AT&T
2Q2025 EARNINGS

2025 2nd Quarter Earnings

July 23, 2025

AT&T

Cautionary Language Concerning Forward-looking Statements

Information set forth in this presentation contains financial estimates and other forward-looking statements that are subject to risks and uncertainties, and actual results might differ materially. A discussion of factors that may affect future results is contained in AT&T's filings with the Securities and Exchange Commission. AT&T disclaims any obligation to update and revise statements contained in this presentation based on new information or otherwise.

This presentation may contain certain non-GAAP financial measures (as identified throughout with an "*"). Reconciliations between the non-GAAP financial measures and the most comparable GAAP financial measures are available at the end of this presentation and on the company's website at investors.att.com.

2025 Business Priorities

1

Grow durable 5G and Fiber relationships

- Continue **disciplined go-to-market strategy** with a focus on putting the customer first
- Grow AT&T Fiber and 5G subscribers while **increasing the converged customer penetration rate**

2

Effective and efficient in everything we do

- Expand consolidated Adj. EBITDA margins* and make progress toward achieving **$3B+ run-rate cost savings target** by the end of 2027
- **Integrate AI** to drive efficiencies, increase productivity and improve customer experiences
- Continue **transition of legacy copper** to 5G and fiber services
- Execute **wireless network modernization** with peak investment in 2025

3

Deliberate capital allocation

- Invest for growth in 5G and fiber with **Capital Investment*** in **$22B to $22.5B** range
- Achieved net debt-to-adjusted EBITDA* in the **2.5x range** in the first half of 2025
- Began enhanced shareholder return program through our **$10B share repurchase authorization**
- Provide an **attractive dividend** with improved quality

* See end of presentation for non-GAAP reconciliations

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2nd Quarter Highlights

73.4M
Postpaid Phone Subscribers
+401K Net Adds

+3.5%
Mobility Service Revenue Growth
(year over year)

9.8M
AT&T Fiber Subscribers
+243K Net Adds

+18.9%
AT&T Fiber Revenue Growth
(year over year)

