930	785	145
Total Communications	28,695	17,897	10,798	4,115	6,683
<b>Latin America - Mexico</b>	808	721	87	169	(82)
Segment Total	29,503	18,618	10,885	4,284	6,601
Corporate and Other					
Corporate:					
DTV-related retained costs	—	239	(239)	135	(374)
Parent administration support	(6)	341	(347)	4	(351)
Securitization fees	17	78	(61)	—	(61)
Value portfolio	129	37	92	10	82
Total Corporate	140	695	(555)	149	(704)
Certain significant items	—	924	(924)	17	(941)
Total Corporate and Other	140	1,619	(1,479)	166	(1,645)
AT&T Inc.	\$ 29,643	\$ 20,237	\$ 9,406	\$ 4,450	\$ 4,956

## SUPPLEMENTAL SEGMENT RECONCILIATION

Six Months Ended						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
<b>June 30, 2023</b>						
	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)	
<b>Communications</b>						
Mobility	\$ 40,897	\$ 23,792	\$ 17,105	\$ 4,221	\$ 12,884	
Business Wireline	10,610	7,173	3,437	2,663	774	
Consumer Wireline	6,490	4,510	1,980	1,718	262	
Total Communications	57,997	35,475	22,522	8,602	13,920	
<b>Latin America - Mexico</b>	<b>1,850</b>	<b>1,559</b>	<b>291</b>	<b>360</b>	<b>(69)</b>	
Segment Total	59,847	37,034	22,813	8,962	13,851	
Corporate and Other						
Corporate:						
DTV-related retained costs	—	347	(347)	296	(643)	
Parent administration support	(12)	706	(718)	3	(721)	
Securitization fees	36	275	(239)	—	(239)	
Value portfolio	185	52	133	11	122	
Total Corporate	209	1,380	(1,171)	310	(1,481)	
Certain significant items	—	(72)	72	34	38	
Total Corporate and Other	209	1,308	(1,099)	344	(1,443)	
AT&T Inc.	\$ 60,056	\$ 38,342	\$ 21,714	\$ 9,306	\$ 12,408	
<i>June 30, 2022</i>						
	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)	
<b>Communications</b>						
Mobility	\$ 40,001	\$ 24,188	\$ 15,813	\$ 4,076	\$ 11,737	
Business Wireline	11,235	7,494	3,741	2,612	1,129	
Consumer Wireline	6,335	4,480	1,855	1,551	304	
Total Communications	57,571	36,162	21,409	8,239	13,170	
<b>Latin America - Mexico</b>	<b>1,498</b>	<b>1,352</b>	<b>146</b>	<b>330</b>	<b>(184)</b>	
Segment Total	59,069	37,514	21,555	8,569	12,986	
Corporate and Other						
Corporate:						
DTV-related retained costs	8	399	(391)	269	(660)	
Parent administration support	(18)	688	(706)	10	(716)	
Securitization fees	33	160	(127)	—	(127)	
Value portfolio	263	74	189	20	169	
Total Corporate	286	1,321	(1,035)	299	(1,334)	
Certain significant items	—	1,115	(1,115)	44	(1,159)	
Total Corporate and Other	286	2,436	(2,150)	343	(2,493)	
AT&T Inc.	\$ 59,355	\$ 39,950	\$ 19,405	\$ 8,912	\$ 10,493	

## Discussion and Reconciliation of Non-GAAP Measures for Continuing Operations

We believe the following measures are relevant and useful information to investors as they are part of AT&T's internal management reporting and planning processes and are important metrics that management uses to evaluate the operating performance of AT&T and its segments. Management also uses these measures as a method of comparing performance with that of many of our competitors. These measures should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with U.S. generally accepted accounting principles (GAAP).

### Free Cash Flow

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 (classified as financing activities). Free cash flow after dividends is defined as cash from operations and cash distributions from DIRECTV, minus capital expenditures, cash paid for vendor financing and dividends on common and preferred shares. Free cash flow dividend payout ratio is defined as the percentage of dividends paid on common and preferred shares to free cash flow. We believe these metrics provide useful information to our investors because management views free cash flow as an important indicator of how much cash is generated by routine business operations, including capital expenditures and vendor financing, and from our continued economic interest in the U.S. video operations as part of our DIRECTV equity method investment, and makes decisions based on it. Management also views free cash flow as a measure of cash available to pay debt and return cash to shareowners.

