AT&T

AT&T 1Q2026 EARNINGS

2026 1st Quarter Earnings

April 22, 2026

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 the presentation and on the company's website at investors.att.com.

The "quiet period" for FCC Spectrum Auction 113 is in effect. During the quiet period, auction applicants are required to avoid discussions of bids, bidding strategy and post-auction market structure with other auction applicants

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1Q2026 Highlights

Accelerating growth

$31.5B

Revenue, up 2.9% YOY

$2.5B

Free cash flow*, at the high-end of 1Q26 guidance range of $2.0B-$2.5B

$0.57

Adjusted EPS*, Up 11.8% YOY

$11.6B

Advanced Connectivity EBITDA*, up 5.6% YOY

37M+

Total fiber locations reached * - the most in America

42%

Advanced home internet convergence rate*

Best-ever first quarter for Advanced Connectivity internet customer net additions

AT&T 1Q2026 EARNINGS

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

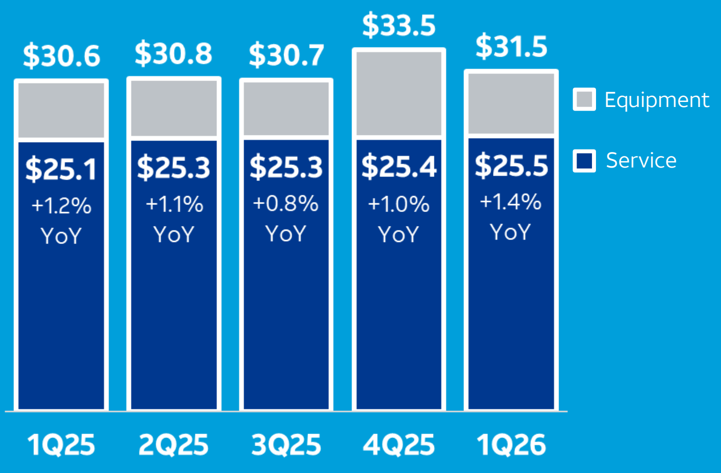
Consolidated Results

+1.4%
Service Revenue Growth YoY

+2.3%
Adj. EBITDA* Growth YoY

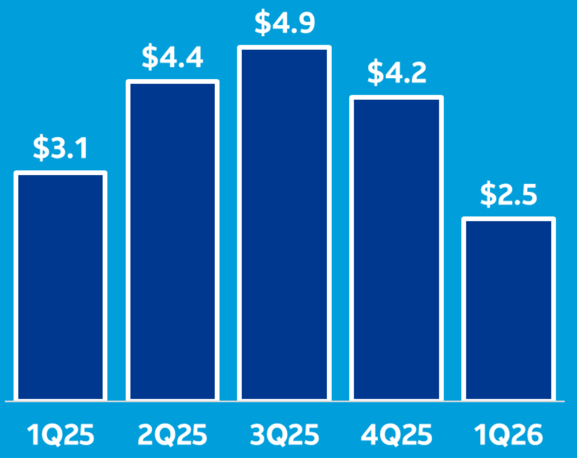
+11.8%
Adjusted EPS* Growth YoY

Revenue ($B)

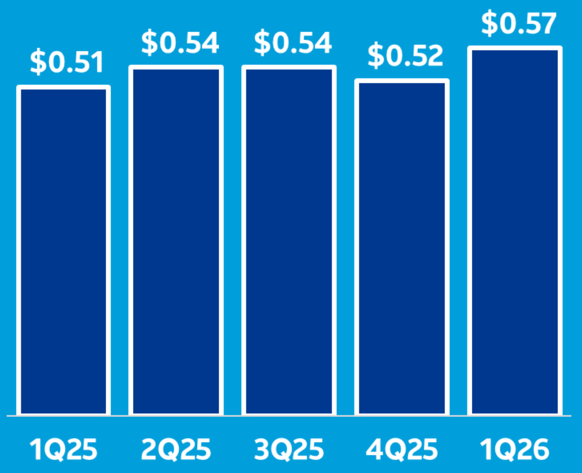


Adjusted EBITDA* ($B)

