



**1Q2026**  
**EARNINGS**

# Financial and Operational Schedules & Non-GAAP Reconciliations

April 22, 2026

**AT&T Inc.**  
**Financial Data**

<b>Consolidated Statements of Income</b>			
<i>Dollars in millions except per share amounts</i>			
<i>Unaudited</i>			
	First Quarter		Percent
	2026	2025	Change
<b>Operating Revenues</b>			
Service	\$ 25,478	\$ 25,138	1.4 %
Equipment	6,028	5,488	9.8 %
<b>Total Operating Revenues</b>	<b>31,506</b>	<b>30,626</b>	<b>2.9 %</b>
<b>Operating Expenses</b>			
Cost of revenues			
Equipment	6,305	5,694	10.7 %
Other cost of revenues (exclusive of depreciation and amortization shown separately below)	6,261	6,339	(1.2)%
Selling, general and administrative	7,316	7,145	2.4 %
Asset impairments and abandonments and restructuring	—	504	— %
Depreciation and amortization	4,966	5,190	(4.3)%
<b>Total Operating Expenses</b>	<b>24,848</b>	<b>24,872</b>	<b>(0.1)%</b>
<b>Operating Income</b>	<b>6,658</b>	<b>5,754</b>	<b>15.7 %</b>
<b>Interest Expense</b>	<b>1,813</b>	<b>1,658</b>	<b>9.3 %</b>
<b>Equity in Net Income (Loss) of Affiliates</b>	<b>(41)</b>	<b>1,440</b>	<b>— %</b>
<b>Other Income (Expense) — Net</b>	<b>594</b>	<b>455</b>	<b>30.5 %</b>
<b>Income from Continuing Operations Before Income Taxes</b>	<b>5,398</b>	<b>5,991</b>	<b>(9.9)%</b>
Income tax expense on continuing operations	1,179	1,299	(9.2)%
<b>Income From Continuing Operations</b>	<b>4,219</b>	<b>4,692</b>	<b>(10.1)%</b>
Loss from discontinued operations, net of tax	(38)	—	— %
<b>Net Income</b>	<b>4,181</b>	<b>4,692</b>	<b>(10.9)%</b>
<b>Net Income Attributable to Noncontrolling Interest</b>	<b>(352)</b>	<b>(341)</b>	<b>(3.2)%</b>
<b>Net Income Attributable to AT&amp;T</b>	<b>\$ 3,829</b>	<b>\$ 4,351</b>	<b>(12.0)%</b>
<b>Preferred Stock Dividends and Redemption Gain</b>	<b>(36)</b>	<b>44</b>	<b>— %</b>
<b>Net Income Attributable to Common Stock</b>	<b>\$ 3,793</b>	<b>\$ 4,395</b>	<b>(13.7)%</b>
<b>Basic Earnings Per Share Attributable to Common Stock</b>			
Income from continuing operations	\$ 0.54	\$ 0.61	(11.5)%
Loss from discontinued operations	\$ —	\$ —	— %
	<b>\$ 0.54</b>	<b>\$ 0.61</b>	<b>(11.5)%</b>
Weighted Average Common Shares Outstanding (000,000)	7,017	7,213	(2.7)%
<b>Diluted Earnings Per Share Attributable to Common Stock</b>			
Income from continuing operations	\$ 0.54	\$ 0.61	(11.5)%
Loss from discontinued operations	\$ —	\$ —	— %
	<b>\$ 0.54</b>	<b>\$ 0.61</b>	<b>(11.5)%</b>
Weighted Average Common Shares Outstanding with Dilution (000,000)	7,027	7,223	(2.7)%

