

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)



**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2026

or



**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-08610

AT&T INC.

Incorporated under the laws of the State of Delaware
I.R.S. Employer Identification Number 43-1301883

208 S. Akard St., Dallas, Texas 75202
Telephone Number: (210) 821-4105

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u> | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|---|---------------------------------|---|
| Common Shares (Par Value \$1.00 Per Share) | T | New York Stock Exchange NYSE Texas |
| Depository Shares, each representing a 1/1000th interest in a share of 5.000% Perpetual Preferred Stock, Series A | T PRA | New York Stock Exchange |
| Depository Shares, each representing a 1/1000th interest in a share of 4.750% Perpetual Preferred Stock, Series C | T PRC | New York Stock Exchange |
| AT&T Inc. 0.250% Global Notes due March 4, 2026 | T 26E | New York Stock Exchange |
| AT&T Inc. 1.800% Global Notes due September 5, 2026 | T 26D | New York Stock Exchange |
| AT&T Inc. 2.900% Global Notes due December 4, 2026 | T 26A | New York Stock Exchange |
| AT&T Inc. Floating Rate Global Notes due September 16, 2027 | T 27C | New York Stock Exchange |
| AT&T Inc. 1.600% Global Notes due May 19, 2028 | T 28C | New York Stock Exchange |
| AT&T Inc. 2.350% Global Notes due September 5, 2029 | T 29D | New York Stock Exchange |
| AT&T Inc. 4.375% Global Notes due September 14, 2029 | T 29B | New York Stock Exchange |
| AT&T Inc. 2.600% Global Notes due December 17, 2029 | T 29A | New York Stock Exchange |
| AT&T Inc. 0.800% Global Notes due March 4, 2030 | T 30B | New York Stock Exchange |
| AT&T Inc. 3.150% Global Notes due June 1, 2030 | T 30C | New York Stock Exchange |
| AT&T Inc. 3.950% Global Notes due April 30, 2031 | T 31F | New York Stock Exchange |
| AT&T Inc. 2.050% Global Notes due May 19, 2032 | T 32A | New York Stock Exchange |

| <u>Title of each class</u> | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|--|--------------------------|--|
| AT&T Inc. 3.550% Global Notes due December 17, 2032 | T 32 | New York Stock Exchange |
| AT&T Inc. 3.600% Global Notes due June 1, 2033 | T 33A | New York Stock Exchange |
| AT&T Inc. 5.200% Global Notes due November 18, 2033 | T 33 | New York Stock Exchange |
| AT&T Inc. 3.375% Global Notes due March 15, 2034 | T 34 | New York Stock Exchange |
| AT&T Inc. 4.300% Global Notes due November 18, 2034 | T 34C | New York Stock Exchange |
| AT&T Inc. 2.450% Global Notes due March 15, 2035 | T 35 | New York Stock Exchange |
| AT&T Inc. 3.150% Global Notes due September 4, 2036 | T 36A | New York Stock Exchange |
| AT&T Inc. 4.050% Global Notes due June 1, 2037 | T 37B | New York Stock Exchange |
| AT&T Inc. 2.600% Global Notes due May 19, 2038 | T 38C | New York Stock Exchange |
| AT&T Inc. 1.800% Global Notes due September 14, 2039 | T 39B | New York Stock Exchange |
| AT&T Inc. 7.000% Global Notes due April 30, 2040 | T 40 | New York Stock Exchange |
| AT&T Inc. 4.250% Global Notes due June 1, 2043 | T 43 | New York Stock Exchange |
| AT&T Inc. 4.875% Global Notes due June 1, 2044 | T 44 | New York Stock Exchange |
| AT&T Inc. 4.000% Global Notes due June 1, 2049 | T 49A | New York Stock Exchange |
| AT&T Inc. 4.250% Global Notes due March 1, 2050 | T 50 | New York Stock Exchange |
| AT&T Inc. 3.750% Global Notes due September 1, 2050 | T 50A | New York Stock Exchange |
| AT&T Inc. 5.350% Global Notes due November 1, 2066 | TBB | New York Stock Exchange |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

| | | | |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large accelerated filer | <input checked="" type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> | Smaller reporting company | <input type="checkbox"/> |
| | | Emerging growth company | <input type="checkbox"/> |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

At April 22, 2026, there were 6,948,338,835 common shares outstanding.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

AT&T INC.

CONSOLIDATED STATEMENTS OF INCOME

Dollars in millions except per share amounts

(Unaudited)

| | Three months ended March 31, | |
|--|---------------------------------|-----------------|
| | 2026 | 2025 |
| Operating Revenues | | |
| Service | \$ 25,478 | \$ 25,138 |
| Equipment | 6,028 | 5,488 |
| Total operating revenues | 31,506 | 30,626 |
| Operating Expenses | | |
| Cost of revenues | | |
| Equipment | 6,305 | 5,694 |
| Other cost of revenues (exclusive of depreciation and amortization shown separately below) | 6,261 | 6,339 |
| Selling, general and administrative | 7,316 | 7,145 |
| Asset impairments and abandonments and restructuring | — | 504 |
| Depreciation and amortization | 4,966 | 5,190 |
| Total operating expenses | 24,848 | 24,872 |
| Operating Income | 6,658 | 5,754 |
| Other Income (Expense) | | |
| Interest expense | (1,813) | (1,658) |
| Equity in net income (loss) of affiliates | (41) | 1,440 |
| Other income (expense) — net | 594 | 455 |
| Total other income (expense) | (1,260) | 237 |
| Income from Continuing Operations Before Income Taxes | 5,398 | 5,991 |
| Income tax expense on continuing operations | 1,179 | 1,299 |
| Income from Continuing Operations | 4,219 | 4,692 |
| Loss from discontinued operations, net of tax | (38) | — |
| Net Income | 4,181 | 4,692 |
| Net Income Attributable to Noncontrolling Interest | (352) | (341) |
| Net Income Attributable to AT&T | \$ 3,829 | \$ 4,351 |
| Preferred Stock Dividends and Redemption Gain | (36) | 44 |
| Net Income Attributable to Common Stock | \$ 3,793 | \$ 4,395 |
| Basic Earnings Per Share from continuing operations | \$ 0.54 | \$ 0.61 |
| Basic Loss Per Share from discontinued operations | \$ — | \$ — |
| Basic Earnings Per Share Attributable to Common Stock | \$ 0.54 | \$ 0.61 |
| Diluted Earnings Per Share from continuing operations | \$ 0.54 | \$ 0.61 |
| Diluted Loss Per Share from discontinued operations | \$ — | \$ — |
| Diluted Earnings Per Share Attributable to Common Stock | \$ 0.54 | \$ 0.61 |
| Weighted Average Number of Common Shares Outstanding — Basic (in millions) | 7,017 | 7,213 |
| Weighted Average Number of Common Shares Outstanding — with Dilution (in millions) | 7,027 | 7,223 |

See Notes to Consolidated Financial Statements.

AT&T INC.**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

Dollars in millions

(Unaudited)

| | Three months ended | |
|---|--------------------|-----------------|
| | March 31, | |
| | 2026 | 2025 |
| Net income | \$ 4,181 | \$ 4,692 |
| Other comprehensive income (loss), net of tax: | | |
| Foreign currency: | | |
| Translation adjustment, net of taxes of \$10 and \$10 | 34 | 21 |
| Securities: | | |
| Net unrealized gains (losses), net of taxes of \$0 and \$3 | (1) | 10 |
| Reclassification adjustment included in net income, net of taxes of \$0 and \$0 | — | 1 |
| Derivative instruments: | | |
| Net unrealized gains (losses), net of taxes of \$(93) and \$(203) | (270) | (624) |
| Reclassification adjustment included in net income, net of taxes of \$4 and \$4 | 11 | 11 |
| Defined benefit postretirement plans: | | |
| Amortization of net prior service credit included in net income, net of taxes of \$(98) and \$(115) | (306) | (356) |
| Other comprehensive income (loss) | (532) | (937) |
| Total comprehensive income | 3,649 | 3,755 |
| Less: Total comprehensive income attributable to noncontrolling interest | (352) | (341) |
| Total Comprehensive Income Attributable to AT&T | \$ 3,297 | \$ 3,414 |

See Notes to Consolidated Financial Statements.

AT&T INC.
CONSOLIDATED BALANCE SHEETS

Dollars in millions except per share amounts

| | March 31, 2026 | December 31, 2025 |
|---|-------------------|----------------------|
| | (Unaudited) | |
| Assets | | |
| Current Assets | | |
| 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 |
| Total current assets | 46,282 | 48,732 |
| Property, plant and equipment | 349,454 | 347,570 |
| Less: accumulated depreciation and amortization | (216,330) | (216,011) |
| Property, Plant and Equipment – Net | 133,124 | 131,559 |
| Goodwill – Net | 63,838 | 63,425 |
| Licenses – Net | 129,144 | 128,148 |
| Other Intangible Assets – Net | 6,135 | 5,254 |
| Investments in and Advances to Equity Affiliates | 1,108 | 1,106 |
| Operating Lease Right-Of-Use Assets | 22,756 | 22,642 |
| Other Assets | 18,801 | 19,332 |
| Total Assets | \$ 421,188 | \$ 420,198 |
| Liabilities and Stockholders' Equity | | |
| Current Liabilities | | |
| 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 |
| Total current liabilities | 50,421 | 53,780 |
| Long-Term Debt | 131,589 | 127,089 |
| Deferred Credits and Other Noncurrent Liabilities | | |
| 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 |
| Total deferred credits and other noncurrent liabilities | 111,556 | 110,837 |
| Redeemable Noncontrolling Interest | 2,003 | 2,001 |
| Stockholders' Equity | | |
| Preferred stock (\$1 par value, 10,000,000 authorized at March 31, 2026 and December 31, 2025): | | |
| Series A (48,000 issued and outstanding at March 31, 2026 and December 31, 2025) | — | — |
| Series B (20,000 issued and 0 outstanding at March 31, 2026 and December 31, 2025) | — | — |
| Series C (70,000 issued and outstanding at March 31, 2026 and December 31, 2025) | — | — |
| Common stock (\$1 par value, 14,000,000,000 authorized at March 31, 2026 and December 31, 2025; issued 7,620,748,598 at March 31, 2026 and December 31, 2025) | 7,621 | 7,621 |
| Additional paid-in capital | 106,084 | 106,533 |
| Retained earnings | 17,620 | 15,768 |
| Treasury stock (655,850,883 at March 31, 2026 and 583,246,242 at December 31, 2025, at cost) | (20,273) | (18,529) |
| Accumulated other comprehensive income (loss) | (1,392) | (860) |
| Noncontrolling interest | 15,959 | 15,958 |
| Total stockholders' equity | 125,619 | 126,491 |
| Total Liabilities and Stockholders' Equity | \$ 421,188 | \$ 420,198 |

See Notes to Consolidated Financial Statements.

