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OVERVIEW:

Company Summary

CORPORATE PARTICIPANTS

John Stankey *AT&T Inc. - President, Chief Executive Officer, Director*

CONFERENCE CALL PARTICIPANTS

Michael Ng *The Goldman Sachs Group, Inc. - Analyst*

PRESENTATION

Michael Ng - *The Goldman Sachs Group, Inc. - Analyst*

Great. Good afternoon, everybody. Welcome to the AT&T fireside chat at the Goldman Sachs Communacopia and Technology Conference. My name is Mike Ng, and I cover AT&T and telecom here at Goldman.

And I have the wonderful privilege of introducing John Stankey, who is the Chairman and CEO of AT&T. First and foremost, thank you so much for being here, John. It's an absolute pleasure.

John Stankey - *AT&T Inc. - President, Chief Executive Officer, Director*

Well, thanks for having us in, Mike. And maybe before we jump in and get started, if I can point you to our safe harbor statement and remind you that some of the things we're going to talk about today are forward-looking. They may or may not come to pass.

And if you would like more detailed disclosures, there's some really wonderful reading on the AT&T Investor Relations website.

QUESTIONS AND ANSWERS

Michael Ng - *The Goldman Sachs Group, Inc. - Analyst*

Great. To start things off, let's talk about big picture, overall strategy. The company is making -- has been making investments in the asset base, the build engine, the fiber assets, wireless infrastructure, all in an effort to drive sustainable long-term growth. That growth is underpinned by long-term financial guidance, a double-digit EPS CAGR through 2028, including mid- to high single-digit growth in Advanced Connectivity EBITDA.

To start, maybe you can just share with us your strategic priorities and how that translates into the long-term financial outcomes?

John Stankey - *AT&T Inc. - President, Chief Executive Officer, Director*

Sure. The strategic priorities really haven't changed. For about five years, we've been pretty deliberately investing, top of the industry. And we've been doing that largely to drive the growth you alluded to. And our point of view had been that if we put the right assets in play in our industry, that we could grow at a better rate, and we could ultimately have a better profitability equation.

And I think you started to see the evidence of that last quarter, where that inflection point started to hit. So goal here is to make sure that we are a scale provider in fiber and we lead in deployment of fiber infrastructure over time, strengthen our already strong wireless business and carry it forward. And in fact, you're seeing that happen and the growth is coming.

One, the products together are a superior offering in the market. We're able to take share in places where we weren't able to take share before, plus engage and take the benefit of natural growth in the market that's occurring. This is largely coming on the backs of putting two products together from a convergence perspective. That brings us with higher household revenues. It gives us better margin performance as a consolidated account, lowers churn, keeps acquisition costs in check.

And that equation is now starting to drive into that guidance that you talked about, which is margins have been stable to improving. You're seeing the service revenue growth. You're seeing the double-digit EPS growth. You've seen our EBITDA improvement. We're meeting our expectations on gaining share in service revenues in the industry.

And we think that formula is good, and we think it's got some legs because as you know, we're not done building footprint until the latter part of this decade when we kind of wrap that up. And it takes us three to four years to penetrate that footprint, and we'll be able to ride that chain all the way up to that time.

Michael Ng - *The Goldman Sachs Group, Inc. - Analyst*

Great. And it certainly feels like the market has come to acknowledge that convergence is a very effective strategy, and it's working. And AT&T really has a fiber-led convergence strategy with plans to reach more than 30 million fiber locations by 2030.

Most of your peers talk about convergence through the lens of bundling and customer retention, but AT&T seems to be approaching it a little bit differently, right, with a heavy emphasis on fiber ownership, network integration and scale.

So with that said, like why are you leaning so heavily into a fiber-led convergence strategy? What advantages does owning and scaling both the fiber and wireless networks create that some of your peers may have a harder time replicating?

John Stankey - *AT&T Inc. - President, Chief Executive Officer, Director*

Yes. I think we're in the early innings of convergence and kind of what my expectation will be over the coming years and how we're going to see things play out. I mentioned the near-term benefits just a few moments ago, which is you put an account together on both products and services and you see churn improvement, you see lifetime value accretion that goes on with that customer, you see brand loyalty improve. All those things can happen by just putting two really good products together that ultimately give the customer some value. And I think that's the first couple of innings of the conversions play.

But one of the important parts of it, you're putting really good products together. Fiber and fiber broadband is a superior product. And that is what drives a lot of the surprise and delight that ultimately gives a customer the better brand point of view, makes the entire bundle stickier and allows you to, over that lifetime value, grow some accretion and benefit.