**AT&T Inc.**  
**Financial Data**

<b>Consolidated Balance Sheets</b>		
<i>Dollars in millions</i>		
	<b>Mar. 31,</b>	Dec. 31,
	<b>2026</b>	2025
<b>Assets</b>	<b>(Unaudited)</b>	
<b>Current Assets</b>		
Cash and cash equivalents	\$ 11,964	\$ 18,234
Accounts receivable – net of related allowances for credit loss of \$363 and \$429	8,335	8,843
Inventories	2,451	2,420
Prepaid and other current assets	23,532	19,235
<b>Total current assets</b>	<b>46,282</b>	<b>48,732</b>
<b>Property, Plant and Equipment – Net</b>	<b>133,124</b>	<b>131,559</b>
<b>Goodwill – Net</b>	<b>63,838</b>	<b>63,425</b>
<b>Licenses – Net</b>	<b>129,144</b>	<b>128,148</b>
<b>Other Intangible Assets – Net</b>	<b>6,135</b>	<b>5,254</b>
<b>Investments in and Advances to Equity Affiliates</b>	<b>1,108</b>	<b>1,106</b>
<b>Operating Lease Right-Of-Use Assets</b>	<b>22,756</b>	<b>22,642</b>
<b>Other Assets</b>	<b>18,801</b>	<b>19,332</b>
<b>Total Assets</b>	<b>\$ 421,188</b>	<b>\$ 420,198</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
Debt maturing within one year	\$ 6,818	\$ 9,011
Accounts payable and accrued liabilities	37,304	38,514
Advanced billings and customer deposits	4,330	4,266
Dividends payable	1,969	1,989
<b>Total current liabilities</b>	<b>50,421</b>	<b>53,780</b>
<b>Long-Term Debt</b>	<b>131,589</b>	<b>127,089</b>
<b>Deferred Credits and Other Noncurrent Liabilities</b>		
Noncurrent deferred tax liabilities	59,113	58,312
Postemployment benefit obligation	8,427	8,478
Operating lease liabilities	18,907	18,943
Other noncurrent liabilities	25,109	25,104
<b>Total deferred credits and other noncurrent liabilities</b>	<b>111,556</b>	<b>110,837</b>
<b>Redeemable Noncontrolling Interest</b>	<b>2,003</b>	<b>2,001</b>
<b>Stockholders' Equity</b>		
Preferred stock	—	—
Common stock	7,621	7,621
Additional paid-in capital	106,084	106,533
Retained earnings	17,620	15,768
Treasury stock	(20,273)	(18,529)
Accumulated other comprehensive income (loss)	(1,392)	(860)
Noncontrolling interest	15,959	15,958
<b>Total stockholders' equity</b>	<b>125,619</b>	<b>126,491</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 421,188</b>	<b>\$ 420,198</b>

**AT&T Inc.**  
**Financial Data**

<b>Consolidated Statements of Cash Flows</b>		
<i>Dollars in millions</i>		
<i>Unaudited</i>		
	First Quarter	
	2026	2025
<b>Operating Activities</b>		
Income from continuing operations	\$ 4,219	\$ 4,692
Adjustments to reconcile income from continuing operations to net cash provided by operating activities from continuing operations:		
Depreciation and amortization	4,966	5,190
Provision for uncollectible accounts	560	516
Asset impairments and abandonments and restructuring	—	504
Pension and postretirement benefit expense (credit)	(396)	(397)
Net (gain) loss on investments	28	81
Changes in operating assets and liabilities:		
Receivables	(119)	15
Equipment installment receivables and related sales	255	1,212
Contract asset and cost deferral	(327)	(147)
Inventories, prepaid and other current assets	(173)	(661)
Accounts payable and other accrued liabilities	(2,770)	(3,297)
Changes in income taxes	1,147	1,285
Postretirement claims and contributions	(72)	(68)
Other - net	277	124
Total adjustments	3,376	4,357
Net Cash Provided by Operating Activities from Continuing Operations	7,595	9,049
<b>Investing Activities</b>		
Capital expenditures	(4,877)	(4,277)
Acquisitions, net of cash acquired	(2,674)	(20)
Dispositions	628	11
(Purchases), sales and settlements of securities - net	(14)	45
Other - net	(547)	(717)
Net Cash Used in Investing Activities from Continuing Operations	(7,484)	(4,958)
<b>Financing Activities</b>		
Issuance of long-term debt	8,098	2,956
Repayment of long-term debt	(5,247)	(1,526)
Payment of vendor financing	(212)	(203)
Redemption of preferred stock	—	(2,075)
Purchase of treasury stock	(2,475)	(218)
Issuance of treasury stock	1	17
Issuance of preferred interests in subsidiary	—	2,221
Dividends paid	(1,997)	(2,091)
Other - net	(265)	366
Net Cash Used in Financing Activities from Continuing Operations	(2,097)	(553)
Net increase (decrease) in cash and cash equivalents and restricted cash from continuing operations	(1,986)	3,538
<b>Cash flows from Discontinued Operations:</b>		
Cash used in operating activities	(38)	—
Cash used in investing activities	(4,171)	—
Cash used in financing activities	—	—
Net increase (decrease) in cash and cash equivalents and restricted cash from discontinued operations	(4,209)	—
<b>Net increase (decrease) in cash and cash equivalents and restricted cash</b>	<b>\$ (6,195)</b>	<b>\$ 3,538</b>
Cash and cash equivalents and restricted cash beginning of year	18,527	3,406
<b>Cash and Cash Equivalents and Restricted Cash End of Period</b>	<b>\$ 12,332</b>	<b>\$ 6,944</b>