Free Cash Flow* ($B)



Adjusted EPS*



* See end of presentation for non-GAAP reconciliations

Advanced Connectivity | *Financials*

+3.6%

Service Revenue Growth YoY

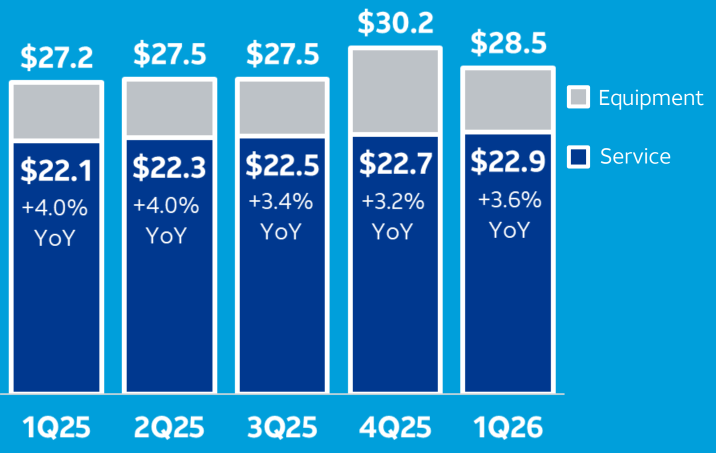
+5.6%

EBITDA* Growth YoY

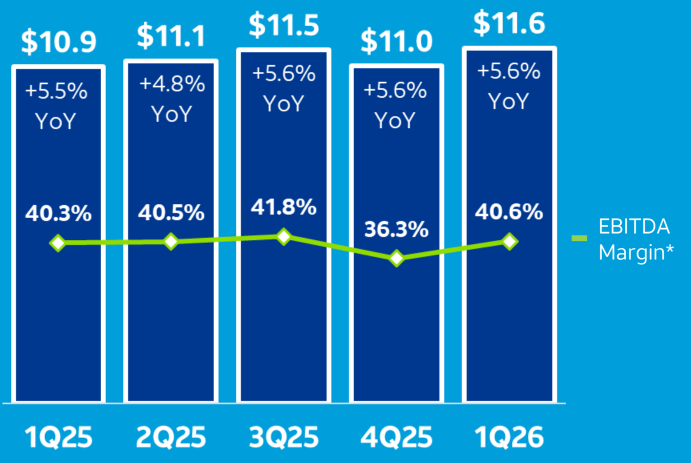
+30bps

EBITDA Margin* Expansion YoY

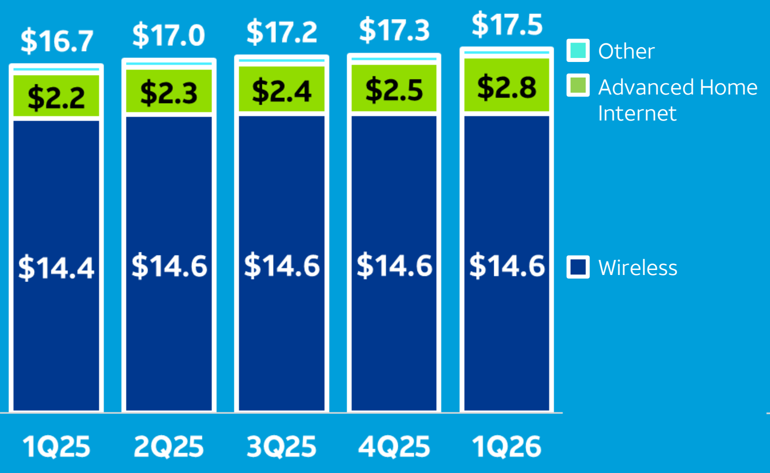
Revenue ($B)



