AT&T

2Q2025
EARNINGS

Financial and Operational Schedules & Non-GAAP Reconciliatons

July 23, 2025

AT&T Inc.
Financial Data

Consolidated Statements of Income

Dollars in millions except per share amounts
Unaudited

	Second Quarter 2025	Second Quarter 2024	Percent Change	Six-Month Period 2025	Six-Month Period 2024	Percent Change
Operating Revenues						
Service	**$ 25,292**	$ 25,006	1.1 %	**$ 50,430**	$ 49,848	1.2 %
Equipment	**5,555**	4,791	15.9 %	**11,043**	9,977	10.7 %
Total Operating Revenues	**30,847**	29,797	3.5 %	**61,473**	59,825	2.8 %
Operating Expenses						
Cost of revenues						
Equipment	**5,738**	4,815	19.2 %	**11,432**	9,958	14.8 %
Other cost of revenues (exclusive of depreciation and amortization shown separately below)	**6,412**	6,627	(3.2)%	**12,751**	13,438	(5.1)%
Selling, general and administrative	**6,945**	7,043	(1.4)%	**14,090**	14,064	0.2 %
Asset impairments and abandonments and restructuring	**—**	480	— %	**504**	639	(21.1)%
Depreciation and amortization	**5,251**	5,072	3.5 %	**10,441**	10,119	3.2 %
Total Operating Expenses	**24,346**	24,037	1.3 %	**49,218**	48,218	2.1 %
Operating Income	**6,501**	5,760	12.9 %	**12,255**	11,607	5.6 %
Interest Expense	**1,655**	1,699	(2.6)%	**3,313**	3,423	(3.2)%
Equity in Net Income of Affiliates	**485**	348	39.4 %	**1,925**	643	— %
Other Income (Expense) — Net	**767**	682	12.5 %	**1,222**	1,133	7.9 %
Income Before Income Taxes	**6,098**	5,091	19.8 %	**12,089**	9,960	21.4 %
Income Tax Expense	**1,237**	1,142	8.3 %	**2,536**	2,260	12.2 %
Net Income	**4,861**	3,949	23.1 %	**9,553**	7,700	24.1 %
Net Income Attributable to Noncontrolling Interest	**(361)**	(352)	(2.6)%	**(702)**	(658)	(6.7)%
Net Income Attributable to AT&T	**$ 4,500**	$ 3,597	25.1 %	**$ 8,851**	$ 7,042	25.7 %
Preferred Stock Dividends and Redemption Gain	**(36)**	(51)	29.4 %	**8**	(101)	— %
Net Income Attributable to Common Stock	**$ 4,464**	$ 3,546	25.9 %	**$ 8,859**	$ 6,941	27.6 %
Basic Earnings Per Share Attributable to Common Stock	**$ 0.62**	$ 0.49	26.5 %	**$ 1.22**	$ 0.96	27.1 %
Weighted Average Common Shares Outstanding (000,000)	**7,209**	7,196	0.2 %	**7,211**	7,194	0.2 %
Diluted Earnings Per Share Attributable to Common Stock	**$ 0.62**	$ 0.49	26.5 %	**$ 1.22**	$ 0.96	27.1 %
Weighted Average Common Shares Outstanding with Dilution (000,000)	**7,219**	7,198	0.3 %	**7,221**	7,195	0.4 %

AT&T Inc.
Financial Data

Consolidated Balance Sheets		
Dollars in millions		
	Jun. 30, 2025	Dec. 31, 2024
Assets	**(Unaudited)**	
Current Assets		
Cash and cash equivalents	**$ 10,499**	$ 3,298
Accounts receivable – net of related allowances for credit loss of $392 and $375	**8,844**	9,638
Inventories	**2,357**	2,270
Prepaid and other current assets	**17,606**	15,962
Total current assets	**39,306**	31,168
Property, Plant and Equipment – Net	**129,094**	128,871
Goodwill – Net	**63,432**	63,432
Licenses – Net	**127,543**	127,035
Other Intangible Assets – Net	**5,255**	5,255
Investments in and Advances to Equity Affiliates	**1,011**	295
Operating Lease Right-Of-Use Assets	**21,494**	20,909
Other Assets	**18,356**	17,830
Total Assets	**$ 405,491**	$ 394,795
Liabilities and Stockholders' Equity		
Current Liabilities		
Debt maturing within one year	**$ 9,254**	$ 5,089
Accounts payable and accrued liabilities	**33,289**	35,657
Advanced billings and customer deposits	**3,999**	4,099
Dividends payable	**2,023**	2,027
Total current liabilities	**48,565**	46,872
Long-Term Debt	**123,057**	118,443
Deferred Credits and Other Noncurrent Liabilities		
Noncurrent deferred tax liabilities	**59,786**	58,939
Postemployment benefit obligation	**9,079**	9,025
Operating lease liabilities	**17,762**	17,391
Other noncurrent liabilities	**23,865**	23,900
Total deferred credits and other noncurrent liabilities	**110,492**	109,255
Redeemable Noncontrolling Interest	**1,983**	1,980
Stockholders' Equity		
Preferred stock	**—**	—
Common stock	**7,621**	7,621
Additional paid-in capital	**106,381**	109,108
Retained earnings	**6,680**	1,871
Treasury stock	**(15,210)**	(15,023)
Accumulated other comprehensive income (loss)	**(200)**	795
Noncontrolling interest	**16,122**	13,873
Total stockholders' equity	**121,394**	118,245
Total Liabilities and Stockholders' Equity	**$ 405,491**	$ 394,795