However, the later innings of conversion are going to start to be more product- and feature-led. I'll give you an example. I expect we'll see satellite services bundled in at some point in time in the very near future. And in order to do that, it's not the easiest task to actually manage the layers of a network between satellite, wireless, fixed broadband, Wi-Fi. And to do that right, I think that's where you start to do things to say, look, I can give you a very seamless experience from a service perspective as well as an easy experience from an account relationship billing perspective.

And when you start to do those things and you're giving somebody always-on connectivity, always working, very consistent, that moves beyond it's just as people refer to at a discount. It's not just a discount, it's a product that works better for the customer. And when we look at things like OneConnect that we put out there, which is to take away the anxiety from a customer to say whatever device you want to connect, you got that iPad that's sitting in a drawer that maybe you haven't had on the network, you want your vehicle to have the ability to stream entertainment in the back, all that's available to you on OneConnect in a very straightforward, simple approach, those are the things that start to add value in.

And I think you'll see more and more of that in the, let's call it, the middle innings and the later innings of convergence as we move forward. They are going to move well beyond just an affordable price of putting the products and services together.

Michael Ng - *The Goldman Sachs Group, Inc. - Analyst*

Great. We've talked about why you've committed to a fiber-led conversion strategy and some of the advantages of owning both fiber and wireless networks. At the same time, you've made a lot of changes in your go-to-market approach, right, through initiatives such as the refreshed Unlimited plans, Build-A-Plan, some of the legacy plan retirements, and some targeted pricing actions. How do those initiatives support the convergence opportunity that we just discussed? And what are you looking to achieve with all those things that are out there?

John Stankey - *AT&T Inc. - President, Chief Executive Officer, Director*

Yes. I'd go back to the comment I made earlier, where our goal is to lead in service revenues. And when we think about -- especially where we ultimately put fiber infrastructure down, we really don't want to just think about serving the premium end of the market, where we've done very well at AT&T. When you look at our wireless space and you kind of see what happened during the early years of penetration of fiber, premium high-value accounts have been kind of our mainstay and bread and butter.

Part of what we've been doing to tweak the plans is our goal really is to lead in service revenue growth across the industry. Then we've got to be applicable to all segments, and we have to be pretty effective in doing that.

And so when we offer Build-A-Plan, Build-A-Plan came out and kind of went into place in the value segment that we weren't doing particularly well on. And it's a way for us to get into wireless penetration in an underpenetrated segment.

And then our intent is, okay, what can we add on to that? Certainly, in a fiber footprint, we want to put an affordable broadband solution. Maybe it's not our best-performing gigabit service, but a more value-based product that when you -- once you put that infrastructure out there and your fixed costs are in place, you'll take that value-oriented customer on top of it, and that's accretive to you. And the same thing if you're thinking about using fallow capacity in your wireless network to add a fixed wireless account on to something.

So we're playing a lot more effectively right now in all segments of the market as opposed to just the top end of the market. Last quarter would be a good example of that. We had probably our best new account growth in the company in probably the better part of over three years. And it's largely built on the fact that we've been able to now start to move into parts of the market where maybe we didn't have the right offers too.

And we're pretty comfortable with how the products perform, in particular, how fiber performs. Customers love the product. They see the difference in how it performs. That gives you the opportunity then over time as that relationship grows more and more mature to begin moving somebody up the value continuum, the ARPU continuum to get more products and services into the portfolio of what they might buy from you, and we feel really good about our ability to do that.

Michael Ng - *The Goldman Sachs Group, Inc. - Analyst*

Right. So we've talked about some of the product innovation that AT&T is pursuing. Maybe we can spend a minute just talking about competition. Last year, I felt like the entire conversation was about wireless competition increasing to some of the highest levels that we've seen in years.

Today, the conversation seems to be shifting more towards broadband as fiber expansion continues to occur. FWA is growing. Cable operators are all pursuing the same customers. And we've also seen some downward pressure on ARPUs, especially on the broadband side.

Against this backdrop, how are you thinking about balancing customer value and returns across your portfolio with -- transitioning away from device subsidies as the underlying costs of some of those devices increase?

