AT&T

1Q2024 EARNINGS

2024 1st Quarter Earnings

April 24, 2024

Cautionary Language Concerning Forward-looking Statements

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2024 Business Priorities

1

Grow durable 5G and Fiber relationships

- Execute consistent and disciplined go-to-market strategy with a focus on profitable growth
- Target underpenetrated segments and expand converged customer opportunity
- Generate value by creating and maintaining high-value, long-term customer relationships

2

Effective and efficient in everything we do

- Achieve incremental run-rate cost savings target of $2B+ by mid-2026
- Drive efficiencies, enhanced customer experiences and scale benefits with AI
- Expand 5G and fiber premium services, enabling transition from legacy infrastructure

3

Deliberate capital allocation

- Invest for long-term growth – 5G and fiber
- Strengthen balance sheet by reducing net debt, with target of achieving net debt-to-adjusted EBITDA†[1] in the 2.5x range in the first half of 2025
- Provide an attractive dividend supported by strong free cash flow

† See notes slide 14
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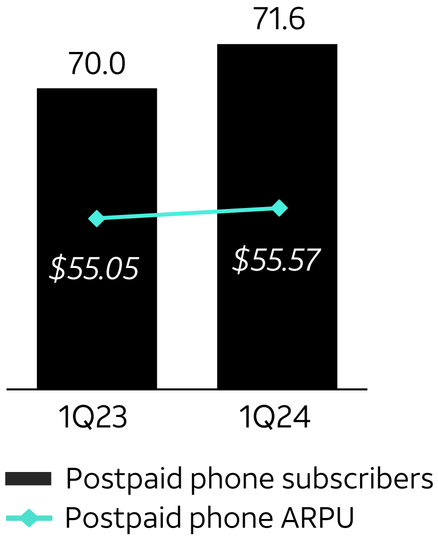
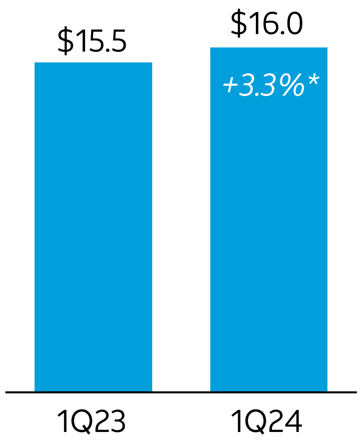
5G and Fiber

