AT&T 3Q2024 EARNINGS

2024 3rd Quarter Earnings

October 23, 2024

Cautionary Language Concerning Forward-looking Statements

Information set forth in this presentation contains financial estimates and other forward-looking statements that are subject to risks and uncertainties, and actual results might differ materially. A discussion of factors that may affect future results is contained in AT&T's filings with the Securities and Exchange Commission. AT&T disclaims any obligation to update and revise statements contained in this presentation based on new information or otherwise. This presentation may contain certain non-GAAP financial measures. Information about non-GAAP financial measures is contained on slide 15 and reconciliations between the non-GAAP financial measures and the GAAP financial measures are available on the company's website at investors.att.com.

2024 Business Priorities

1

Grow durable 5G and Fiber relationships

- Execute consistent and disciplined go-to-market strategy with a focus on profitable growth
- Target underpenetrated segments and expand converged customer opportunities
- Generate value by creating and maintaining high-value, long-term customer relationships

2

Effective and efficient in everything we do

- Achieve incremental run-rate cost savings target of $2B+ by mid-2026
- Drive efficiencies, enhanced customer experiences and scale benefits with AI
- Expand 5G and fiber premium services, enabling transition from legacy infrastructure

3

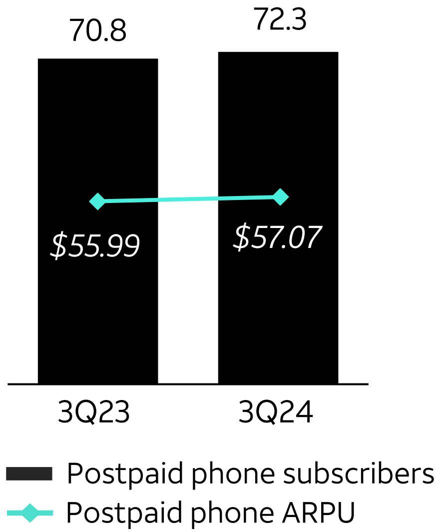
Deliberate capital allocation

- Invest for long-term growth – 5G and fiber
- Strengthen balance sheet by reducing net debt, with target of achieving net debt-to-adjusted EBITDA[†1] in the 2.5x range in the first half of 2025
- Provide an attractive dividend supported by strong free cash flow