**AT&T Inc.**  
**Consolidated Supplementary Data**

Supplementary Financial Data			
<i>Dollars in millions except per share amounts</i>			
<i>Unaudited</i>	First Quarter		Percent
	<b>2026</b>	2025	Change
Capital expenditures			
Purchase of property and equipment	\$ 4,835	\$ 4,240	14.0 %
Interest during construction	42	37	13.5 %
<b>Total Capital Expenditures</b>	<b>\$ 4,877</b>	<b>\$ 4,277</b>	<b>14.0 %</b>
Acquisitions, net of cash acquired			
Business acquisitions	\$ 1,656	\$ —	— %
Spectrum acquisitions	1,018	1	— %
Interest during construction - spectrum	—	19	— %
<b>Total Acquisitions</b>	<b>\$ 2,674</b>	<b>\$ 20</b>	<b>— %</b>
Cash paid for interest	\$ 1,936	\$ 1,804	7.3 %
Cash paid for income taxes, net of (refunds)	\$ 1	\$ 11	(90.9) %
Dividends Declared per Common Share	\$ 0.2775	\$ 0.2775	— %
End of Period Common Shares Outstanding (000,000)	6,965	7,196	(3.2) %
Debt Ratio	52.0 %	50.9 %	110 BP
Total Employees	132,590	139,970	(5.3) %

## ADVANCED CONNECTIVITY SEGMENT

The segment provides domestic 5G and fiber-based wireless, internet and other advanced connectivity services to consumer and business customers.

Segment Results			
<i>Dollars in millions</i>			
<i>Unaudited</i>			
	First Quarter		Percent
	2026	2025	Change
<b>Operating Revenues</b>			
Wireless service	<b>\$16,941</b>	\$ 16,651	1.7 %
Advanced home internet	<b>2,799</b>	2,198	27.3 %
Business fiber and advanced connectivity	<b>1,882</b>	1,755	7.2 %
Business transitional and other	<b>1,083</b>	1,294	(16.3) %
Other service	<b>158</b>	162	(2.5) %
Total Service Revenues	<b>22,863</b>	22,060	3.6 %
Equipment	<b>5,608</b>	5,132	9.3 %
<b>Total Segment Operating Revenues</b>	<b>28,471</b>	27,192	4.7 %
<b>Operating Expenses</b>			
Operations and support	<b>16,913</b>	16,247	4.1 %
Depreciation and amortization	<b>4,705</b>	4,973	(5.4) %
<b>Total Segment Operating Expenses</b>	<b>21,618</b>	21,220	1.9 %
<b>Operating Income</b>	<b>\$ 6,853</b>	\$ 5,972	14.8 %
<b>Operating Income Margin</b>	<b>24.1 %</b>	22.0 %	210 BP