AT&T Inc.
Financial Data

Consolidated Statements of Cash Flows		
Dollars in millions		
Unaudited	Six-Month Period	
	2025	2024
Operating Activities		
Net income	**$ 9,553**	$ 7,700
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**10,441**	10,119
Provision for uncollectible accounts	**1,037**	942
Asset impairments and abandonments and restructuring	**504**	639
Pension and postretirement benefit expense (credit)	**(794)**	(941)
Net (gain) loss on investments	**(31)**	185
Changes in operating assets and liabilities:		
Receivables	**(247)**	130
Equipment installment receivables and related sales	**1,115**	(320)
Contract asset and cost deferral	**(299)**	321
Inventories, prepaid and other current assets	**(317)**	419
Accounts payable and other accrued liabilities	**(4,440)**	(4,761)
Changes in income taxes	**1,663**	1,976
Postretirement claims and contributions	**(103)**	(93)
Other - net	**730**	324
Total adjustments	**9,259**	8,940
Net Cash Provided by Operating Activities	**18,812**	16,640
Investing Activities		
Capital expenditures	**(9,174)**	(8,118)
Acquisitions, net of cash acquired	**(48)**	(270)
Dispositions	**40**	14
Distributions from DIRECTV in excess of cumulative equity in earnings	**—**	586
(Purchases), sales and settlements of securities and investments - net	**(1,084)**	1,147
Other - net	**(778)**	(336)
Net Cash Used in Investing Activities	**(11,044)**	(6,977)
Financing Activities		
Net change in short-term borrowings with original maturities of three months or less	**—**	2,686
Issuance of other short-term borrowings	**—**	491
Repayment of other short-term borrowings	**—**	(2,487)
Issuance of long-term debt	**6,429**	2
Repayment of long-term debt	**(1,620)**	(6,910)
Payment of vendor financing	**(423)**	(1,391)
Redemption of preferred stock	**(2,075)**	—
Purchase of treasury stock	**(1,179)**	(159)
Issuance of treasury stock	**17**	—
Issuance of preferred interests in subsidiary	**2,221**	—
Dividends paid	**(4,135)**	(4,133)
Other - net	**167**	(1,392)
Net Cash Used in Financing Activities	**(598)**	(13,293)
Net increase (decrease) in cash and cash equivalents and restricted cash	**7,170**	(3,630)
Cash and cash equivalents and restricted cash beginning of year	**3,406**	6,833
Cash and Cash Equivalents and Restricted Cash End of Period	**$ 10,576**	$ 3,203

AT&T Inc.
Consolidated Supplementary Data

Supplementary Financial Data						
Dollars in millions except per share amounts						
Unaudited	Second Quarter		Percent	Six-Month Period		Percent
	2025	2024	Change	**2025**	2024	Change
Capital expenditures						
Purchase of property and equipment	**$ 4,857**	$ 4,321	12.4 %	**$ 9,097**	$ 8,042	13.1 %
Interest during construction	**40**	39	2.6 %	**77**	76	1.3 %
Total Capital Expenditures	**$ 4,897**	$ 4,360	12.3 %	**$ 9,174**	$ 8,118	13.0 %
Acquisitions, net of cash acquired						
Business acquisitions	**$ —**	$ —	— %	**$ —**	$ —	— %
Spectrum acquisitions	**13**	2	— %	**14**	147	(90.5) %
Interest during construction - spectrum	**15**	57	(73.7)%	**34**	123	(72.4) %
Total Acquisitions	**$ 28**	$ 59	(52.5)%	**$ 48**	$ 270	(82.2) %
Cash paid for interest	**$ 1,512**	$ 1,567	(3.5)%	**$ 3,316**	$ 3,644	(9.0) %
Cash paid for income taxes, net of (refunds)	**$ 869**	$ 308	— %	**$ 880**	$ 299	— %
Dividends Declared per Common Share	**$ 0.2775**	$ 0.2775	— %	**$ 0.5550**	$ 0.5550	— %
End of Period Common Shares Outstanding (000,000)				**7,161**	7,170	(0.1) %
Debt Ratio				**51.7 %**	51.8 %	(10) BP
Total Employees				**137,550**	146,040	(5.8) %