2Q25 Consolidated Results

+1.1%

Service Revenue Growth YoY

+3.5%

Adj. EBITDA* Growth YoY

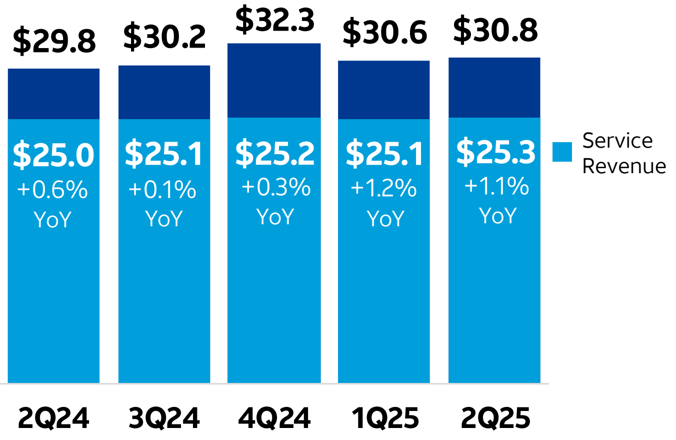
$4.4B

Free Cash Flow*

* See end of presentation for non-GAAP reconciliations

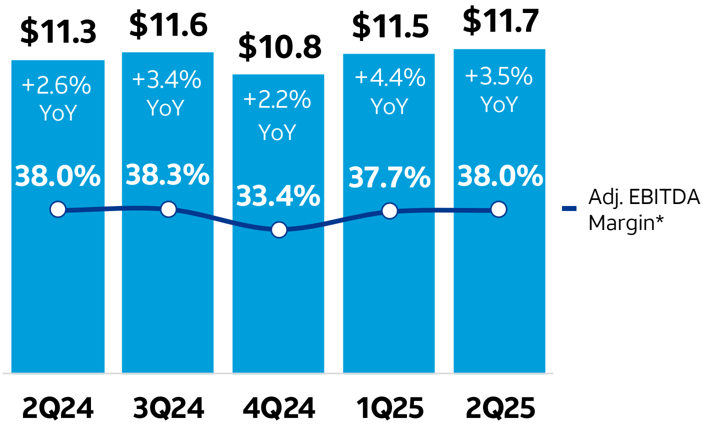
Revenue

$ in billions



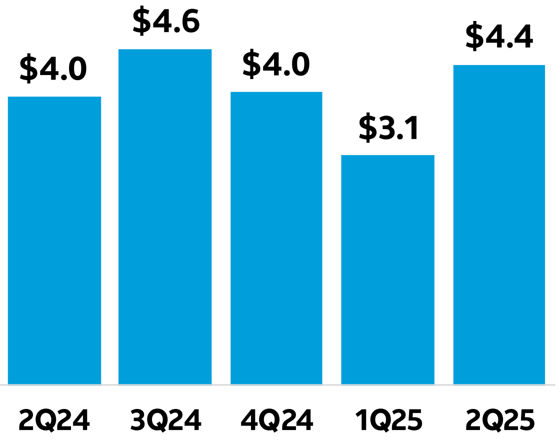
Adjusted EBITDA*

$ in billions



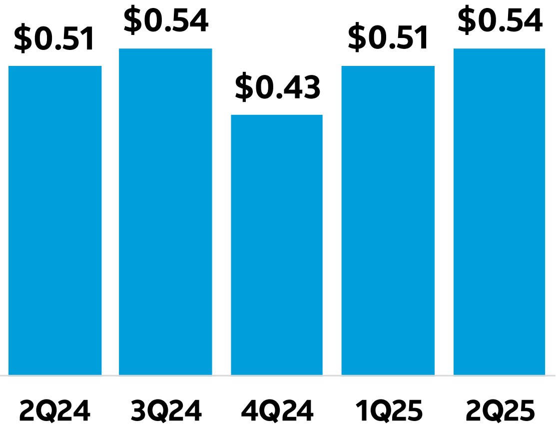
Free Cash Flow*

$ in billions, excludes DIRECTV



Adjusted EPS*

excludes DIRECTV



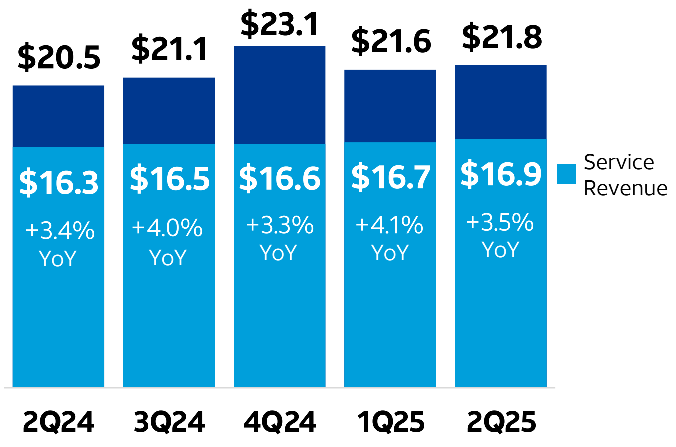
2Q25 Mobility | *Delivering Balanced & Profitable Growth*