## Supplementary Operating Data

Subscribers and connections in thousands

Unaudited

	March 31,		Percent Change
	2026	2025	
<b>Retail Wireless Subscribers<sup>1</sup></b>	<b>109,292</b>	108,418	0.8 %
Phone	<b>91,057</b>	90,193	1.0 %
Postpaid phone	<b>74,503</b>	73,031	2.0 %
Prepaid phone	<b>16,554</b>	17,162	(3.5) %
Other	<b>18,235</b>	18,225	0.1 %
<b>Retail Wireless Net Adds<sup>1,2</sup></b>	<b>158</b>	256	(38.3) %
Phone	<b>222</b>	304	(27.0) %
Postpaid phone	<b>294</b>	324	(9.3) %
Prepaid phone	<b>(72)</b>	(20)	— %
Other	<b>(64)</b>	(48)	(33.3) %
Phone churn <sup>3</sup>	<b>1.20 %</b>	1.16 %	4 BP
Postpaid phone churn <sup>3</sup>	<b>0.89 %</b>	0.83 %	6 BP
Prepaid phone churn <sup>3</sup>	<b>2.62 %</b>	2.55 %	7 BP

<sup>1</sup> Wireless subscribers and net additions exclude customers with free lines provided under promotional pricing until such lines are converted to paying lines.

<sup>2</sup> Excludes migrations between wireless subscriber categories, including connected devices, and acquisition-related activity.

<sup>3</sup> Calculated by dividing the aggregate number of wireless subscribers who canceled service during a month by the total number of wireless subscribers at the beginning of that month. The churn rate for the period is equal to the average of the churn rate for each month of that period.

	First Quarter		Percent Change
	2026	2025	
<b>Internet Connections</b>	<b>14,833</b>	11,443	29.6 %
Fiber	<b>12,501</b>	10,211	22.4 %
AT&T Fiber	<b>11,800</b>	9,592	23.0 %
AT&T Business Fiber <sup>1</sup>	<b>701</b>	619	13.2 %
Fixed Wireless	<b>2,332</b>	1,232	89.3 %
AT&T Internet Air (AIA)	<b>1,736</b>	803	— %
Business Fixed Wireless <sup>2</sup>	<b>596</b>	429	38.9 %
<b>Internet Net Adds<sup>3</sup></b>	<b>584</b>	516	13.2 %
Fiber	<b>292</b>	283	3.2 %
AT&T Fiber	<b>273</b>	261	4.6 %
AT&T Business Fiber <sup>1</sup>	<b>19</b>	22	(13.6) %
Fixed Wireless	<b>292</b>	233	25.3 %
AT&T Internet Air (AIA)	<b>239</b>	181	32.0 %
Business Fixed Wireless <sup>2</sup>	<b>53</b>	52	1.9 %

<sup>1</sup> Includes fiber broadband internet for businesses and excludes dedicated and ethernet fiber.

<sup>2</sup> Includes AT&T Internet Air for Business and historical fixed wireless services. Excludes integrated gateway wireless connections used for secondary or back-up connectivity.

<sup>3</sup> Excludes acquisition-related activity and the impact of customer disconnections resulting from the termination of AIA services in areas with unfavorable regulatory requirements in the first quarter of 2025.

## LEGACY SEGMENT

The segment provides domestic legacy voice and data services to consumer and business customers over our copper-based network. Legacy segment results include revenues derived from copper-based services and direct operating costs.

<b>Segment Results</b>			
<i>Dollars in millions</i>	<u>First Quarter</u>		<u>Percent</u>
<i>Unaudited</i>	<b>2026</b>	<b>2025</b>	<b>Change</b>
<b>Segment Operating Revenues</b>	<b>\$ 1,768</b>	<b>\$ 2,368</b>	<b>(25.3) %</b>
<b>Segment Operating Expenses</b>			
Operations and support	<b>1,156</b>	1,349	(14.3) %
Depreciation and amortization	—	—	— %
<b>Total Operating Expenses</b>	<b>1,156</b>	<b>1,349</b>	<b>(14.3) %</b>
<b>Operating Income</b>	<b>\$ 612</b>	<b>\$ 1,019</b>	<b>(39.9) %</b>
<b>Operating Income Margin</b>	<b>34.6 %</b>	<b>43.0 %</b>	<b>(840) BP</b>