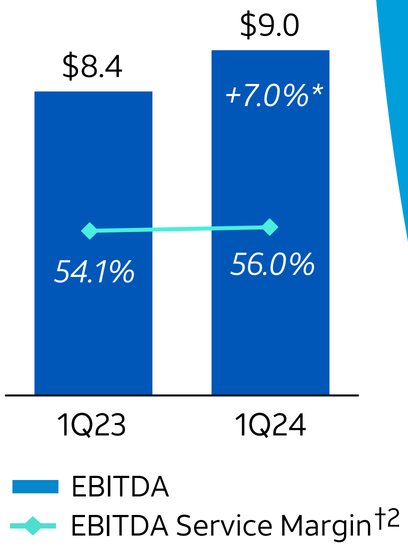
Postpaid Phone Subscribers
millions



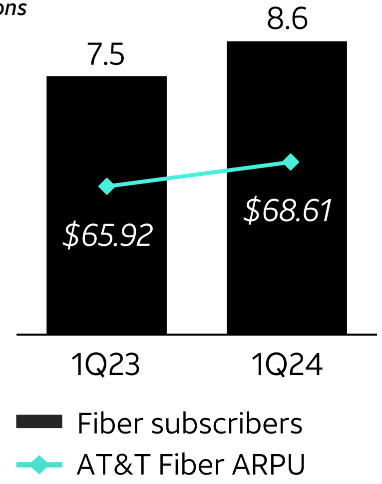
Mobility Service Revenues
$ in billions



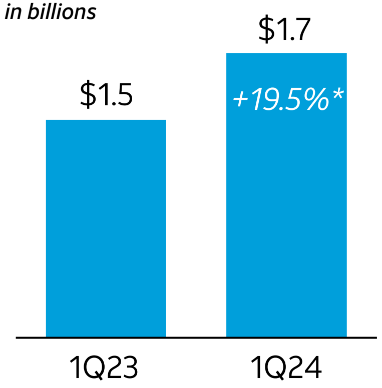
Mobility EBITDA†2
$ in billions



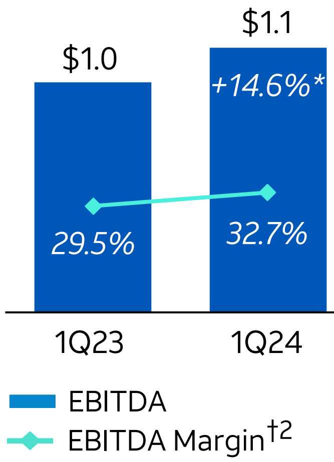
AT&T Fiber Subscribers
millions



AT&T Fiber Revenues
$ in billions



Consumer Wireline EBITDA†2
$ in billions



* YOY change
† See notes slide 14

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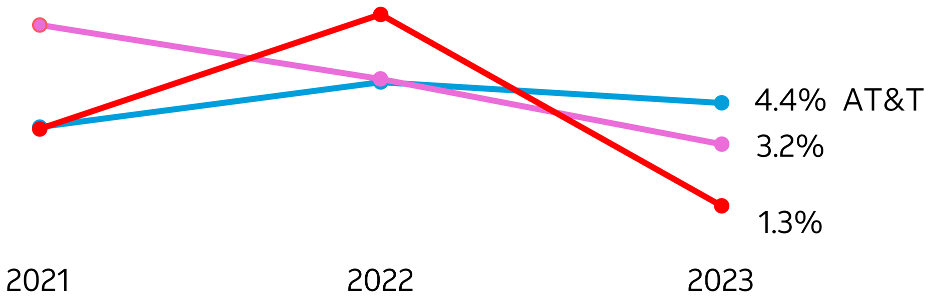
Operating Momentum

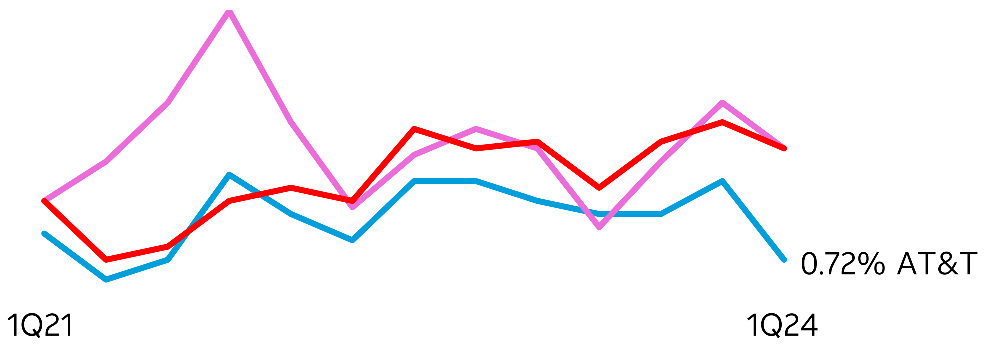
AT&T led Mobility service revenue growth in 2023