AT&T INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

Dollars in millions

(Unaudited)

| | Three months ended March 31, | |
|---|---------------------------------|-----------------|
| | 2026 | 2025 |
| Operating Activities | | |
| 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 |
| Investing Activities | | |
| 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) |
| Financing Activities | | |
| 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 |
| Cash Flows from Discontinued Operations: | | |
| 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) | — |
| Net increase (decrease) in cash and cash equivalents and restricted cash | \$ (6,195) | \$ 3,538 |
| Cash and cash equivalents and restricted cash beginning of year | 18,527 | 3,406 |
| Cash and Cash Equivalents and Restricted Cash End of Period | \$ 12,332 | \$ 6,944 |

See Notes to Consolidated Financial Statements.

AT&T INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Dollars and shares in millions except per share amounts

(Unaudited)

| | Three months ended | | | |
|--|--------------------|------------|----------------|------------|
| | March 31, 2026 | | March 31, 2025 | |
| | Shares | Amount | Shares | Amount |
| Preferred Stock - Series A | | | | |
| Balance at beginning of period | — | \$ — | — | \$ — |
| Balance at end of period | — | \$ — | — | \$ — |
| Preferred Stock - Series B | | | | |
| Balance at beginning of period | — | \$ — | — | \$ — |
| Balance at end of period | — | \$ — | — | \$ — |
| Preferred Stock - Series C | | | | |
| Balance at beginning of period | — | \$ — | — | \$ — |
| Balance at end of period | — | \$ — | — | \$ — |
| Common Stock | | | | |
| Balance at beginning of period | 7,621 | \$ 7,621 | 7,621 | \$ 7,621 |
| Balance at end of period | 7,621 | \$ 7,621 | 7,621 | \$ 7,621 |
| Additional Paid-In Capital | | | | |
| Balance at beginning of period | | \$ 106,533 | | \$ 109,108 |
| Redemption of preferred stock | | — | | (2,165) |
| Issuance of treasury stock | | (287) | | (452) |
| Share-based compensation | | (162) | | (189) |
| Balance at end of period | | \$ 106,084 | | \$ 106,302 |
| Retained Earnings | | | | |
| Balance at beginning of period | | \$ 15,768 | | \$ 1,871 |
| Net income attributable to AT&T | | 3,829 | | 4,351 |
| Preferred stock redemption gain | | — | | 90 |
| Preferred stock dividends | | (35) | | (86) |
| Common stock dividends (\$0.2775 and \$0.2775 per share) | | (1,942) | | (2,011) |
| Balance at end of period | | \$ 17,620 | | \$ 4,215 |

See Notes to Consolidated Financial Statements.

AT&T INC.**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY - continued**

Dollars and shares in millions except per share amounts

(Unaudited)

| | Three months ended | | | |
|---|--------------------|-------------------|----------------|-------------------|
| | March 31, 2026 | | March 31, 2025 | |
| | Shares | Amount | Shares | Amount |
| Treasury Stock | | | | |
| Balance at beginning of period | (583) | \$ (18,529) | (445) | \$ (15,023) |
| Repurchase and acquisition of common stock | (95) | (2,495) | (9) | (218) |
| Reissuance of treasury stock | 22 | 751 | 29 | 989 |
| Balance at end of period | (656) | \$ (20,273) | (425) | \$ (14,252) |
| Accumulated Other Comprehensive Income (Loss) Attributable to AT&T, net of tax | | | | |
| Balance at beginning of period | | \$ (860) | | \$ 795 |
| Other comprehensive income (loss) attributable to AT&T | | (532) | | (937) |
| Balance at end of period | | \$ (1,392) | | \$ (142) |
| Noncontrolling Interest¹ | | | | |
| Balance at beginning of period | | \$ 15,958 | | \$ 13,873 |
| Net income attributable to noncontrolling interest | | 316 | | 305 |
| Issuance and acquisition by noncontrolling owners | | — | | 2,221 |
| Distributions | | (315) | | (285) |
| Balance at end of period | | \$ 15,959 | | \$ 16,114 |
| Total Stockholders' Equity at beginning of period | | \$ 126,491 | | \$ 118,245 |
| Total Stockholders' Equity at end of period | | \$ 125,619 | | \$ 119,858 |

¹ Excludes redeemable noncontrolling interest

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Dollars in millions except per share amounts

NOTE 1. PREPARATION OF INTERIM FINANCIAL STATEMENTS

Basis of Presentation Throughout this document, AT&T Inc. is referred to as “we,” “AT&T” or the “Company.” The consolidated financial statements include the accounts of the Company and subsidiaries and affiliates which we control. AT&T is a holding company whose subsidiaries and affiliates operate worldwide in the telecommunications and technology industries. You should read this document in conjunction with the consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2025. The results for the interim periods are not necessarily indicative of those for the full year. These consolidated financial statements include all adjustments that are necessary to present fairly the results for the presented interim periods, consisting of normal recurring accruals and other items.

On February 2, 2026, we closed our transaction with Lumen Technologies, Inc. (Lumen) and acquired substantially all of Lumen’s Mass Markets fiber business for \$5,756 cash, including purchase price adjustments. 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. (See Notes 8 and 12)

The consolidated financial statements include our controlled subsidiaries, as well as variable interest entities (VIE) where we are deemed to be the primary beneficiary. All significant intercompany transactions are eliminated in consolidation. Investments in entities that we do not control but have significant influence are accounted for under the equity method.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions, including estimates of fair value, probable losses and expenses, that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Unless otherwise noted, the information in Notes 1 through 11 refer only to our continued operations and do not include discussion of balances or activity of our discontinued operations.

Effective with our first-quarter 2026 reporting, we realigned our internal management and reporting structure to reflect the evolution of our business model to focus on delivering converged advanced connectivity services across 5G and fiber to consumer and business customers. This new segment reporting structure also provides better visibility into the progress of exiting our copper-based Legacy operations. (See Notes 4 and 5)

As a result of our change to this new segment reporting structure, we were required to reassess the assignment of goodwill and perform impairment testing of the previous and updated reporting units as of January 1, 2026; no impairment was recorded. The assignment of goodwill was based on the relative fair value of the reporting unit, which is deemed to be our principal operating segments or one level below. The goodwill from our previous Consumer Wireline and Mobility reporting units within the Communications segment was fully assigned to the reporting units comprising the Advanced Connectivity segment. No goodwill was assigned to the reporting unit comprising the Legacy segment as we expect sustained declines in Legacy service revenues driven by progress on our copper-based network decommissioning.

Stock Repurchase Program In December 2024, the Board of Directors authorized the repurchase of up to \$10,000 of AT&T common stock. We began buying back stock under this program in the second quarter of 2025. On January 27, 2026, the Board approved an authorization to repurchase an additional \$10,000 of common stock. For the three months ended March 31, 2026, we repurchased approximately 88 million shares totaling \$2,279 under the December 2024 authorization, excluding brokerage fees and the one percent excise tax imposed by the Inflation Reduction Act of 2022.

To implement repurchase authorizations, we use open market repurchase programs, relying on Rule 10b5-1 of the Securities Exchange Act of 1934 where feasible.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

NOTE 2. EARNINGS PER SHARE

A reconciliation of the numerators and denominators of basic and diluted earnings per share is shown in the table below:

| | Three months ended March 31, | |
|--|---------------------------------|----------|
| | 2026 | 2025 |
| Numerators | | |
| Numerator for basic earnings per share: | | |
| Income from Continuing Operations | \$ 4,219 | \$ 4,692 |
| Net Income Attributable to Noncontrolling Interest | (352) | (341) |
| Preferred Stock Dividends and Redemption Gain | (36) | 44 |
| Income from continuing operations attributable to common stock | 3,831 | 4,395 |
| Loss from discontinued operations, net of tax | (38) | — |
| Net Income Attributable to Common Stock | \$ 3,793 | \$ 4,395 |
| Dilutive impact of share-based compensation | 3 | 4 |
| Numerator for diluted earnings per share | \$ 3,796 | \$ 4,399 |
| Denominators (000,000) | | |
| Denominator for basic earnings per share: | | |
| Weighted average number of common shares outstanding | 7,017 | 7,213 |
| Dilutive impact of share-based compensation (in shares) | 10 | 10 |
| Denominator for diluted earnings per share | 7,027 | 7,223 |

NOTE 3. OTHER COMPREHENSIVE INCOME

Changes in the balances of each component included in accumulated other comprehensive income (OCI) are presented below. All amounts are net of tax.

| | Foreign Currency Translation Adjustment | Net Unrealized Gains (Losses) on Securities | Net Unrealized Gains (Losses) on Derivative Instruments | Defined Benefit Postretirement Plans | Accumulated Other Comprehensive Income (Loss) |
|---|--|--|--|---|--|
| Balance as of December 31, 2025 | \$ (1,401) | \$ (28) | \$ (1,209) | \$ 1,778 | \$ (860) |
| Other comprehensive income (loss) before reclassifications | 34 | (1) | (270) | — | (237) |
| Amounts reclassified from accumulated OCI | — ¹ | — ¹ | 11 ² | (306) ³ | (295) |
| Net other comprehensive income (loss) | 34 | (1) | (259) | (306) | (532) |
| Balance as of March 31, 2026 | \$ (1,367) | \$ (29) | \$ (1,468) | \$ 1,472 | \$ (1,392) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

| | Foreign Currency Translation Adjustment | Net Unrealized Gains (Losses) on Securities | Net Unrealized Gains (Losses) on Derivative Instruments | Defined Benefit Postretirement Plans | Accumulated Other Comprehensive Income (Loss) |
|---|--|--|--|---|--|
| Balance as of December 31, 2024 | \$ (1,755) | \$ (46) | \$ (604) | \$ 3,200 | \$ 795 |
| Other comprehensive income (loss) before reclassifications | 21 | 10 | (624) | — | (593) |
| Amounts reclassified from accumulated OCI | — ¹ | 1 ¹ | 11 ² | (356) ³ | (344) |
| Net other comprehensive income (loss) | 21 | 11 | (613) | (356) | (937) |
| Balance as of March 31, 2025 | \$ (1,734) | \$ (35) | \$ (1,217) | \$ 2,844 | \$ (142) |

¹ (Gains) losses are included in “Other income (expense) - net” in the consolidated statements of income.

² (Gains) losses are primarily included in “Interest expense” in the consolidated statements of income (see Note 7).

³ The amortization of prior service credit associated with postretirement benefits are included in “Other income (expense) - net” in the consolidated statements of income (see Note 6).

NOTE 4. SEGMENT INFORMATION

Our segments are comprised of strategic business units or other operations that offer products and services to different customer segments over various technology platforms and/or in different geographies that are managed accordingly. We have three reportable segments: Advanced Connectivity, Legacy and Latin America.

Our chief operating decision maker (CODM) is our Chairman of the Board, Chief Executive Officer and President. Our CODM uses operating income to evaluate performance and allocate resources, including capital allocations, when managing the business. Our CODM manages operations through the review of actual and forecasted “Operations and Support Expenses” information, which are primarily comprised of costs for wireless devices, network access, rents, leases, sales support, customer provisioning and commissions. Operating costs and depreciation of our shared network, including copper-based assets prior to decommissioning, are managed in our Advanced Connectivity segment. Our Legacy and Latin America segments are primarily evaluated on a direct cost basis. Our CODM does not review disaggregated assets on a segment basis, therefore, that information is not presented.