## LATIN AMERICA SEGMENT

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

<b>Segment Results</b>			
<i>Dollars in millions</i>			
<i>Unaudited</i>			
	<u>First Quarter</u>		Percent
	<b>2026</b>	2025	Change
<b>Operating Revenues</b>			
Wireless service	\$ 753	\$ 615	22.4 %
Wireless equipment	420	356	18.0 %
<b>Total Segment Operating Revenues</b>	<b>1,173</b>	971	20.8 %
<b>Operating Expenses</b>			
Operations and support	953	778	22.5 %
Depreciation and amortization	200	150	33.3 %
<b>Total Segment Operating Expenses</b>	<b>1,153</b>	928	24.2 %
<b>Operating Income</b>	<b>\$ 20</b>	\$ 43	(53.5) %
<b>Operating Income Margin</b>	<b>1.7 %</b>	4.4 %	(270) BP

<b>Supplementary Operating Data</b>			
<i>Subscribers and connections in thousands</i>			
<i>Unaudited</i>			
	<u>March 31,</u>		Percent
	<b>2026</b>	2025	Change
<b>Mexico Wireless Subscribers</b>			
Postpaid	7,088	5,997	18.2 %
Prepaid	16,835	17,376	(3.1) %
Reseller	180	235	(23.4) %
<b>Total Mexico Wireless Subscribers</b>	<b>24,103</b>	23,608	2.1 %
	<u>First Quarter</u>		Percent
	<b>2026</b>	2025	Change
<b>Mexico Wireless Net Additions</b>			
Postpaid	337	160	— %
Prepaid	(895)	(110)	— %
Reseller	(19)	(18)	(5.6) %
<b>Total Mexico Wireless Net Additions</b>	<b>(577)</b>	32	— %

## SUPPLEMENTAL INFORMATION - ADVANCED CONNECTIVITY

We provide supplemental information on our advanced consumer and business customer relationships in the following tables as the product lifecycles in these customer categories influence the growth trajectories of Advanced Connectivity segment results.

<b>Consumer Results</b>			
<i>Dollars in millions</i>			
<i>Unaudited</i>			
	First Quarter		Percent Change
	2026	2025	
<b>Operating Revenues</b>			
Wireless service	\$ 14,584	\$ 14,370	1.5 %
Advanced home internet	2,799	2,198	27.3 %
Other service	158	162	(2.5) %
Total Service Revenues	17,541	16,730	4.8 %
Equipment	4,611	4,246	8.6 %
<b>Total Operating Revenues</b>	<b>22,152</b>	<b>20,976</b>	<b>5.6 %</b>
<b>Operating Expenses</b>			
Operations and support	12,589	11,801	6.7 %
Depreciation and amortization	3,022	3,011	0.4 %
<b>Total Operating Expenses</b>	<b>15,611</b>	<b>14,812</b>	<b>5.4 %</b>
<b>Operating Income</b>	<b>\$ 6,541</b>	<b>\$ 6,164</b>	<b>6.1 %</b>
<b>Operating Income Margin</b>	<b>29.5 %</b>	<b>29.4 %</b>	<b>10 BP</b>

<b>Business Results</b>			
<i>Dollars in millions</i>			
<i>Unaudited</i>			
	First Quarter		Percent Change
	2026	2025	
<b>Operating Revenues</b>			
Wireless service	\$ 2,357	\$ 2,281	3.3 %
Fiber and advanced connectivity	1,882	1,755	7.2 %
Transitional and other service	1,083	1,294	(16.3) %
Total Service Revenues	5,322	5,330	(0.2) %
Equipment	997	886	12.5 %
<b>Total Operating Revenues</b>	<b>6,319</b>	<b>6,216</b>	<b>1.7 %</b>
<b>Operating Expenses</b>			
Operations and support	4,324	4,446	(2.7) %
Depreciation and amortization	1,683	1,962	(14.2) %
<b>Total Operating Expenses</b>	<b>6,007</b>	<b>6,408</b>	<b>(6.3) %</b>
<b>Operating Income (Loss)</b>	<b>\$ 312</b>	<b>\$ (192)</b>	<b>— %</b>
<b>Operating Income Margin</b>	<b>4.9 %</b>	<b>(3.1)%</b>	<b>800 BP</b>