+401K
Postpaid Phone Net Adds

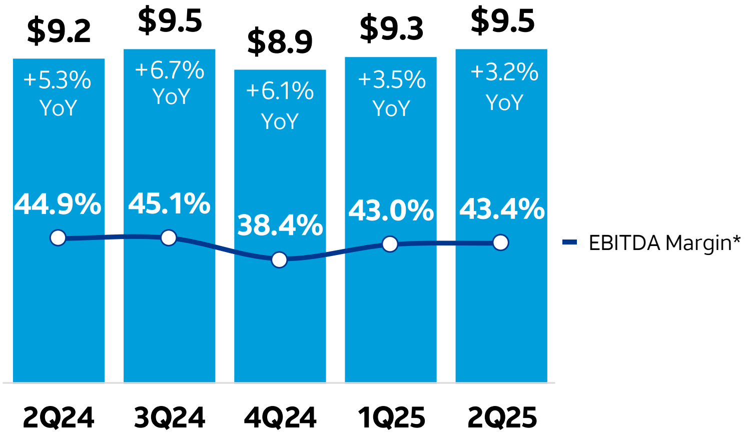
+3.5%
Service Revenue Growth YoY

+3.2%
EBITDA* Growth YoY

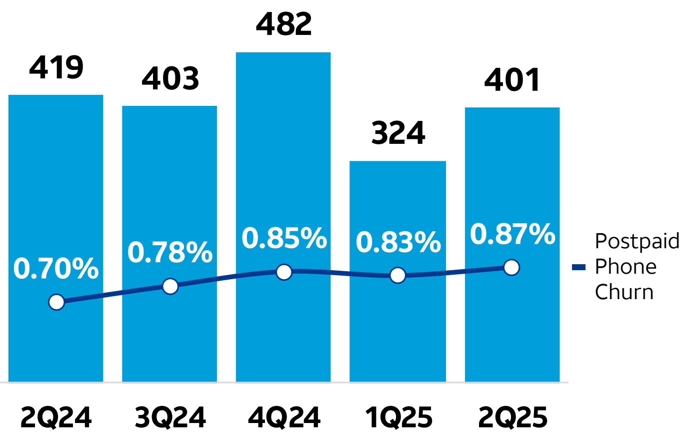
Revenue
$ in billions



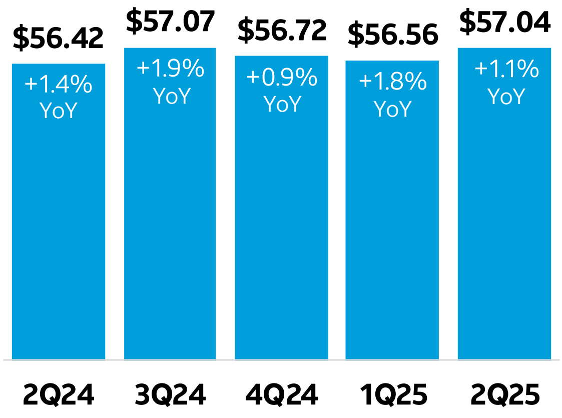
EBITDA*
$ in billions



Postpaid Phone Net Adds
Net Adds in thousands



Postpaid Phone ARPU



* See end of presentation for non-GAAP reconciliations

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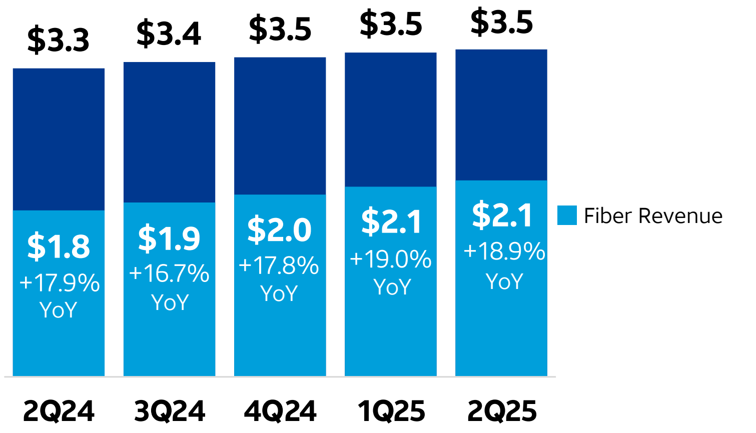
2Q25 Consumer Wireline | *Winning in Fiber & Convergence*