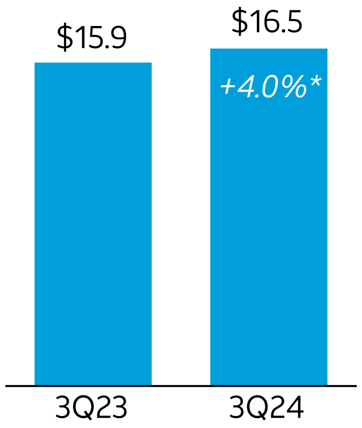
† See notes slide 15
AT&T

5G and Fiber

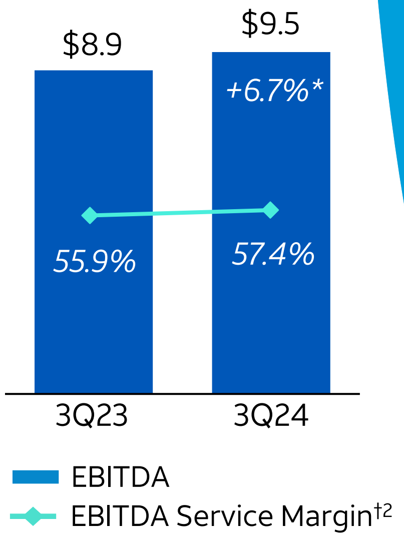
Postpaid Phone Subscribers
millions



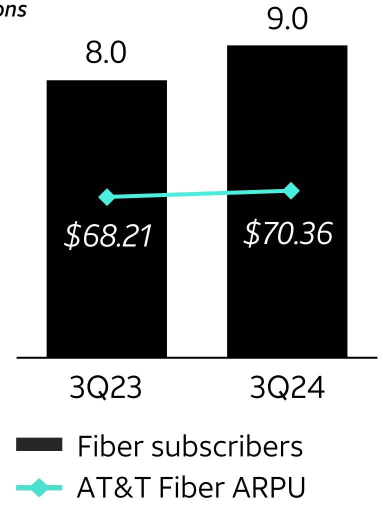
Mobility Service Revenues
$ in billions



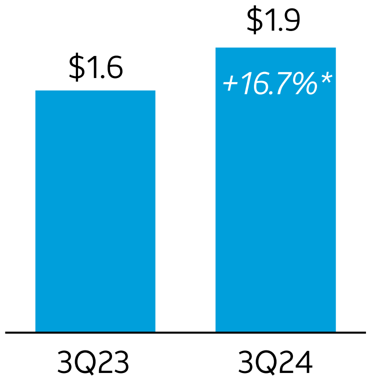
Mobility EBITDA†[2]
$ in billions



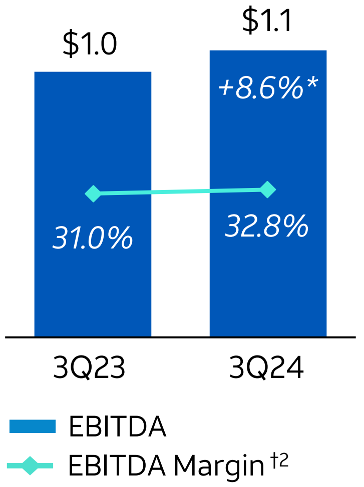
AT&T Fiber Subscribers
millions



AT&T Fiber Revenues
$ in billions



Consumer Wireline EBITDA†[2]
$ in billions



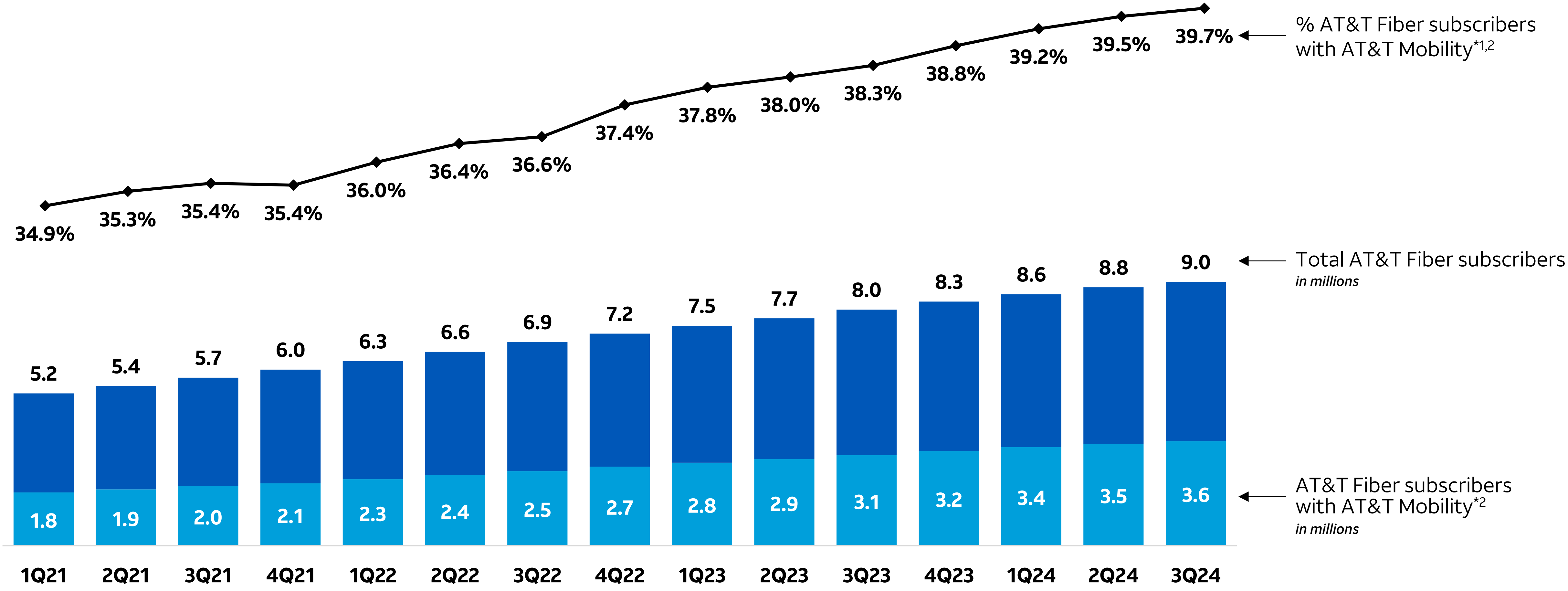
* YOY change
† See notes slide 15

With FirstNet, AT&T makes public safety's mission the priority

AT&T's Network Disaster Recovery program rapidly deployed portable assets to restore connectivity