Free Cash Flow and Free Cash Flow Dividend Payout Ratio				
<i>Dollars in millions</i>				
	Second Quarter		Six-Month Period	
	2023	2022	2023	2022
Net cash provided by operating activities from continuing operations <sup>1</sup>	\$ 9,922	\$ 7,740	\$ 16,600	\$ 15,370
Add: Distributions from DIRECTV classified as investing activities	200	323	974	1,638
Less: Capital expenditures	(4,270)	(4,908)	(8,605)	(9,476)
Less: Cash paid for vendor financing	(1,643)	(1,771)	(3,756)	(3,337)
<b>Free Cash Flow</b>	<b>4,209</b>	<b>1,384</b>	<b>5,213</b>	<b>4,195</b>
Less: Dividends paid	(2,083)	(2,086)	(4,097)	(5,835)
Free Cash Flow after Dividends	\$ 2,126	\$ (702)	\$ 1,116	\$ (1,640)
<b>Free Cash Flow Dividend Payout Ratio</b>	<b>49.5 %</b>	<b>150.7 %</b>	<b>78.6 %</b>	<b>139.1 %</b>

<sup>1</sup> Includes distributions from DIRECTV of \$377 and \$911 in the second quarter and for the first six months of 2023, and \$515 and \$1,037 in the second quarter and for the first six months of 2022.

### Cash Paid for Capital Investment

In connection with capital improvements, we negotiate with some of our vendors to obtain favorable payment terms of 120 days or more, referred to as vendor financing, which are excluded from capital expenditures and reported in accordance with GAAP as financing activities. We present an additional view of cash paid for capital investment to provide investors with a comprehensive view of cash used to invest in our networks, product developments and support systems.

Cash Paid for Capital Investment				
<i>Dollars in millions</i>				
	Second Quarter		Six-Month Period	
	2023	2022	2023	2022
Capital Expenditures	\$ (4,270)	\$ (4,908)	\$ (8,605)	\$ (9,476)
Cash paid for vendor financing	(1,643)	(1,771)	(3,756)	(3,337)
<b>Cash paid for Capital Investment</b>	<b>\$ (5,913)</b>	<b>\$ (6,679)</b>	<b>\$ (12,361)</b>	<b>\$ (12,813)</b>

### EBITDA

Our calculation of EBITDA, as presented, may differ from similarly titled measures reported by other companies. For AT&T, EBITDA excludes other income (expense) – net, and equity in net income (loss) of affiliates, as these do not reflect the operating results of our subscriber base or operations that are not under our control. Equity in net income (loss) of affiliates represents the proportionate share of the net income (loss) of affiliates in which we exercise significant influence, but do not

control. Because we do not control these entities, management excludes these results when evaluating the performance of our primary operations. EBITDA also excludes interest expense and the provision for income taxes. Excluding these items eliminates the expenses associated with our capital and tax structures. Finally, EBITDA excludes depreciation and amortization in order to eliminate the impact of capital investments. EBITDA does not give effect to cash used for debt service requirements and thus does not reflect available funds for distributions, reinvestment or other discretionary uses. EBITDA is not presented as an alternative measure of operating results or cash flows from operations, as determined in accordance with GAAP.

EBITDA service margin is calculated as EBITDA divided by service revenues.

These measures are used by management as a gauge of our success in acquiring, retaining and servicing subscribers because we believe these measures reflect AT&T's ability to generate and grow subscriber revenues while providing a high level of customer service in a cost-effective manner. Management also uses these measures as a method of comparing cash generation potential with that of many of its competitors. The financial and operating metrics which affect EBITDA include the key revenue and expense drivers for which management is responsible and upon which we evaluate performance.