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						
Dollars in millions						
Unaudited	Second Quarter		Percent	Six-Month Period		Percent
	2025	2024	Change	**2025**	2024	Change
Segment Operating Revenues						
Mobility	**$ 21,845**	$ 20,480	6.7 %	**$ 43,415**	$ 41,074	5.7 %
Business Wireline	**4,313**	4,755	(9.3) %	**8,781**	9,668	(9.2) %
Consumer Wireline	**3,541**	3,347	5.8 %	**7,063**	6,697	5.5 %
Total Segment Operating Revenues	**29,699**	28,582	3.9 %	**59,259**	57,439	3.2 %
Segment Operating Income (Loss)						
Mobility	**6,931**	6,719	3.2 %	**13,671**	13,187	3.7 %
Business Wireline	**(201)**	102	— %	**(299)**	166	— %
Consumer Wireline	**335**	184	82.1 %	**684**	397	72.3 %
Total Segment Operating Income	**$ 7,065**	$ 7,005	0.9 %	**$ 14,056**	$ 13,750	2.2 %
Operating Income Margin	**23.8 %**	24.5 %	(70) BP	**23.7 %**	23.9 %	(20) BP

Mobility

Mobility provides nationwide wireless service and equipment.

Mobility Results

Dollars in millions *Unaudited*	Second Quarter **2025**	Second Quarter 2024	Percent Change	Six-Month Period **2025**	Six-Month Period 2024	Percent Change
Operating Revenues						
Service	**$ 16,853**	$ 16,277	3.5 %	**$ 33,504**	$ 32,271	3.8 %
Equipment	**4,992**	4,203	18.8 %	**9,911**	8,803	12.6 %
Total Operating Revenues	**21,845**	20,480	6.7 %	**43,415**	41,074	5.7 %
Operating Expenses						
Operations and support	**12,358**	11,285	9.5 %	**24,662**	22,924	7.6 %
Depreciation and amortization	**2,556**	2,476	3.2 %	**5,082**	4,963	2.4 %
Total Operating Expenses	**14,914**	13,761	8.4 %	**29,744**	27,887	6.7 %
Operating Income	**$ 6,931**	$ 6,719	3.2 %	**$ 13,671**	$ 13,187	3.7 %
Operating Income Margin	**31.7 %**	32.8 %	(110) BP	**31.5 %**	32.1 %	(60) BP

Supplementary Operating Data

Subscribers and connections in thousands *Unaudited*	June 30, **2025**	June 30, 2024	Percent Change
Mobility Subscribers			
Postpaid	**89,928**	87,999	2.2 %
Postpaid phone	**73,408**	71,930	2.1 %
Prepaid	**18,768**	19,271	(2.6) %
Reseller	**9,549**	8,204	16.4 %
Total Mobility Subscribers	**118,245**	115,474	2.4 %

	Second Quarter **2025**	Second Quarter 2024	Percent Change	Six-Month Period **2025**	Six-Month Period 2024	Percent Change
Mobility Net Additions						
Postpaid Phone Net Additions	**401**	419	(4.3) %	**725**	768	(5.6) %
Total Phone Net Additions	**367**	454	(19.2) %	**671**	804	(16.5) %
Postpaid	**479**	593	(19.2) %	**769**	982	(21.7) %
Prepaid	**(152)**	82	— %	**(186)**	83	— %
Reseller	**(38)**	322	— %	**(174)**	673	— %
Total Mobility Net Additions[1]	**289**	997	(71.0) %	**409**	1,738	(76.5) %
Postpaid Churn	**1.02 %**	0.85 %	17 BP	**1.01 %**	0.87 %	14 BP
Postpaid Phone-Only Churn	**0.87 %**	0.70 %	17 BP	**0.85 %**	0.71 %	14 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, our fixed wireless access product, traditional voice and data services and related equipment to business customers.

Business Wireline Results						
Dollars in millions						
Unaudited	Second Quarter		Percent	Six-Month Period		Percent
	2025	2024	Change	**2025**	2024	Change
Operating Revenues						
Legacy and other transitional services	**$ 2,349**	$ 2,839	(17.3) %	**$ 4,824**	$ 5,836	(17.3) %
Fiber and advanced connectivity services	**1,793**	1,732	3.5 %	**3,573**	3,435	4.0 %
Equipment	**171**	184	(7.1) %	**384**	397	(3.3) %
Total Operating Revenues	**4,313**	4,755	(9.3) %	**8,781**	9,668	(9.2) %
Operating Expenses						
Operations and support	**2,993**	3,267	(8.4) %	**6,061**	6,754	(10.3) %
Depreciation and amortization	**1,521**	1,386	9.7 %	**3,019**	2,748	9.9 %
Total Operating Expenses	**4,514**	4,653	(3.0) %	**9,080**	9,502	(4.4) %
Operating Income (Loss)	**$ (201)**	$ 102	— %	**$ (299)**	$ 166	— %
Operating Income Margin	**(4.7)%**	2.1 %	(680) BP	**(3.4)%**	1.7 %	(510) BP

Consumer Wireline

Consumer Wireline provides broadband services, including fiber connections that provide multi-gig services, and AT&T Internet Air (AIA) services, to residential customers in select locations. Consumer Wireline also provides legacy telephony voice communication services.

