



1Q2024
EARNINGS

Financial and Operational Schedules & Non-GAAP Reconciliations

April 24, 2024

AT&T Inc.
Financial Data

Consolidated Statements of Income			
<i>Dollars in millions except per share amounts</i>			
<i>Unaudited</i>			
	First Quarter		Percent
	2024	2023	Change
Operating Revenues			
Service	\$ 24,842	\$ 24,617	0.9 %
Equipment	5,186	5,522	(6.1)%
Total Operating Revenues	30,028	30,139	(0.4)%
Operating Expenses			
Cost of revenues			
Equipment	5,143	5,658	(9.1)%
Other cost of revenues (exclusive of depreciation and amortization shown separately below)	6,811	6,673	2.1 %
Selling, general and administrative	7,021	7,175	(2.1)%
Asset impairments and abandonments and restructuring	159	—	— %
Depreciation and amortization	5,047	4,631	9.0 %
Total Operating Expenses	24,181	24,137	0.2 %
Operating Income	5,847	6,002	(2.6)%
Interest Expense	1,724	1,708	0.9 %
Equity in Net Income of Affiliates	295	538	(45.2)%
Other Income (Expense) — Net	451	935	(51.8)%
Income Before Income Taxes	4,869	5,767	(15.6)%
Income Tax Expense	1,118	1,314	(14.9)%
Net Income	3,751	4,453	(15.8)%
Less: Net Income Attributable to Noncontrolling Interest	(306)	(225)	(36.0)%
Net Income Attributable to AT&T	\$ 3,445	\$ 4,228	(18.5)%
Less: Preferred Stock Dividends	(50)	(52)	3.8 %
Net Income Attributable to Common Stock	\$ 3,395	\$ 4,176	(18.7)%
Basic Earnings Per Share Attributable to Common Stock	\$ 0.47	\$ 0.58	(19.0)%
Weighted Average Common Shares Outstanding (000,000)	7,192	7,168	0.3 %
Diluted Earnings Per Share Attributable to Common Stock	\$ 0.47	\$ 0.57	(17.5)%
Weighted Average Common Shares Outstanding with Dilution (000,000)	7,193	7,474	(3.8)%

Consolidated Balance Sheets		
<i>Dollars in millions</i>		
	Mar. 31,	Dec. 31,
	2024	2023
Assets	(Unaudited)	
Current Assets		
Cash and cash equivalents	\$ 3,520	\$ 6,722
Accounts receivable – net of related allowances for credit loss of \$463 and \$499	9,577	10,289
Inventories	2,127	2,177
Prepaid and other current assets	15,221	17,270
Total current assets	30,445	36,458
Property, Plant and Equipment – Net	127,851	128,489
Goodwill – Net	67,854	67,854
Licenses – Net	127,423	127,219
Other Intangible Assets – Net	5,281	5,283
Investments in and Advances to Equity Affiliates	891	1,251
Operating Lease Right-Of-Use Assets	20,668	20,905
Other Assets	19,015	19,601
Total Assets	\$ 399,428	\$ 407,060
Liabilities and Stockholders' Equity		
Current Liabilities		
Debt maturing within one year	\$ 7,060	\$ 9,477
Accounts payable and accrued liabilities	31,973	35,852
Advanced billings and customer deposits	3,713	3,778
Dividends payable	2,088	2,020
Total current liabilities	44,834	51,127
Long-Term Debt	125,704	127,854
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	58,820	58,666
Postemployment benefit obligation	8,743	8,734
Operating lease liabilities	17,291	17,568
Other noncurrent liabilities	23,441	23,696
Total deferred credits and other noncurrent liabilities	108,295	108,664
Redeemable Noncontrolling Interest	1,975	1,973
Stockholders' Equity		
Preferred stock	—	—
Common stock	7,621	7,621
Additional paid-in capital	111,599	114,519
Retained (deficit) earnings	(1,570)	(5,015)
Treasury stock	(15,277)	(16,128)
Accumulated other comprehensive income	2,167	2,300
Noncontrolling interest	14,080	14,145
Total stockholders' equity	118,620	117,442
Total Liabilities and Stockholders' Equity	\$ 399,428	\$ 407,060