## SUPPLEMENTAL SEGMENT RECONCILIATION

Three Months Ended						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
<b>March 31, 2026</b>						
	<b>Advanced Connectivity</b>	<b>Legacy</b>	<b>Latin America</b>	<b>Total Segment</b>	<b>Corporate &amp; Other</b>	<b>AT&amp;T Inc.</b>
<b>Operating Revenues</b>						
Wireless service	\$ 16,941	\$ —	\$ 753	\$ 17,694	\$ —	\$ 17,694
<i>Consumer</i>	14,584					
<i>Business</i>	2,357					
Advanced home internet	2,799	—	—	2,799	—	2,799
Business fiber and advanced connectivity	1,882	—	—	1,882	—	1,882
Business transitional and other	1,083	—	—	1,083	—	1,083
Other service	158	1,768	—	1,926	94	2,020
Total Service	22,863	1,768	753	25,384	94	25,478
Equipment	5,608	—	420	6,028	—	6,028
<b>Operating Revenues</b>	<b>28,471</b>	<b>1,768</b>	<b>1,173</b>	<b>31,412</b>	<b>94</b>	<b>31,506</b>
<b>Operating Expenses</b>						
Operations and support expenses	16,913	1,156	953	19,022	714	19,736
Asset impairment and abandonment and restructuring	—	—	—	—	—	—
Transaction, legal and other costs	—	—	—	—	146	146
Depreciation and amortization	4,705	—	200	4,905	61	4,966
<b>Operating Expenses</b>	<b>21,618</b>	<b>1,156</b>	<b>1,153</b>	<b>23,927</b>	<b>921</b>	<b>24,848</b>
<b>Operating Income (Loss)</b>	<b>\$ 6,853</b>	<b>\$ 612</b>	<b>\$ 20</b>	<b>\$ 7,485</b>	<b>\$ (827)</b>	<b>\$ 6,658</b>
Total other income (expense)						(1,260)
Income from continuing operations before income tax						\$ 5,398
<i>March 31, 2025</i>						
	<b>Advanced Connectivity</b>	<b>Legacy</b>	<b>Latin America</b>	<b>Total Segment</b>	<b>Corporate &amp; Other</b>	<b>AT&amp;T Inc.</b>
<b>Operating Revenues</b>						
Wireless service	\$ 16,651	\$ —	\$ 615	\$ 17,266	\$ —	\$ 17,266
<i>Consumer</i>	14,370					
<i>Business</i>	2,281					
Advanced home internet	2,198	—	—	2,198	—	2,198
Business fiber and advanced connectivity	1,755	—	—	1,755	—	1,755
Business transitional and other	1,294	—	—	1,294	—	1,294
Other service	162	2,368	—	2,530	95	2,625
Total Service	22,060	2,368	615	25,043	95	25,138
Equipment	5,132	—	356	5,488	—	5,488
<b>Operating Revenues</b>	<b>27,192</b>	<b>2,368</b>	<b>971</b>	<b>30,531</b>	<b>95</b>	<b>30,626</b>
<b>Operating Expenses</b>						
Operations and support expenses	16,247	1,349	778	18,374	725	19,099
Asset impairment and abandonment and restructuring	—	—	—	—	504	504
Transaction, legal and other costs	—	—	—	—	79	79
Depreciation and amortization	4,973	—	150	5,123	67	5,190
<b>Operating Expenses</b>	<b>21,220</b>	<b>1,349</b>	<b>928</b>	<b>23,497</b>	<b>1,375</b>	<b>24,872</b>
<b>Operating Income (Loss)</b>	<b>\$ 5,972</b>	<b>\$ 1,019</b>	<b>\$ 43</b>	<b>\$ 7,034</b>	<b>\$ (1,280)</b>	<b>\$ 5,754</b>
Total other income (expense)						237
Income from continuing operations before income tax						\$ 5,991

## 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).

On February 2, 2026, we closed our transaction with Lumen Technologies, Inc. (Lumen) and acquired substantially all of Lumen's Mass Markets fiber business. The acquisition included customer relationships, which we include with our advanced home internet services, and fiber network assets that were placed in a wholly owned subsidiary, Forged Fiber 37 Services, LLC (Forged Fiber). We plan to sell a controlling interest in Forged Fiber to an equity partner that will co-invest in the ongoing business. As such, Forged Fiber met the criteria of held-for-sale and accordingly is reflected as discontinued operations in the accompanying financial statements. The information below refers only to our continuing operations and does not include discussion of balances or activity of Forged Fiber.