Consumer Wireline Results

Dollars in millions *Unaudited*	Second Quarter 2025	Second Quarter 2024	Percent Change	Six-Month Period 2025	Six-Month Period 2024	Percent Change
Operating Revenues						
Broadband	**$ 3,028**	$ 2,741	10.5 %	**$ 6,012**	$ 5,463	10.0 %
Legacy voice and data services	**265**	323	(18.0) %	**551**	665	(17.1) %
Other service and equipment	**248**	283	(12.4) %	**500**	569	(12.1) %
Total Operating Revenues	**3,541**	3,347	5.8 %	**7,063**	6,697	5.5 %
Operating Expenses						
Operations and support	**2,248**	2,249	— %	**4,472**	4,505	(0.7) %
Depreciation and amortization	**958**	914	4.8 %	**1,907**	1,795	6.2 %
Total Operating Expenses	**3,206**	3,163	1.4 %	**6,379**	6,300	1.3 %
Operating Income	**$ 335**	$ 184	82.1 %	**$ 684**	$ 397	72.3 %
Operating Income Margin	**9.5 %**	5.5 %	400 BP	**9.7 %**	5.9 %	380 BP

Supplementary Operating Data

Subscribers and connections in thousands *Unaudited*	June 30, 2025	June 30, 2024	Percent Change
Broadband Connections			
Broadband[1]	**14,262**	13,836	3.1 %
Fiber Broadband Connections	**9,835**	8,798	11.8 %

	Second Quarter 2025	Second Quarter 2024	Percent Change	Six-Month Period 2025	Six-Month Period 2024	Percent Change
Broadband Net Additions						
Broadband Net Additions[1,2]	**150**	52	— %	**287**	107	— %
Fiber Broadband Net Additions	**243**	239	1.7 %	**504**	491	2.6 %

[1] Includes AIA.

[2] Excludes the impact of subscriber disconnections resulting from the termination of AIA services in areas with unfavorable regulatory requirements in the first quarter of 2025.

LATIN AMERICA SEGMENT

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

Segment Results

Dollars in millions *Unaudited*	Second Quarter 2025	Second Quarter 2024	Percent Change	Six-Month Period 2025	Six-Month Period 2024	Percent Change
Operating Revenues						
Wireless service	**$ 662**	$ 699	(5.3) %	**$ 1,277**	$ 1,389	(8.1) %
Wireless equipment	**392**	404	(3.0) %	**748**	777	(3.7) %
Total Segment Operating Revenues	**1,054**	1,103	(4.4) %	**2,025**	2,166	(6.5) %
Operating Expenses						
Operations and support	**853**	925	(7.8) %	**1,631**	1,808	(9.8) %
Depreciation and amortization	**155**	172	(9.9) %	**305**	349	(12.6) %
Total Segment Operating Expenses	**1,008**	1,097	(8.1) %	**1,936**	2,157	(10.2) %
Operating Income	**$ 46**	$ 6	— %	**$ 89**	$ 9	— %
Operating Income Margin	**4.4 %**	0.5 %	390 BP	**4.4 %**	0.4 %	400 BP

Supplementary Operating Data

Subscribers and connections in thousands *Unaudited*	June 30, 2025	June 30, 2024	Percent Change
Mexico Wireless Subscribers			
Postpaid	**6,180**	5,494	12.5 %
Prepaid	**17,440**	16,809	3.8 %
Reseller	**223**	333	(33.0) %
Total Mexico Wireless Subscribers	**23,843**	22,636	5.3 %

	Second Quarter 2025	Second Quarter 2024	Percent Change	Six-Month Period 2025	Six-Month Period 2024	Percent Change
Mexico Wireless Net Additions						
Postpaid	**183**	142	28.9 %	**343**	258	32.9 %
Prepaid	**64**	67	(4.5) %	**(46)**	146	— %
Reseller	**(12)**	(32)	62.5 %	**(30)**	(84)	64.3 %
Total Mexico Wireless Net Additions	**235**	177	32.8 %	**267**	320	(16.6) %