We believe EBITDA Service Margin (EBITDA as a percentage of service revenues) to be a more relevant measure than EBITDA Margin (EBITDA as a percentage of total revenue) for our Mobility business unit operating margin. We also use wireless service revenues to calculate margin to facilitate comparison, both internally and externally with our wireless competitors, as they calculate their margins using wireless service revenues as well.

There are material limitations to using these non-GAAP financial measures. EBITDA, EBITDA margin and EBITDA service margin, as we have defined them, may not be comparable to similarly titled measures reported by other companies. Furthermore, these performance measures do not take into account certain significant items, including depreciation and amortization, interest expense, tax expense and equity in net income (loss) of affiliates. For market comparability, management analyzes performance measures that are similar in nature to EBITDA as we present it, and considering the economic effect of the excluded expense items independently as well as in connection with its analysis of net income as calculated in accordance with GAAP. EBITDA, EBITDA margin and EBITDA service margin should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with GAAP.

<b>EBITDA, EBITDA Margin and EBITDA Service Margin</b>				
<i>Dollars in millions</i>				
	Second Quarter		Six-Month Period	
	2023	2022	2023	2022
<b>Income from Continuing Operations</b>	\$ 4,762	\$ 4,751	\$ 9,215	\$ 9,900
Additions:				
Income Tax Expense	1,403	1,509	2,717	2,949
Interest Expense	1,608	1,502	3,316	3,128
Equity in Net (Income) of Affiliates	(380)	(504)	(918)	(1,025)
Other (Income) Expense - Net	(987)	(2,302)	(1,922)	(4,459)
Depreciation and amortization	4,675	4,450	9,306	8,912
<b>EBITDA</b>	<b>11,081</b>	<b>9,406</b>	<b>21,714</b>	<b>19,405</b>
Transaction and other costs	—	185	—	283
Benefit-related (gain) loss	(28)	108	(72)	201
Assets impairments and abandonment and restructuring	—	631	—	631
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$ 11,053</b>	<b>\$ 10,330</b>	<b>\$ 21,642</b>	<b>\$ 20,520</b>

<sup>1</sup> See "Adjusting Items" section for additional discussion and reconciliation of adjusted items.