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

The *Legacy 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.

The *Latin America segment* provides wireless service and equipment in Mexico.

Corporate and *Other* reconciles our segment results to consolidated operating income and income from continuing operations before income taxes and includes parent support costs, securitization fees, operations from business no longer integral to operations and significant items for which the segments are not being evaluated. Significant items typically include costs associated with the merger and integration of acquired or divested businesses, including amortization of intangible assets, legal and other items that cover historical periods, novel theories of liability and are separate and distinct from normal recurring costs, benefit-related gains and losses, employee separation charges associated with voluntary and/or strategic offers, asset impairments and abandonments and restructuring.

“Total other income (expense)” consists of “Interest expense,” “Other income (expense) – net” and “Equity in net income (loss) of affiliates” and is managed only on a total company basis and are, accordingly, reflected only in consolidated results.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

For the three months ended March 31, 2026

| | Advanced Connectivity | Legacy | Latin America | Total Segment | Corporate & Other | AT&T Inc. |
|---|--------------------------|---------------|------------------|------------------|----------------------|-----------------|
| Operating Revenues | | | | | | |
| 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 |
| Operating Revenues | 28,471 | 1,768 | 1,173 | 31,412 | 94 | 31,506 |
| Operating Expenses | | | | | | |
| 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 |
| Operating Expenses | 21,618 | 1,156 | 1,153 | 23,927 | 921 | 24,848 |
| Operating Income (Loss) | \$ 6,853 | \$ 612 | \$ 20 | \$ 7,485 | \$ (827) | \$ 6,658 |
| Total other income (expense) | | | | | | (1,260) |
| Income from continuing operations before income tax | | | | | | \$ 5,398 |

For the three months ended March 31, 2025

| | Advanced Connectivity | Legacy | Latin America | Total Segment | Corporate & Other | AT&T Inc. |
|---|--------------------------|-----------------|------------------|------------------|----------------------|-----------------|
| Operating Revenues | | | | | | |
| 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 |
| Operating Revenues | 27,192 | 2,368 | 971 | 30,531 | 95 | 30,626 |
| Operating Expenses | | | | | | |
| 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 |
| Operating Expenses | 21,220 | 1,349 | 928 | 23,497 | 1,375 | 24,872 |
| Operating Income (Loss) | \$ 5,972 | \$ 1,019 | \$ 43 | \$ 7,034 | \$ (1,280) | \$ 5,754 |
| Total other income (expense) | | | | | | 237 |
| Income from continuing operations before income tax | | | | | | \$ 5,991 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

NOTE 5. REVENUE RECOGNITION

We report our revenues net of sales taxes and record certain regulatory fees, primarily Universal Service Fund (USF) fees, on a net basis. Revenue is disaggregated by services provided by segment, with additional details provided for our Advanced Connectivity consumer and business relationships (see Note 4).

Deferred Customer Contract Acquisition and Fulfillment Costs

Costs to acquire and fulfill customer contracts, including commissions on service activations are deferred and amortized over the contract period or expected customer relationship life, which typically ranges from three years to seven years.

The following table presents the deferred customer contract acquisition and fulfillment costs included on our consolidated balance sheets:

| <i>Consolidated Balance Sheets</i> | March 31, 2026 | December 31, 2025 |
|---|---------------------------|----------------------|
| Deferred Acquisition Costs | | |
| Prepaid and other current assets | \$ 3,511 | \$ 3,550 |
| Other Assets | 4,986 | 4,778 |
| Total deferred customer contract acquisition costs | \$ 8,497 | \$ 8,328 |
| Deferred Fulfillment Costs | | |
| Prepaid and other current assets | \$ 1,696 | \$ 1,862 |
| Other Assets | 2,896 | 2,864 |
| Total deferred customer contract fulfillment costs | \$ 4,592 | \$ 4,726 |

The following table presents deferred customer contract acquisition and fulfillment cost amortization, which are primarily included in "Selling, general and administrative" and "Other cost of revenues," respectively, for the three months ended:

| <i>Consolidated Statements of Income</i> | March 31, 2026 | March 31, 2025 |
|--|---------------------------|-------------------|
| Deferred acquisition cost amortization | \$ 1,006 | \$ 906 |
| Deferred fulfillment cost amortization | 480 | 595 |

Contract Assets and Liabilities

A contract asset is recorded when revenue is recognized in advance of our right to bill and receive consideration. The contract asset will decrease as services are provided and billed. For example, when installment sales include promotional discounts (e.g., trade-in device credits) the difference between revenue recognized and consideration received is recorded as a contract asset to be amortized over the contract term.

Our contract assets primarily relate to our wireless businesses. Promotional equipment sales where we offer handset credits, which are allocated between equipment and service in proportion to their standalone selling prices, when customers commit to a specified service period result in additional contract assets recognized. These contract assets will amortize over the service contract period, resulting in lower future service revenue.

When consideration is received in advance of the delivery of goods or services, a contract liability is recorded. Reductions in the contract liability will be recorded as we satisfy the performance obligations.

The following table presents contract assets and liabilities on our consolidated balance sheets:

| <i>Consolidated Balance Sheets</i> | March 31, 2026 | December 31, 2025 |
|--|---------------------------|----------------------|
| Contract asset | \$ 8,108 | \$ 7,816 |
| Current portion in "Prepaid and other current assets" | 4,320 | 4,131 |
| Contract liability | 4,472 | 4,409 |
| Current portion in "Advanced billings and customer deposits" | 4,194 | 4,136 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

Our beginning of period contract liability recorded as customer contract revenue during 2026 was \$3,287.

Remaining Performance Obligations

Remaining performance obligations represent services we are required to provide to customers under bundled or discounted arrangements, which are satisfied as services are provided over the contract term. In determining the transaction price allocated, we do not include non-recurring charges and estimates for usage, nor do we consider arrangements with an original expected duration of less than one year, which are primarily prepaid wireless and residential internet agreements.

Remaining performance obligations associated with business contracts reflect recurring charges billed, adjusted to reflect estimates for sales incentives and revenue adjustments. Performance obligations associated with wireless contracts are estimated using a portfolio approach in which we review all relevant promotional activities, calculating the remaining performance obligation using the average service component for the portfolio and the average device price. As of March 31, 2026, the aggregate amount of the transaction price allocated to remaining performance obligations was \$44,392, of which we expect to recognize approximately 82% by the end of 2027, with the balance recognized thereafter.

NOTE 6. PENSION AND POSTRETIREMENT BENEFITS

Many of our employees are covered by one of our noncontributory pension plans. We also provide certain medical, dental, life insurance and death benefits to certain retired employees under various plans and accrue actuarially determined postretirement benefit costs. Our objective in funding these plans, in combination with the standards of the Employee Retirement Income Security Act of 1974, as amended (ERISA), is to accumulate assets sufficient to provide benefits described in the plans to employees upon their retirement. We do not have significant funding requirements in 2026. We plan to voluntarily contribute \$350 to our pension plans during 2026.

We recognize actuarial gains and losses on pension and postretirement plan assets in our consolidated results as a component of “Other income (expense) – net” at our annual measurement date of December 31, unless earlier remeasurements are required.

The following table details qualified pension and postretirement benefit costs included in the accompanying consolidated statements of income. The service cost component of net periodic pension (credit) cost is recorded in operating expenses in the consolidated statements of income while the remaining components are recorded in “Other income (expense) – net.”

| | Three months ended March 31, | |
|--|---------------------------------|-----------------|
| | 2026 | 2025 |
| Pension cost: | | |
| Service cost – benefits earned during the period | \$ 101 | \$ 107 |
| Interest cost on projected benefit obligation | 361 | 400 |
| Expected return on assets | (525) | (507) |
| Amortization of prior service credit | (11) | (12) |
| Net pension (credit) cost | \$ (74) | \$ (12) |
| Postretirement cost: | | |
| Service cost – benefits earned during the period | \$ 4 | \$ 4 |
| Interest cost on accumulated postretirement benefit obligation | 73 | 80 |
| Expected return on assets | (6) | (10) |
| Amortization of prior service credit | (393) | (459) |
| Net postretirement (credit) cost | \$ (322) | \$ (385) |
| Combined net pension and postretirement (credit) cost | \$ (396) | \$ (397) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

NOTE 7. FAIR VALUE MEASUREMENTS AND DISCLOSURE

The Fair Value Measurement and Disclosure framework in ASC 820, “Fair Value Measurement,” provides a three-tiered fair value hierarchy based on the reliability of the inputs used to determine fair value. Level 1 refers to fair values determined based on quoted prices in active markets for identical assets. Level 2 refers to fair values estimated using significant other observable inputs and Level 3 includes fair values estimated using significant unobservable inputs.

The level of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Our valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable value or reflective of future fair values. We believe our valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used since December 31, 2025.

Long-Term Debt and Other Financial Instruments

The carrying amounts and estimated fair values of our long-term debt, including current maturities, and other financial instruments are summarized as follows:

| | March 31, 2026 | | December 31, 2025 | |
|------------------------------------|-----------------|------------|-------------------|------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Notes and debentures ¹ | \$ 137,017 | \$ 127,709 | \$ 134,718 | \$ 127,852 |
| Investment securities ² | 1,595 | 1,595 | 1,609 | 1,609 |

¹ Includes credit agreement borrowings.

² Excludes investments accounted for under the equity method.

The carrying amount of debt with an original maturity of less than one year approximates fair value. The fair value measurements used for notes and debentures are considered Level 2 and are determined using various methods, including quoted prices for identical or similar securities in both active and inactive markets.

Following is the fair value leveling for investment securities that are measured at fair value and derivatives as of March 31, 2026 and December 31, 2025. Derivatives designated as hedging instruments are reflected as “Prepaid and other current assets,” “Other Assets,” “Accounts payable and accrued liabilities,” and “Other noncurrent liabilities” on our consolidated balance sheets.

| | March 31, 2026 | | | |
|------------------------------------|----------------|---------|---------|---------|
| | Level 1 | Level 2 | Level 3 | Total |
| Equity Securities | | | | |
| Domestic equities | \$ 541 | \$ — | \$ — | \$ 541 |
| International equities | 8 | — | — | 8 |
| Fixed income equities | 217 | — | — | 217 |
| Available-for-Sale Debt Securities | — | 583 | — | 583 |
| Asset Derivatives | | | | |
| Cross-currency swaps | — | 458 | — | 458 |
| Liability Derivatives | | | | |
| Cross-currency swaps | — | (2,626) | — | (2,626) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

| | December 31, 2025 | | | |
|------------------------------------|-------------------|---------|---------|---------|
| | Level 1 | Level 2 | Level 3 | Total |
| Equity Securities | | | | |
| Domestic equities | \$ 566 | \$ — | \$ — | \$ 566 |
| International equities | 8 | — | — | 8 |
| Fixed income equities | 217 | — | — | 217 |
| Available-for-Sale Debt Securities | — | 587 | — | 587 |
| Asset Derivatives | | | | |
| Cross-currency swaps | — | 876 | — | 876 |
| Liability Derivatives | | | | |
| Cross-currency swaps | — | (2,050) | — | (2,050) |

Investment Securities

Our investment securities include both equity and debt securities that are measured at fair value, as well as equity securities without readily determinable fair values. A substantial portion of the fair values of our investment securities is estimated based on quoted market prices. Investments in equity securities not traded on a national securities exchange are valued at cost, less any impairment, and adjusted for changes resulting from observable, orderly transactions for identical or similar securities. Investments in debt securities not traded on a national securities exchange are valued using pricing models, quoted prices of securities with similar characteristics or discounted cash flows.