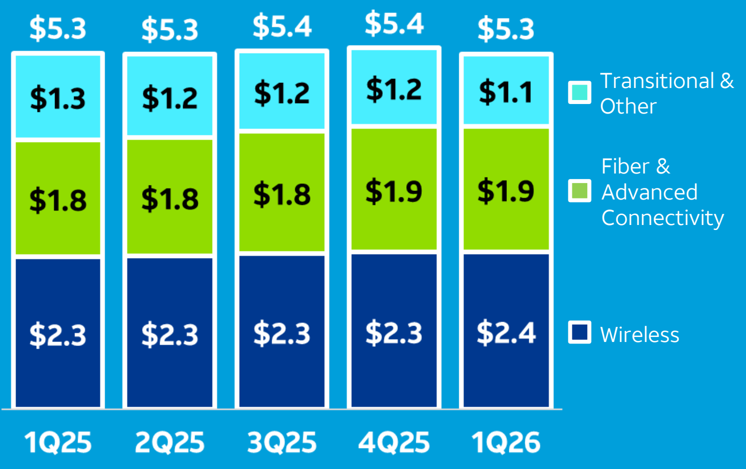
EBITDA* ($B)



Consumer Service Revenue ($B)



Business Service Revenue ($B)



* See end of presentation for non-GAAP reconciliations

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Advanced Connectivity | *Metrics*