Non-equipment wireless revenue growth (YOY)†3



AT&T led the industry in postpaid phone churn 11 of last 13 quarters

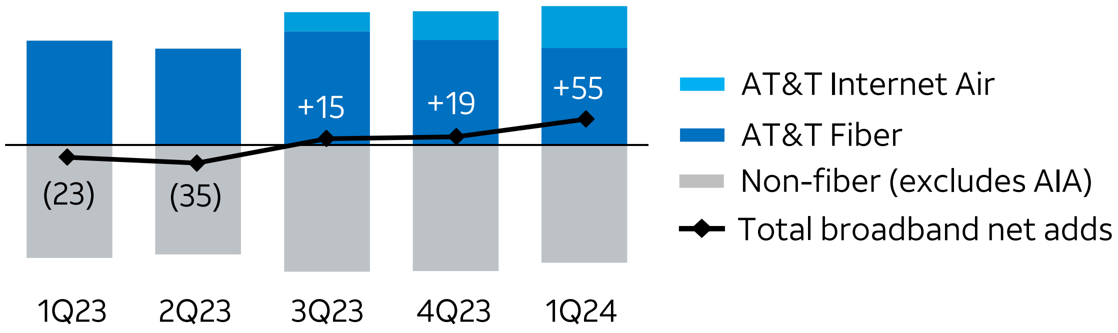
Wireless postpaid phone churn*



*Consensus estimates used for non-AT&T providers that have not reported for 1Q24

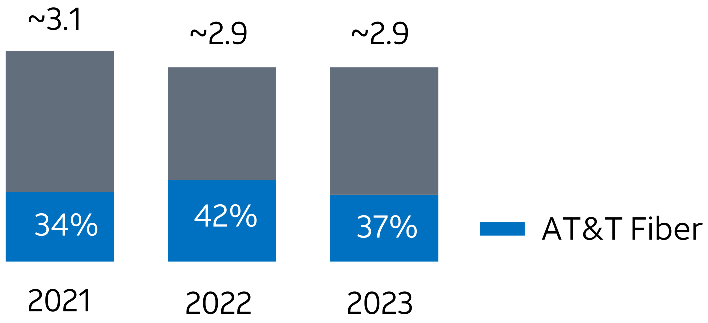
AT&T Fiber and AT&T Internet Air growth drove total broadband adds positive

AT&T consumer broadband net additions (in thousands)



AT&T Fiber captured more than one-third of industry net adds since 2021

Industry broadband net additions (in millions) across publicly-reported, scaled providers†4

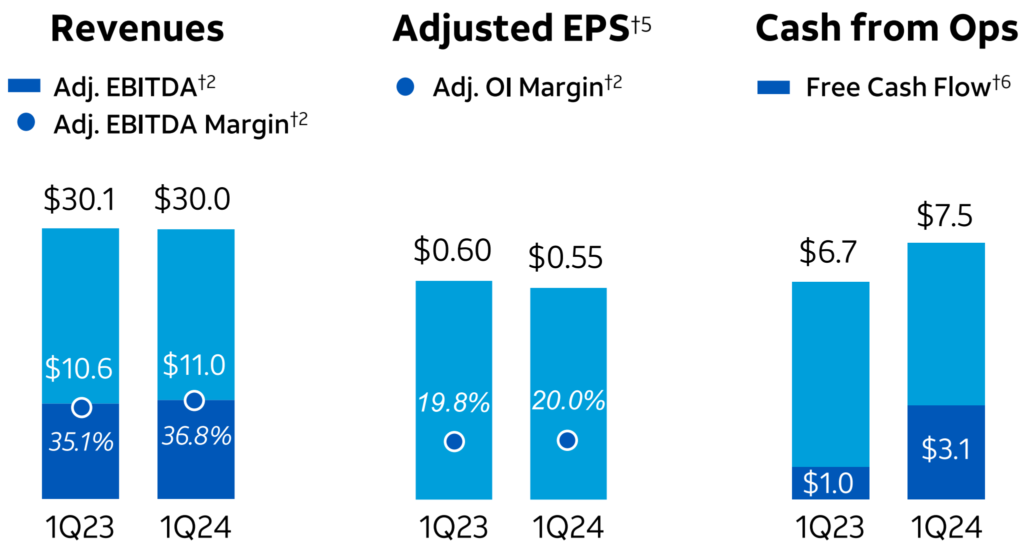


† See notes slide 14

1Q2024 Financial Results

1Q24 Financial Summary

$ in billions, except EPS



	1Q23	1Q24
Reported EPS	**$0.57**	**$0.47**
Adjustments:		
DIRECTV intangible amortization (proportionate share)	$0.04	$0.03
Restructuring and non-cash impairments	-	$0.06
Other adjustments	$(0.01)	($0.01)
Adjusted EPS	**$0.60**	**$0.55**

Service revenue growth from subscriber and ARPU gains were offset by lower equipment revenues

- Revenues of $30.0B, with equipment revenues down $0.3B
- Mobility service revenues grew $0.5B; up 3.3%
- Consumer broadband revenues grew 7.7%

Adjusted EBITDA†2 of $11.0B, up 4.3%

- Adjusted EBITDA margin†2 expanded 170bps

Adjusted EPS of $0.55

- 1Q24 includes ~($0.11) impact from higher depreciation, non-cash pension/post-retirement costs, lower capitalized interest, and lower equity income from DIRECTV