AT&T Inc.
Financial Data

Consolidated Statements of Cash Flows		
<i>Dollars in millions</i>		
<i>Unaudited</i>		
	First Quarter	
	2024	2023
Operating Activities		
Net income	\$ 3,751	\$ 4,453
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	5,047	4,631
Provision for uncollectible accounts	472	477
Deferred income tax expense	479	529
Net (gain) loss on investments, net of impairments	201	(93)
Pension and postretirement benefit expense (credit)	(471)	(670)
Asset impairments and abandonments and restructuring	159	—
Changes in operating assets and liabilities:		
Receivables	512	620
Other current assets	629	364
Accounts payable and other accrued liabilities	(3,497)	(3,409)
Equipment installment receivables and related sales	24	(243)
Deferred customer contract acquisition and fulfillment costs	103	(22)
Postretirement claims and contributions	(54)	(89)
Other - net	192	130
Total adjustments	3,796	2,225
Net Cash Provided by Operating Activities	7,547	6,678
Investing Activities		
Capital expenditures	(3,758)	(4,335)
Acquisitions, net of cash acquired	(211)	(291)
Dispositions	8	15
Distributions from DIRECTV in excess of cumulative equity in earnings	194	774
(Purchases), sales and settlements of securities and investments - net	1,079	19
Other - net	(273)	—
Net Cash Used in Investing Activities	(2,961)	(3,818)
Financing Activities		
Net change in short-term borrowings with original maturities of three months or less	1,933	(536)
Issuance of other short-term borrowings	491	3,627
Repayment of other short-term borrowings	(1,996)	—
Issuance of long-term debt	—	3,366
Repayment of long-term debt	(4,685)	(5,945)
Repayment of note payable to DIRECTV	—	(130)
Payment of vendor financing	(841)	(2,113)
Purchase of treasury stock	(157)	(188)
Issuance of treasury stock	—	3
Dividends paid	(2,034)	(2,014)
Other - net	(526)	219
Net Cash Used in Financing Activities	(7,815)	(3,711)
Net increase (decrease) in cash and cash equivalents and restricted cash	(3,229)	(851)
Cash and cash equivalents and restricted cash beginning of year	6,833	3,793
Cash and Cash Equivalents and Restricted Cash End of Period	\$ 3,604	\$ 2,942

AT&T Inc.
Consolidated Supplementary Data

Supplementary Financial Data			
<i>Dollars in millions except per share amounts</i>			
<i>Unaudited</i>	First Quarter		Percent
	2024	2023	Change
Capital expenditures			
Purchase of property and equipment	\$ 3,721	\$ 4,291	(13.3) %
Interest during construction	37	44	(15.9) %
Total Capital Expenditures	\$ 3,758	\$ 4,335	(13.3) %
Acquisitions, net of cash acquired			
Business acquisitions	\$ —	\$ —	— %
Spectrum acquisitions	145	63	— %
Interest during construction - spectrum	66	228	(71.1) %
Total Acquisitions	\$ 211	\$ 291	(27.5) %
Cash paid for interest	\$ 2,077	\$ 1,971	5.4 %
Cash paid for income taxes, net of (refunds)	\$ (9)	\$ 10	— %
Dividends Declared per Common Share	\$0.2775	\$ 0.2775	— %
End of Period Common Shares Outstanding (000,000)	7,170	7,149	0.3 %
Debt Ratio	52.4 %	55.9 %	(350) BP
Total Employees	148,290	157,790	(6.0) %

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.

Segment Results			
<i>Dollars in millions</i>			
<i>Unaudited</i>			
	First Quarter		Percent
	2024	2023	Change
Segment Operating Revenues			
Mobility	\$ 20,594	\$ 20,582	0.1 %
Business Wireline	4,913	5,331	(7.8)%
Consumer Wireline	3,350	3,239	3.4 %
Total Segment Operating Revenues	28,857	29,152	(1.0)%
Segment Operating Income			
Mobility	6,468	6,271	3.1 %
Business Wireline	64	378	(83.1)%
Consumer Wireline	213	94	— %
Total Segment Operating Income	\$ 6,745	\$ 6,743	— %

Supplementary Operating Data			
<i>Subscribers and connections in thousands</i>			
<i>Unaudited</i>			
	March 31,		Percent
	2024	2023	Change
Broadband Connections			
Broadband	15,143	15,061	0.5 %
DSL	191	284	(32.7)%
Total Broadband Connections	15,334	15,345	(0.1)%
Voice Connections			
Retail Consumer Switched Access Lines	3,934	4,938	(20.3)%
Consumer VoIP Connections	2,467	2,835	(13.0)%
Total Retail Consumer Voice Connections	6,401	7,773	(17.7)%
	First Quarter		Percent
	2024	2023	Change
Broadband Net Additions			
Broadband	65	(14)	— %
DSL	(19)	(27)	29.6 %
Total Broadband Net Additions	46	(41)	— %

Mobility

Mobility provides nationwide wireless service and equipment.