Convergence Opportunity

Expanding availability of AT&T Fiber increases opportunity for converged service adoption



*1 Mobility is defined as consumer postpaid phone
*2 3Q24 fiber metrics are presented based on available information and are subject to revision

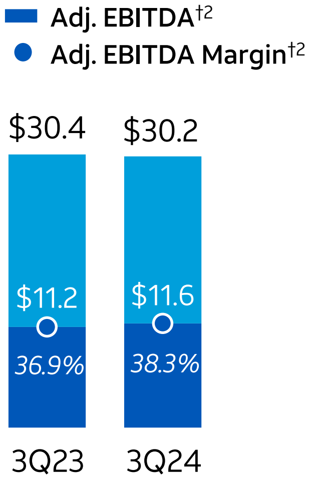
3Q2024 Financial Results

AT&T

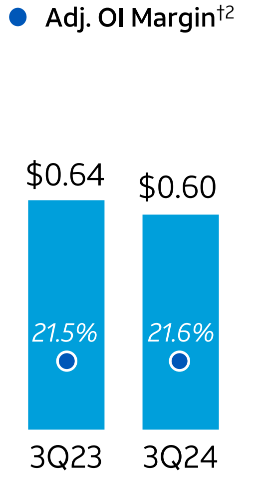
3Q24 Financial Summary

$ in billions, except EPS

Revenues



Adjusted EPS[†3]



Cash from Ops

	3Q23	3Q24
Reported EPS	**$0.48**	**($0.03)**
Adjustments:		
DIRECTV intangible amortization (proportionate share)	$0.03	$0.03
Impairments and restructuring	$0.11	$0.61
Actuarial and other adjustments	$0.02	($0.01)
Adjusted EPS	**$0.64**	**$0.60**

Service revenue growth from subscriber & ARPU gains more than offset by lower equipment revenues

- Revenues of $30.2B, with equipment revenues down $0.2B
- Mobility service revenues grew $0.6B, up 4.0%
- Consumer broadband revenues grew 6.4%

Adjusted EBITDA[†2] of $11.6B, up 3.4%

- Adjusted EBITDA margin[†2] expanded 140 bps

Adjusted EPS[†3] of $0.60

- 3Q24 includes ~($0.09) impact from higher depreciation, lower equity income from DIRECTV, higher non-cash pension / postretirement costs and lower capitalized interest

Cash from operations of $10.2B

- Free cash flow[†4] of $5.1B; includes $0.6B from DIRECTV and $480M in payments related to wireless network transformation
- Capital expenditures of $5.3B; Capital investment[†5] of $5.5B; includes $0.2B of vendor financing payments

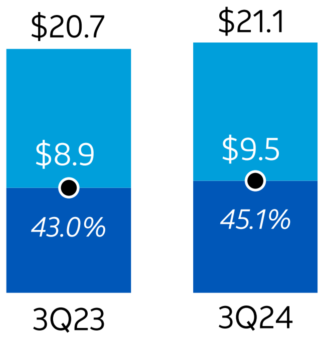
† See notes slide 15

AT&T

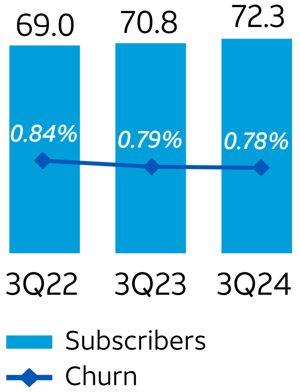
3Q24 Mobility Results

Revenues   EBITDA [†2]   EBITDA Margin [†2]