Cash from operations of $7.5B, up $0.9B

- Free cash flow†6 of $3.1B; includes $0.5B from DIRECTV
- Capital expenditures of $3.8B; Capital investment†7 of $4.6B; includes $0.8B of vendor financing payments

† See notes slide 14
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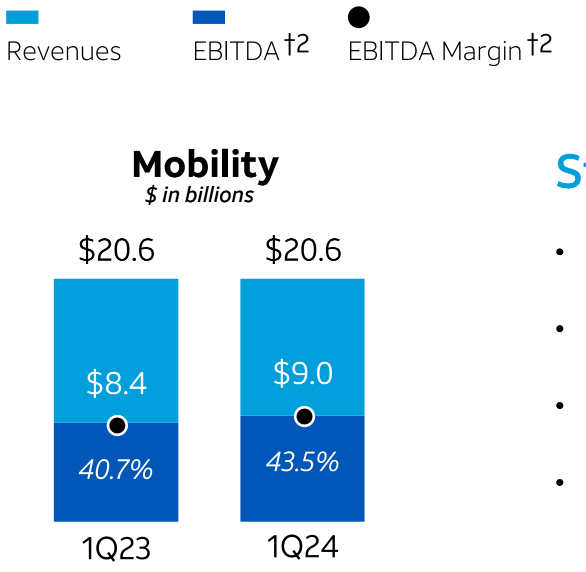
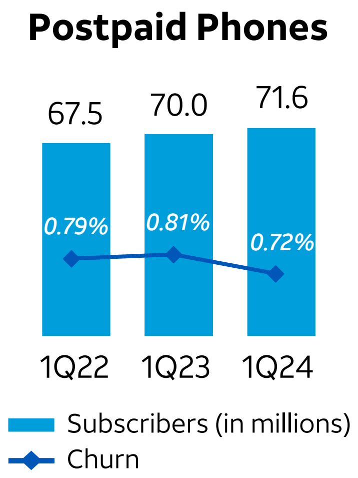
1Q24 Mobility Results





Strong service revenue and EBITDA growth from high quality, durable subscribers

- Wireless service revenues grew $0.5B, up 3.3%, including impact from one-time customer credits
- Postpaid phone ARPU of $55.57, up 0.9%
- EBITDA[†2] of $9.0B, up 7.0%; EBITDA service margin[†2] of 56.0%, up 190 bps
- Strong operating leverage driving margin expansion from consistent go-to-market strategy, profitable customer growth, and continued focus on operational efficiency

Consistent and sustainable execution, with profitable customer growth

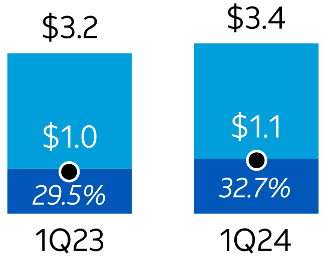
- 349,000 postpaid phone net adds
- 0.72% postpaid phone churn, a record low first quarter and another expected industry-best performance
- Focus on deliberate segmentation and expanding value of convergence

† See notes slide 14

1Q24 Consumer Wireline Results

Revenues EBITDA †2 EBITDA Margin †2

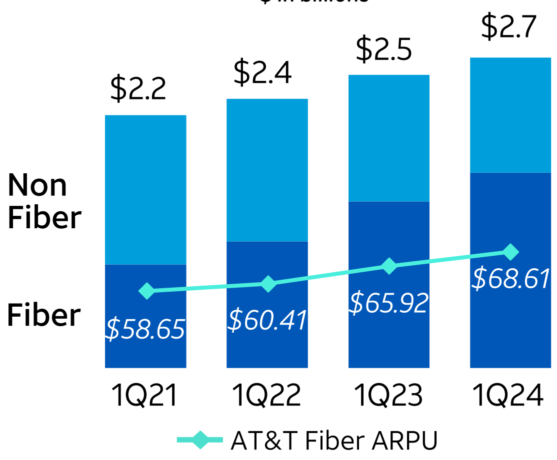
Consumer Wireline
$ in billions



Revenue and EBITDA growth driven by fiber, with fiber revenues up 19.5%

- Broadband revenues grew 7.7%, driven by fiber subscriber and ARPU growth
- Fiber ARPU of $68.61, up 4.1%, with intake ARPU of $70+
- AT&T Fiber net adds of 252,000 reflecting strong demand and product superiority
- AT&T Internet Air added 110,000 subscribers; total broadband net adds of 55,000