+243K
AT&T Fiber Net Adds

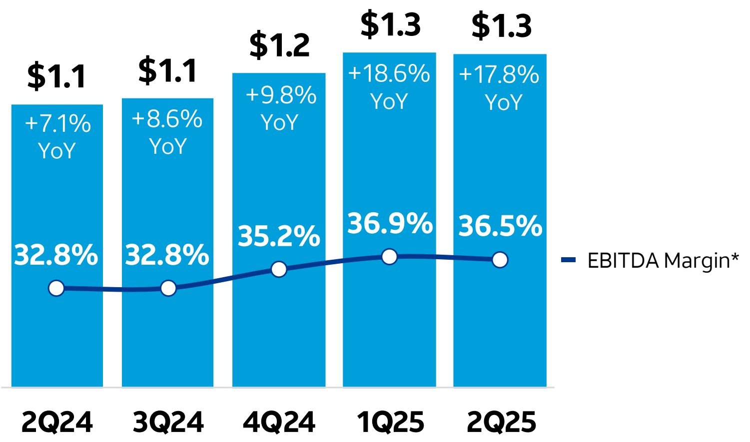
+203K
AT&T Internet Air Net Adds

+18.9%
AT&T Fiber Revenue Growth YoY

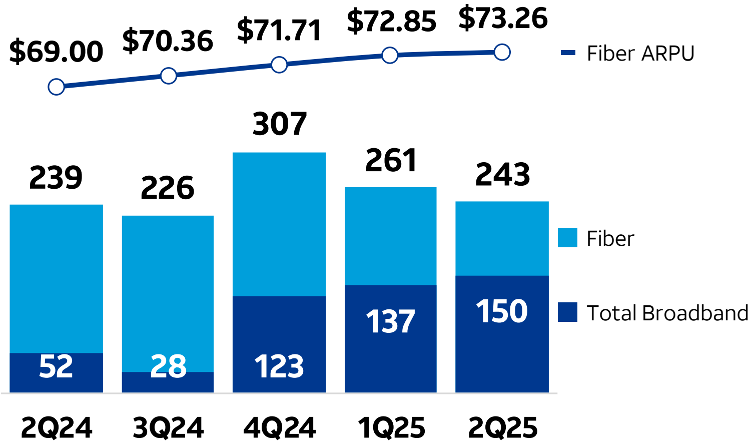
Revenue
$ in billions



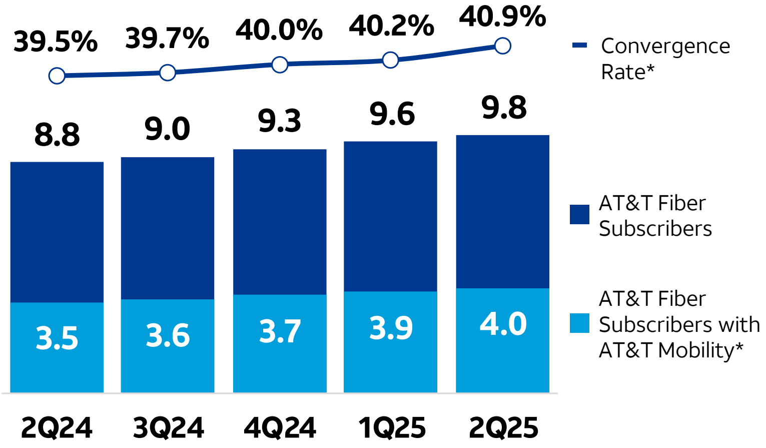
EBITDA*
$ in billions



Net Adds
Net Adds in thousands



Converged Customers*
in millions



* See end of presentation for non-GAAP reconciliations & other definitions

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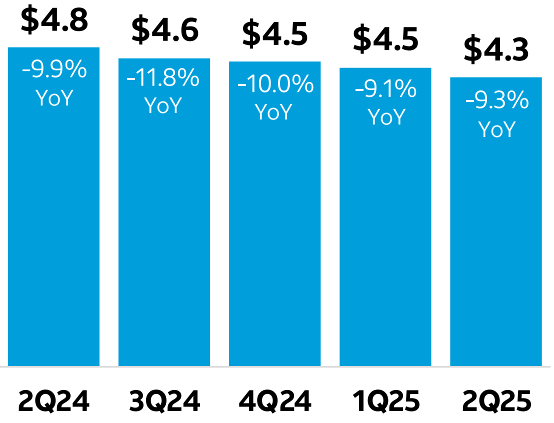
2Q25 Business Wireline | *Managing Connectivity Transition*

-9.3%
Business Wireline Revenue Growth YoY

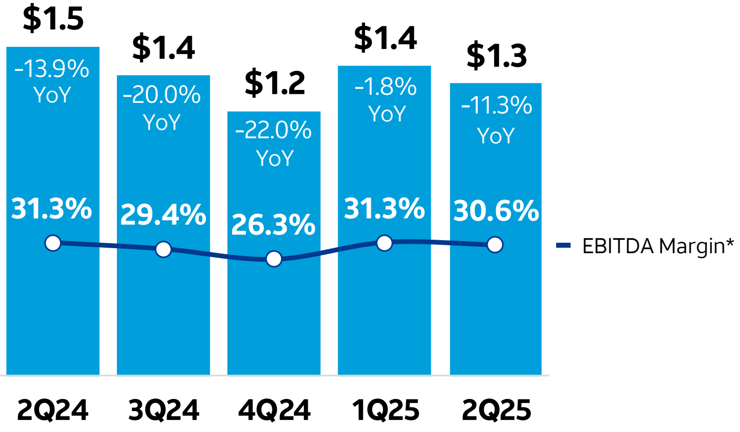
-11.3%
Business Wireline EBITDA* Growth YoY