The components comprising total gains and losses in the period on equity securities are as follows:

| | Three months ended March 31, | |
|---|---------------------------------|---------|
| | 2026 | 2025 |
| Total gains (losses) recognized on equity securities | \$ (32) | \$ (27) |
| Gains (losses) recognized on equity securities sold | — | — |
| Unrealized gains (losses) recognized on equity securities held at end of period | \$ (32) | \$ (27) |

At March 31, 2026, available-for-sale debt securities totaling \$583 have maturities as follows - less than one year: \$55; one to three years: \$151; three to five years: \$118; five or more years: \$259.

Our cash equivalents (money market securities) and short-term investments (certificate and time deposits) are recorded at amortized cost, and the respective carrying amounts approximate fair values. Short-term investments are recorded in “Prepaid and other current assets” and our investment securities are recorded in “Other Assets” on the consolidated balance sheets.

Derivative Financial Instruments

We enter into derivative transactions to manage certain market risks, primarily interest rate risk and foreign currency exchange risk. This includes the use of interest rate swaps, interest rate locks, foreign exchange forward contracts and combined interest rate foreign exchange contracts (cross-currency swaps). We do not use derivatives for trading or speculative purposes. We record derivatives on our consolidated balance sheets at fair value that is derived from observable market data, including yield curves and foreign exchange rates (all of our derivatives are Level 2). Cash flows associated with derivative instruments are presented in the same category on the consolidated statements of cash flows as the item being hedged.

Fair Value Hedging Periodically, we enter into and designate fixed-to-floating interest rate swaps as fair value hedges. The purpose of these swaps is to manage interest rate risk by managing our mix of fixed-rate and floating-rate debt. These swaps involve the receipt of fixed-rate amounts for floating interest rate payments over the life of the swaps without exchange of the underlying principal amount.

We also designate most of our cross-currency swaps and foreign exchange contracts as fair value hedges. The purpose of these contracts is to hedge foreign currency risk associated with changes in spot rates on foreign denominated debt. For cross-currency hedges, we have elected to exclude the change in fair value of the swap related to both time value and cross-currency

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

basis spread from the assessment of hedge effectiveness. For foreign exchange contracts, we have elected to exclude the change in fair value of forward points from the assessment of hedge effectiveness.

Unrealized and realized gains or losses from fair value hedges impact the same category on the consolidated statements of income as the item being hedged, including the earnings impact of excluded components. In instances where we have elected to exclude components from the assessment of hedge effectiveness related to fair value hedges, unrealized gains or losses on such excluded components are recorded as a component of accumulated OCI and recognized into earnings over the life of the hedging instrument. Unrealized gains on derivatives designated as fair value hedges are recorded at fair value as assets, and unrealized losses are recorded at fair market value as liabilities. Except for excluded components, changes in the fair value of derivative instruments designated as fair value hedges are offset against the change in fair value of the hedged assets or liabilities through earnings. In the three months ended March 31, 2026 and 2025, no ineffectiveness was measured on fair value hedges.

Cash Flow Hedging We designate some of our cross-currency swaps as cash flow hedges to hedge our exposure to variability in expected future cash flows that are attributable to foreign currency risk and interest rate risk generated from our foreign-denominated debt. These agreements include initial and final exchanges of principal from fixed foreign denominated amounts to fixed U.S. dollar denominated amounts, to be exchanged at a specified rate that is usually determined by the market spot rate upon issuance. They also include an interest rate swap of a fixed or floating foreign denominated interest rate to a fixed U.S. dollar denominated interest rate.

Unrealized gains on derivatives designated as cash flow hedges are recorded at fair value as assets and unrealized losses are recorded at fair value as liabilities. For derivative instruments designated as cash flow hedges, changes in fair value are reported as a component of accumulated OCI and are reclassified into the consolidated statements of income in the same period the hedged transaction affects earnings.

Periodically, we enter into and designate interest rate locks to partially hedge the risk of changes in interest payments attributable to increases in the benchmark interest rate during the period leading up to the probable issuance of fixed-rate debt. We designate our interest rate locks as cash flow hedges. Gains and losses when we settle our interest rate locks are amortized into income over the life of the related debt. Over the next 12 months, we expect to reclassify \$59 from accumulated OCI to “Interest expense” due to the amortization of net losses on historical interest rate locks.

Collateral and Credit-Risk Contingency We have entered into agreements with our derivative counterparties establishing collateral thresholds based on respective credit ratings and netting agreements. At March 31, 2026, we had posted collateral of \$28 (a deposit asset) and held collateral of \$183 (a receipt liability). Under the agreements, if AT&T’s credit rating had been downgraded two ratings levels by Fitch Ratings, one level by S&P and one level by Moody’s before the final collateral exchange in March, we would have been required to post additional collateral of \$60. If AT&T’s credit rating had been downgraded three ratings levels by Fitch Ratings, two levels by S&P and two levels by Moody’s, we would have been required to post additional collateral of \$2,219. At December 31, 2025, we had posted collateral of \$513 (a deposit asset) and held collateral of \$314 (a receipt liability). We do not offset the fair value of collateral, whether the right to reclaim cash collateral (a receivable) or the obligation to return cash collateral (a payable) exists, against the fair value of the derivative instruments.

Following are the notional amounts of our outstanding derivative positions:

| | March 31, 2026 | December 31, 2025 |
|----------------------|---------------------------|----------------------|
| Cross-currency swaps | \$ 36,069 | \$ 35,741 |
| Total | \$ 36,069 | \$ 35,741 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

Following are the related hedged items affecting our financial position and performance:

Effect of Derivatives on the Consolidated Statements of Income

| Fair Value Hedging Relationships | Three months ended | |
|---|--------------------|---------|
| | March 31, | |
| | 2026 | 2025 |
| Interest rate swaps (“Interest expense”): | | |
| Gain (loss) on interest rate swaps | \$ (1) | \$ (1) |
| Gain (loss) on long-term debt | 1 | 1 |
| Cross-currency swaps: | | |
| Gain (loss) on cross-currency swaps | (587) | 1,124 |
| Gain (loss) on long-term debt | 587 | (1,124) |
| Gain (loss) recognized in accumulated OCI | (375) | (831) |

In addition, the net swap settlements that accrued and settled in the periods above were offset against “Interest expense.”

The following table presents information for our cash flow hedging relationships:

| Cash Flow Hedging Relationships | Three months ended | |
|---|--------------------|------|
| | March 31, | |
| | 2026 | 2025 |
| Cross-currency swaps: | | |
| Gain (loss) recognized in accumulated OCI | \$ 12 | \$ 4 |
| Interest rate locks: | | |
| Interest income (expense) reclassified from accumulated OCI into income | (15) | (15) |

NOTE 8. ACQUISITIONS, DISPOSITIONS AND OTHER ADJUSTMENTS

Fiber On February 2, 2026, we acquired substantially all of Lumen’s Mass Markets fiber business for \$5,756, including purchase price adjustments. The preliminary values of assets acquired were approximately \$900 in customer relationships, \$3,400 in property, plant and equipment, and \$800 of goodwill. The customer relationships are managed in our Advanced Connectivity segment and will be amortized using the sum-of-the-months method over six years. Property, plant and equipment primarily represent the acquired fiber network, which we placed in Forged Fiber, a wholly owned subsidiary.

In connection with this transaction, 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. These discontinued operations include the fiber network assets, which support the acquired customer relationships through intercompany transactions. The discontinued operations were also assigned a proportionate share of goodwill and acquisition costs and related cash flows. (See Note 12)

NOTE 9. SALES OF RECEIVABLES

We have agreements with various third-party financial institutions pertaining to the sales of certain types of our accounts receivable. The most significant of these programs are discussed in detail below and generally consist of (1) receivables arising from equipment installment plans, which are sold for cash and beneficial interests, such as deferred purchase price, when applicable, and (2) revolving trade receivables, which are sold for cash. Under the terms of our agreements for these programs, we continue to service the transferred receivables on behalf of the financial institutions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

The following table sets forth a summary of cash proceeds received, net of remittances paid, from sales of receivables:

| | Three months ended March 31, | |
|--|---------------------------------|---------------|
| | 2026 | 2025 |
| Net cash received (paid) from equipment installment receivables program ¹ | \$ 268 | \$ 859 |
| Net cash received (paid) from revolving receivables program | (34) | 133 |
| Total net cash impact to cash flows from operating activities² | \$ 234 | \$ 992 |

¹ Cash from initial sales of \$3,483 and \$3,798 for the three months ended March 31, 2026 and 2025, respectively.

² Net of facility fees.

The sales of receivables did not have a material impact on our consolidated statements of income or to “Total Assets” reported on our consolidated balance sheets. We reflect cash receipts on sold receivables as cash flows from operations in our consolidated statements of cash flows. In the event cash is received on the beneficial interests, those receipts are classified as cash flows from investing activities, when applicable.

Our equipment installment and revolving receivables programs are discussed in detail below. The following table sets forth a summary of the receivables and accounts being serviced:

| | March 31, 2026 | | December 31, 2025 | |
|--|--------------------------|-----------|--------------------------|-----------|
| | Equipment Installment | Revolving | Equipment Installment | Revolving |
| Gross receivables: | \$ 2,961 | \$ 377 | \$ 3,725 | \$ 425 |
| <i>Balance sheet classification</i> | | | | |
| Accounts receivable | | | | |
| Notes receivable | 1,532 | — | 1,886 | — |
| Trade receivables | 282 | 377 | 304 | 425 |
| Other Assets | | | | |
| Noncurrent notes and trade receivables | 1,147 | — | 1,535 | — |
| Outstanding portfolio of receivables derecognized from our consolidated balance sheets | \$ 12,585 | \$ 2,940 | \$ 11,987 | \$ 2,940 |
| Cash proceeds received, net of remittances ¹ | 9,838 | 2,940 | 9,617 | 2,940 |

¹ Represents amounts to which financial institutions remain entitled, excluding the beneficial interests.

Equipment Installment Receivables Program

We offer our customers the option to purchase certain wireless devices in installments over a specified period of time and, in many cases, once certain conditions are met, they may be eligible to trade in the original equipment for a new device and have the remaining unpaid balance paid or settled.