37M+

Total Fiber Locations Reached*

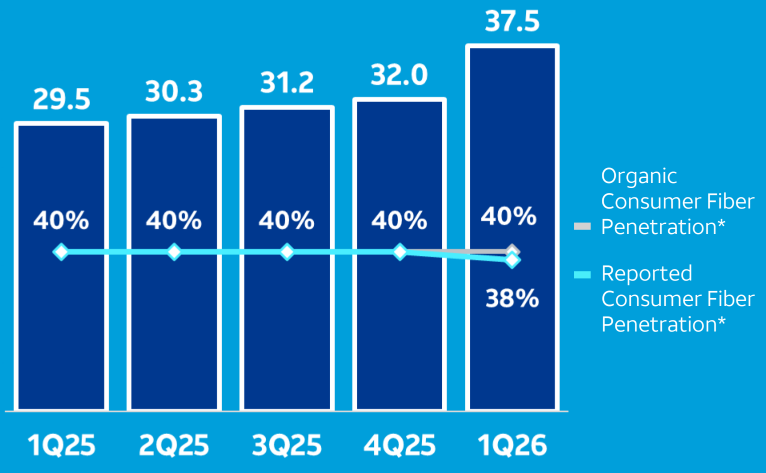
584K

Internet Connections Added; 6 Consecutive Quarters over 500K

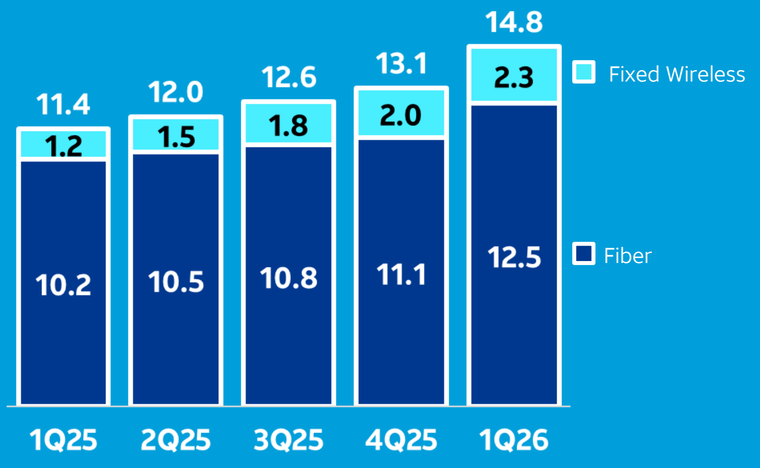
42.0%

Advanced Home Internet Convergence Rate*

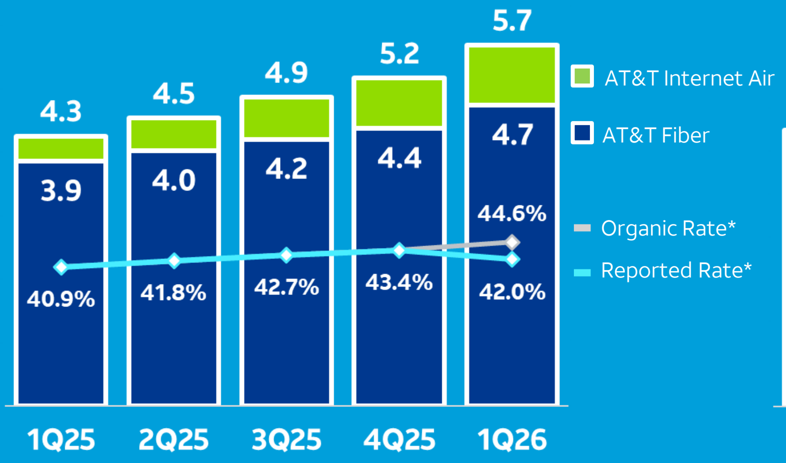
Total Fiber Locations Reached* (M)



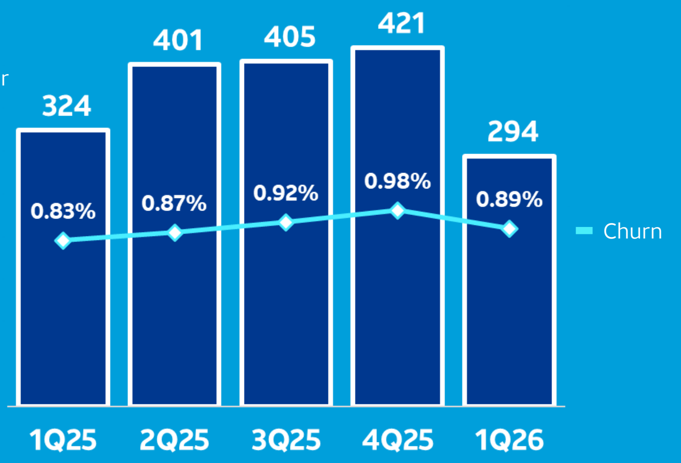
Internet Connections (M)



Converged Customers* (M)



Postpaid Phone Net Adds (K)



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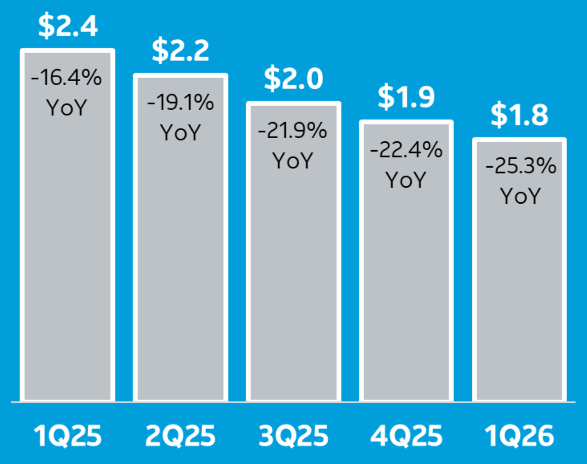
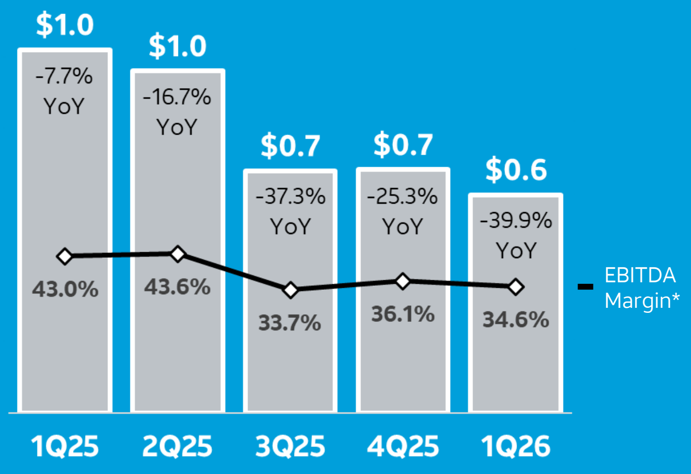
Legacy