Mobility Results			
<i>Dollars in millions</i>			
<i>Unaudited</i>			
	<u>First Quarter</u>		Percent
	2024	2023	Change
Operating Revenues			
Service	\$ 15,994	\$ 15,483	3.3 %
Equipment	4,600	5,099	(9.8) %
Total Operating Revenues	20,594	20,582	0.1 %
Operating Expenses			
Operations and support	11,639	12,213	(4.7) %
Depreciation and amortization	2,487	2,098	18.5 %
Total Operating Expenses	14,126	14,311	(1.3) %
Operating Income	\$ 6,468	\$ 6,271	3.1 %
Operating Income Margin	31.4 %	30.5 %	90 BP

Supplementary Operating Data			
<i>Subscribers and connections in thousands</i>			
<i>Unaudited</i>			
	<u>March 31,</u>		Percent
	2024	2023	Change
Mobility Subscribers			
Postpaid	87,450	85,421	2.4 %
Postpaid phone	71,558	70,049	2.2 %
Prepaid	19,211	19,200	0.1 %
Reseller	7,852	6,192	26.8 %
Total Mobility Subscribers¹	114,513	110,813	3.3 %
¹ Effective with our first-quarter 2024 reporting, we have removed connected devices from our total Mobility subscribers, consistent with industry standards and our key performance metrics. Connected devices include data-centric devices such as session-based tablets, monitoring devices and primarily wholesale automobile systems.			
	<u>First Quarter</u>		Percent
	2024	2023	Change
Mobility Net Additions			
Postpaid Phone Net Additions	349	424	(17.7) %
Total Phone Net Additions	350	464	(24.6) %
Postpaid	389	542	(28.2) %
Prepaid	1	40	(97.5) %
Reseller	351	108	— %
Total Mobility Net Additions¹	741	690	7.4 %
Postpaid Churn	0.89 %	0.99 %	(10) BP
Postpaid Phone-Only Churn	0.72 %	0.81 %	(9) BP
¹ Excludes migrations between wireless subscriber categories, including connected devices, and acquisition-related activity during the period.			

Business Wireline

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

Business Wireline Results			
<i>Dollars in millions</i>	First Quarter		Percent
<i>Unaudited</i>	2024	2023	Change
Operating Revenues			
Service	\$ 4,700	\$ 5,200	(9.6) %
Equipment	213	131	62.6 %
Total Operating Revenues	4,913	5,331	(7.8) %
Operating Expenses			
Operations and support	3,487	3,623	(3.8) %
Depreciation and amortization	1,362	1,330	2.4 %
Total Operating Expenses	4,849	4,953	(2.1) %
Operating Income	\$ 64	\$ 378	(83.1) %
Operating Income Margin	1.3 %	7.1 %	(580) BP

Consumer Wireline

Consumer Wireline provides broadband services, including fiber connections that provide multi-gig services to residential customers in select locations and our fixed wireless access product that provides home internet services. Consumer Wireline also provides legacy telephony voice communication services.

Consumer Wireline Results			
<i>Dollars in millions</i>			
<i>Unaudited</i>			
	First Quarter		Percent
	2024	2023	Change
Operating Revenues			
Broadband	\$ 2,722	\$ 2,527	7.7 %
Legacy voice and data services	342	396	(13.6) %
Other service and equipment	286	316	(9.5) %
Total Operating Revenues	3,350	3,239	3.4 %
Operating Expenses			
Operations and support	2,256	2,284	(1.2) %
Depreciation and amortization	881	861	2.3 %
Total Operating Expenses	3,137	3,145	(0.3) %
Operating Income	\$ 213	\$ 94	— %
Operating Income Margin	6.4 %	2.9 %	350 BP