+398K
FirstNet Connections Added

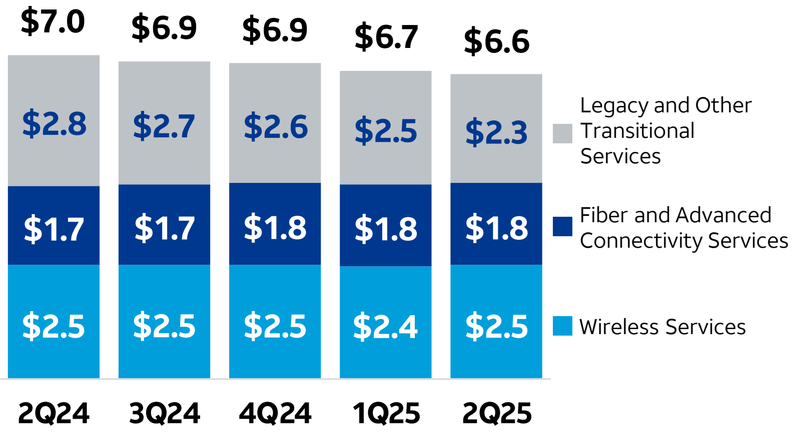
Business Wireline Revenue
$ in billions



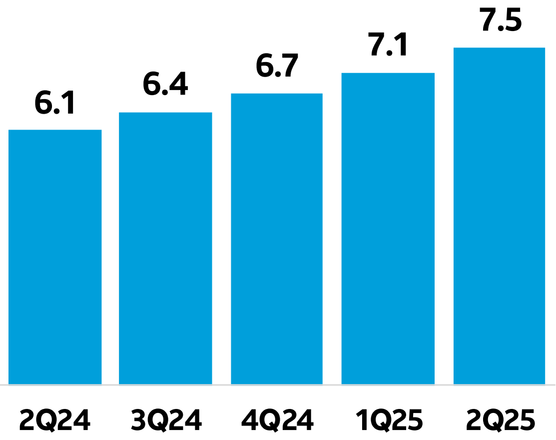
Business Wireline EBITDA*
$ in billions



Business Solutions* Service Revenue
$ in billions



FirstNet Connections
in millions



* See end of presentation for non-GAAP reconciliations

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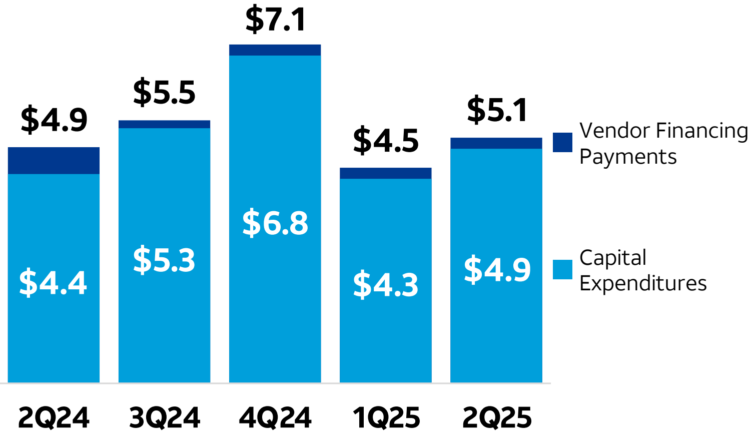
2Q25 Capital Allocation

$1.0B
2Q25 Share Repurchases From 2024 Authorization

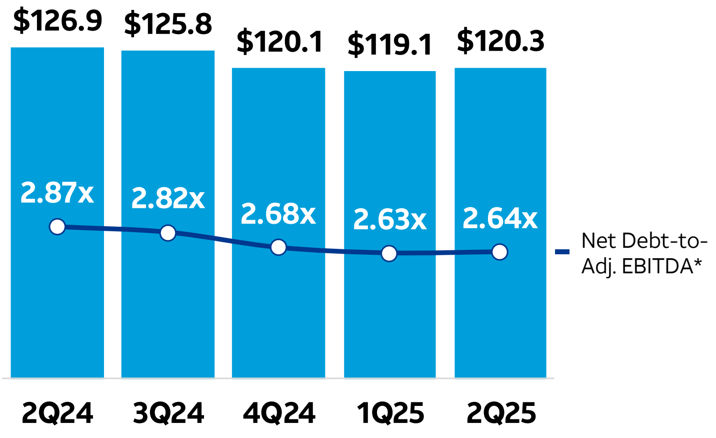
-$6.5B
Net Debt* Reduction YoY

Capital Investment*
$ in billions

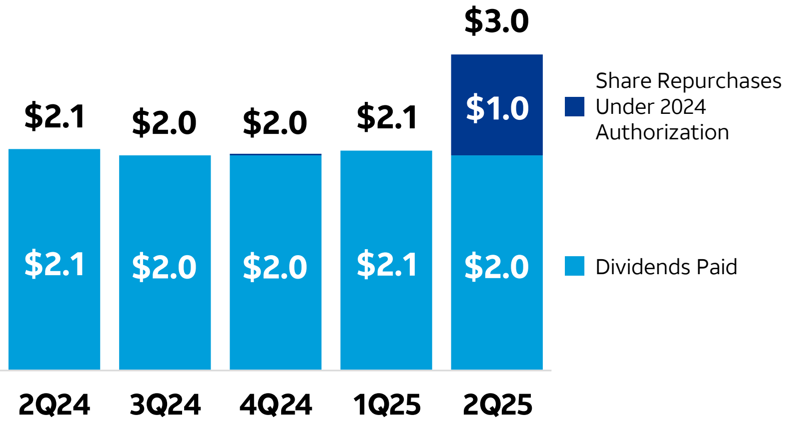


- Cash and cash equivalents of $10.5B as of end of 2Q25
- FX impacts increased debt balance by $2.8B (~$4.0B YTD)
- Repurchased approximately $1B of common shares in 2Q25