We maintain a program under which we transfer a portion of these receivables through our bankruptcy-remote subsidiary in exchange for cash and beneficial interests. In the event a customer trades in a device prior to the end of the installment contract period, we agree to make a payment to the financial institutions equal to any outstanding remaining installment receivable balance. Accordingly, we record a guarantee obligation for this estimated amount at the time the receivables are transferred.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

The following table sets forth a summary of equipment installment receivables sold under this program:

| | Three months ended March 31, | |
|-------------------------------------|---------------------------------|----------|
| | 2026 | 2025 |
| Gross receivables sold ¹ | \$ 3,516 | \$ 3,835 |
| Net receivables sold ² | 3,355 | 3,688 |
| Cash proceeds received | 3,483 | 3,798 |
| Guarantee obligation recorded | 279 | 280 |

¹ Receivables net of promotion credits.

² Receivables net of allowance and other reserves.

Beneficial interests, when applicable, and guarantee obligations are initially recorded at estimated fair value and subsequently adjusted for changes in present value of expected cash flows. The estimation of their fair values is based on remaining installment payments expected to be collected and the expected timing and value of device trade-ins. The estimated value of the device trade-ins considers prices offered to us by independent third parties and contemplates changes in value after the launch of a device model. The fair value measurements used for the beneficial interests and the guarantee obligation are considered Level 3 under the Fair Value Measurement and Disclosure framework (see Note 7).

The following table presents the previously transferred equipment installment receivables, which we repurchased in exchange for the associated beneficial interests:

| | Three months ended March 31, | |
|---|---------------------------------|----------|
| | 2026 | 2025 |
| Fair value of repurchased receivables | \$ 725 | \$ 1,937 |
| Carrying value of beneficial interests | 726 | 1,933 |
| Gain (loss) on repurchases ¹ | \$ (1) | \$ 4 |

¹ These gains (losses) are included in "Selling, general and administrative" expense in the consolidated statements of income.

At March 31, 2026 and December 31, 2025, our beneficial interests were \$2,463 and \$2,067, respectively, of which \$1,737 and \$1,338 are included in "Prepaid and other current assets" on our consolidated balance sheets, with the remainder in "Other Assets." The guarantee obligation at March 31, 2026 and December 31, 2025 was \$447 and \$410, respectively, of which \$227 and \$216 are included in "Accounts payable and accrued liabilities" on our consolidated balance sheets, with the remainder in "Other noncurrent liabilities." Our maximum exposure to loss as a result of selling these equipment installment receivables is limited to the total amount of our beneficial interests and guarantee obligation.

Revolving Receivables Program

During 2025, we expanded our revolving agreement to transfer up to \$2,940 of certain receivables through our bankruptcy-remote subsidiaries to various financial institutions on a recurring basis in exchange for cash equal to the gross receivables transferred. This agreement is subject to renewal on an annual basis and the transfer limit may be expanded or reduced from time to time. As customers pay their balances, we transfer additional receivables into the program, resulting in our gross receivables sold exceeding net cash flow impacts (e.g., collect and reinvest). The transferred receivables are fully guaranteed by our bankruptcy-remote subsidiaries, which hold additional receivables in the amount of \$377 that are pledged as collateral under this agreement. The transfers are recorded at fair value of the proceeds received and obligations assumed less derecognized receivables. Our maximum exposure to loss related to these receivables transferred is limited to the derecognized amount outstanding.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

The following table sets forth a summary of the revolving receivables sold:

| | Three months ended | |
|--|--------------------|----------|
| | March 31, | |
| | 2026 | 2025 |
| Gross receivables sold/cash proceeds received ¹ | \$ 7,501 | \$ 7,343 |
| Total collections under revolving agreement | 7,501 | 7,173 |
| Net cash proceeds received | \$ — | \$ 170 |
| Net receivables sold ² | \$ 7,294 | \$ 7,142 |

¹ Includes initial sales of receivables of \$0 and \$170 for the three months ended March 31, 2026 and 2025, respectively.

² Receivables net of allowance and other reserves.

NOTE 10. SUPPLIER AND VENDOR FINANCING PROGRAMS

Supplier Financing Program

We actively manage the timing of our supplier payments for operating items to optimize the use of our cash and seek to make payments on 90-day or greater terms, while providing suppliers with access to bank facilities that permit earlier payment at their cost. Our supplier financing program does not result in changes to our normal, contracted payment cycles or cash from operations.

At the supplier's election, they can receive payment of AT&T obligations prior to the scheduled due dates, at a discounted price from the third-party financial institution. The discounted price paid to participating suppliers is based on a variable rate that is indexed to the overnight borrowing rate. We agree to pay the financial institution the stated amount generally within 90 days of receipt of the invoice. We do not have pledged assets or other guarantees under our supplier financing program.

Suppliers had elected to sell to the third-party financial institutions \$4,082 and \$3,090 of our outstanding payment obligations as of March 31, 2026 and December 31, 2025, respectively. These amounts are included in "Accounts payable and accrued liabilities" on our consolidated balance sheets. Our supplier financing programs are reported as operating or investing (when capitalizable) activities in our consolidated statements of cash flows when paid.

Direct Supplier Financing

We also have arrangements with suppliers of handset inventory that allow us to extend the stated payment terms by up to approximately 120 days, with an average of 85 days outstanding, at an additional cost to us (variable rate extension fee). We had \$5,820 of direct supplier financing outstanding as of March 31, 2026 and \$6,901 as of December 31, 2025, which are included in "Accounts payable and accrued liabilities" on our consolidated balance sheets. Our direct supplier financing is reported as operating activities in our statements of cash flows when paid.

Vendor Financing

We enter into multi-year software licensing arrangements, which, consistent with industry standards, are paid over the license terms of two to five years. Additionally, in connection with capital improvements and the acquisition of other productive assets, we negotiate favorable payment terms of 120 days or more. We refer to these arrangements as vendor financing, with the balances and activities including equipment and software arrangements. Vendor financing payments are reported as financing activities in our statements of cash flows when paid. For the three months ended March 31, 2026 and 2025, we recorded vendor financing commitments of \$732 and \$378, respectively. We had \$2,437 of vendor financing payables at March 31, 2026, with \$1,474 included in "Accounts payable and accrued liabilities" and \$1,892 of vendor financing payables at December 31, 2025, with \$956 included in "Accounts payable and accrued liabilities."

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

NOTE 11. ADDITIONAL FINANCIAL INFORMATION

Cash and Cash Flows

We typically maintain our restricted cash balances for purchases and sales of certain investment securities and funding of certain deferred compensation benefit payments.

The following table summarizes cash and cash equivalents and restricted cash balances contained on our consolidated balance sheets:

| | March 31, | | December 31, | |
|---|-----------|----------|--------------|----------|
| | 2026 | 2025 | 2025 | 2024 |
| Cash and cash equivalents | \$ 11,964 | \$ 6,885 | \$ 18,234 | \$ 3,298 |
| Restricted cash in Prepaid and other current assets | 282 | 1 | 157 | 1 |
| Restricted cash in Other Assets | 86 | 58 | 136 | 107 |
| Cash and Cash Equivalents and Restricted Cash | \$ 12,332 | \$ 6,944 | \$ 18,527 | \$ 3,406 |

The following table summarizes cash paid during the periods for interest and income taxes:

| Cash paid (received) during the period for: | Three months ended March 31, | |
|---|---------------------------------|----------|
| | 2026 | 2025 |
| Interest | \$ 1,936 | \$ 1,804 |
| Income taxes, net of refunds | 1 | 11 |

The following table summarizes capital expenditures:

| | Three months ended March 31, | |
|--|---------------------------------|----------|
| | 2026 | 2025 |
| Purchase of property and equipment | \$ 4,835 | \$ 4,240 |
| Interest during construction - capital expenditures ² | 42 | 37 |
| Total Capital Expenditures | \$ 4,877 | \$ 4,277 |

The following table summarizes acquisitions, net of cash acquired:

| | Three months ended March 31, | |
|--|---------------------------------|-------|
| | 2026 | 2025 |
| Business acquisitions ¹ | \$ 1,656 | \$ — |
| Spectrum acquisitions | 1,018 | 1 |
| Interest during construction - spectrum ² | — | 19 |
| Total Acquisitions ¹ | \$ 2,674 | \$ 20 |

¹ Approximately \$4,100 of cash paid for acquisitions was reported as investing activities from discontinued operations.

² Total capitalized interest was \$42 and \$56 for the three months ended March 31, 2026 and 2025, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued

Dollars in millions except per share amounts

NOTE 12. DISCONTINUED OPERATIONS

As discussed in Notes 1 and 8, on February 2, 2026, we acquired substantially all of Lumen’s Mass Markets fiber business, including fiber network assets that are held in a new, wholly owned subsidiary, Forged Fiber, which is reflected as discontinued operations. Forged Fiber will continue to support the accompanying acquired fiber customers retained by our Advanced Connectivity segment. To reflect ongoing commercial arrangements following the disposal, results have been presented on a gross basis, with approximately \$95 of operating expenses reported in continuing operations and the corresponding revenues reported in discontinued operations. Discontinued operations were also allocated a proportionate share of goodwill, acquisition-related costs and related cash flows.

The following is a summary of operating results included in income (loss) from discontinued operations for the three months ended March 31:

| | 2026 |
|--|----------------|
| Revenues | \$ 99 |
| Operating Expenses | |
| Cost of revenues | 51 |
| Selling, general and administrative ¹ | 81 |
| Total operating expenses | 132 |
| Other income (expense) – net | (17) |
| Net income (loss) before income taxes | (50) |
| Income tax (benefit) expense | (12) |
| Loss from discontinued operations, net of tax | \$ (38) |

¹ Includes proportionate transaction costs.

The following are the preliminary values for the major classes of assets and liabilities associated with our discontinued operations and classified as held-for-sale on our consolidated balance sheet at March 31:

| | 2026 |
|---|-----------------|
| Assets: | |
| Current Assets | \$ 132 |
| Property, Plant and Equipment ¹ | 3,544 |
| Goodwill | 392 |
| Other Assets | 204 |
| Total Assets, discontinued operations² | \$ 4,272 |
| Liabilities: | |
| Current liabilities | \$ 185 |
| Other liabilities | 1 |
| Total Liabilities, discontinued operations² | \$ 186 |

¹ Includes \$71 of capital additions after acquisition.

² Held-for-sale assets are reported in “Other current assets” and held-for-sale liabilities are reported in “Accounts payable and accrued liabilities.”

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

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RESULTS OF OPERATIONS

AT&T Inc. is referred to as “we,” “AT&T” or the “Company” throughout this document. AT&T products and services are provided or offered by subsidiaries and affiliates of AT&T Inc. under the AT&T brand and not by AT&T Inc., and the names of the particular subsidiaries and affiliates providing the services generally have been omitted. AT&T is a holding company whose subsidiaries and affiliates operate worldwide in the telecommunications and technology industries. You should read this discussion in conjunction with the consolidated financial statements and accompanying notes (Notes). Percentage increases and decreases that are not considered meaningful are denoted with a dash.