Supplementary Operating Data			
<i>Subscribers and connections in thousands</i>			
<i>Unaudited</i>			
	March 31,		Percent
	2024	2023	Change
Broadband Connections			
Total Broadband and DSL Connections	13,930	13,949	(0.1) %
Broadband ¹	13,784	13,730	0.4 %
Fiber Broadband Connections	8,559	7,487	14.3 %
Voice Connections			
Retail Consumer Switched Access Lines	1,553	1,921	(19.2) %
Consumer VoIP Connections	1,869	2,212	(15.5) %
Total Retail Consumer Voice Connections	3,422	4,133	(17.2) %
¹ Includes AT&T Internet Air			
	First Quarter		Percent
	2024	2023	Change
Broadband Net Additions			
Total Broadband and DSL Net Additions	40	(42)	— %
Broadband Net Additions ¹	55	(23)	— %
Fiber Broadband Net Additions	252	272	(7.4) %
¹ Includes AT&T Internet Air			

LATIN AMERICA SEGMENT

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

Segment Results			
<i>Dollars in millions</i>			
<i>Unaudited</i>			
	First Quarter		Percent
	2024	2023	Change
Operating Revenues			
Wireless service	\$ 690	\$ 591	16.8 %
Wireless equipment	373	292	27.7 %
Total Segment Operating Revenues	1,063	883	20.4 %
Operating Expenses			
Operations and support	883	738	19.6 %
Depreciation and amortization	177	175	1.1 %
Total Segment Operating Expenses	1,060	913	16.1 %
Operating Income (Loss)	\$ 3	\$ (30)	— %
Operating Income Margin	0.3 %	(3.4)%	370 BP

Supplementary Operating Data			
<i>Subscribers and connections in thousands</i>			
<i>Unaudited</i>			
	March 31,		Percent
	2024	2023	Change
Mexico Wireless Subscribers			
Postpaid	5,352	4,973	7.6 %
Prepaid	16,742	16,146	3.7 %
Reseller	365	494	(26.1) %
Total Mexico Wireless Subscribers	22,459	21,613	3.9 %
	First Quarter		Percent
	2024	2023	Change
Mexico Wireless Net Additions			
Postpaid	116	49	— %
Prepaid	79	(58)	— %
Reseller	(52)	19	— %
Total Mexico Wireless Net Additions	143	10	— %

SUPPLEMENTAL SEGMENT RECONCILIATION

Three Months Ended					
<i>Dollars in millions</i>					
<i>Unaudited</i>					
<i>March 31, 2024</i>					
	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)
Communications					
Mobility	\$ 20,594	\$ 11,639	\$ 8,955	\$ 2,487	\$ 6,468
Business Wireline	4,913	3,487	1,426	1,362	64
Consumer Wireline	3,350	2,256	1,094	881	213
Total Communications	28,857	17,382	11,475	4,730	6,745
Latin America - Mexico	1,063	883	180	177	3
Segment Total	29,920	18,265	11,655	4,907	6,748
Corporate and Other					
Corporate:					
DTV-related retained costs	—	134	(134)	120	(254)
Parent administration support	—	392	(392)	1	(393)
Securitization fees	26	165	(139)	—	(139)
Value portfolio	82	26	56	4	52
Total Corporate	108	717	(609)	125	(734)
Certain significant items	—	152	(152)	15	(167)
Total Corporate and Other	108	869	(761)	140	(901)
AT&T Inc.	\$ 30,028	\$ 19,134	\$ 10,894	\$ 5,047	\$ 5,847
<i>March 31, 2023</i>					
	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)
Communications					
Mobility	\$ 20,582	\$ 12,213	\$ 8,369	\$ 2,098	\$ 6,271
Business Wireline	5,331	3,623	1,708	1,330	378
Consumer Wireline	3,239	2,284	955	861	94
Total Communications	29,152	18,120	11,032	4,289	6,743
Latin America - Mexico	883	738	145	175	(30)
Segment Total	30,035	18,858	11,177	4,464	6,713
Corporate and Other					
Corporate:					
DTV-related retained costs	—	169	(169)	144	(313)
Parent administration support	(9)	374	(383)	1	(384)
Securitization fees	19	121	(102)	—	(102)
Value portfolio	94	28	66	5	61
Total Corporate	104	692	(588)	150	(738)
Certain significant items	—	(44)	44	17	27
Total Corporate and Other	104	648	(544)	167	(711)
AT&T Inc.	\$ 30,139	\$ 19,506	\$ 10,633	\$ 4,631	\$ 6,002