Net Debt* & Leverage
$ in billions



Shareholder Returns
$ in billions



* See end of presentation for non-GAAP reconciliations

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2025 Financial Guidance

	2025 Guidance
REVENUE GROWTH	
Consolidated Service Revenues	*low-single-digit range*
Mobility Service Revenues	*3% or better*
Consumer Fiber Broadband Revenues	*mid-to-high-teens*
ADJUSTED EBITDA* GROWTH	**3% or better**
CAPITAL INVESTMENT*	**$22B to $22.5B range**
FREE CASH FLOW* excludes DIRECTV	**low-to-mid $16B range**
ADJUSTED EPS* excludes DIRECTV	**$1.97 to $2.07**

* See end of presentation for non-GAAP reconciliations

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Non-GAAP Measures and Reconciliations to GAAP Measures

EBITDA, **EBITDA margin**, **adjusted EBITDA**, and **adjusted EBITDA margin** are non-GAAP financial measures that are frequently used by investors and credit rating agencies to provide relevant and useful information.

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 impairments, benefit-related gains and losses, employee separation and other material gains and losses.

Adjusted EBITDA margin is adjusted EBITDA divided by total operating revenues.

EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin

Dollars in millions	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Net Income	$ 4,762	$ 3,826	$ 2,582	$ 3,751	$ 3,949	$ 145	$ 4,408	$ 4,692	$ 4,861
Additions:									
Income Tax Expense	1,403	1,154	354	1,118	1,142	1,285	900	1,299	1,237
Interest Expense	1,608	1,662	1,726	1,724	1,699	1,675	1,661	1,658	1,655
Equity in Net (Income) of Affiliates	(380)	(420)	(337)	(295)	(348)	(272)	(1,074)	(1,440)	(485)
Other (Income) Expense - Net	(987)	(440)	946	(451)	(682)	(717)	(569)	(455)	(767)
Depreciation and amortization	4,675	4,705	4,766	5,047	5,072	5,087	5,374	5,190	5,251
EBITDA	11,081	10,487	10,037	10,894	10,832	7,203	10,700	10,944	11,752
Transaction, legal and other costs [1]	-	72	26	32	35	34	22	79	49
Benefit-related (gain) loss	(28)	40	(97)	(39)	(10)	(73)	55	6	(70)
Asset impairments and abandonments and restructuring	-	604	589	159	480	4,422	14	504	-
Adjusted EBITDA	$ 11,053	$ 11,203	$ 10,555	$ 11,046	**$ 11,337**	**$ 11,586**	**$ 10,791**	**$ 11,533**	**$ 11,731**
YoY Growth Rate					***2.6%***	***3.4%***	***2.2%***	***4.4%***	***3.5%***
Operating Income	$ 6,406	$ 5,782	$ 5,271	$ 5,847	$ 5,760	$ 2,116	$ 5,326	$ 5,754	$ 6,501
YoY Growth Rate					*(10.1)%*	*(63.4)%*	*1.0 %*	*(1.6)%*	*12.9 %*
Total Operating Revenues					29,797	30,213	32,298	30,626	30,847
Operating Income Margin					19.3%	7.0%	16.5%	18.8%	21.1%
Adjusted EBITDA Margin					**38.0%**	**38.3%**	**33.4%**	**37.7%**	**38.0%**

[1] Includes costs associated with legacy legal matters and the expected resolution of certain litigation associated with cyberattacks disclosed in 2024, which is presented net of expected insurance recoveries.

Non-GAAP Measures and Reconciliations to GAAP Measures

At the segment or business unit level, **EBITDA** is operating income before depreciation and amortization. **EBITDA margin** is EBITDA divided by total revenues.

AT&T Fiber subscribers with AT&T Mobility is defined as AT&T Fiber subscribers that are also primary Mobility account holders that subscribe to consumer postpaid phone service. We refer to these customers as **Converged Customers**. 2Q25 convergence metrics are presented based on available information and are subject to revision.