SUPPLEMENTAL SEGMENT RECONCILIATION

Three Months Ended				
Dollars in millions				
Unaudited				
June 30, 2025				
	Revenues	Operations and Support Expenses	Depreciation and Amortization	Operating Income (Loss)
Communications				
Mobility	**$ 21,845**	**$ 12,358**	**$ 2,556**	**$ 6,931**
Business Wireline	**4,313**	**2,993**	**1,521**	**(201)**
Consumer Wireline	**3,541**	**2,248**	**958**	**335**
Total Communications	**29,699**	**17,599**	**5,035**	**7,065**
Latin America	**1,054**	**853**	**155**	**46**
Segment Total	**30,753**	**18,452**	**5,190**	**7,111**
Corporate and Other				
Corporate:				
DTV-related retained costs	**—**	**57**	**50**	**(107)**
Parent administration support	**(2)**	**422**	**2**	**(426)**
Securitization fees	**30**	**174**	**—**	**(144)**
Value portfolio	**66**	**11**	**—**	**55**
Total Corporate	**94**	**664**	**52**	**(622)**
Certain significant items	**—**	**(21)**	**9**	**12**
Total Corporate and Other	**94**	**643**	**61**	**(610)**
AT&T Inc.	**$ 30,847**	**$ 19,095**	**$ 5,251**	**$ 6,501**
June 30, 2024				
	Revenues	Operations and Support Expenses	Depreciation and Amortization	Operating Income (Loss)
Communications				
Mobility	$ 20,480	$ 11,285	$ 2,476	$ 6,719
Business Wireline	4,755	3,267	1,386	102
Consumer Wireline	3,347	2,249	914	184
Total Communications	28,582	16,801	4,776	7,005
Latin America	1,103	925	172	6
Segment Total	29,685	17,726	4,948	7,011
Corporate and Other				
Corporate:				
DTV-related retained costs	—	116	102	(218)
Parent administration support	—	443	2	(445)
Securitization fees	29	150	—	(121)
Value portfolio	83	25	5	53
Total Corporate	112	734	109	(731)
Certain significant items	—	505	15	(520)
Total Corporate and Other	112	1,239	124	(1,251)
AT&T Inc.	$ 29,797	$ 18,965	$ 5,072	$ 5,760

SUPPLEMENTAL SEGMENT RECONCILIATION

Six Months Ended				
Dollars in millions				
Unaudited				
June 30, 2025				
	Revenues	Operations and Support Expenses	Depreciation and Amortization	Operating Income (Loss)
Communications				
Mobility	**$ 43,415**	**$ 24,662**	**$ 5,082**	**$ 13,671**
Business Wireline	**8,781**	**6,061**	**3,019**	**(299)**
Consumer Wireline	**7,063**	**4,472**	**1,907**	**684**
Total Communications	**59,259**	**35,195**	**10,008**	**14,056**
Latin America	**2,025**	**1,631**	**305**	**89**
Segment Total	**61,284**	**36,826**	**10,313**	**14,145**
Corporate and Other				
Corporate:				
DTV-related retained costs	**—**	**113**	**100**	**(213)**
Parent administration support	**(1)**	**861**	**10**	**(872)**
Securitization fees	**58**	**388**	**—**	**(330)**
Value portfolio	**132**	**21**	**—**	**111**
Total Corporate	**189**	**1,383**	**110**	**(1,304)**
Certain significant items	**—**	**568**	**18**	**(586)**
Total Corporate and Other	**189**	**1,951**	**128**	**(1,890)**
AT&T Inc.	**$ 61,473**	**$ 38,777**	**$ 10,441**	**$ 12,255**
June 30, 2024				
	Revenues	Operations and Support Expenses	Depreciation and Amortization	Operating Income (Loss)
Communications				
Mobility	$ 41,074	$ 22,924	$ 4,963	$ 13,187
Business Wireline	9,668	6,754	2,748	166
Consumer Wireline	6,697	4,505	1,795	397
Total Communications	57,439	34,183	9,506	13,750
Latin America	2,166	1,808	349	9
Segment Total	59,605	35,991	9,855	13,759
Corporate and Other				
Corporate:				
DTV-related retained costs	—	250	222	(472)
Parent administration support	—	835	3	(838)
Securitization fees	55	315	—	(260)
Value portfolio	165	51	9	105
Total Corporate	220	1,451	234	(1,465)
Certain significant items	—	657	30	(687)
Total Corporate and Other	220	2,108	264	(2,152)
AT&T Inc.	$ 59,825	$ 38,099	$ 10,119	$ 11,607

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). Prior periods have been recast to conform to the current period presentation to remove cash flows and equity in net income from our investment in DIRECTV, which we sold to TPG Capital on July 2, 2025.