Revenue ($B)



EBITDA* ($B)



85%

Wire Centers Approved to Stop Offering Legacy Services

30%+

Wire Centers Approved to Discontinue Providing Legacy Services by late 2026

* See end of presentation for non-GAAP reconciliations

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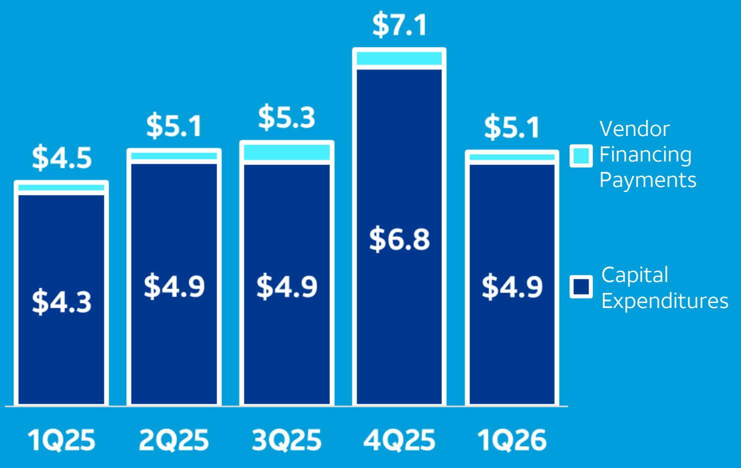
Capital Allocation

$12B
Cash and Cash Equivalents at End of 1Q26

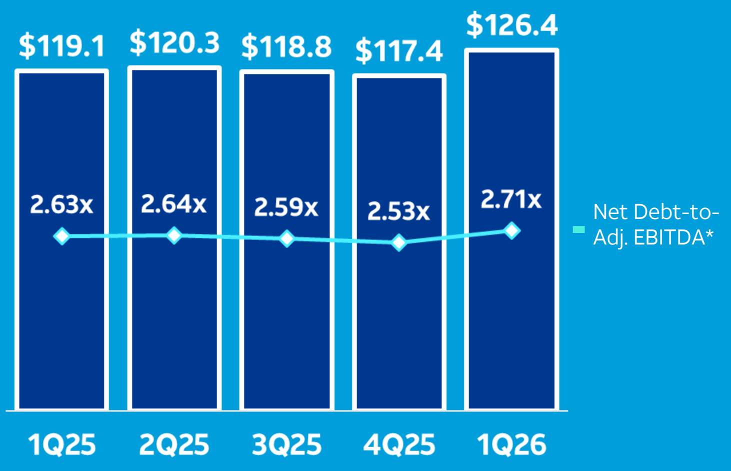
$4.3B
Returned to Shareholders in 1Q26

Capital Investment* ($B)