Broadband Revenues
$ in billions

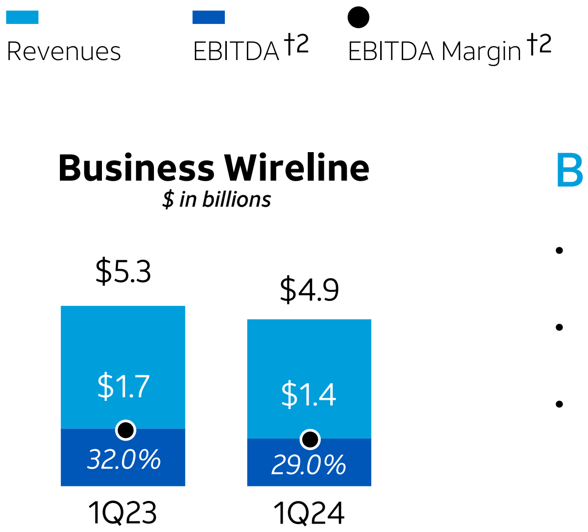


Fiber investment continues to drive broadband revenue growth

- Continued mix shift of broadband base to Fiber drives broadband revenue growth with higher ARPU
- Expect 2024 broadband revenue growth of 7%+, with continued Fiber subscriber and ARPU growth
- Fiber and fixed wireless provide superior alternatives to legacy services, enabling copper retirement

† See notes slide 14

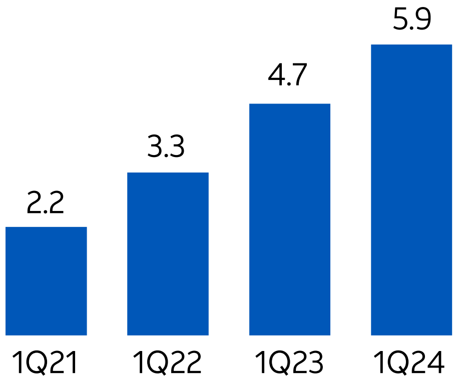
1Q24 Business Wireline Results



Business Wireline results reflect accelerated product transition

- Transition of legacy wireline services continued, with incremental declines in legacy voice revenues
- Efficiency initiatives underway to advance productivity and cost reductions
- Launched AT&T Internet Air for Business nationwide in late March

FirstNet Connections
in millions



Enterprise relationships are key to driving 5G and fiber-based connectivity growth

- AT&T Business provides services to nearly all Fortune 1,000 companies and nearly 2.5M businesses
- Opportunities for incremental growth from fiber, 5G and AT&T Internet Air
- Business Solutions[†8] wireless service revenue grew 4.6%; continued enterprise customer wireless adoption helps partly offset legacy voice declines
- FirstNet added ~320K connections, up to 5.9M total connections, includes phones and devices

† See notes slide 14
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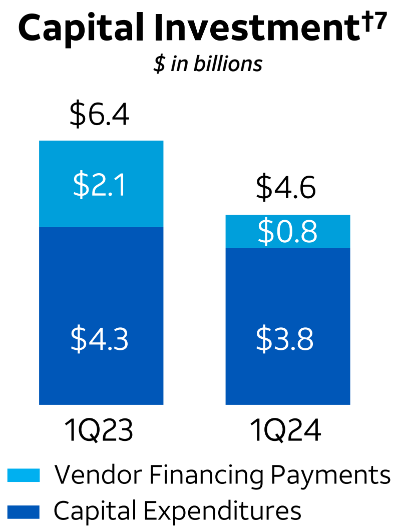
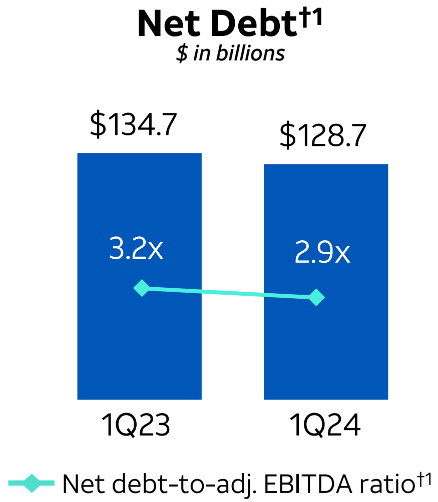
1Q24 Capital Allocation Update