## Segment and Business Unit EBITDA, EBITDA Margin and EBITDA Service Margin

*Dollars in millions*

	Second Quarter		Six-Month Period	
	2023	2022	2023	2022
<b>Communications Segment</b>				
Operating Income	\$ 7,177	\$ 6,683	\$ 13,920	\$ 13,170
Add: Depreciation and amortization	4,313	4,115	8,602	8,239
<b>EBITDA</b>	<b>\$ 11,490</b>	<b>\$ 10,798</b>	<b>\$ 22,522</b>	<b>\$ 21,409</b>
<b>Total Operating Revenues</b>	<b>\$ 28,845</b>	<b>\$ 28,695</b>	<b>\$ 57,997</b>	<b>\$ 57,571</b>
<b>Operating Income Margin</b>	<b>24.9 %</b>	<b>23.3 %</b>	<b>24.0 %</b>	<b>22.9 %</b>
<b>EBITDA Margin</b>	<b>39.8 %</b>	<b>37.6 %</b>	<b>38.8 %</b>	<b>37.2 %</b>
<b>Mobility</b>				
Operating Income	\$ 6,613	\$ 6,048	\$ 12,884	\$ 11,737
Add: Depreciation and amortization	2,123	2,017	4,221	4,076
<b>EBITDA</b>	<b>\$ 8,736</b>	<b>\$ 8,065</b>	<b>\$ 17,105</b>	<b>\$ 15,813</b>
<b>Total Operating Revenues</b>	<b>\$ 20,315</b>	<b>\$ 19,926</b>	<b>\$ 40,897</b>	<b>\$ 40,001</b>
Service Revenues	15,745	15,004	31,228	29,728
<b>Operating Income Margin</b>	<b>32.6 %</b>	<b>30.4 %</b>	<b>31.5 %</b>	<b>29.3 %</b>
<b>EBITDA Margin</b>	<b>43.0 %</b>	<b>40.5 %</b>	<b>41.8 %</b>	<b>39.5 %</b>
<b>EBITDA Service Margin</b>	<b>55.5 %</b>	<b>53.8 %</b>	<b>54.8 %</b>	<b>53.2 %</b>
<b>Business Wireline</b>				
Operating Income	\$ 396	\$ 490	\$ 774	\$ 1,129
Add: Depreciation and amortization	1,333	1,313	2,663	2,612
<b>EBITDA</b>	<b>\$ 1,729</b>	<b>\$ 1,803</b>	<b>\$ 3,437</b>	<b>\$ 3,741</b>
<b>Total Operating Revenues</b>	<b>\$ 5,279</b>	<b>\$ 5,595</b>	<b>\$ 10,610</b>	<b>\$ 11,235</b>
<b>Operating Income Margin</b>	<b>7.5 %</b>	<b>8.8 %</b>	<b>7.3 %</b>	<b>10.0 %</b>
<b>EBITDA Margin</b>	<b>32.8 %</b>	<b>32.2 %</b>	<b>32.4 %</b>	<b>33.3 %</b>
<b>Consumer Wireline</b>				
Operating Income	\$ 168	\$ 145	\$ 262	\$ 304
Add: Depreciation and amortization	857	785	1,718	1,551
<b>EBITDA</b>	<b>\$ 1,025</b>	<b>\$ 930</b>	<b>\$ 1,980</b>	<b>\$ 1,855</b>
<b>Total Operating Revenues</b>	<b>\$ 3,251</b>	<b>\$ 3,174</b>	<b>\$ 6,490</b>	<b>\$ 6,335</b>
<b>Operating Income Margin</b>	<b>5.2 %</b>	<b>4.6 %</b>	<b>4.0 %</b>	<b>4.8 %</b>
<b>EBITDA Margin</b>	<b>31.5 %</b>	<b>29.3 %</b>	<b>30.5 %</b>	<b>29.3 %</b>
<b>Latin America Segment</b>				
Operating Income (Loss)	\$ (39)	\$ (82)	\$ (69)	\$ (184)
Add: Depreciation and amortization	185	169	360	330
<b>EBITDA</b>	<b>\$ 146</b>	<b>\$ 87</b>	<b>\$ 291</b>	<b>\$ 146</b>
<b>Total Operating Revenues</b>	<b>\$ 967</b>	<b>\$ 808</b>	<b>\$ 1,850</b>	<b>\$ 1,498</b>
<b>Operating Income Margin</b>	<b>-4.0 %</b>	<b>-10.1 %</b>	<b>-3.7 %</b>	<b>-12.3 %</b>
<b>EBITDA Margin</b>	<b>15.1 %</b>	<b>10.8 %</b>	<b>15.7 %</b>	<b>9.7 %</b>

## Adjusting Items

Adjusting items include revenues and costs we consider non-operational in nature, including items arising from asset acquisitions or dispositions, including the amortization of intangible assets. While the expense associated with the amortization of certain wireless licenses and customer lists is excluded, the revenue of the acquired companies is reflected in the measure and that those assets contribute to revenue generation. We also adjust for net actuarial gains or losses associated with our pension and postemployment benefit plans due to the often-significant impact on our results (we immediately recognize this gain or loss in the income statement, pursuant to our accounting policy for the recognition of actuarial gains and losses). Consequently, our adjusted results reflect an expected return on plan assets rather than the actual return on plan assets, as included in the GAAP measure of income.

The tax impact of adjusting items is calculated using the effective tax rate during the quarter except for adjustments that, given their magnitude, can drive a change in the effective tax rate, in these cases we use the actual tax expense or combined marginal rate of approximately 25%.