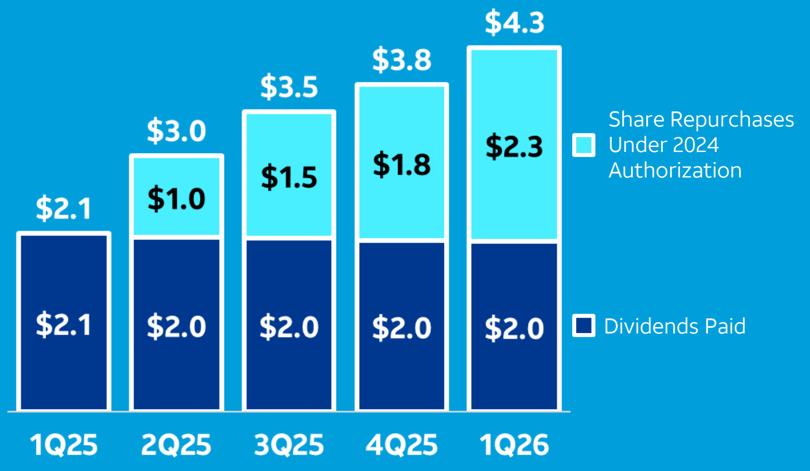


- Net Debt* increased $9B sequentially partially driven by mass markets fiber business acquisition in 1Q26
- FX impacts decreased debt balance by $0.6B in 1Q26

Net Debt* & Leverage ($B)



Shareholder Returns ($B)



* See end of presentation for non-GAAP reconciliations

Long-Term Outlook | 2026 – 2028

Continuing Operations

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SERVICE REVENUE	**Growth in low-single-digit range annually**
Advanced Connectivity	*Growth in mid-single-digit range annually, including expected growth of 5%+ in 2026*
ADJUSTED EBITDA*	**Growth in the 3% to 4% range in 2026, improving to 5%+ in 2028**
Advanced Connectivity	*Growth in mid-to-high-single-digit range annually, including expected growth of 6%+ in 2026*
CAPITAL INVESTMENT*	**$23B to $24B range annually**
FREE CASH FLOW*	**$18B+ in 2026, $19B+ in 2027, and $21B+ in 2028**
ADJUSTED EPS*	**$2.25 to $2.35 in 2026 with a double-digit 3-year CAGR through 2028**

* See end of presentation for non-GAAP reconciliations

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Footnotes

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.

Estimates for Adjusted EBITDA and EBITDA at the segment levels depend on future levels of revenues, expenses and other metrics which are not reasonably estimable at this time. Accordingly, we cannot provide reconciliations for projected adjusted EBITDA or Advanced Connectivity EBITDA, and the most comparable GAAP metrics without unreasonable effort.

EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin

Dollars in millions	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26
Income from Continuing Operations	$ 3,751	$ 3,949	$ 145	$ 4,408	$ 4,692	$ 4,861	$ 9,677	$ 4,156	$ 4,219
Additions:									
Income Tax Expense	1,118	1,142	1,285	900	1,299	1,237	976	109	1,179
Interest Expense	1,724	1,699	1,675	1,661	1,658	1,655	1,700	1,791	1,813
Equity in Net (Income) Loss of Affiliates	(295)	(348)	(272)	(1,074)	(1,440)	(485)	20	10	41
Other (Income) Expense - Net	(451)	(682)	(717)	(569)	(455)	(767)	(6,254)	(278)	(594)
Depreciation and amortization	5,047	5,072	5,087	5,374	5,190	5,251	5,317	5,128	4,966
EBITDA	10,894	10,832	7,203	10,700	10,944	11,752	11,436	10,916	11,624
Transaction, legal and other costs[1]	32	35	34	22	79	49	487	12	146
Benefit-related (gain) loss	(39)	(10)	(73)	55	6	(70)	(62)	(26)	25
Asset impairments and abandonments and restructuring	159	480	4,422	14	504	-	-	334	-
Adjusted EBITDA	$ 11,046	$ 11,337	$ 11,586	$ 10,791	**$ 11,533**	**$ 11,731**	**$ 11,861**	**$ 11,236**	**$ 11,795**
YoY Growth Rate					***4.4%***	***3.5%***	***2.4%***	***4.1%***	***2.3%***
Operating Income	$ 5,847	$ 5,760	$ 2,116	$ 5,326	$ 5,754	$ 6,501	$ 6,119	$ 5,788	$ 6,658
YoY Growth Rate					*(1.6)%*	*12.9 %*	*189.2 %*	*8.7 %*	*15.7 %*
Total Operating Revenues					30,626	30,847	30,709	33,466	31,506
Operating Income Margin					18.8%	21.1%	19.9%	17.3%	21.1%
Adjusted EBITDA Margin					**37.7%**	**38.0%**	**38.6%**	**33.6%**	**37.4%**