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 and are not included in our discussion of continuing operations. (See Notes 8 and 12)

Consolidated Results Our financial results from continuing operations are summarized in the discussions that follow. Additional analysis is discussed in our “Segment Results” section.

| | First Quarter | | Percent Change |
|---|---------------|-----------|-------------------|
| | 2026 | 2025 | |
| Operating Revenues | | | |
| Service | \$ 25,478 | \$ 25,138 | 1.4 % |
| Equipment | 6,028 | 5,488 | 9.8 |
| Total Operating Revenues | 31,506 | 30,626 | 2.9 |
| Operating Expenses | | | |
| Operations and support | 19,882 | 19,682 | 1.0 |
| Depreciation and amortization | 4,966 | 5,190 | (4.3) |
| Total Operating Expenses | 24,848 | 24,872 | (0.1) |
| Operating Income | 6,658 | 5,754 | 15.7 |
| Interest expense | 1,813 | 1,658 | 9.3 |
| Equity in net income (loss) of affiliates | (41) | 1,440 | — |
| Other income (expense) — net | 594 | 455 | 30.5 |
| Income from Continuing Operations Before Income Taxes | 5,398 | 5,991 | (9.9) |
| Income from Continuing Operations | 4,219 | 4,692 | (10.1)% |

Operating revenues increased in the first quarter of 2026, reflecting higher Advanced Connectivity wireless and fiber revenues, including revenues from customers of our acquired mass markets fiber business. Operating revenues in Mexico were also higher due to favorable foreign exchange impacts during the first quarter of 2026. Offsetting the increases were lower Legacy revenues as we continue to work towards the decommissioning of our copper-based legacy network.

Operations and support expenses increased in the first quarter of 2026, primarily due to higher wireless sales volumes, which drove higher equipment, selling and bad debt expenses. The increase was also due to higher network costs that included vendor credits in the prior year, and incremental customer costs related to our acquired mass markets fiber business. The increase was partially offset by higher restructuring charges in the prior year, cost reductions from transformation initiatives and lower content licensing fees.

Depreciation and amortization expense decreased in the first quarter of 2026, primarily due to lower depreciation from fully depreciated legacy assets, partially offset by ongoing capital spending for strategic initiatives such as fiber and network upgrades.

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Operating income increased in the first quarter of 2026. Our operating income margin in the first quarter increased from 18.8% in 2025 to 21.1% in 2026.

Interest expense increased in the first quarter of 2026, primarily due to higher debt balances and interest rates on long-term borrowings.

Equity in net income (loss) of affiliates decreased in the first quarter of 2026, primarily due to the sale of our interest in DIRECTV Entertainment Holdings, LLC to TPG Capital on July 2, 2025.

Other income (expense) – net increased in the first quarter of 2026, primarily due to higher interest income from higher average cash balances and noncash losses on sales of nonstrategic assets in the prior year. These increases were partially offset by lower returns on benefit-related investments.

Income tax expense decreased in the first quarter of 2026. The decrease was primarily due to lower income from continuing operations before income tax. Our effective tax rate was 21.8% in the first quarter of 2026, versus 21.7% in the comparable period in the prior year, reflecting larger discrete state tax benefits in 2025.

Segment Results Our segments are comprised of strategic business units or other operations that offer products and services to different customer segments over various technology platforms and/or in different geographies that are managed accordingly. Effective with our first-quarter 2026 reporting, we realigned our internal management and reporting structure to reflect the evolution of our business model to focus on delivering converged advanced connectivity services across 5G and fiber to consumer and business customers. This new segment reporting structure also provides better visibility into the progress of exiting our copper-based legacy operations.

Our segment results presented in Note 4 and discussed below follow our internal management reporting. We evaluate segment performance based on operating income as well as EBITDA and/or EBITDA margin. See “Discussion and Reconciliation of Non-GAAP Measures” for a reconciliation of EBITDA and EBITDA margin to the most comparable financial measures calculated and presented in accordance with U.S. generally accepted accounting principles (GAAP). We have three reportable segments: Advanced Connectivity, Legacy and Latin America.

The **Advanced Connectivity segment** provides domestic 5G and fiber-based wireless, internet and other advanced connectivity services to consumer and business customers. We also provide supplemental information on our advanced consumer and business customer relationships as the product lifecycles in these customer categories influence the growth trajectories of Advanced Connectivity segment results. The **Legacy 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. The **Latin America segment** provides wireless service and equipment in Mexico.

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

The following tables highlight other key measures of performance for Advanced Connectivity:

Wireless

| (in 000s) | March 31, | | |
|--|----------------|---------|----------------|
| | 2026 | 2025 | Percent Change |
| Retail Wireless Subscribers¹ | 109,292 | 108,418 | 0.8 % |
| Phone | 91,057 | 90,193 | 1.0 |
| Postpaid phone | 74,503 | 73,031 | 2.0 |
| Prepaid phone | 16,554 | 17,162 | (3.5) |
| Other | 18,235 | 18,225 | 0.1 |
| | | | |
| | First Quarter | | |
| | 2026 | 2025 | Percent Change |
| Retail Wireless Net Adds^{1,2} | 158 | 256 | (38.3) |
| Phone | 222 | 304 | (27.0) |
| Postpaid phone | 294 | 324 | (9.3) |
| Prepaid phone | (72) | (20) | — |
| Other | (64) | (48) | (33.3) % |
| Phone churn ³ | 1.20 % | 1.16 % | 4 BP |
| Postpaid phone churn ³ | 0.89 % | 0.83 % | 6 BP |
| Prepaid phone churn ³ | 2.62 % | 2.55 % | 7 BP |

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

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

³ 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.

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Internet

| (in 000s) | March 31, | | |
|--------------------------------------|---------------|--------|----------------|
| | 2026 | 2025 | Percent Change |
| Internet Connections | 14,833 | 11,443 | 29.6 % |
| Fiber | 12,501 | 10,211 | 22.4 |
| AT&T Fiber | 11,800 | 9,592 | 23.0 |
| AT&T Business Fiber ¹ | 701 | 619 | 13.2 |
| Fixed Wireless | 2,332 | 1,232 | 89.3 |
| AT&T Internet Air (AIA) | 1,736 | 803 | — |
| Business Fixed Wireless ² | 596 | 429 | 38.9 |
| | | | |
| | First Quarter | | |
| | 2026 | 2025 | Percent Change |
| Internet Net Adds³ | 584 | 516 | 13.2 |
| Fiber | 292 | 283 | 3.2 |
| AT&T Fiber | 273 | 261 | 4.6 |
| AT&T Business Fiber ¹ | 19 | 22 | (13.6) |
| Fixed Wireless | 292 | 233 | 25.3 |
| AT&T Internet Air (AIA) | 239 | 181 | 32.0 |
| Business Fixed Wireless ² | 53 | 52 | 1.9 % |

¹ Includes fiber broadband internet for businesses and excludes dedicated and ethernet fiber.

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

³ 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.

Wireless service revenue increased in the first quarter of 2026 driven by growth in retail wireless subscribers in underpenetrated categories and converged accounts, partially offset by promotional activity. The effective management of subscriber churn is critical to our ability to maximize revenue growth and to maintain and improve margins. Phone churn was slightly higher in the first quarter of 2026, driven by the competitive dynamics of the industry.

Advanced home internet revenue increased in the first quarter of 2026 driven by an increase in fiber and AIA revenues. Fiber revenues increased 21.2% in the first quarter of 2026, due to growth in fiber customers, including customers of our acquired mass markets fiber business. We expect revenue growth to continue as we invest further in building our fiber footprint. AIA revenue increases exceeded 100% as we continue to make these services available in additional markets.

Business fiber and advanced connectivity revenues increased in the first quarter of 2026 driven by higher fiber and fixed wireless revenues.

Business transitional and other revenues decreased in the first quarter of 2026 driven by lower demand for Virtual Private Network (VPN) and wholesale services, both of which we expect to continue.

Other service revenues decreased in the first quarter of 2026, reflecting the continued decline in the number of consumer VoIP customers.

Equipment revenue increased in the first quarter of 2026, primarily due to higher wireless device sales volumes.

Operations and support expenses increased in the first quarter of 2026, primarily due to higher wireless sales volumes, which drove higher equipment, selling and bad debt expenses. The increase was also due to higher network costs that included vendor credits in the prior year, and incremental customer costs related to our acquired mass markets fiber business. These increases were partially offset by cost reductions from transformation initiatives and lower content licensing fees.

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Depreciation expense decreased in the first quarter of 2026, primarily due to lower depreciation from fully depreciated legacy assets, partially offset by ongoing capital spending for strategic initiatives such as fiber and network upgrades. Depreciation of our shared network, including copper-based assets prior to decommissioning, is managed in our Advanced Connectivity segment, consistent with our composite group depreciation methodology.

Operating income increased in the first quarter of 2026. Our Advanced Connectivity operating income margin in the first quarter increased from 22.0% in 2025 to 24.1% in 2026. Our Advanced Connectivity EBITDA margin in the first quarter increased from 40.3% in 2025 to 40.6% in 2026.

| LEGACY SEGMENT | First Quarter | | |
|----------------------------------|---------------|----------|----------------|
| | 2026 | 2025 | Percent Change |
| Segment Operating Revenues | \$ 1,768 | \$ 2,368 | (25.3)% |
| Segment Operating Expenses | | | |
| Operations and support | 1,156 | 1,349 | (14.3) |
| Depreciation and amortization | — | — | — |
| Total Segment Operating Expenses | 1,156 | 1,349 | (14.3) |
| Operating Income | \$ 612 | \$ 1,019 | (39.9)% |

Operating revenues decreased in the first quarter of 2026, driven by lower demand for legacy services, which we expect to continue as we decommission our copper-based legacy network.

Operations and support represent direct operating costs and decreased in the first quarter of 2026. Expense declines were primarily driven by lower personnel and other costs resulting from the decommissioning of our legacy network and lower fulfillment cost amortization, which we expect to continue. These decreases were partially offset by vendor credits in the prior year.

Operating income decreased in the first quarter of 2026. Our Legacy operating income and EBITDA margins in the first quarter decreased from 43.0% in 2025 to 34.6% in 2026.

| LATIN AMERICA SEGMENT | First Quarter | | |
|----------------------------------|---------------|--------|----------------|
| | 2026 | 2025 | Percent Change |
| Segment Operating Revenues | | | |
| Service | \$ 753 | \$ 615 | 22.4 % |
| Equipment | 420 | 356 | 18.0 |
| Total Segment Operating Revenues | 1,173 | 971 | 20.8 |
| Segment Operating Expenses | | | |
| Operations and support | 953 | 778 | 22.5 |
| Depreciation and amortization | 200 | 150 | 33.3 |
| Total Segment Operating Expenses | 1,153 | 928 | 24.2 |
| Operating Income | \$ 20 | \$ 43 | (53.5)% |

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The following tables highlight other key measures of performance for Mexico:

Subscribers

| (in 000s) | March 31, | | Percent Change |
|--|---------------|---------------|----------------|
| | 2026 | 2025 | |
| Postpaid | 7,088 | 5,997 | 18.2 % |
| Prepaid | 16,835 | 17,376 | (3.1) |
| Reseller | 180 | 235 | (23.4) |
| Total Mexico Wireless Subscribers | 24,103 | 23,608 | 2.1 % |

Mexico Wireless Net Additions

| (in 000s) | First Quarter | | Percent Change |
|--|---------------|-----------|----------------|
| | 2026 | 2025 | |
| Postpaid | 337 | 160 | — % |
| Prepaid | (895) | (110) | — |
| Reseller | (19) | (18) | (5.6) |
| Total Mexico Wireless Net Additions | (577) | 32 | — % |

Service revenues increased in the first quarter of 2026, primarily due to favorable foreign exchange impacts and growth in subscribers.