Free Cash Flow

Free cash flow is defined as cash from operations minus cash flows related to our DIRECTV equity investment (cash distributions minus cash taxes from DIRECTV), minus capital expenditures and cash paid for vendor financing (classified as financing activities). Free cash flow after dividends is defined as cash from operations minus cash flows related to our DIRECTV equity investment, 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 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

Dollars in millions	Second Quarter		Six-Month Period	
	2025	2024	**2025**	2024
Net Cash Provided by Operating Activities	**$ 9,763**	$ 9,093	**$ 18,812**	$ 16,640
Less: Distributions from DIRECTV classified as operating activities	**(503)**	(350)	**(1,926)**	(674)
Less: Cash taxes paid on DIRECTV	**251**	121	**251**	270
Less: Capital expenditures	**(4,897)**	(4,360)	**(9,174)**	(8,118)
Less: Payment of vendor financing	**(220)**	(550)	**(423)**	(1,391)
Free Cash Flow	**4,394**	3,954	**7,540**	6,727
Less: Dividends paid	**(2,044)**	(2,099)	**(4,135)**	(4,133)
Free Cash Flow after Dividends	**$ 2,350**	$ 1,855	**$ 3,405**	$ 2,594
Free Cash Flow Dividend Payout Ratio	**46.5 %**	53.1 %	**54.8 %**	61.4 %

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

Dollars in millions	Second Quarter		Six-Month Period	
	2025	2024	**2025**	2024
Capital expenditures	**$ (4,897)**	$ (4,360)	**$ (9,174)**	$ (8,118)
Payment of vendor financing	**(220)**	(550)	**(423)**	(1,391)
Cash paid for Capital Investment	**$ (5,117)**	$ (4,910)	**$ (9,597)**	$ (9,509)

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 and Adjusted EBITDA

Dollars in millions

	Second Quarter		Six-Month Period	
	2025	2024	**2025**	2024
Net Income	**$ 4,861**	$ 3,949	**$ 9,553**	$ 7,700
Additions:				
Income Tax Expense	**1,237**	1,142	**2,536**	2,260
Interest Expense	**1,655**	1,699	**3,313**	3,423
Equity in Net (Income) of Affiliates	**(485)**	(348)	**(1,925)**	(643)
Other (Income) Expense - Net	**(767)**	(682)	**(1,222)**	(1,133)
Depreciation and amortization	**5,251**	5,072	**10,441**	10,119
EBITDA	**11,752**	10,832	**22,696**	21,726
Transaction, legal and other costs	**49**	35	**128**	67
Benefit-related (gain) loss	**(70)**	(10)	**(64)**	(49)
Asset impairments and abandonments and restructuring	**—**	480	**504**	639
Adjusted EBITDA[1]	**$ 11,731**	$ 11,337	**$ 23,264**	$ 22,383

[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				
	Second Quarter		Six-Month Period	
	2025	2024	**2025**	2024
Communications Segment				
Operating Income	**$ 7,065**	$ 7,005	**$ 14,056**	$ 13,750
Add: Depreciation and amortization	**5,035**	4,776	**10,008**	9,506
EBITDA	**$ 12,100**	$ 11,781	**$ 24,064**	$ 23,256
Total Operating Revenues	**$ 29,699**	$ 28,582	**$ 59,259**	$ 57,439
Operating Income Margin	**23.8 %**	24.5 %	**23.7 %**	23.9 %
EBITDA Margin	**40.7 %**	41.2 %	**40.6 %**	40.5 %
Mobility				
Operating Income	**$ 6,931**	$ 6,719	**$ 13,671**	$ 13,187
Add: Depreciation and amortization	**2,556**	2,476	**5,082**	4,963
EBITDA	**$ 9,487**	$ 9,195	**$ 18,753**	$ 18,150
Total Operating Revenues	**$ 21,845**	$ 20,480	**$ 43,415**	$ 41,074
Service Revenues	**16,853**	16,277	**33,504**	32,271
Operating Income Margin	**31.7 %**	32.8 %	**31.5 %**	32.1 %
EBITDA Margin	**43.4 %**	44.9 %	**43.2 %**	44.2 %
EBITDA Service Margin	**56.3 %**	56.5 %	**56.0 %**	56.2 %
Business Wireline				
Operating Income (Loss)	**$ (201)**	$ 102	**$ (299)**	$ 166
Add: Depreciation and amortization	**1,521**	1,386	**3,019**	2,748
EBITDA	**$ 1,320**	$ 1,488	**$ 2,720**	$ 2,914
Total Operating Revenues	**$ 4,313**	$ 4,755	**$ 8,781**	$ 9,668
Operating Income Margin	**(4.7)%**	2.1 %	**(3.4)%**	1.7 %
EBITDA Margin	**30.6 %**	31.3 %	**31.0 %**	30.1 %
Consumer Wireline				
Operating Income	**$ 335**	$ 184	**$ 684**	$ 397
Add: Depreciation and amortization	**958**	914	**1,907**	1,795
EBITDA	**$ 1,293**	$ 1,098	**$ 2,591**	$ 2,192
Total Operating Revenues	**$ 3,541**	$ 3,347	**$ 7,063**	$ 6,697
Operating Income Margin	**9.5 %**	5.5 %	**9.7 %**	5.9 %
EBITDA Margin	**36.5 %**	32.8 %	**36.7 %**	32.7 %
Latin America Segment				
Operating Income	**$ 46**	$ 6	**$ 89**	$ 9
Add: Depreciation and amortization	**155**	172	**305**	349
EBITDA	**$ 201**	$ 178	**$ 394**	$ 358
Total Operating Revenues	**$ 1,054**	$ 1,103	**$ 2,025**	$ 2,166
Operating Income Margin	**4.4 %**	0.5 %	**4.4 %**	0.4 %
EBITDA Margin	**19.1 %**	16.1 %	**19.5 %**	16.5 %