John Stankey - *AT&T Inc. - President, Chief Executive Officer, Director*

I think -- first of all, the device subsidy issue maybe sits out on its own some regards. And what the industry has to do, and certainly, my view at AT&T is, for all kinds of reasons, we tended to bundle all the hard work we did in building infrastructure and services together with the device, and maybe in some respects, hit the value of what the underlying infrastructure is doing. And our job right now is to make sure we do a better job of helping people to understand what the true cost is of the underlying service, and then allow them to make informed choices on that.

When we can put two products together that work better together, I feel really comfortable in that equation. So if devices continue to get more expensive and the life cycle of that device extends, then you have opportunities during that life cycle to think about how you bring that customer onto your infrastructure separate from the device and ultimately build a relationship with them.

So I think you're going to see more of that occurring in those -- that latter inning and segment of the game that I talked about earlier on convergence is a critical part in making that happen. So want to get connectivity priced appropriately so somebody sees what the true cost of connectivity is, then have the freedom to move with the device when they have it.

And we're seeing that happen more and more in the industry right now. I don't think it's the majority of the industry at the moment, but it's getting more prevalent each and every quarter, each and every year. And we want to make sure we catch that.

But in general, look, the way we think about it is what I said earlier. I really want to think about the value of the household, not the value of any discrete product or service. And does it mean that maybe in the near term, I might use on one account to discount the broadband a little bit in order to get value out of a new wireless entrant or flip it in some cases and discount some wireless to get a new entrant in broadband.

I'll do whatever I need to do so long as the household is an accretive household, valuable, and ultimately stays with us for a period of time. And I think we're getting better at doing that every single quarter. We're still not at the top of our game. I think we can get even better. But by and large, our investment in growth in this industry and our investment in customer growth has been places where we think we can converge a customer and get that longer-term accretive relationship.

If you adjust out the short version of our Lumen assets, we haven't had much time to manage at this point, we're at the 45% convergence rate. That's 5 points in two years. That's big. And if we can keep that continuing and moving forward and growing, I like that economic equation. And I'll do that all year long.

And I think we have to understand that depending on where you are in the life cycle of an asset base, fiber that we built four years ago that's 40% or 45% penetrated may require a different strategy to get from 45% to 55% or 45% to 50%, than that which we're building today.

And so when you start to see that mix come into our base, people shouldn't be shocked about that because when you look at that and say that makes perfect sense, maybe you want to do something to lead and penetrate and get some momentum and some growth that you will then over time, grow yourself into on a better margin profile. And I'm perfectly okay with that if we do it smartly and well.

Michael Ng - *The Goldman Sachs Group, Inc. - Analyst*

Right. Can be very surgical about how you approach these.

John Stankey - *AT&T Inc. - President, Chief Executive Officer, Director*

Yes. And it's a different set of plays depending on the market and the asset base you have. So what we do in New York is going to be different than what we do in Dallas.

Michael Ng - *The Goldman Sachs Group, Inc. - Analyst*

Great. Very clear. One of the other elements of competition that we haven't talked about was the growing role of satellite connectivity. And that's being discussed as a potential competitor on both the broadband and the wireless side. So I would love for you to just comment on satellite's role within AT&T's long-term strategy.

John Stankey - *AT&T Inc. - President, Chief Executive Officer, Director*

Yes. Mike, there's a lot of different ways to think about it. The one that everybody seems to want to talk about them in the media right now is its role in mobile, but there's certainly roles for satellite beyond just mobile.

But relative to the one that seems to be the center of attention right now is if 98% of use cases are solved by the capable infrastructure that I mentioned earlier that's out there and working today, much of which that infrastructure is built over the course of decades.

We started putting robust infrastructure and high-rise buildings and stadiums 20 years ago. And that's been a consistent drumbeat and march over that period of time. And it gets it to the kind of capabilities that when somebody goes to a World Cup game and all of their social media posting that they want to do goes off flawlessly so that they can demonstrate that they're out influencing the world in the middle of the game. That doesn't just happen overnight.

And so the notion that you can simply serve mobility from outside is just not how the networks are architected today. And the notion that somehow, really small cells are going to somehow fix that problem, randomly deployed, that's not going to fix that problem. So we've been building this infrastructure to meet these customer expectations, and customers' expectations continue to rise every year as it gets better and better.

And I think, as I said earlier, if we can put two products together, we can make them work in a way that takes anxiety out of a customer's experience. They work well, and I'm pretty confident that once you get a bit on fiber, nothing's ever going to beat it.

And that includes the short hop from a device to a cellular antenna, that's a lot shorter than a hop from a device to something that's 300 miles above us. The faster you can get that into a fiber infrastructure and the more actively you manage it across both fixed and wireless, the better that customer experience is going to be. And I think we're in an excellent position to win in that regard.