Equipment revenues increased in the first quarter of 2026, primarily due to favorable foreign exchange impacts and higher equipment sales.

Operations and support expenses increased in the first quarter of 2026, driven by unfavorable foreign exchange rates and increased sales volume, resulting in higher equipment costs and bad debt expenses.

Depreciation and amortization expense increased in the first quarter of 2026, driven by unfavorable foreign exchange rates, accelerated depreciation on certain assets and higher in-service assets.

Operating income decreased in the first quarter of 2026. Our Mexico operating income margin in the first quarter decreased from 4.4% in 2025 to 1.7% in 2026. Our Mexico EBITDA margin in the first quarter decreased from 19.9% in 2025 to 18.8% in 2026.

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SUPPLEMENTAL INFORMATION

The following tables present supplemental information on the consumer and business relationships within our Advanced Connectivity segment.

| Advanced Connectivity | | | | |
|---------------------------------|----|---------------|-----------|----------------|
| Consumer | | | | |
| | | First Quarter | | |
| | | 2026 | 2025 | Percent Change |
| Operating revenues | | | | |
| 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 |
| Total Operating Revenues | | 22,152 | 20,976 | 5.6 |
| Operating expenses | | | | |
| Operations and support | | 12,589 | 11,801 | 6.7 |
| Depreciation and amortization | | 3,022 | 3,011 | 0.4 |
| Total Operating Expenses | | 15,611 | 14,812 | 5.4 |
| Operating Income | \$ | 6,541 | \$ 6,164 | 6.1 % |
| <hr/> | | | | |
| Advanced Connectivity | | | | |
| Business | | | | |
| | | First Quarter | | |
| | | 2026 | 2025 | Percent Change |
| Operating revenues | | | | |
| 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 |
| Total Operating Revenues | | 6,319 | 6,216 | 1.7 |
| Operating expenses | | | | |
| Operations and support | | 4,324 | 4,446 | (2.7) |
| Depreciation and amortization | | 1,683 | 1,962 | (14.2) |
| Total Operating Expenses | | 6,007 | 6,408 | (6.3) |
| Operating Income (Loss) | \$ | 312 | \$ (192) | — % |

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COMPETITIVE AND REGULATORY ENVIRONMENT

Overview AT&T subsidiaries operating within the United States are subject to federal and state regulations. AT&T subsidiaries operating outside the United States are subject to the jurisdiction of national and supranational regulations in the markets where service is provided. Complying with these regulations may affect our results of operations and cash flow, and compliance may be very costly. For a discussion of these regulations, please see “Management’s Discussion and Analysis of Financial Condition and Results of Operation—Regulatory Landscape” in our Annual Report on Form 10-K for the year-ended December 31, 2025.

LIQUIDITY AND CAPITAL RESOURCES

| Continuing operations for three months ended March 31, | 2026 | 2025 |
|--|----------|----------|
| Cash provided by operating activities | \$ 7,595 | \$ 9,049 |
| Cash used in investing activities | (7,484) | (4,958) |
| Cash used in financing activities | (2,097) | (553) |

| | March 31, 2026 | December 31, 2025 |
|---------------------------|-------------------|----------------------|
| Cash and cash equivalents | \$ 11,964 | \$ 18,234 |
| Total debt | 138,407 | 136,100 |

We had \$11,964 in cash and cash equivalents available at March 31, 2026, decreasing \$6,270 since December 31, 2025. Cash and cash equivalents included cash of \$3,490 and money market funds and other cash equivalents of \$8,474. Approximately \$1,077 of our cash and cash equivalents were held in accounts outside of the U.S. and may be subject to restrictions on repatriation.

For the first three months of 2026, cash inflows were primarily provided by cash receipts from operations, including cash from our sale and transfer of our receivables to third parties. These inflows were exceeded by cash used to meet the needs of the business, including, but not limited to, payment of operating expenses, including higher device payments from higher sales volumes. The cash generated from operating activities was primarily used to repay long-term debt, fund capital improvements and business acquisitions, repurchase common stock, and make dividend payments to stockholders. We maintain availability under our credit facilities and our commercial paper program to meet our short-term liquidity requirements.

Cash Provided by Operating Activities from Continuing Operations

During the first three months of 2026, cash provided by operating activities was \$7,595, compared to \$9,049 for the first three months of 2025, with prior-year operating cash flows including \$1,423 of distributions from DIRECTV.

We actively manage the timing of our supplier payments for operating items to optimize the use of our cash. Among other things, we seek to make payments on 90-day or greater terms, while providing the suppliers with access to bank facilities that permit earlier payments at their cost (referred to as supplier financing program). In addition, for payments to suppliers of handset inventory, as part of our working capital initiatives, we have arrangements that allow us to extend the stated payment terms by up to approximately 120 days, with an average of 85 days outstanding, at an additional cost to us (referred to as direct supplier financing). The net impact of direct supplier financing, including principal and interest payments, was to decrease cash from operating activities approximately \$1,136 and \$2,042 for the three months ended March 31, 2026 and 2025, respectively. All supplier financing payments are due within one year. (See Note 10)

Cash Used in Investing Activities from Continuing Operations

For the first three months of 2026, cash used in investing activities totaled \$7,484 and consisted primarily of \$4,877 (including interest during construction) for capital expenditures. During the first three months of 2026, investing activities also included \$413 of FirstNet sustainability payments, net of reinvestment, and \$574 related to the note receivable payment from DIRECTV. In addition, we paid \$1,018 in connection with our January 2026 acquisition of select spectrum licenses from United States Cellular Corporation (UScellular) and \$5,756 in connection with our February 2026 acquisition of Lumen’s Mass Markets fiber

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business, of which \$1,656 was included in investing activities from continuing operations and \$4,100 was included as investing activities from discontinued operations (see Notes 1, 8 and 12).

We enter into multi-year software licensing arrangements, which are typically paid over the license terms of two to five years and referred to as vendor financing. Additionally, for capital improvements, we have negotiated favorable vendor payment terms of 120 days or more with some of our vendors, which are also referred to as vendor financing. Vendor financing is excluded from capital expenditures and reported as financing activities. For the first three months of 2026, vendor financing payments were \$212, compared to \$203 for the first three months of 2025. Capital expenditures for the first three months of 2026 were \$4,877, and when including \$212 cash paid for vendor financing, capital investment was \$5,089 (\$609 higher than the prior-year comparable period).

The vast majority of our capital expenditures are spent on our networks, including product development and related support systems. During the first three months of 2026, we placed \$732 of productive assets in service under vendor financing arrangements (compared to \$378 in the prior-year comparable period). The amount of capital expenditures is influenced by demand for services and products, capacity needs and network enhancements.

On August 25, 2025, we agreed to purchase Federal Communications Commission (FCC) licenses in the 600 MHz and 3.45 GHz bands from EchoStar Corporation for approximately \$23,000, subject to certain adjustments. The transaction is subject to regulatory approval and other closing conditions. The FCC licenses will be used to expand our 5G network, meet future capacity demands and support future wireless communications services. We signed a short-term spectrum manager lease on the 3.45 GHz spectrum, which was deployed in cell sites covering nearly two-thirds of the U.S. population.

Cash Provided by or Used in Financing Activities from Continuing Operations

For the first three months of 2026, cash used in financing activities totaled \$2,097 and was comprised of debt repayments, common stock repurchases, dividend payments, and vendor financing payments, partially offset by issuances of long-term debt.

A tabular summary of our debt activities for the three months ended March 31, 2026 is as follows:

| | Three months ended March 31, 2026 |
|-------------------------------------|--------------------------------------|
| Issuance of Notes and Debentures: | |
| USD notes | \$ 6,465 |
| CAD notes | 1,633 |
| Debt Issuances | \$ 8,098 |
| Repayments | |
| USD notes | \$ (3,741) |
| EUR notes | (1,103) |
| AUD notes | (216) |
| Other | (187) |
| Repayments of long-term debt | \$ (5,247) |

The weighted average interest rate of our long-term debt portfolio, including credit agreement borrowings and the impact of derivatives, was approximately 4.3% as of March 31, 2026 and 4.2% as of December 31, 2025. We had \$137,017 of total notes and debentures outstanding at March 31, 2026. This also included Euro, British pound sterling, Canadian dollar, Australian dollar, and Swiss franc denominated debt that totaled approximately \$34,994.

At March 31, 2026, we had \$6,818 of long-term debt maturing within one year. We had no outstanding commercial paper or other short-term borrowings on March 31, 2026.

For the first three months of 2026, we paid \$212 of cash under our vendor financing program, compared to \$203 in the prior-year comparable period. Total vendor financing payables included in our March 31, 2026 consolidated balance sheet were \$2,437, with \$1,474 due within one year (in “Accounts payable and accrued liabilities”) and the remainder predominantly due within five years (in “Other noncurrent liabilities”).

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations- Continued

Dollars in millions except per share amounts

During the first three months of 2026, we repurchased approximately 88 million shares totaling \$2,279 under our \$10,000 common stock repurchase authorization approved by the Board of Directors in December 2024 (the “2024 Authorization”), excluding brokerage fees and the one percent excise tax imposed by the Inflation Reduction Act of 2022. On January 27, 2026, the Board approved an authorization to repurchase an additional \$10,000 of common stock (the “2026 Authorization”). At March 31, 2026, we had approximately \$3,452 remaining under the 2024 Authorization, and \$10,000 remaining under the 2026 Authorization.

We paid dividends on common and preferred shares of \$1,997 during the first three months of 2026, compared with \$2,091 for the first three months of 2025.

Dividends on common stock declared by our Board of Directors totaled \$0.2775 per share in the first three months of 2026 and 2025. Our dividend policy considers the expectations and requirements of stockholders, capital funding requirements of AT&T and long-term growth opportunities.

Credit Facilities

The following summary of our various credit and loan agreements does not purport to be complete and is qualified in its entirety by reference to each agreement filed as exhibits to our Annual Report on Form 10-K.

We use credit facilities as a tool in managing our liquidity status. We currently have one \$12,000 revolving credit agreement that terminates on November 3, 2030 (Revolving Credit Agreement). No amount was outstanding under the Revolving Credit Agreement as of March 31, 2026.