Mobility
$ in billions



Postpaid Phones
in millions



Strong service revenue and EBITDA growth from high-quality, durable subscribers

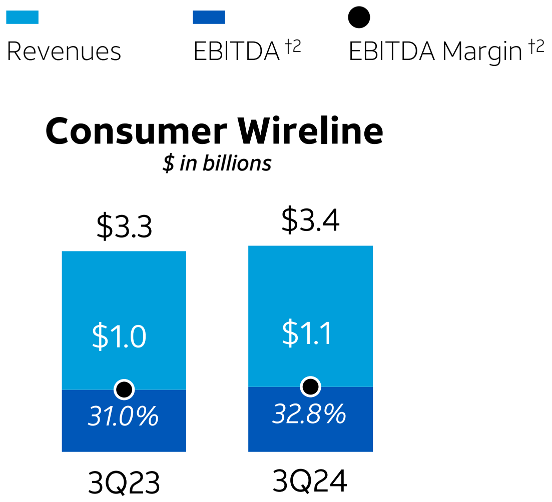
- Wireless service revenues grew $0.6B, up 4.0%
- Postpaid phone ARPU of $57.07, up 1.9%
- EBITDA[†2] of $9.5B, up 6.7%; EBITDA service margin[†2] of 57.4%, up 150 bps
- Strong operating leverage driving margin expansion from consistent go-to-market strategy, profitable customer growth and continued focus on operational efficiency

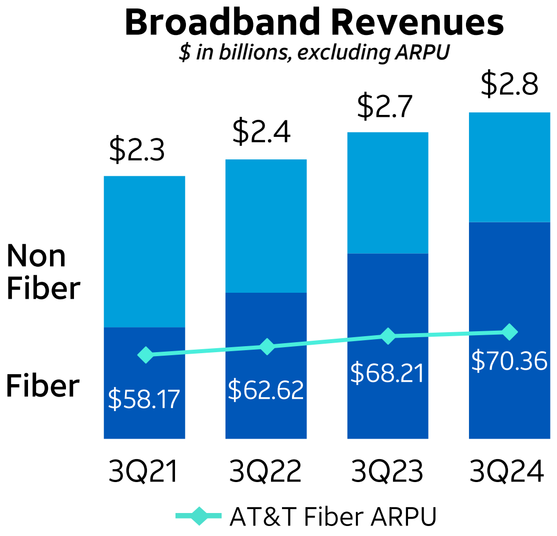
Consistent and sustainable execution, with profitable customer growth

- Focus on deliberate segmentation and expanding value of convergence
- 403,000 postpaid phone net adds
- 0.78% postpaid phone churn, down 1bp, another expected industry-best performance
- Upgrade rate of 3.5%, down 40 bps

† See notes slide 15
AT&T

3Q24 Consumer Wireline Results





Revenue and EBITDA growth driven by fiber, with fiber revenues up ~17%

- Broadband revenues grew 6.4%, driven by fiber subscriber and ARPU growth
- Fiber ARPU of $70.36, up 3.2%, with intake ARPU of ~$75
- Total broadband net adds of 28,000 – the 5th consecutive quarter of positive broadband net adds
  - AT&T Fiber net adds of 226,000 reflect impacts of work stoppage and storm activity
  - AT&T Internet Air net adds of 135,000

Fiber investment drives valuable convergence opportunities

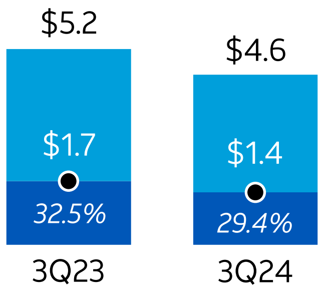
- Fiber penetration of ~40%
- Expansion of fiber footprint enables increased opportunities to sell into high-quality cohort
- Converged customers are valuable and durable, with longer customer lives
- Announced expansion of Gigapower and four new agreements with commercial open-access fiber providers

† See notes slide 15

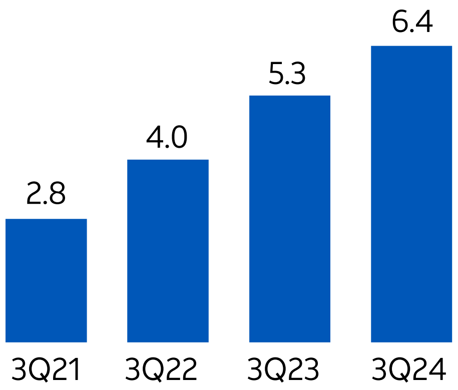
3Q24 Business Wireline Results

Revenues | EBITDA †2 | EBITDA Margin †2

Business Wireline
$ in billions



FirstNet Connections
in millions



Business Wireline results reflect accelerated product transition

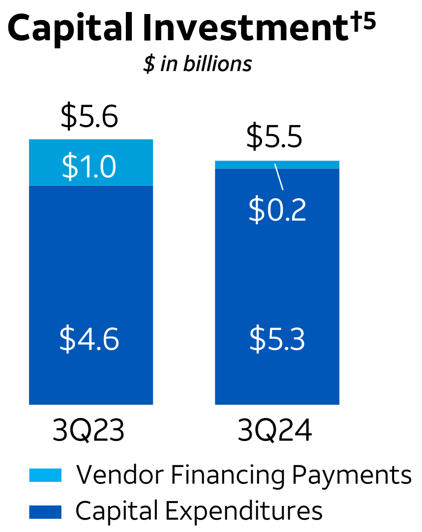
- Transition of legacy wireline services continued, with ongoing declines in legacy voice and data revenues
- EBITDA†2 trends reflect continued secular declines in legacy services; 3Q23 included ~$100M impact from IP sales not repeated in 3Q24
- AT&T Internet Air for Business available nationwide