### Free Cash Flow

Free cash flow is defined as cash from operations minus cash flows related to our DIRECTV equity investment that was sold in July 2025, 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.

<b>Free Cash Flow and Free Cash Flow Dividend Payout Ratio</b>		
<i>Dollars in millions</i>		
	First Quarter	
	2026	2025
Net Cash Provided by Operating Activities from Continuing Operations	\$ 7,595	\$ 9,049
Less: Distributions from DIRECTV classified as operating activities	—	(1,423)
Less: Capital expenditures	(4,877)	(4,277)
Less: Payment of vendor financing	(212)	(203)
<b>Free Cash Flow</b>	<b>2,506</b>	<b>3,146</b>
Less: Dividends paid	(1,997)	(2,091)
Free Cash Flow after Dividends	\$ 509	\$ 1,055
<b>Free Cash Flow Dividend Payout Ratio</b>	<b>79.7 %</b>	<b>66.5 %</b>

### 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.

<b>Cash Paid for Capital Investment</b>		
<i>Dollars in millions</i>		
	First Quarter	
	2026	2025
Capital expenditures	\$ (4,877)	\$ (4,277)
Payment of vendor financing	(212)	(203)
<b>Cash paid for Capital Investment</b>	<b>\$ (5,089)</b>	<b>\$ (4,480)</b>

## 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.

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.

There are material limitations to using these non-GAAP financial measures. EBITDA and EBITDA 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 and EBITDA 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		
<i>Dollars in millions</i>		
	First Quarter	
	<b>2026</b>	2025
<b>Income from Continuing Operations</b>	<b>\$ 4,219</b>	<b>\$ 4,692</b>
Additions:		
Income Tax Expense	1,179	1,299
Interest Expense	1,813	1,658
Equity in Net (Income) Loss of Affiliates	41	(1,440)
Other (Income) Expense - Net	(594)	(455)
Depreciation and amortization	4,966	5,190
<b>EBITDA</b>	<b>11,624</b>	<b>10,944</b>
Transaction, legal and other costs	146	79
Benefit-related (gain) loss	25	6
Asset impairments and abandonments and restructuring	—	504
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$ 11,795</b>	<b>\$ 11,533</b>

<sup>1</sup> See "Adjusting Items" section for additional discussion and reconciliation of adjusted items.

Segment EBITDA and EBITDA Margin		
<i>Dollars in millions</i>		
	First Quarter	
	2026	2025
<b>Advanced Connectivity Segment</b>		
<b>Operating Income</b>	\$ 6,853	\$ 5,972
Add: Depreciation and amortization	4,705	4,973
<b>EBITDA</b>	\$ 11,558	\$ 10,945
<b>Total Operating Revenues</b>	\$ 28,471	\$ 27,192
<b>Operating Income Margin</b>	24.1 %	22.0 %
<b>EBITDA Margin</b>	40.6 %	40.3 %
<b>Legacy Segment</b>		
<b>Operating Income</b>	\$ 612	\$ 1,019
Add: Depreciation and amortization	—	—
<b>EBITDA</b>	\$ 612	\$ 1,019
<b>Total Operating Revenues</b>	\$ 1,768	\$ 2,368
<b>Operating Income Margin</b>	34.6 %	43.0 %
<b>EBITDA Margin</b>	34.6 %	43.0 %
<b>Latin America Segment</b>		
<b>Operating Income</b>	\$ 20	\$ 43
Add: Depreciation and amortization	200	150
<b>EBITDA</b>	\$ 220	\$ 193
<b>Total Operating Revenues</b>	\$ 1,173	\$ 971
<b>Operating Income Margin</b>	1.7 %	4.4 %
<b>EBITDA Margin</b>	18.8 %	19.9 %