Convergence rate represents the ratio of Converged Customers to AT&T Fiber subscribers.

Business Unit EBITDA, EBITDA Margin

Dollars in millions	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Mobility									
Operating Income	$ 6,613	$ 6,763	$ 6,214	$ 6,468	$ 6,719	$ 7,003	$ 6,124	$ 6,740	$ 6,931
YoY Growth Rate					*1.6 %*	*3.5 %*	*(1.4)%*	*4.2 %*	*3.2 %*
Add: Depreciation and amortization	2,123	2,134	2,162	2,487	2,476	2,490	2,764	2,526	2,556
EBITDA	$ 8,736	$ 8,897	$ 8,376	$ 8,955	**$ 9,195**	**$ 9,493**	**$ 8,888**	**$ 9,266**	**$ 9,487**
YoY Growth Rate					***5.3%***	***6.7%***	***6.1%***	***3.5%***	***3.2%***
Total Operating Revenues					20,480	21,052	23,129	21,570	21,845
Operating Income Margin					32.8%	33.3%	26.5%	31.2%	31.7%
EBITDA Margin					**44.9%**	**45.1%**	**38.4%**	**43.0%**	**43.4%**
Consumer Wireline									
Operating Income	$ 168	$ 160	$ 229	$ 213	$ 184	$ 196	$ 276	$ 349	$ 335
YoY Growth Rate					*9.5 %*	*22.5 %*	*20.5 %*	*63.8 %*	*82.1 %*
Add: Depreciation and amortization	857	871	880	881	914	924	942	949	958
EBITDA	$ 1,025	$ 1,031	$ 1,109	$ 1,094	**$ 1,098**	**$ 1,120**	**$ 1,218**	**$ 1,298**	**$ 1,293**
YoY Growth Rate					***7.1 %***	***8.6 %***	***9.8 %***	***18.6 %***	***17.8 %***
Total Operating Revenues					3,347	3,416	3,465	3,522	3,541
Operating Income Margin					5.5 %	5.7 %	8.0 %	9.9 %	9.5 %
EBITDA Margin					**32.8 %**	**32.8 %**	**35.2 %**	**36.9 %**	**36.5 %**
Business Wireline									
Operating Income (Loss)	$ 396	$ 350	$ 165	$ 64	$ 102	$ (43)	$ (211)	$ (98)	$ (201)
YoY Growth Rate					*(74.2)%*	*(112.3)%*	*(227.9)%*	*(253.1)%*	*(297.1)%*
Add: Depreciation and amortization	1,333	1,345	1,369	1,362	1,386	1,399	1,408	1,498	1,521
EBITDA	$ 1,729	$ 1,695	$ 1,534	$ 1,426	**$ 1,488**	**$ 1,356**	**$ 1,197**	**$ 1,400**	**$ 1,320**
YoY Growth Rate					***(13.9)%***	***(20.0)%***	***(22.0)%***	***(1.8)%***	***(11.3)%***
Total Operating Revenues					4,755	4,606	4,545	4,468	4,313
Operating Income Margin					2.1 %	(0.9)%	(4.6)%	(2.2)%	(4.7)%
EBITDA Margin					**31.3 %**	**29.4 %**	**26.3 %**	**31.3 %**	**30.6 %**

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Non-GAAP Measures and Reconciliations to GAAP Measures

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 and calculated above). **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 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.

Net Debt-to-Adjusted EBITDA					
Dollars in millions	2Q24	3Q24	4Q24	1Q25	2Q25
Adjusted EBITDA	$ 11,337	$ 11,586	$ 10,791	$ 11,533	$ 11,731
Trailing Twelve Months Adjusted EBITDA	44,141	44,524	44,760	45,247	45,641
Total Debt	130,604	129,012	123,532	126,161	132,311
Less: Cash and Cash Equivalents	3,093	2,586	3,298	6,885	10,499
Less: Time Deposits	650	650	150	150	1,500
Net Debt	**126,861**	**125,776**	**120,084**	**119,126**	**120,312**
Annualized Net Debt-to-Adjusted EBITDA Ratio	**2.87**	**2.82**	**2.68**	**2.63**	**2.64**

Capital investment includes capital expenditures and cash paid for vendor financing. 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.