Adjusting Items				
<i>Dollars in millions</i>				
	Second Quarter		Six-Month Period	
	2023	2022	2023	2022
<b>Operating Expenses</b>				
Transaction and other costs	\$ —	\$ 185	\$ —	\$ 283
Benefit-related (gain) loss	(28)	108	(72)	201
Assets impairments and abandonment and restructuring	—	631	—	631
<b>Adjustments to Operations and Support Expenses</b>	<b>(28)</b>	<b>924</b>	<b>(72)</b>	<b>1,115</b>
Amortization of intangible assets	17	17	34	44
<b>Adjustments to Operating Expenses</b>	<b>(11)</b>	<b>941</b>	<b>(38)</b>	<b>1,159</b>
<b>Other</b>				
DIRECTV intangible amortization (proportionate share)	324	396	665	812
Benefit-related (gain) loss and other	(82)	314	(193)	406
Actuarial and settlement (gain) loss - net	(74)	(1,345)	(74)	(2,398)
<b>Adjustments to Income Before Income Taxes</b>	<b>157</b>	<b>306</b>	<b>360</b>	<b>(21)</b>
Tax impact of adjustments	35	38	81	(65)
Tax-related items	—	(79)	—	(79)
<b>Adjustments to Net Income</b>	<b>\$ 122</b>	<b>\$ 347</b>	<b>\$ 279</b>	<b>\$ 123</b>

Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EBITDA service margin and Adjusted diluted EPS are non-GAAP financial measures 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, benefit-related gains and losses, employee separation and other material gains and losses. Management believes that these measures provide relevant and useful information to investors and other users of our financial data in evaluating the effectiveness of our operations and underlying business trends.



Adjusted Operating Revenues, Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EBITDA service margin and Adjusted diluted EPS should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with GAAP. AT&T's calculation of Adjusted items, as presented, may differ from similarly titled measures reported by other companies.

<b>Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted EBITDA, and Adjusted EBITDA Margin</b>				
<i>Dollars in millions</i>				
	Second Quarter		Six-Month Period	
	2023	2022	2023	2022
<b>Operating Income</b>	\$ 6,406	\$ 4,956	\$ 12,408	\$ 10,493
Adjustments to Operating Expenses	(11)	941	(38)	1,159
<b>Adjusted Operating Income</b>	\$ 6,395	\$ 5,897	\$ 12,370	\$ 11,652
<b>EBITDA</b>	\$ 11,081	\$ 9,406	\$ 21,714	\$ 19,405
Adjustments to Operations and Support Expenses	(28)	924	(72)	1,115
<b>Adjusted EBITDA</b>	\$ 11,053	\$ 10,330	\$ 21,642	\$ 20,520
Total Operating Revenues	\$ 29,917	\$ 29,643	\$ 60,056	\$ 59,355
Operating Income Margin	21.4 %	16.7 %	20.7 %	17.7 %
Adjusted Operating Income Margin	21.4 %	19.9 %	20.6 %	19.6 %
<b>Adjusted EBITDA Margin</b>	<b>36.9 %</b>	34.8 %	<b>36.0 %</b>	34.6 %

<b>Adjusted Diluted EPS</b>				
	Second Quarter		Six-Month Period	
	2023	2022	2023	2022
<b>Diluted Earnings Per Share (EPS)</b>	\$ 0.61	\$ 0.59	\$ 1.19	\$ 1.23
DIRECTV intangible amortization (proportionate share)	0.03	0.04	0.07	0.08
Actuarial and settlement (gain) loss - net <sup>1</sup>	(0.01)	(0.13)	(0.01)	(0.24)
Restructuring and impairments	—	0.06	—	0.06
Benefit-related, transaction and other costs <sup>2</sup>	—	0.08	(0.02)	0.13
Tax-related items	—	0.01	—	0.01
<b>Adjusted EPS</b>	\$ 0.63	\$ 0.65	\$ 1.23	\$ 1.27
<i>Year-over-year growth - Adjusted</i>	<b>-3.1%</b>		<b>-3.1%</b>	
<b>Weighted Average Common Shares Outstanding with Dilution (000,000)</b>	<b>7,180</b>	7,611	<b>7,327</b>	7,584

<sup>1</sup> Includes adjustments for actuarial gains or losses associated with our pension and postretirement benefit plans, which we immediately recognize in the income statement, pursuant to our accounting policy for the recognition of actuarial gains/losses. We recorded total net actuarial and settlement gains of \$0.1 billion in the second quarter of 2023. As a result, adjusted EPS reflects an expected return on plan assets of \$0.7 billion (based on an average expected return on plan assets of 7.50% for our pension trust), rather than the actual return on plan assets of \$0.9 billion (actual pension return of 4.1%), included in the GAAP measure of income.