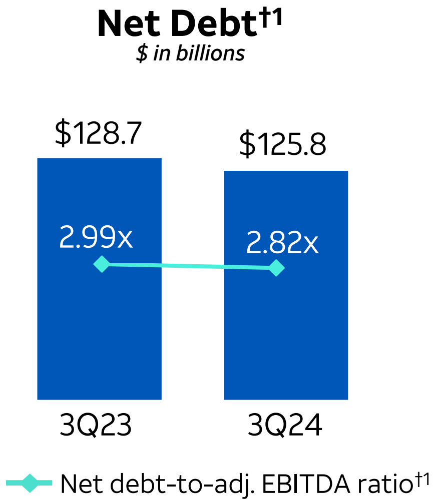
Enterprise relationships are key to driving future connectivity growth

- AT&T Business Solutions†6 positioned to capture incremental growth opportunities with fiber, 5G and AT&T Internet Air for Business
- Business Solutions†6 wireless service revenue grew 4.4%
- FirstNet added ~300K connections, up to 6.4M total connections, includes phones and other devices

† See notes slide 15
AT&T

3Q24 Capital Allocation Update





Investing for growth

- Capital Investment†5 of $5.5B, with higher capital expenditures and lower vendor financing payments

Strengthening the balance sheet

- Reduced net debt†1 by $2.9B YOY and $1.1B sequentially
- Remain on track to reach net debt-to-adjusted EBITDA†1 in the 2.5x range in the first half of 2025
- Reduced vendor and direct supplier financing obligations by ~$2.4B YOY
- 95%+ of long-term debt is fixed with a weighted average maturity of 16 years at a weighted average rate of 4.2%
- Announced agreement to sell AT&T's stake in DIRECTV to TPG; expect to close in second half of 2025
  - Expect to receive ~$7.6B in cash payments, including $0.6B received in 3Q24 (timing of payments are provided in our Form 8-K filed on Sept. 30, 2024)

Providing an attractive dividend

- Supported by strong free cash flow with improved ratability

† See notes slide 15

2024 Financial Guidance

	2024 Guidance*
REVENUE GROWTH	
Wireless Service Revenues	*3% range*
Broadband Revenues	*7%+*
ADJUSTED EBITDA[†1,2] GROWTH	**3% range**
CAPITAL INVESTMENT[†5]	**$21 - $22 billion**
FREE CASH FLOW[†4]	**$17 - $18 billion**
ADJUSTED EPS[†3]	**$2.15 - $2.25**

**All financial guidance on this slide is unchanged vs. guidance provided on January 24 with 4Q23 results*

† See notes slide 15

Q&A

Notes

1. Net debt-to-adjusted EBITDA ratios are non-GAAP financial measures that are frequently used by investors and credit rating agencies to provide relevant and useful information. Our net debt-to-adjusted EBITDA ratio is calculated by dividing net debt by the sum of the most recent four quarters of adjusted EBITDA (defined below). Net debt is calculated by subtracting cash and cash equivalents and time deposits (deposits at financial institutions that are greater than 90 days, e.g., certificates of deposit and time deposits), from total debt. Net debt of $125.8 billion at September 30, 2024 is calculated as total debt of $129.0 billion less cash and cash equivalents of $2.6 billion and time deposits of $0.7 billion. Adjusted EBITDA was $11.6 billion for 3Q24, $11.3 billion for 2Q24, $11.0 billion for 1Q24, and $10.6 billion for 4Q23. Net debt of $128.7 billion at September 30, 2023 is calculated as total debt of $138.0 billion less Cash and Cash Equivalents of $7.5 billion and time deposits of $1.8 billion. Adjusted EBITDA was $11.2 billion for 3Q23, $11.1 billion for 2Q23, $10.6 billion for 1Q23, and $10.2 billion for 4Q22. Net debt of $126.9 billion at June 30, 2024 is calculated as total debt of $130.6 billion less cash and cash equivalents of $3.1 billion and time deposits of $0.7 billion. Net debt and Adjusted EBITDA estimates depend on future levels of revenues, expenses and other metrics which are not reasonably estimable at this time. Accordingly, we cannot provide a reconciliation between projected Adjusted EBITDA and net debt-to-adjusted EBITDA and the most comparable GAAP metrics and related ratios without unreasonable effort.