Discussion and Reconciliation of Non-GAAP Measures

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 classified as investing activities, 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>		
	First Quarter	
	2024	2023
Net cash provided by operating activities ¹	\$ 7,547	\$ 6,678
Add: Distributions from DIRECTV classified as investing activities	194	774
Less: Capital expenditures	(3,758)	(4,335)
Less: Cash paid for vendor financing	(841)	(2,113)
Free Cash Flow	3,142	1,004
Less: Dividends paid	(2,034)	(2,014)
Free Cash Flow after Dividends	\$ 1,108	\$ (1,010)
Free Cash Flow Dividend Payout Ratio	64.7 %	200.6 %

¹ Includes distributions from DIRECTV of \$324 in the first quarter of 2024 and \$534 in the first quarter of 2023.

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>		
	First Quarter	
	2024	2023
Capital Expenditures	\$ (3,758)	\$ (4,335)
Cash paid for vendor financing	(841)	(2,113)
Cash paid for Capital Investment	\$ (4,599)	\$ (6,448)

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.

EBITDA, EBITDA Margin and EBITDA Service Margin			
<i>Dollars in millions</i>			
		First Quarter	
		2024	2023
Net Income	\$	3,751	\$ 4,453
Additions:			
Income Tax Expense		1,118	1,314
Interest Expense		1,724	1,708
Equity in Net (Income) of Affiliates		(295)	(538)
Other (Income) Expense - Net		(451)	(935)
Depreciation and amortization		5,047	4,631
EBITDA		10,894	10,633
Transaction and other costs		32	—
Benefit-related (gain) loss		(39)	(44)
Asset impairments and abandonments and restructuring		159	—
Adjusted EBITDA¹	\$	11,046	\$ 10,589

¹ 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

First Quarter

2024 2023

Communications Segment

Operating Income	\$	6,745	\$	6,743
Add: Depreciation and amortization		4,730		4,289
EBITDA	\$	11,475	\$	11,032
Total Operating Revenues	\$	28,857	\$	29,152
Operating Income Margin		23.4 %		23.1 %
EBITDA Margin		39.8 %		37.8 %

Mobility

Operating Income	\$	6,468	\$	6,271
Add: Depreciation and amortization		2,487		2,098
EBITDA	\$	8,955	\$	8,369
Total Operating Revenues	\$	20,594	\$	20,582
Service Revenues		15,994		15,483
Operating Income Margin		31.4 %		30.5 %
EBITDA Margin		43.5 %		40.7 %
EBITDA Service Margin		56.0 %		54.1 %

Business Wireline

Operating Income	\$	64	\$	378
Add: Depreciation and amortization		1,362		1,330
EBITDA	\$	1,426	\$	1,708
Total Operating Revenues	\$	4,913	\$	5,331
Operating Income Margin		1.3 %		7.1 %
EBITDA Margin		29.0 %		32.0 %

Consumer Wireline

Operating Income	\$	213	\$	94
Add: Depreciation and amortization		881		861
EBITDA	\$	1,094	\$	955
Total Operating Revenues	\$	3,350	\$	3,239
Operating Income Margin		6.4 %		2.9 %
EBITDA Margin		32.7 %		29.5 %

Latin America Segment

Operating Income (Loss)	\$	3	\$	(30)
Add: Depreciation and amortization		177		175
EBITDA	\$	180	\$	145
Total Operating Revenues	\$	1,063	\$	883
Operating Income Margin		0.3 %		-3.4 %
EBITDA Margin		16.9 %		16.4 %

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>	First Quarter	
	2024	2023
Operating Expenses		
Transaction and other costs	\$ 32	\$ —
Benefit-related (gain) loss	(39)	(44)
Asset impairments and abandonments and restructuring	159	—
Adjustments to Operations and Support Expenses	152	(44)
Amortization of intangible assets	15	17
Adjustments to Operating Expenses	167	(27)
Other		
DIRECTV intangible amortization (proportionate share)	286	341
Benefit-related (gain) loss, impairments of investment and other	254	(111)
Adjustments to Income Before Income Taxes	707	203
Tax impact of adjustments	162	46
Adjustments to Net Income	\$ 545	\$ 157

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, 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 impairments, 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.