<sup>2</sup> As of January 1, 2022, we adopted Accounting Standards Update (ASU) No. 2020-06, which requires that instruments which may be settled in cash or stock to be presumed settled in stock in calculating diluted EPS. While our intent was to settle the Mobility II preferred interests in cash, the ability to settle this instrument in AT&T shares resulted in additional dilutive impact, the magnitude of which was influenced by the fair value of the Mobility II preferred interests and the average AT&T common stock price during the reporting period, which could vary from period-to-period. For these reasons, we excluded the impact of ASU 2020-06 from our adjusted EPS calculation. The per share impact of ASU 2020-06 was to decrease reported diluted EPS \$0.00 and \$0.02 for the quarters ended June 30, 2023 and 2022, and \$0.01 and \$0.02 for the six months ended June 30, 2023 and 2022, respectively. The Mobility II preferred interests were repurchased on April 5, 2023.

## Net Debt to Adjusted EBITDA

Net Debt to EBITDA ratios are non-GAAP financial measures frequently used by investors and credit rating agencies and management believes these measures provide relevant and useful information to investors and other users of our financial data. Our Net Debt to Adjusted EBITDA ratio is calculated by dividing the Net Debt by the sum of the most recent four quarters Adjusted EBITDA. Net Debt is calculated by subtracting cash and cash equivalents and deposits at financial institutions that are greater than 90 days (e.g., certificates of deposit and time deposits), from the sum of debt maturing within one year and long-term debt.

Net Debt to Adjusted EBITDA - 2023					
<i>Dollars in millions</i>					
	Three Months Ended				Four Quarters
	Sept. 30, 2022 <sup>1</sup>	Dec. 31, 2022 <sup>1</sup>	March 31, 2023 <sup>1</sup>	June 30, 2023	
Adjusted EBITDA	\$ 10,714	\$ 10,231	\$ 10,589	\$ 11,053	\$ 42,587
End-of-period current debt					15,268
End-of-period long-term debt					128,012
<b>Total End-of-Period Debt</b>					<b>143,280</b>
Less: Cash and Cash Equivalents					9,528
Less: Time Deposits					1,750
<b>Net Debt Balance</b>					<b>132,002</b>
<b>Annualized Net Debt to Adjusted EBITDA Ratio</b>					<b>3.10</b>

<sup>1</sup> As reported in AT&T's Form 8-K filed January 25, 2023 and April 20, 2023.

Net Debt to Adjusted EBITDA - 2022					
<i>Dollars in millions</i>					
	Three Months Ended				Four Quarters
	Sept. 30, 2021 <sup>1</sup>	Dec. 31, 2021 <sup>1</sup>	March 31, 2022 <sup>1</sup>	June 30, 2022 <sup>1</sup>	
Adjusted EBITDA	\$ 10,803	\$ 9,480	\$ 10,190	\$ 10,330	\$ 40,803
End-of-period current debt					6,210
End-of-period long-term debt					129,747
<b>Total End-of-Period Debt</b>					<b>135,957</b>
Less: Cash and Cash Equivalents					4,018
<b>Net Debt Balance</b>					<b>131,939</b>
<b>Annualized Net Debt to Adjusted EBITDA Ratio</b>					<b>3.23</b>

<sup>1</sup> As reported in AT&T's Form 8-K filed January 25, 2023.

## Supplemental Operational Measures

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. Our supplemental presentation of business solutions operations is calculated by combining our Mobility and Business Wireline operating units, and then adjusting to remove non-business operations. The following table presents a reconciliation of our supplemental Business Solutions results.