I don't diminish any competitor we're up against. I think there's going to be places where satellite is going to come in and innovate. There are use cases where it will be very well suited. But I think the bulk of use cases today, we address today on the infrastructure. And our job is to go find that 2% that we can address and make sure that we can bring satellite in to make sure that those are addressed.

And that's why we put the JV in place with T-Mobile and Verizon. Our belief is we're all in the same position. We're addressing 98% of the use cases. And what we want to do is make sure that we can get the last 2% in a way that's customer-friendly. And that means all the interfaces for how satellite constellations interact with embedded infrastructure on the ground to do it in a way that it's cost effective.

And by buying in bulk from more than one constellation, we can drive pricing down for the customer in doing that. By incorporating into existing product sets, maybe our more preferred customers are able to get that included in a plan. So they have incentive to buy up as a result of that.

Those are all good things for the customer. It makes it very easy. It's solving the last 2%, not trying to come up with a new way to solve the 98%. That frankly isn't going to be very effective in competing against decades of infrastructure that's been put in place that works incredibly well today and is amazingly scaled.

Michael Ng - *The Goldman Sachs Group, Inc. - Analyst*

That's very clear. Moving to business, if I could, Business, Advanced Connectivity service revenue turned positive last quarter. What's driven the business momentum? And how does business fit into your overall growth strategy?

John Stankey - *AT&T Inc. - President, Chief Executive Officer, Director*

A lot of hard work. It's -- I would acknowledge that maybe our effectiveness and improvement in business has lagged a bit than what we've done in the consumer side. However, many of the plays were the same. Some of it is because of other headwinds in the business market segment that are prevalent in consumer, some of it being technology-driven we've had to work against.

But you're now starting to see the same fundamentals of what we've focused on in consumer bearing fruit in business. And as you saw, we're eking out low single-digit growth, but we're back to growth in our forward-looking products and services and business.

And it's coming on the fact that we're doing a better job of getting fiber to the right places, where we have fiber, selling into that base of inventory that we have, extending our distribution channels.

So in addition to using our direct sales operations, which is historically how AT&T has been engineered, bringing in more indirect partners that can begin distributing our products and services in the mid and lower part of the market where we weren't reaching effectively.

Being smarter about how we operate the business and our incentive structures. I mentioned new account growth earlier. Some of that new account growth contribution is coming from new business logos that we weren't getting before.

And so we're now oriented to ensure that we're [farming] in places where we've got an opportunity to grow new business relationships, not just continuing to grow on many of the strong and long-standing business relationships we've had. So we've gotten that part and that portion of the equation better, and that's what's contributing to this.

We haven't gone to the second act yet, which is making the product better. That's next, which is how do we allow a customer that needs to manage the quality of service across layers of their network, whether it be initiated on a wireless device or on a fixed connection in a business to have the ability to cross manage those bits to put the same quality of service on it, to put the same security layer on them, to manage them into the cloud infrastructure with complete visibility, irrespective of what network the transaction started on. That's next. And those things are now about ready to come out.

And when we're able to do that and we're able to actively manage networks, that's an advantage to those that have largely been in the business segment, especially in the mid-market, with unmanaged solutions or those that don't have both a wireless and a fixed network to operate those bits on. And that is the next advantage we have to push through the right distribution channels to see that growth in business tick up the next level.

And that's been a muscle for us to build. Candidly, we lived in the business market, very much in the Fortune 300. And -- and for us to be more relevant broadly in the mid-market and low end of the market, we had to do a little bit of development of capabilities.

And we're now starting to show some benefit of that effort. We're still early in it. We still have more work to do, but that's what gives me the confidence we can continue to grow business moving forward. And how that's a big deal to not have it be a drag on the overall financials, it gives me even more confidence in delivering our guidance as we move forward.

Michael Ng - *The Goldman Sachs Group, Inc. - Analyst*

Great. John, you've spoken extensively about AI as a future driver of network demand. But you've also talked about how AT&T is deploying AI internally across the business. So I was just wondering if you could take those two points in turn and talk about AI is something that is a demand tool for your company, but also how you're using it internally as well?

John Stankey - *AT&T Inc. - President, Chief Executive Officer, Director*

Yes. The demand side of it, look, we're getting some upside in markets right now. I think some of the business lift that I talked about earlier is coming from businesses that are having to think differently about how they gain access into the cloud to get to tools, augmentation of bandwidth to do those things, and finding use cases that they need support on.