**Adjusted Operating Income, Adjusted Operating Income Margin,
Adjusted EBITDA and Adjusted EBITDA Margin**

	First Quarter	
	2024	2023
<i>Dollars in millions</i>		
Operating Income	\$ 5,847	\$ 6,002
Adjustments to Operating Expenses	167	(27)
Adjusted Operating Income	\$ 6,014	\$ 5,975
EBITDA	\$ 10,894	\$ 10,633
Adjustments to Operations and Support Expenses	152	(44)
Adjusted EBITDA	\$ 11,046	\$ 10,589
Total Operating Revenues	\$ 30,028	\$ 30,139
Operating Income Margin	19.5 %	19.9 %
Adjusted Operating Income Margin	20.0 %	19.8 %
Adjusted EBITDA Margin	36.8 %	35.1 %

Adjusted Diluted EPS

	First Quarter	
	2024	2023
Diluted Earnings Per Share (EPS)	\$ 0.47	\$ 0.57
DIRECTV intangible amortization (proportionate share)	0.03	0.04
Restructuring and impairments	0.06	—
Benefit-related, transaction and other costs	(0.01)	(0.01)
Adjusted EPS	\$ 0.55	\$ 0.60
<i>Year-over-year growth - Adjusted</i>	-8.3%	
Weighted Average Common Shares Outstanding with Dilution (000,000)	7,193	7,474

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 - 2024					
<i>Dollars in millions</i>					
	Three Months Ended				Four Quarters
	June 30, 2023 ¹	Sept. 30, 2023 ¹	Dec. 31, 2023 ¹	March 31, 2024	
Adjusted EBITDA	\$ 11,053	\$ 11,203	\$ 10,555	\$ 11,046	\$ 43,857
End-of-period current debt					7,060
End-of-period long-term debt					125,704
Total End-of-Period Debt					132,764
Less: Cash and Cash Equivalents					3,520
Less: Time Deposits					500
Net Debt Balance					128,744
Annualized Net Debt to Adjusted EBITDA Ratio					2.94

¹ As reported in AT&T's Form 8-K filed January 24, 2024.

Net Debt to Adjusted EBITDA - 2023					
<i>Dollars in millions</i>					
	Three Months Ended				Four Quarters
	June 30, 2022 ¹	Sept. 30, 2022 ¹	Dec. 31, 2022 ¹	March 31, 2023 ¹	
Adjusted EBITDA	\$ 10,330	\$ 10,714	\$ 10,231	\$ 10,589	\$ 41,864
End-of-period current debt					13,757
End-of-period long-term debt					123,727
Total End-of-Period Debt					137,484
Less: Cash and Cash Equivalents					2,821
Net Debt Balance					134,663
Annualized Net Debt to Adjusted EBITDA Ratio					3.22

¹ As reported in AT&T's Form 8-K filed January 24, 2024.

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									
First Quarter									
	March 31, 2024				March 31, 2023				Percent Change
	Mobility	Business Wireline	Adj. ¹	Business Solutions	Mobility	Business Wireline	Adj. ¹	Business Solutions	
Operating Revenues									
Wireless service	\$ 15,994	\$ —	\$ (13,608)	\$ 2,386	\$ 15,483	\$ —	\$ (13,203)	\$ 2,280	4.6 %
Wireline service	—	4,700	—	4,700	—	5,200	—	5,200	(9.6) %
Wireless equipment	4,600	—	(3,834)	766	5,099	—	(4,326)	773	(0.9) %
Wireline equipment	—	213	—	213	—	131	—	131	62.6 %
Total Operating Revenues	20,594	4,913	(17,442)	8,065	20,582	5,331	(17,529)	8,384	(3.8) %
Operating Expenses									
Operations and support	11,639	3,487	(9,526)	5,600	12,213	3,623	(10,196)	5,640	(0.7) %
EBITDA	8,955	1,426	(7,916)	2,465	8,369	1,708	(7,333)	2,744	(10.2) %
Depreciation and amortization	2,487	1,362	(2,033)	1,816	2,098	1,330	(1,712)	1,716	5.8 %
Total Operating Expenses	14,126	4,849	(11,559)	7,416	14,311	4,953	(11,908)	7,356	0.8 %
Operating Income	\$ 6,468	\$ 64	\$ (5,883)	\$ 649	\$ 6,271	\$ 378	\$ (5,621)	\$ 1,028	(36.9) %
Operating Income Margin				8.0 %				12.3 %	(430) BP

¹ Non-business wireless reported in the Communications segment under the Mobility business unit.