Capital Investment					
Dollars in millions	2Q24	3Q24	4Q24	1Q25	2Q25
Capital expenditures	$ 4,360	$ 5,302	$ 6,843	$ 4,277	$ 4,897
Payment of vendor financing	550	180	221	203	220
Capital Investment	**$ 4,910**	**$ 5,482**	**$ 7,064**	**$ 4,480**	**$ 5,117**

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. Prior periods have been recast to conform to the current period presentation to remove cash flows from our investment in DIRECTV, which we sold to TPG. Free cash flow is defined as cash from operations minus cash flows related to our DIRECTV equity method investment (cash distributions less cash taxes paid from DIRECTV), minus capital expenditures and cash paid for vendor financing (classified as financing activities). Due to high variability and difficulty in predicting items that impact cash from operating activities, 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.

Free Cash Flow					
Dollars in millions	2Q24	3Q24	4Q24	1Q25	2Q25
Net Cash Provided by Operating Activities	$ 9,093	$ 10,235	$ 11,896	$ 9,049	$ 9,763
Less: Distributions from DIRECTV classified as operating activities	(350)	(281)	(1,072)	(1,423)	(503)
Less: Cash taxes paid on DIRECTV	121	132	254	-	251
Less: Capital expenditures	(4,360)	(5,302)	(6,843)	(4,277)	(4,897)
Less: Payment of vendor financing	(550)	(180)	(221)	(203)	(220)
Free Cash Flow (excludes DIRECTV)	**$ 3,954**	**$ 4,604**	**$ 4,014**	**$ 3,146**	**$ 4,394**

Non-GAAP Measures and Reconciliations to GAAP Measures

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 impairments, benefit-related gains and losses, employee separation and other material gains and losses. Prior periods have been recast to conform to the current period presentation to remove equity in net income from our investment in DIRECTV. Reconciliations of adjusted EPS to the most comparable GAAP metric can be found at investors.att.com and in our Form 8-K dated July 23, 2025. The company expects adjustments to 2025 reported diluted EPS to include a gain recognized on the sale of DIRECTV in 3Q25, an adjustment to remove equity in net income of DIRECTV (prior to the July 2, 2025 transaction close), 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 2025 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 this projected non-GAAP metric and the most comparable GAAP metric without unreasonable effort.

Adjusted Diluted EPS

	2Q24	3Q24	4Q24	1Q25	2Q25
Diluted Earnings Per Share (EPS)	$ 0.49	$ (0.03)	$ 0.56	$ 0.61	$ 0.62
Equity in net income of DIRECTV	(0.04)	(0.03)	(0.12)	(0.15)	(0.05)
Actuarial (gain) loss - net	-	-	0.01	-	-
Restructuring and impairments	0.05	0.61	-	0.05	-
Benefit-related, transaction, legal and other items	0.01	(0.01)	0.01	-	(0.03)
Tax-related items	-	-	(0.03)	-	-
Adjusted EPS (excludes DIRECTV)	**$ 0.51**	**$ 0.54**	**$ 0.43**	**$ 0.51**	**$ 0.54**

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, including FirstNet, 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. Business Solutions Service Revenue is calculated as business mobility service revenue (Mobility service revenue less adjustment for non-business Mobility service revenue reported in the Communications segment under the Mobility business unit) plus Legacy and other transitional services, plus Fiber and advanced connectivity services.

Supplemental Operational Measures

Dollars in millions	2Q24				3Q24				4Q24				1Q25				2Q25			
	Mobility	Business Wireline	Adj.	Business Solutions	Mobility	Business Wireline	Adj.	Business Solutions	Mobility	Business Wireline	Adj.	Business Solutions	Mobility	Business Wireline	Adj.	Business Solutions	Mobility	Business Wireline	Adj.	Business Solutions
Wireless service	$ 16,277	$ -	$ (13,809)	**$ 2,468**	$ 16,539	$ -	$ (14,056)	**$ 2,483**	$ 16,563	$ -	$ (14,088)	**$ 2,475**	$ 16,651	$ -	$ (14,202)	**$ 2,449**	$ 16,853	$ -	$ (14,390)	**$ 2,463**
Legacy and other transitional services	-	2,839	-	2,839	-	2,669	-	2,669	-	2,590	-	2,590	-	2,475	-	2,475	-	2,349	-	2,349
Fiber and advanced connectivity services	-	1,732	-	1,732	-	1,748	-	1,748	-	1,786	-	1,786	-	1,780	-	1,780	-	1,793	-	1,793
Total Service Revenues	$ 16,277	$ 4,571	$ (13,809)	**$ 7,039**	$ 16,539	$ 4,417	$ (14,056)	**$ 6,900**	$ 16,563	$ 4,376	$ (14,088)	**$ 6,851**	$ 16,651	$ 4,255	$ (14,202)	**$ 6,704**	$ 16,853	$ 4,142	$ (14,390)	**$ 6,605**

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