[1] Includes certain legal reserves and settlements that cover extended historical periods, novel theories of liability and/or are unpredictable in both magnitude and timing, and therefore are distinct and separate from normal, recurring legal matters. Such costs are presented net of expected insurance recoveries and are primarily associated with legacy legal matters and cybersecurity events. The third quarter of 2025 also includes approximately $440M of apportioned property and casualty settlements.

Footnotes

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

Total fiber locations reached: Total consumer and business locations reached with fiber represents the sum of: (1) AT&T Owned and Operated locations, which reflect its customer locations passed by AT&T's fiber network and (2) Fiber Ventures locations, which represent locations served from the acquired Lumen Mass Markets fiber business, Gigapower, and other commercial open access providers.

Reported consumer fiber penetration is calculated as AT&T Fiber connections divided by consumer fiber locations served, which include AT&T Fiber Ventures locations. A fiber location served is defined as: (1) where fiber has been built to a specific customer location, (2) the customer can place an order for fiber, and (3) service can be provisioned. **Organic consumer fiber penetration** excludes customers and locations from the recently acquired mass markets fiber business.

Converged customers are defined as advanced home internet (AT&T Fiber or AT&T Internet Air) connections that are also primary wireless account holders that subscribe to consumer postpaid phone service. Convergence metrics include customers from the recently acquired mass markets fiber business. Convergence metrics for the most recent quarter are presented based on available information and are subject to revision.

Reported convergence rate represents the ratio of converged customers to advanced home internet connections. **Organic convergence rate** represents the ratio of converged customers to advanced home internet connections, excluding customers from the recently acquired mass markets fiber business.

Segment EBITDA and EBITDA Margin

Dollars in millions	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26
Advanced Connectivity									
Operating Income	$ 5,641	$ 5,854	$ 6,073	$ 5,276	$ 5,972	$ 6,106	$ 6,417	$ 6,093	$ 6,853
YoY Growth Rate					*5.9 %*	*4.3 %*	*5.7 %*	*15.5 %*	*14.8 %*
Add: Depreciation and amortization	4,730	4,776	4,813	5,114	4,973	5,035	5,076	4,875	4,705
EBITDA	$ 10,371	$ 10,630	$ 10,886	$ 10,390	**$ 10,945**	**$ 11,141**	**$ 11,493**	**$ 10,968**	**$ 11,558**
YoY Growth Rate					***5.5%***	***4.8%***	***5.6%***	***5.6%***	***5.6%***
Total Operating Revenues					27,192	27,497	27,503	30,232	28,471
Operating Income Margin					22.0%	22.2%	23.3%	20.2%	24.1%
EBITDA Margin					**40.3 %**	**40.5 %**	**41.8 %**	**36.3 %**	**40.6 %**
Legacy									
Operating Income	$ 1,104	$ 1,151	$ 1,083	$ 913	$ 1,019	$ 959	$ 679	$ 682	$ 612
YoY Growth Rate					*(7.7)%*	*(16.7)%*	*(37.3)%*	*(25.3)%*	*(39.9)%*
Add: Depreciation and amortization	-	-	-	-	-	-	-	-	-
EBITDA	$ 1,104	$ 1,151	$ 1,083	$ 913	**$ 1,019**	**$ 959**	**$ 679**	**$ 682**	**$ 612**
YoY Growth Rate					***(7.7)%***	***(16.7)%***	***(37.3)%***	***(25.3)%***	***(39.9)%***
Total Operating Revenues					2,368	2,202	2,013	1,889	1,768
Operating Income Margin					43.0 %	43.6 %	33.7 %	36.1 %	34.6 %
EBITDA Margin					**43.0 %**	**43.6 %**	**33.7 %**	**36.1 %**	**34.6 %**

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Footnotes

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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.