In November 2025, we entered into a \$17,500 Delayed Draw Term Loan Credit Agreement (Term Loan), with Bank of America, N.A., as agent. The Term Loan is comprised of (i) a \$6,000 364-day delayed draw term loan facility (364-Day Term Loan Facility) and (ii) a \$11,500 two-year delayed draw term loan facility (Two-Year Term Loan Facility). Each of the 364-Day Term Loan Facility and Two-Year Term Loan Facility is available for a single draw at any time before November 3, 2026. No amount was outstanding under the Term Loan as of March 31, 2026.

In March 2026, we entered into two bilateral term loan facilities totaling \$1,500, that will allow us to borrow funds during the second quarter. When drawn, \$500 will be due in 2031 and \$1,000 will be due in 2033. Advances will bear interest at a variable rate based on the secured overnight financing rate (SOFR) plus a margin. No amounts were outstanding under these facilities as of March 31, 2026.

We also utilize other external financing sources, which include various credit arrangements supported by government agencies to support network equipment purchases as well as a commercial paper program.

The Revolving Credit Agreement and the Term Loan contain covenants that are customary for an issuer with investment grade senior debt credit ratings, including a net debt-to-EBITDA financial ratio covenant requiring us to maintain, as of the last day of each fiscal quarter, a ratio of not more than 3.75-to-1. As of March 31, 2026, we were in compliance with the covenants for our credit facilities.

Collateral Arrangements

Most of our counterparty collateral arrangements require cash collateral posting by AT&T only when derivative market values exceed certain thresholds. Under these arrangements, which cover the majority of our approximate \$36,069 derivative portfolio, counterparties are still required to post collateral. During the first three months of 2026, we received \$354 of cash collateral, on a net basis. Cash postings under these arrangements vary with changes in credit ratings and netting agreements. (See Note 7)

Other

Our total capital consists of debt (long-term debt and debt maturing within one year), redeemable noncontrolling interest and stockholders’ equity. Our capital structure does not include debt issued by our equity method investments. At March 31, 2026, our debt ratio was 52.0%, compared to 50.9% at March 31, 2025 and 51.4% at December 31, 2025. The debt ratio is affected by the same factors that affect total capital, and reflects our recent debt issuances, repayments and reclassifications related to redemption of noncontrolling interests.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued

Dollars in millions except per share amounts

DISCUSSION AND RECONCILIATION OF NON-GAAP MEASURES

We also evaluate segment performance based on EBITDA, which is defined as operating income excluding depreciation and amortization, and/or EBITDA margin, which is defined as EBITDA divided by total revenue. EBITDA is used as part of our management reporting, and we believe EBITDA to be a relevant and useful measurement to our investors as it measures the cash generation potential of our operations. EBITDA does not give effect to depreciation and amortization expenses incurred in operating income nor is it burdened by cash used for debt service requirements and thus does not reflect available funds for distributions, reinvestment or other discretionary uses. 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.

| | First Quarter | | Percent Change |
|--------------------------------------|---------------|-----------|----------------|
| | 2026 | 2025 | |
| Advanced Connectivity Segment | | | |
| Operating income | \$ 6,853 | \$ 5,972 | 14.8 % |
| Add: Depreciation and amortization | 4,705 | 4,973 | (5.4) |
| EBITDA | \$ 11,558 | \$ 10,945 | 5.6 % |
| Operating income margin | 24.1 % | 22.0 % | |
| EBITDA margin | 40.6 % | 40.3 % | |
| Legacy Segment | | | |
| Operating income | \$ 612 | \$ 1,019 | (39.9)% |
| Add: Depreciation and amortization | — | — | — |
| EBITDA | \$ 612 | \$ 1,019 | (39.9)% |
| Operating income margin | 34.6 % | 43.0 % | |
| EBITDA margin | 34.6 % | 43.0 % | |
| Latin America Segment | | | |
| Operating income | \$ 20 | \$ 43 | (53.5)% |
| Add: Depreciation and amortization | 200 | 150 | 33.3 |
| EBITDA | \$ 220 | \$ 193 | 14.0 % |
| Operating income margin | 1.7 % | 4.4 % | |
| EBITDA margin | 18.8 % | 19.9 % | |

Item 3. Quantitative and Qualitative Disclosures About Market Risk

At March 31, 2026, we had no interest rate swaps.

We have fixed-to-fixed and floating-to-fixed cross-currency swaps on foreign currency-denominated debt instruments with a U.S. dollar notional value of \$36,069 to hedge our exposure to changes in foreign currency exchange rates and interest rates. These derivatives have been designated as fair value or cash flow hedges with a net fair value of \$(2,168) at March 31, 2026.

Item 4. Controls and Procedures

The registrant maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed by the registrant is recorded, processed, summarized, accumulated and communicated to its management, including its principal executive and principal financial officers, to allow timely decisions regarding required disclosure, and reported within the time periods specified in the SEC's rules and forms. The Chief Executive Officer and Chief Financial Officer have performed an evaluation of the effectiveness of the design and operation of the registrant's disclosure controls and procedures as of March 31, 2026. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the registrant's disclosure controls and procedures were effective as of March 31, 2026.

There have not been any changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

CAUTIONARY LANGUAGE CONCERNING FORWARD-LOOKING STATEMENTS

Information set forth in this report contains forward-looking statements that are subject to risks and uncertainties, and actual results could differ materially. Many of these factors are discussed in more detail in the “Risk Factors” section herein and in our most recent Form 10-K. We claim the protection of the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995.

The following factors could cause our future results to differ materially from those expressed in the forward-looking statements:

- Adverse economic and political changes, public health emergencies and our ability to access financial markets on favorable terms.
- Increases in our benefit plans’ costs, including due to worse-than-assumed investment returns and discount rates, mortality assumptions, medical cost trends, or healthcare laws or regulations.
- The final outcome of FCC and other federal, state or foreign government agency proceedings (including judicial review of such proceedings) and legislative and regulatory efforts involving issues important to our business, including, without limitation, results of pending governmental investigations; the transition from legacy technologies to IP-based infrastructure, including the withdrawal of legacy TDM-based services; universal service; broadband deployment; wireless equipment siting regulations; E911 services; rules concerning digital discrimination; competition policy; privacy; net neutrality; copyright protection; availability of new spectrum on fair and reasonable terms; and wireless and satellite license awards and renewals, and our response to such legislative and regulatory efforts.
- Enactment of or changes to state, local, federal and/or foreign tax laws and regulations, and actions by tax agencies and judicial authorities, and the resolution of disputes with any taxing jurisdictions.
- U.S. and foreign laws and regulations regarding intellectual property rights protection and privacy, personal data protection and user consent.
- Our ability to compete in a competitive industry and against competitors that can offer product/service offerings at lower prices due to lower cost structures and regulatory and legislative actions adverse to us, including non-regulation of comparable alternative technologies and/or government-owned or subsidized networks, and our response to such competition and emerging technologies, including artificial intelligence.
- Disruptions in our supply chain that have a material impact on our ability to acquire needed goods and services.
- The development and delivery of attractive and profitable wireless and broadband offerings and devices, including our ability to match speeds offered by competitors; and the availability, cost and/or reliability of technologies required to provide such offerings.
- Our ability to adequately fund additional wireless spectrum and network development, deployment and maintenance; and regulations and conditions relating to spectrum use, licensing, obtaining additional spectrum, technical standards and deployment and usage, including network management rules.
- Our ability to manage growth in wireless data services, including network quality.
- The outcome of pending, threatened or potential litigation and arbitration.
- The impact from major equipment, software or other failures or errors that disrupt our networks or cyber incidents; the effect of security breaches related to the network or customer information; our inability to obtain handsets, equipment/software or have handsets, equipment/software serviced in a timely and cost-effective manner; severe weather conditions or other natural disasters including earthquakes and forest fires; public health emergencies; energy shortages; or wars or terrorist attacks.
- The issuance by the FASB or other accounting oversight bodies of new or revised accounting standards.
- The imposition of tariffs and their duration and uncertainty surrounding further tariffs and congressional action regarding spending and taxation, which may result in changes in government spending and affect business and consumer spending trends.
- Our ability to realize or sustain the expected benefits of our business transformation initiatives, which are designed to reduce costs, enable legacy rationalization, streamline distribution, remove redundancies and simplify and improve processes and support functions.
- Our ability to successfully complete acquisitions, divestitures and joint venture transactions, as well as achieve our expectations regarding the financial impact of completed and/or pending transactions.

Readers are cautioned that other factors discussed in this report and in our most recent Form 10-K, although not enumerated here, also could materially affect our future earnings.

PART II – OTHER INFORMATION

Dollars in millions except per share amounts

Item 1A. Risk Factors

We discuss in our Annual Report on Form 10-K for the year ended December 31, 2025 various risks that may materially affect our business. We use this section to update this discussion to reflect material developments. For the first quarter of 2026, there were no such material developments.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) A summary of our repurchases of common stock during the first quarter of 2026 is as follows:

| Period | (a) Total Number of Shares (or Units) Purchased ^{1,2} | (b) Average Price Paid Per Share (or Unit) | (c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs ¹ | (d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet Be Purchased Under The Plans or Programs |
|--------------------------------------|--|---|---|--|
| January 1, 2026 - January 31, 2026 | 42,269,676 | \$ 23.87 | 41,855,017 | \$ 14,732 |
| February 1, 2026 - February 28, 2026 | 26,073,343 | \$ 27.84 | 21,802,500 | \$ 14,128 |
| March 1, 2026 - March 31, 2026 | 26,190,954 | \$ 28.26 | 23,975,248 | \$ 13,452 |
| Total | 94,533,973 | \$ 26.18 | 87,632,765 | |

¹ In December 2024, our Board of Directors approved, and we announced, an authorization to repurchase up to \$10,000 of common stock. In January 2026, our Board of Directors approved, and we announced, an authorization to repurchase an additional \$10,000 of common stock. The authorizations have no expiration date.

² Of the shares repurchased or transferred, 6,901,208 were acquired through the withholding of taxes on the vesting of restricted stock and performance shares or in respect of the exercise price of options.

Item 5. Other Information

(c) During the quarter ended March 31, 2026, no director or officer (as defined in Rule 16a-1(f)) of the Company adopted or terminated a contract, instruction or written plan for the purchase or sale of securities of the Company intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) and/or a non-Rule 10b5-1 trading arrangement.

Item 6. Exhibits

The following exhibits are filed or incorporated by reference as a part of this report:

Exhibit

Number Exhibit Description

10.1 [Administrative Plan](#)

10.2 [Cash Deferral Plan as amended effective January 1, 2027](#)

31 Rule 13a-14(a)/15d-14(a) Certifications

[31.1 Certification of Principal Executive Officer](#)

[31.2 Certification of Principal Financial Officer](#)

32 [Section 1350 Certifications](#)

101 The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, formatted in Inline XBRL: (i) Consolidated Statements of Cash Flows, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Balance Sheets, and (v) Notes to Consolidated Financial Statements, tagged as blocks of text and including detailed tags.

104 The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AT&T Inc.

April 27, 2026

/s/ Pascal Desroches

Pascal Desroches

Senior Executive Vice President
and Chief Financial Officer