Investing for growth

- Capital Investment†7 was $4.6B, down $1.8B with $1.3B lower vendor financing payments
- On track for $21 - $22B of Capital Investment†7, with higher capital expenditures and lower vendor financing payments versus 2023

Strengthening the balance sheet

- Reduced net debt†1 by ~$6B YOY; repaid $4.7B of long-term debt maturities this quarter
- Remain on track to reach net debt-to-adjusted EBITDA†1 in the 2.5x range in the first half of 2025
- Reduced vendor and direct supplier financing obligations by ~$4B YOY
- 95%+ of long-term debt is fixed with an average maturity of 16 years at an average rate of 4.2%

Providing an attractive dividend

- Supported by strong free cash flow with improved ratability

† See notes slide 14

2024 Financial Guidance

	2024 Guidance*
REVENUE GROWTH	
Wireless Service Revenues	*3% range*
Broadband Revenues	*7%+*
ADJUSTED EBITDA[†2] GROWTH	**3% range**
CAPITAL INVESTMENT[†7]	**$21 - $22 billion**
FREE CASH FLOW[†6]	**$17 - $18 billion**
ADJUSTED EPS[†5]	**$2.15 - $2.25**

*All financial guidance on this slide is unchanged vs. guidance provided on January 24 with 4Q23 results

† See notes slide 14

Q&A

Notes

1. Net debt-to-adjusted EBITDA ratios are non-GAAP financial measures that are frequently used by investors and credit rating agencies to provide relevant and useful information. Our net debt-to-adjusted EBITDA ratio is calculated by dividing net debt by the sum of the most recent four quarters of adjusted EBITDA (defined below). Net debt is calculated by subtracting cash and cash equivalents and time deposits (deposits at financial institutions that are greater than 90 days, e.g., certificates of deposit and time deposits), from total debt. Net debt of $128.7 billion at March 31, 2024 is calculated as total debt of $132.8 billion less cash and cash equivalents of $3.5 billion and time deposits of $0.5 billion. Adjusted EBITDA was $11.0 billion for 1Q24, $10.6 billion for 4Q23, $11.2 billion for 3Q23, and $11.1 billion for 2Q23. Net debt of $134.7 billion at March 31, 2023 is calculated as total debt of $137.5 billion less dash and dash equivalents of $2.8 billion. Adjusted EBITDA was $10.6 billion for 1Q23, $10.2 billion for 4Q22, $10.7 billion for 3Q22, and $10.3 billion for 2Q22. Net debt and adjusted EBITDA estimates depend on future levels of revenues, expenses and other metrics which are not reasonably estimable at this time. Accordingly, we cannot provide a reconciliation between projected adjusted EBITDA and net debt-to-adjusted EBITDA and the most comparable GAAP metrics and related ratios without unreasonable effort.

2. EBITDA, EBITDA margin, EBITDA service margin, adjusted EBITDA, adjusted EBITDA margin and adjusted operating income margin are non-GAAP financial measures that are frequently used by investors and credit rating agencies to provide relevant and useful information. Adjusted EBITDA margin is adjusted EBITDA divided by total operating revenues. Adjusted EBITDA is calculated by excluding from operating revenues and operating expenses certain significant items that are non-operational or non-recurring in nature, including dispositions and merger integration and transaction costs, significant abandonments and impairment, benefit-related gains and losses, employee separation and other material gains and losses. For 1Q24, adjusted EBITDA of $11.0 billion is calculated as net income of $3.8 billion, plus income tax expense of $1.1 billion, plus interest expense of $1.7 billion, minus equity in net income of affiliates of $0.3 billion, minus other income (expense) – net of $0.5 billion, plus depreciation and amortization of $5.0 billion, plus adjustments of $152 million. For 1Q23, adjusted EBITDA of $10.6 billion is calculated as net income of $4.5 billion, plus income tax expense of $1.3 billion, plus interest expense of $1.7 billion, minus equity in net income of affiliates of $0.5 billion, minus other income (expense) – net of $0.9 billion, plus depreciation and amortization of $4.6 billion, minus adjustments of $44 million. Adjusted EBITDA estimates depend on future levels of revenues and expenses which are not reasonably estimable at this time. Accordingly, we cannot provide a reconciliation between projected adjusted EBITDA and the most comparable GAAP metrics without unreasonable effort.

