AT&T

1Q2024 EARNINGS

Financial and Operational Trends

April 24, 2024

Consolidated Statements of Income

AT&T Inc.

Dollars and shares in millions except per share amounts; Unaudited	3/31/22	6/30/22	9/30/22	12/31/22	2022	3/31/23	6/30/23	9/30/23	12/31/23	2023	3/31/24
Operating Revenues											
Service	$ 23,999	$ 24,268	$ 24,731	$ 24,833	$ 97,831	$ 24,617	$ 24,850	$ 25,112	$ 25,070	$ 99,649	**$ 24,842**
Equipment	5,713	5,375	5,312	6,510	22,910	5,522	5,067	5,238	6,952	22,779	**5,186**
Total Operating Revenues	29,712	29,643	30,043	31,343	120,741	30,139	29,917	30,350	32,022	122,428	**30,028**
Operating Expenses											
Cost of revenues											
Equipment	6,036	5,534	5,440	6,999	24,009	5,658	5,056	5,219	7,203	23,136	**5,143**
Other cost of revenues	6,699	6,807	6,761	6,572	26,839	6,673	6,771	6,835	6,708	26,987	**6,811**
Selling, general and administrative	6,978	7,265	7,202	7,516	28,961	7,175	7,009	7,205	7,485	28,874	**7,021**
Asset impairments and abandonments and restructuring	-	631	114	26,753	27,498	-	-	604	589	1,193	**159**
Depreciation and amortization	4,462	4,450	4,514	4,595	18,021	4,631	4,675	4,705	4,766	18,777	**5,047**
Total Operating Expenses	24,175	24,687	24,031	52,435	125,328	24,137	23,511	24,568	26,751	98,967	**24,181**
Operating Income (Loss)	5,537	4,956	6,012	(21,092)	(4,587)	6,002	6,406	5,782	5,271	23,461	**5,847**
Interest Expense	1,626	1,502	1,420	1,560	6,108	1,708	1,608	1,662	1,726	6,704	**1,724**
Equity in Net Income of Affiliates	521	504	392	374	1,791	538	380	420	337	1,675	**295**
Other Income (Expense) – Net	2,157	2,302	2,270	(919)	5,810	935	987	440	(946)	1,416	**451**
Income (Loss) from Continuing Operations Before Income Taxes	6,589	6,260	7,254	(23,197)	(3,094)	5,767	6,165	4,980	2,936	19,848	**4,869**
Income Tax Expense (Benefit) on Continuing Operations	1,440	1,509	908	(77)	3,780	1,314	1,403	1,154	354	4,225	**1,118**
Income (Loss) from Continuing Operations	5,149	4,751	6,346	(23,120)	(6,874)	4,453	4,762	3,826	2,582	15,623	**3,751**
Income (Loss) from Discontinued Operations, Net of Tax	15	(214)	53	(35)	(181)	-	-	-	-	-	**-**
Net Income (Loss)	5,164	4,537	6,399	(23,155)	(7,055)	4,453	4,762	3,826	2,582	15,623	**3,751**
Less: Net Income Attributable to Noncontrolling Interest	(354)	(380)	(373)	(362)	(1,469)	(225)	(273)	(331)	(394)	(1,223)	**(306)**
Net Income (Loss) Attributable to AT&T	$ 4,810	$ 4,157	$ 6,026	$ (23,517)	$ (8,524)	$ 4,228	$ 4,489	$ 3,495	$ 2,188	$ 14,400	**$ 3,445**
Less: Preferred Stock Dividends	(48)	(52)	(49)	(54)	(203)	(52)	(52)	(51)	(53)	(208)	**(50)**
Net Income (Loss) Attributable to Common Stock	$ 4,762	$ 4,105	$ 5,977	$ (23,571)	$ (8,727)	$ 4,176	$ 4,437	$ 3,444	$ 2,135	$ 14,192	**$ 3,395**
Diluted Earnings (Loss) Per Share Attributable to Common Stock	$ 0.65	$ 0.56	$ 0.80	$ (3.20)	$ (1.13)	$ 0.57	$ 0.61	$ 0.48	$ 0.30	$ 1.97	**$ 0.47**
Diluted Earnings (Loss) Per Share Attributable to Common Stock - Continuing Operations	0.65	0.59	0.79	(3.20)	(1.10)	0.57	0.61	0.48	0.30	1.97	**0.47**
Adjusted Diluted Earnings Per Share Attributable to Common Stock - Continuing Operations	0.63	0.65	0.68	0.61	2.57	0.60	0.63	0.64	0.54	2.41	**0.55**
Weighted Average Number of Common Shares Outstanding - Basic	7,184	7,169	7,153	7,157	7,166	7,168	7,180	7,185	7,190	7,181	**7,192**
Weighted Average Number of Common Shares Outstanding - with Dilution under ASU 2020-06	7,556	7,611	7,647	7,533	7,587	7,474	7,180	7,185	7,191	7,258	**7,193**
Weighted Average Number of Common Shares Outstanding - with Dilution under historical	7,219	7,212	7,201	7,205	7,209	7,190	7,180	7,185	7,191	7,187	**7,193**
EBITDA from Continuing Operations[1]	$ 9,999	$ 9,406	$ 10,526	$ (16,497)	$ 13,434	$ 10,633	$ 11,081	$ 10,487	$ 10,037	$ 42,238	**$ 10,894**
Adjusted EBITDA from Continuing Operations[1]	$ 10,190	$ 10,330	$ 10,714	$ 10,231	$ 41,465	$ 10,589	$ 11,053	$ 11,203	$ 10,555	$ 43,400	**$ 11,046**
Adjusted EBITDA Margin from Continuing Operations[1]	34.3%	34.8%	35.7%	32.6%	34.3%	35.1%	36.9%	36.9%	33.0%	35.4%	**36.8%**

Financial and Operating Statistics Summary

AT&T Inc.