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 adjusted 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				
Dollars in millions				
	Second Quarter		Six-Month Period	
	2025	2024	**2025**	2024
Operating Expenses				
Transaction, legal and other costs[1]	**$ 49**	$ 35	**$ 128**	$ 67
Benefit-related (gain) loss	**(70)**	(10)	**(64)**	(49)
Asset impairments and abandonments and restructuring	**—**	480	**504**	639
Adjustments to Operations and Support Expenses	**(21)**	505	**568**	657
Amortization of intangible assets	**9**	15	**18**	30
Adjustments to Operating Expenses	**(12)**	520	**586**	687
Other				
Equity in net income of DIRECTV	**(503)**	(350)	**(1,926)**	(674)
Benefit-related (gain) loss, impairments of investments and other	**(189)**	(16)	**(125)**	238
Adjustments to Income Before Income Taxes	**(704)**	154	**(1,465)**	251
Tax impact of adjustments	**(168)**	35	**(333)**	57
Adjustments to Net Income	**$ (536)**	$ 119	**$ (1,132)**	$ 194
Preferred stock redemption gain	**—**	—	**(90)**	—
Adjustments to Net Income Attributable to Common Stock	**$ (536)**	$ 119	**$ (1,222)**	$ 194

[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.

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 (expense) 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 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

Dollars in millions

	Second Quarter		Six-Month Period	
	2025	2024	**2025**	2024
Operating Income	**$ 6,501**	$ 5,760	**$ 12,255**	$ 11,607
Adjustments to Operating Expenses	**(12)**	520	**586**	687
Adjusted Operating Income	**$ 6,489**	$ 6,280	**$ 12,841**	$ 12,294
EBITDA	**$ 11,752**	$ 10,832	**$ 22,696**	$ 21,726
Adjustments to Operations and Support Expenses	**(21)**	505	**568**	657
Adjusted EBITDA	**$ 11,731**	$ 11,337	**$ 23,264**	$ 22,383
Total Operating Revenues	**$ 30,847**	$ 29,797	**$ 61,473**	$ 59,825
Operating Income Margin	**21.1 %**	19.3 %	**19.9 %**	19.4 %
Adjusted Operating Income Margin	**21.0 %**	21.1 %	**20.9 %**	20.5 %
Adjusted EBITDA Margin	**38.0 %**	38.0 %	**37.8 %**	37.4 %

Adjusted Diluted EPS

	Second Quarter		Six-Month Period	
	2025	2024	**2025**	2024
Diluted Earnings Per Share (EPS)	**$ 0.62**	$ 0.49	**$ 1.22**	$ 0.96
Equity in net income of DIRECTV	**(0.05)**	(0.04)	**(0.21)**	(0.07)
Restructuring and impairments	**—**	0.05	**0.05**	0.11
Benefit-related, transaction, legal and other items	**(0.03)**	0.01	**(0.01)**	(0.01)
Adjusted EPS	**$ 0.54**	$ 0.51	**$ 1.05**	$ 0.99
Year-over-year growth - Adjusted	**5.9 %**		**6.1 %**	
Weighted Average Common Shares Outstanding with Dilution (000,000)	**7,219**	7,198	**7,221**	7,195

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 - 2025

Dollars in millions

	Three Months Ended				
	Sept. 30, 2024[1]	Dec. 31, 2024[1]	March 31, 2025[1]	June 30, 2025	**Four Quarters**
Adjusted EBITDA	$ 11,586	$ 10,791	$ 11,533	$ 11,731	**$ 45,641**
End-of-period current debt					**9,254**
End-of-period long-term debt					**123,057**
Total End-of-Period Debt					**132,311**
Less: Cash and Cash Equivalents					**10,499**
Less: Time Deposits					**1,500**
Net Debt Balance					**120,312**
Annualized Net Debt to Adjusted EBITDA Ratio					**2.64**

[1] As reported in AT&T's Form 8-K filed April 23, 2025.