3. AT&T's 2023 lead in service revenue growth is based on comparison versus T-Mobile and Verizon. Growth rates are based on non-equipment revenues, which are comprised of service and other. AT&T reports revenues in two categories of service and equipment, whereas these industry peers report service, equipment and other revenues. AT&T Mobility revenues do not include fixed wireless access revenues. AT&T's 2023 growth rate is based on Mobility service revenues of $63.2 billion in 2023 and $60.5 billion in 2022. T-Mobile's 2023 growth rate is based on $63.2 billion total service revenues and $1.2 billion other revenues for 2023 and $61.3 billion total service revenues and $1.1 billion other revenues for 2022. Verizon's 2023 growth rate is based on $76.7 billion wireless service revenues and $6.1 billion wireless other revenues for 2023 and $74.4 billion wireless service revenues and $7.4 billion wireless other revenues for 2022, as reported in its Supplemental Information for Total Wireless.

4. Publicly-reported, scaled broadband providers include: AT&T, Verizon, T-Mobile, Comcast, Charter, Altice USA, Frontier and Lumen. Broadband net additions (including DSL) are based on consumer or residential, where separately reported.

5. Adjusted EPS is calculated by excluding from operating revenues, operating expenses, other income (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. Our projected 2024 Adjusted EPS of $2.15 to $2.25 includes an expected ($0.17) higher depreciation expense, including accelerated depreciation from our Open RAN transformation, ($0.07) lower other income due to declines in non-cash prior service credit amortization included in pension and postretirement benefits costs, ($0.05) lower capitalized interest and ($0.03) lower adjusted equity income from the DIRECTV investment (defined as equity in net income from DIRECTV reported in Equity in Net Income of Affiliates and excludes AT&T's proportionate share of the non-cash depreciation and amortization of fair value accretion from DIRECTV's revaluation of assets and purchase price allocation). The company expects adjustments to 2024 reported diluted EPS to include our proportionate share of intangible amortization at the DIRECTV equity method investment in the range of $0.5-$0.7 billion, a non-cash mark-to-market benefit plan gain/loss, and other items. The company expects the mark-to-market adjustment, which is driven by interest rates and investment returns that are not reasonably estimable at this time, to be a significant item. Our projected 2024 Adjusted EPS depends on future levels of revenues and expenses, most of which are not reasonably estimable at this time. Accordingly, we cannot provide a reconciliation between these projected non-GAAP metrics and the reported GAAP metrics without unreasonable effort.

6. Free cash flow is a non-GAAP financial measure that is frequently used by investors and credit rating agencies to provide relevant and useful information. In 1Q24, free cash flow of $3.1 billion is cash from operating activities of $7.5 billion, plus cash distributions from DIRECTV classified as investing activities of $0.2 billion, minus capital expenditures of $3.8 billion and cash paid for vendor financing of $0.8 billion. Due to high variability and difficulty in predicting items that impact cash from operating activities, cash distributions from DIRECTV, capital expenditures and vendor financing payments, the company is not able to provide a reconciliation between projected free cash flow and the most comparable GAAP metric without unreasonable effort.

7. Capital investment includes capital expenditures and cash paid for vendor financing ($0.8 billion in 1Q24 and $2.1 billion in 1Q23). For 2024, Capital Investment is expected to be in the $21-$22 billion range. Due to high variability and difficulty in predicting items that impact capital expenditures and vendor financing payments, the company is not able to provide a reconciliation between projected capital investment and the most comparable GAAP metrics without unreasonable effort.

8. As a supplemental presentation to our Communications segment operating results, AT&T Business Solutions results are provided in the Financial and Operational Schedules & Non-GAAP Reconciliations document on the company's Investor Relations website, investors.att.com. AT&T Business Solutions includes both wireless and fixed operations and is calculated by combining our Mobility and Business Wireline operating units and then adjusting to remove non-business 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.

Reconciliations of non-GAAP financial measures cited in this document to the most directly comparable GAAP financial measures can be found at https://investors.att.com and in our Form 8-K dated April 24, 2024. All AT&T consolidated metrics discussed above represent continuing operations.

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