But there's other things that we can do. One, data center to data center and data center to metro interconnect is an area we haven't played in very actively for the last decade or so. We're back in that game in spots where it makes sense for us to do that. I don't want it to become the mainstay of our business.

Our business should be built on the value of getting traffic to end-user customers and having a preferred position to do that. I think that's the sustainable way to build a franchise that drives contribution and margin accretion into a company.

But as this infrastructure is getting built out, there's no reason we shouldn't participate in it. We should participate in places where we have routes that we're happy to build for our own traffic. And we should participate at a level that ensures that when we're having to manage the bits coming from a device or coming from a location, we've got enough places to drop that traffic into any cloud provider's infrastructure. We know we have visibility into it, and we can do it with the kind of latency performance and reliability that the customer expects.

And so we're going to get growth in that and then do those things that I said earlier, which is translate that into a way for the customer to say, if you got a high-value workload that needs particular performance characteristics, doesn't matter what you started on, your mobile device or your fixed infrastructure, we can ensure that round trip latency, we can ensure that reliability, we can deliver you into the instances in the cloud that you need to be at over that infrastructure, and we can do it beginning to end. And so that's a good opportunity for us.

Now in the wireless business, it's going to require us to do a little bit more tuning into the wireless network. Upstream is going to become much more important. As you know, in most networks today, they've historically been asymmetrical.

Fiber does not have that restriction. Fiber is symmetrical. Wireless networks still have an asymmetrical nature to it, having low-band spectrum that has engineered uplink on it, I think, is going to be really critical.

And as we already have an advantaged position in low-band spectrum relative to our competitors, the 600 megahertz spectrum we picked up from EchoStar, it's going to allow us to do even more to ensure that, that low-band position can deliver the kind of performance I alluded to earlier.

And that's going to open up the use cases like autonomy. It's going to open up the use cases like robotics. It's going to allow us to continue to push in video processing upstream that goes into the cloud for analysis. Those applications are being seen very actively right now in the market. And so I think those are all good things for us.

In terms of what we're doing in the company, we've been, I think, pretty effective at managing our operations more effectively. We've put customer journey in the situations where we have what used to be call flows into call centers that are now being assisted through AI, all within the parameters of what we put out there, a full disclosure to our customers of how we're doing it. The customer satisfaction is high, the effectiveness of it is high. Our ability to handle a request and terminate it on one try, very high.

The cost efficiency we get with that, great. We're doing the same thing in a lot of our business support areas where we used to have to support complexity of engineering and those things. We're now able to put AI against it. In our software development shops, we've seen really big step-ups in our productivity. That's not necessarily transferring to bottom line savings for less development.

We're doing more projects that are adding value into the business, taking cost out elsewhere because we can get more software projects through than we used to be able to get through.

So we've had a lot of good success on the meat and potato stuff within our business. We're now starting to apply the technology to more strategic areas, how we look for indicators of churn, and ensure we've got customers set on the right plan to avoid churn or raise their satisfaction using both our proprietary data that we have internally and mixing it externally with other data that we have.

What we've been able to do in pricing on a per-location basis and knowing building by building city by city, what the competitive profile is and where we need to be and giving people who are sellers the tools to put the best price in front of a customer without having to go through long quote cycles and not put a lot of pain and suffering around that process. Those have all been really good applications.

And now we're learning to fine-tune our execution on these things. And in some cases, when you do some of the meat and potatoes like managing customer service functions, handling customers better, being more efficient on engineering, you don't need frontier models to do that work. You can do that work on basically last year's version of chips and some pretty good open source models.

And we're getting really good at now apportioning our workloads to say what requires us to put the high-end investment in frontier models and really important chips versus what we can do and maybe a little bit more streamlined infrastructure. And we feel pretty good about the returns we're getting as a result of that.

Michael Ng - *The Goldman Sachs Group, Inc. - Analyst*

That's fascinating, really. We have about 5 minutes left. And I just want to hit a couple more things. I know the topic that AT&T has been spending more time on is copper retirement this past quarter.

John Stankey - *AT&T Inc. - President, Chief Executive Officer, Director*

As we talk conversations. (inaudible) people go to.

Michael Ng - *The Goldman Sachs Group, Inc. - Analyst*

You described that we've reached a tipping point in terms of the copper retirement. What does it unlock for the business over the next several years? What are the key milestones to watch out for?