### 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%.

<b>Adjusting Items</b>		
<i>Dollars in millions</i>		
	First Quarter	
	2026	2025
<b>Operating Expenses</b>		
Transaction, legal and other costs <sup>1</sup>	\$ 146	\$ 79
Benefit-related (gain) loss	25	6
Asset impairments and abandonments and restructuring	—	504
<b>Adjustments to Operations and Support Expenses</b>	<b>171</b>	<b>589</b>
Amortization of intangible assets	57	9
<b>Adjustments to Operating Expenses</b>	<b>228</b>	<b>598</b>
<b>Other</b>		
Equity in net income of DIRECTV	—	(1,423)
Benefit-related (gain) loss, impairments of investments and other	28	64
<b>Adjustments to Income from Continuing Operations Before Income Taxes</b>	<b>256</b>	<b>(761)</b>
Tax impact of adjustments	59	(165)
<b>Adjustments to Income From Continuing Operations</b>	<b>\$ 197</b>	<b>\$ (596)</b>
Preferred stock redemption gain	—	(90)
<b>Adjustments to Income From Continuing Operations Attributable to Common Stock</b>	<b>\$ 197</b>	<b>\$ (686)</b>

<sup>1</sup> 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.

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.

<b>Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted EBITDA and Adjusted EBITDA Margin</b>		
<i>Dollars in millions</i>		
	First Quarter	
	2026	2025
<b>Operating Income</b>	<b>\$ 6,658</b>	<b>\$ 5,754</b>
Adjustments to Operating Expenses	228	598
<b>Adjusted Operating Income</b>	<b>\$ 6,886</b>	<b>\$ 6,352</b>
<b>EBITDA</b>	<b>\$ 11,624</b>	<b>\$ 10,944</b>
Adjustments to Operations and Support Expenses	171	589
<b>Adjusted EBITDA</b>	<b>\$ 11,795</b>	<b>\$ 11,533</b>
Total Operating Revenues	<b>\$ 31,506</b>	<b>\$ 30,626</b>
Operating Income Margin	21.1 %	18.8 %
Adjusted Operating Income Margin	21.9 %	20.7 %
<b>Adjusted EBITDA Margin</b>	<b>37.4 %</b>	<b>37.7 %</b>

Adjusted Diluted EPS		
	First Quarter	
	2026	2025
<b>Diluted Earnings Per Share (EPS) From Continuing Operations</b>	\$ 0.54	\$ 0.61
Equity in net income of DIRECTV	—	(0.15)
Restructuring and impairments	—	0.05
Benefit-related, transaction, legal and other items	0.03	—
<b>Adjusted EPS</b>	\$ 0.57	\$ 0.51
<i>Year-over-year growth - Adjusted</i>	<b>11.8 %</b>	
<b>Weighted Average Common Shares Outstanding with Dilution (000,000)</b>	<b>7,027</b>	7,223

### 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 - 2026					
<i>Dollars in millions</i>					
	Three Months Ended				Four Quarters
	June 30, 2025 <sup>1</sup>	Sept. 30, 2025 <sup>1</sup>	Dec. 31, 2025 <sup>1</sup>	March 31, 2026	
Adjusted EBITDA	\$ 11,731	\$ 11,861	\$ 11,236	\$ 11,795	\$ 46,623
End-of-period current debt					6,818
End-of-period long-term debt					131,589
<b>Total End-of-Period Debt</b>					<b>138,407</b>
Less: Cash and Cash Equivalents					11,964
<b>Net Debt Balance</b>					<b>126,443</b>
<b>Annualized Net Debt to Adjusted EBITDA Ratio</b>					<b>2.71</b>

<sup>1</sup> As reported in AT&T's Form 8-K filed January 28, 2026.

Net Debt to Adjusted EBITDA - 2025					
<i>Dollars in millions</i>					
	Three Months Ended				Four Quarters
	June 30, 2024 <sup>1</sup>	Sept. 30, 2024 <sup>1</sup>	Dec. 31, 2024 <sup>1</sup>	March 31, 2025 <sup>1</sup>	
Adjusted EBITDA	\$ 11,337	\$ 11,586	\$ 10,791	\$ 11,533	\$ 45,247
End-of-period current debt					8,902
End-of-period long-term debt					117,259
<b>Total End-of-Period Debt</b>					<b>126,161</b>
Less: Cash and Cash Equivalents					6,885
Less: Time Deposits					150
<b>Net Debt Balance</b>					<b>119,126</b>
<b>Annualized Net Debt to Adjusted EBITDA Ratio</b>					<b>2.63</b>

<sup>1</sup> As reported in AT&T's Form 8-K filed January 28, 2026.