Reconciliations of adjusted EPS to the most comparable GAAP metric can be found at investors.att.com and in our Form 8-K dated April 22, 2026. The company expects adjustments to 2026 reported diluted EPS from continuing operations to include acquisition-related amortization of $0.3 billion (based on preliminary information), 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.

AT&T's projected adjusted EPS depends on future levels of revenues and expenses, most of which are not reasonably estimable at this time. Accordingly, the Company cannot provide reconciliations between these projected non-GAAP metrics and the most comparable GAAP metrics without unreasonable effort.

Adjusted Diluted EPS

	1Q25	2Q25	3Q25	4Q25	1Q26
Diluted Earnings Per Share (EPS) from Continuing Operations	$ 0.61	$ 0.62	$ 1.29	$ 0.53	$ 0.54
Gain on sale of DIRECTV	-	-	(0.79)	(0.01)	-
Equity in net income of DIRECTV	(0.15)	(0.05)	-	-	-
Actuarial (gain) loss	-	-	-	0.06	-
Restructuring and impairments	0.05	-	-	0.04	-
Benefit-related, transaction, legal and other items	-	(0.03)	0.04	(0.02)	0.03
Tax-related items	-	-	-	(0.08)	-
Adjusted EPS	**$ 0.51**	**$ 0.54**	**$ 0.54**	**$ 0.52**	**$ 0.57**
YoY Growth Rate					***11.8%***

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-to-Adjusted EBITDA

Dollars in millions	1Q25	2Q25	3Q25	4Q25	1Q26
Adjusted EBITDA	$ 11,533	$ 11,731	$ 11,861	$ 11,236	$ 11,795
Trailing Twelve Months Adjusted EBITDA	45,247	45,641	45,916	46,361	46,623
Total Debt	126,161	132,311	139,468	136,100	138,407
Less: Cash and Cash Equivalents	6,885	10,499	20,272	18,234	11,964
Less: Time Deposits	150	1,500	350	500	-
Net Debt	**119,126**	**120,312**	**118,846**	**117,366**	**126,443**
Annualized Net Debt-to-Adjusted EBITDA Ratio	**2.63**	**2.64**	**2.59**	**2.53**	**2.71**

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Footnotes

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. Free cash flow is defined as cash from operations minus cash flows related to our DIRECTV equity method investment that was sold in July 2025, 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 reconciliations between projected free cash flow and the most comparable GAAP metrics without unreasonable effort.

Free Cash Flow

Dollars in millions	1Q25	2Q25	3Q25	4Q25	1Q26
Net cash provided by operating activities from continuing operations	$ 9,049	$ 9,763	$ 10,152	$ 11,320	$ 7,595
Less: Distributions from DIRECTV classified as operating activities	(1,423)	(503)	-	-	-
Less: Cash taxes paid on DIRECTV	-	251	-	-	-
Less: Capital expenditures	(4,277)	(4,897)	(4,887)	(6,781)	(4,877)
Less: Payment of vendor financing	(203)	(220)	(400)	(358)	(212)
Free Cash Flow	**$ 3,146**	**$ 4,394**	**$ 4,865**	**$ 4,181**	**$ 2,506**

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 reconciliations between projected capital investment and the most comparable GAAP metric without unreasonable effort.

Capital Investment

Dollars in millions	1Q25	2Q25	3Q25	4Q25	1Q26
Capital expenditures	$ 4,277	$ 4,897	$ 4,887	$ 6,781	$ 4,877
Payment of vendor financing	203	220	400	358	212
Capital Investment	**$ 4,480**	**$ 5,117**	**$ 5,287**	**$ 7,139**	**$ 5,089**

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