Net Debt to Adjusted EBITDA - 2024

Dollars in millions

	Three Months Ended				
	Sept. 30, 2023[1]	Dec. 31, 2023[1]	March 31, 2024[1]	June 30, 2024[1]	Four Quarters
Adjusted EBITDA	$ 11,203	$ 10,555	$ 11,046	$ 11,337	$ 44,141
End-of-period current debt					5,249
End-of-period long-term debt					125,355
Total End-of-Period Debt					130,604
Less: Cash and Cash Equivalents					3,093
Less: Time Deposits					650
Net Debt Balance					126,861
Annualized Net Debt to Adjusted EBITDA Ratio					2.87

[1] As reported in AT&T's Form 8-K filed April 23, 2025.

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. Prior period amounts have been conformed to the current period's presentation.

Supplemental Operational Measures

	Second Quarter								
	June 30, 2025				June 30, 2024				
	Mobility	**Business Wireline**	**Adj.[1]**	**Business Solutions**	Mobility	Business Wireline	Adj.[1]	Business Solutions	Percent Change
Operating Revenues									
Wireless service	**$ 16,853**	**$ —**	**$ (14,390)**	**$ 2,463**	$ 16,277	$ —	$ (13,809)	$ 2,468	(0.2) %
Legacy and other transitional services	**—**	**2,349**	**—**	**2,349**	—	2,839	—	2,839	(17.3) %
Fiber and advanced connectivity services	**—**	**1,793**	**—**	**1,793**	—	1,732	—	1,732	3.5 %
Wireless equipment	**4,992**	**—**	**(4,168)**	**824**	4,203	—	(3,459)	744	10.8 %
Wireline equipment	**—**	**171**	**—**	**171**	—	184	—	184	(7.1) %
Total Operating Revenues	**21,845**	**4,313**	**(18,558)**	**7,600**	20,480	4,755	(17,268)	7,967	(4.6) %
Operating Expenses									
Operations and support	**12,358**	**2,993**	**(10,072)**	**5,279**	11,285	3,267	(9,201)	5,351	(1.3) %
EBITDA	**9,487**	**1,320**	**(8,486)**	**2,321**	9,195	1,488	(8,067)	2,616	(11.3) %
Depreciation and amortization	**2,556**	**1,521**	**(2,098)**	**1,979**	2,476	1,386	(2,025)	1,837	7.7 %
Total Operating Expenses	**14,914**	**4,514**	**(12,170)**	**7,258**	13,761	4,653	(11,226)	7,188	1.0 %
Operating Income (Loss)	**$ 6,931**	**$ (201)**	**$ (6,388)**	**$ 342**	$ 6,719	$ 102	$ (6,042)	$ 779	(56.1) %
Operating Income Margin				4.5 %				9.8 %	(530) BP

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

Supplemental Operational Measures

	Six-Month Period								
	June 30, 2025				June 30, 2024				
	Mobility	**Business Wireline**	**Adj.[1]**	**Business Solutions**	Mobility	Business Wireline	Adj.[1]	Business Solutions	Percent Change
Operating Revenues									
Wireless service	**$ 33,504**	**$ —**	**$ (28,592)**	**$ 4,912**	$ 32,271	$ —	$ (27,417)	$ 4,854	1.2 %
Legacy and other transitional services	**—**	**4,824**	**—**	**4,824**	—	5,836	—	5,836	(17.3) %
Fiber and advanced connectivity services	**—**	**3,573**	**—**	**3,573**	—	3,435	—	3,435	4.0 %
Wireless equipment	**9,911**	**—**	**(8,304)**	**1,607**	8,803	—	(7,293)	1,510	6.4 %
Wireline equipment	**—**	**384**	**—**	**384**	—	397	—	397	(3.3) %
Total Operating Revenues	**43,415**	**8,781**	**(36,896)**	**15,300**	41,074	9,668	(34,710)	16,032	(4.6) %
Operating Expenses									
Operations and support	**24,662**	**6,061**	**(20,178)**	**10,545**	22,924	6,754	(18,727)	10,951	(3.7) %
EBITDA	**18,753**	**2,720**	**(16,718)**	**4,755**	18,150	2,914	(15,983)	5,081	(6.4) %
Depreciation and amortization	**5,082**	**3,019**	**(4,160)**	**3,941**	4,963	2,748	(4,058)	3,653	7.9 %
Total Operating Expenses	**29,744**	**9,080**	**(24,338)**	**14,486**	27,887	9,502	(22,785)	14,604	(0.8) %
Operating Income	**$ 13,671**	**$ (299)**	**$ (12,558)**	**$ 814**	$ 13,187	$ 166	$ (11,925)	$ 1,428	(43.0) %
Operating Income Margin				5.3 %				8.9 %	(360) BP

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

AT&T