2. EBITDA, EBITDA margin, EBITDA service margin, adjusted EBITDA, adjusted EBITDA margin and adjusted operating income margin are non-GAAP financial measures that are frequently used by investors and credit rating agencies to provide relevant and useful information. Adjusted EBITDA margin is adjusted EBITDA divided by total operating revenues. Adjusted EBITDA is calculated by excluding from operating revenues and operating expenses certain significant items that are non-operational or non-recurring in nature, including dispositions and merger integration and transaction costs, significant abandonments and impairments, benefit-related gains and losses, employee separation and other material gains and losses. For 3Q24, adjusted EBITDA of $11.6 billion is calculated as net income of $0.1 billion, plus income tax expense of $1.3 billion, plus interest expense of $1.7 billion, minus equity in net income of affiliates of $0.3 billion, minus other income (expense) – net of $0.7 billion, plus depreciation and amortization of $5.1 billion, plus adjustments of $4.4 billion. For 3Q23, adjusted EBITDA of $11.2 billion is calculated as net income of $3.8 billion, plus income tax expense of $1.2 billion, plus interest expense of $1.7 billion, minus equity in net income of affiliates of $0.4 billion, minus other income (expense) – net of $0.4 billion, plus depreciation and amortization of $4.7 billion, plus adjustments of $0.7 billion.

3. Adjusted EPS is calculated by excluding from operating revenues, operating expenses, other income (expenses) and income tax expense, certain significant items that are non-operational or non-recurring in nature, including dispositions and merger integration and transaction costs, actuarial gains and losses, significant abandonments and impairments, benefit-related gains and losses, employee separation and other material gains and losses. The company expects adjustments to 2024 reported diluted EPS to include our proportionate share of intangible amortization at the DIRECTV equity method investment of $0.8 billion, a non-cash mark-to-market benefit plan gain/loss, and other items. The company expects the mark-to-market adjustment, which is driven by interest rates and investment returns that are not reasonably estimable at this time, to be a significant item. Our projected 2024 Adjusted EPS depends on future levels of revenues and expenses, most of which are not reasonably estimable at this time. Accordingly, we cannot provide a reconciliation between these projected non-GAAP metrics and the reported GAAP metrics without unreasonable effort.

4. Free cash flow is a non-GAAP financial measure that is frequently used by investors and credit rating agencies to provide relevant and useful information. In 3Q24, free cash flow of $5.1 billion is cash from operating activities of $10.2 billion, plus cash distributions from DIRECTV classified as investing activities of $0.3 billion, minus capital expenditures of $5.3 billion and cash paid for vendor financing of $0.2 billion. Due to high variability and difficulty in predicting items that impact cash from operating activities, cash distributions from DIRECTV, capital expenditures and vendor financing payments, the company is not able to provide a reconciliation between projected free cash flow and the most comparable GAAP metric without unreasonable effort.

5. Capital investment includes capital expenditures and cash paid for vendor financing ($0.2 billion in 3Q24 and $1.0 billion in 3Q23). Due to high variability and difficulty in predicting items that impact capital expenditures and vendor financing payments, the company is not able to provide a reconciliation between projected capital investment and the most comparable GAAP metrics without unreasonable effort.

6. As a supplemental presentation to our Communications segment operating results, AT&T Business Solutions results are provided in the Financial and Operational Schedules & Non-GAAP Reconciliations document on the company's Investor Relations website, investors.att.com. AT&T Business Solutions includes both wireless and fixed operations and is calculated by combining our Mobility and Business Wireline operating units and then adjusting to remove non-business operations. This combined view presents a complete profile of the entire business customer relationship and underscores the importance of mobile solutions to serving our business customers.

Reconciliations of non-GAAP financial measures cited in this document to the most directly comparable GAAP financial measures can be found at https://investors.att.com and in our Form 8-K dated October 23, 2024. All AT&T consolidated metrics discussed above represent continuing operations.

AT&T