Supplemental Operational Measure									
Second Quarter									
	June 30, 2023				June 30, 2022				Percent Change
	Mobility	Business Wireline	Adj. <sup>1</sup>	Business Solutions	Mobility	Business Wireline	Adj. <sup>1</sup>	Business Solutions	
<b>Operating Revenues</b>									
Wireless service	\$ 15,745	\$ —	\$ (13,371)	\$ 2,374	\$ 15,004	\$ —	\$ (12,829)	\$ 2,175	9.1 %
Wireline service	—	5,114	—	5,114	—	5,416	—	5,416	(5.6) %
Wireless equipment	4,570	—	(3,796)	774	4,922	—	(4,048)	874	(11.4) %
Wireline equipment	—	165	—	165	—	179	—	179	(7.8) %
<b>Total Operating Revenues</b>	<b>20,315</b>	<b>5,279</b>	<b>(17,167)</b>	<b>8,427</b>	<b>19,926</b>	<b>5,595</b>	<b>(16,877)</b>	<b>8,644</b>	<b>(2.5) %</b>
<b>Operating Expenses</b>									
Operations and support	11,579	3,550	(9,440)	5,689	11,861	3,792	(9,718)	5,935	(4.1) %
EBITDA	8,736	1,729	(7,727)	2,738	8,065	1,803	(7,159)	2,709	1.1 %
Depreciation and amortization	2,123	1,333	(1,733)	1,723	2,017	1,313	(1,664)	1,666	3.4 %
<b>Total Operating Expenses</b>	<b>13,702</b>	<b>4,883</b>	<b>(11,173)</b>	<b>7,412</b>	<b>13,878</b>	<b>5,105</b>	<b>(11,382)</b>	<b>7,601</b>	<b>(2.5) %</b>
<b>Operating Income</b>	<b>\$ 6,613</b>	<b>\$ 396</b>	<b>\$ (5,994)</b>	<b>\$ 1,015</b>	<b>\$ 6,048</b>	<b>\$ 490</b>	<b>\$ (5,495)</b>	<b>\$ 1,043</b>	<b>(2.7) %</b>
Operating Income Margin	12.0 %				12.1 %				(10) BP

<sup>1</sup> Non-business wireless reported in the Communications segment under the Mobility business unit. Results have been recast to conform to the current period's classification.

Supplemental Operational Measure									
Six-Month Period									
	June 30, 2023				June 30, 2022				Percent Change
	Mobility	Business Wireline	Adj. <sup>1</sup>	Business Solutions	Mobility	Business Wireline	Adj. <sup>1</sup>	Business Solutions	
<b>Operating Revenues</b>									
Wireless service	\$ 31,228	\$ —	\$ (26,574)	\$ 4,654	\$ 29,728	\$ —	\$ (25,419)	\$ 4,309	8.0 %
Wireline service	—	10,314	—	10,314	—	10,894	—	10,894	(5.3) %
Wireless equipment	9,669	—	(8,122)	1,547	10,273	—	(8,500)	1,773	(12.7) %
Wireline equipment	—	296	—	296	—	341	—	341	(13.2) %
<b>Total Operating Revenues</b>	<b>40,897</b>	<b>10,610</b>	<b>(34,696)</b>	<b>16,811</b>	<b>40,001</b>	<b>11,235</b>	<b>(33,919)</b>	<b>17,317</b>	<b>(2.9) %</b>
<b>Operating Expenses</b>									
Operations and support	23,792	7,173	(19,636)	11,329	24,188	7,494	(19,887)	11,795	(4.0) %
EBITDA	17,105	3,437	(15,060)	5,482	15,813	3,741	(14,032)	5,522	(0.7) %
Depreciation and amortization	4,221	2,663	(3,445)	3,439	4,076	2,612	(3,362)	3,326	3.4 %
<b>Total Operating Expenses</b>	<b>28,013</b>	<b>9,836</b>	<b>(23,081)</b>	<b>14,768</b>	<b>28,264</b>	<b>10,106</b>	<b>(23,249)</b>	<b>15,121</b>	<b>(2.3) %</b>
<b>Operating Income</b>	<b>\$ 12,884</b>	<b>\$ 774</b>	<b>\$ (11,615)</b>	<b>\$ 2,043</b>	<b>\$ 11,737</b>	<b>\$ 1,129</b>	<b>\$ (10,670)</b>	<b>\$ 2,196</b>	<b>(7.0) %</b>
Operating Income Margin	12.2 %				12.7 %				(50) BP

<sup>1</sup> Non-business wireless reported in the Communications segment under the Mobility business unit. Results have been recast to conform to the current period's classification.