John Stankey - *AT&T Inc. - President, Chief Executive Officer, Director*

What this unlocks is at the macro side of it is you're going to leave this decade, and what you're going to have is a metropolitan fiber provider with a kickass nationwide wireless network, and that's all it's going to support. And all the other stuff that's been around that we've been hauling around for decades is not there anymore.

And the agility that comes into the business, the clarity of purpose, the ability to use that unified infrastructure that I talked about that's converged to bring products out that support, those two fabrics of dense, rich fiber with a fantastic wireless network on top of it, it's going to be a great company as a result of that.

So now what we do is we're working all that costs that we shared with you in our Analyst Day 1.5 years ago, $6 billion of legacy costs that are in there that all have to come out. And we've got to shut down central offices. We have to turn off chillers. We need to get rid of all the leases that are associated with those offices that we don't need anymore.

And oh, by the way, there's a bunch of copper out there that probably makes AT&T the fifth largest copper mine in the United States right now, seriously. And that copper needs to come out and needs to be monetized. And that monetization allows us to pay for the work to shut down all that infrastructure, rip out the mainframes, and do all the things we need to do to wind up leaving this decade is a fantastic metropolitan fiber company with a kickass wireless network.

And that's a different AT&T. It's a dramatically different AT&T. And it's a different growth profile and a different agility profile. And that's why that's exciting. And we have the regulatory pathway and approach to get that done now.

Michael Ng - *The Goldman Sachs Group, Inc. - Analyst*

Great. We have a couple of minutes left. Maybe I can --

John Stankey - *AT&T Inc. - President, Chief Executive Officer, Director*

Telling me to shorten my answer.

Michael Ng - *The Goldman Sachs Group, Inc. - Analyst*

Two-part question. I guess the first part is, could you just touch a little bit more on some of the strategic investments that you've made recently with the Lumen fiber assets and the spectrum acquisitions? And then bigger picture, what are your key focus areas as we wrap up 2026 and go into next year?

John Stankey - *AT&T Inc. - President, Chief Executive Officer, Director*

Look, I think what we've done in capital allocation to bring in what I think is a really good fiber footprint from Lumen, what we've done to enhance our mid-band and low-band spectrum position from EchoStar are all consistent with everything we've been talking about for the last half hour.

And to open up these new markets now that we picked up from Lumen where we've traditionally been underpenetrated in our wireless share, we are now starting to already see the benefit of that. Not only can we sell fiber and can we sell broadband and we're demonstrating that we can penetrate that asset better than the previous owner can, but we can attach more wireless to it. And we're seeing gross adds on converged customers.

In the short time we've owned it, already up nearly 50%. So that play is going to work and it's going to drive a lot of value, not just because we can move more broadband, but we can move more wireless with broadband and make our brand more relevant in some markets where it was underperforming from a share perspective. And that's pretty exciting.

And when you think about then parlaying that into places where you can get concentration on fixed wireless, where maybe you haven't been as relevant and you can say, look, I can cluster and get some scale here. Those become edge-out opportunities to maybe do more fiber as well that then gives you a bigger and bigger footprint that ultimately allows you to drive scale. And that's built on the back of a better performing wireless network as well as having the opportunity to push fixed wireless to do some of that seating.

And that's what EchoStar has allowed us to do. So those two have been very complementary, very helpful and very critical in helping with that acceleration that you saw in last quarter's performance that we reported.

And then where do we go over the long haul in the business? We're trying to be good stewards of our capital. Clearly, when we saw where we were with equity valuation, our decision to advance our share buyback was a reflection of that.

We think our business is worth more than where the market saw it a few months ago. We're confident in our cash flows that we can do that. We're going to continue to lean into that when we have an opportunity if we think there's an undervalued position in the market.

In the meantime, we use the balance of our cash flow to ensure that we're continuing to invest back into our business to maintain this growth in an effective fashion, maintain the dividend, and also do what we can to bring our leverage back down to roughly 2.5 times net debt to adjusted EBITDA, and we feel pretty comfortable we can do that as well. And that's the result of good, strong operational performance and operational leverage in the business, and the equation is holding together right now.

Michael Ng - *The Goldman Sachs Group, Inc. - Analyst*

John, thank you so much for participating in the conference. It's been a privilege to have you on stage here.

John Stankey - *AT&T Inc. - President, Chief Executive Officer, Director*

It's always to be with you, Mike. Thanks very much.

Michael Ng - *The Goldman Sachs Group, Inc. - Analyst*

Thank you, sir. Thank you again.