Unaudited	3/31/22	6/30/22	9/30/22	12/31/22	2022	3/31/23	6/30/23	9/30/23	12/31/23	2023	3/31/24
Dividends Declared Per Common Share	$ 0.2775	$ 0.2775	$ 0.2775	$ 0.2775	$ 1.11	$ 0.2775	$ 0.2775	$ 0.2775	$ 0.2775	$ 1.11	**$ 0.2775**
End of Period Common Shares Outstanding (000,000)	7,159	7,126	7,126	7,128		7,149	7,149	7,150	7,150		**7,170**
Debt Ratio	48.5%	50.1%	48.8%	56.1%		55.9%	54.8%	53.5%	53.5%		**52.4%**
Total Employees (Continuing Operations) (000)	172.6	172.4	169.9	162.9		157.8	156.6	152.7	150.5		**148.3**

See Notes to Financial and Operational Trends on page 13.

Consolidated Statements of Cash Flows

AT&T Inc.

Dollars in millions; Unaudited	3/31/23	6/30/23	9/30/23	12/31/23	**3/31/24**
Operating Activities					
Net Income	$ 4,453	$ 4,762	$ 3,826	$ 2,582	**$ 3,751**
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	4,631	4,675	4,705	4,766	**5,047**
Provision for uncollectible accounts	477	452	480	560	**472**
Deferred income tax expense	529	1,307	1,327	(126)	**479**
Net (gain) loss on investments, net of impairments	(93)	(67)	495	106	**201**
Pension and postretirement benefit expense (credit)	(670)	(671)	(625)	(586)	**(471)**
Actuarial and settlement (gain) loss on pension and postretirement benefits - net	-	(74)	(71)	1,739	**-**
Asset impairments and abandonments and restructuring	-	-	604	589	**159**
Changes in operating assets and liabilities:					
Receivables	620	722	(169)	(1,091)	**512**
Other current assets	364	742	(1,049)	(699)	**629**
Accounts payable and other accrued liabilities	(3,409)	(2,360)	707	3,298	**(3,497)**
Equipment installment receivables and related sales	(243)	(59)	246	(77)	**24**
Deferred customer contract acquisition and fulfillment costs	(22)	56	13	(46)	**103**
Postretirement claims and contributions	(89)	(467)	(159)	(20)	**(54)**
Other - net	130	904	6	383	**192**
Total adjustments	2,225	5,160	6,510	8,796	**3,796**
Net Cash Provided by Operating Activities	6,678	9,922	10,336	11,378	**7,547**
Investing Activities					
Capital expenditures[2]	(4,335)	(4,270)	(4,647)	(4,601)	**(3,758)**
Acquisitions, net of cash acquired[2]	(291)	(224)	(408)	(2,019)	**(211)**
Dispositions	15	1	50	6	**8**
Distributions from DIRECTV in excess of cumulative equity in earnings	774	200	473	602	**194**
(Purchases), sales and settlements of securities and investments - net	19	(1,075)	13	141	**1,079**
Other - net	-	(55)	(26)	(3)	**(273)**
Net Cash (Used in) Provided by Investing Activities	(3,818)	(5,423)	(4,545)	(5,874)	**(2,961)**
Financing Activities					
Net change in short-term borrowings with original maturities of three months or less	(536)	(378)	-	-	**1,933**
Issuance of other short-term borrowings	3,627	1,779	-	-	**491**
Repayment of other short-term borrowings	-	(867)	(112)	(2,436)	**(1,996)**
Issuance of long-term debt	3,366	6,267	-	371	**-**
Repayment of long-term debt	(5,945)	(1,664)	(4,280)	(155)	**(4,685)**
Repayment of note payable to DIRECTV	(130)	-	-	-	**-**
Payment of vendor financing	(2,113)	(1,643)	(980)	(1,006)	**(841)**
Purchase of treasury stock	(188)	(1)	(1)	(4)	**(157)**
Issuance of treasury stock	3	-	-	-	**-**
Issuance of preferred interests in subsidiary	-	7,151	-	-	**-**
Redemption of preferred interests in subsidiary	-	(5,333)	-	-	**-**
Dividends paid	(2,014)	(2,083)	(2,019)	(2,020)	**(2,034)**
Other - net	219	(1,047)	(362)	(1,080)	**(526)**
Net Cash (Used in) Provided by Financing Activities	(3,711)	2,181	(7,754)	(6,330)	**(7,815)**
Net increase (decrease) in cash and cash equivalents and restricted cash	(851)	6,680	(1,963)	(826)	**(3,229)**
Cash and cash equivalents and restricted cash beginning of period	3,793	2,942	9,622	7,659	**6,833**
Cash and Cash Equivalents and Restricted Cash End of Period	$ 2,942	$ 9,622	$ 7,659	$ 6,833	**$ 3,604**

See Notes to Financial and Operational Trends on page 13.

AT&T Inc.

Free Cash Flow

Dollars in millions; Unaudited	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Cash Flow Detail									
Net cash provided by operating activities from continuing operations	$ 7,630	$ 7,740	$ 10,094	$ 10,348	$ 6,678	$ 9,922	$ 10,336	$ 11,378	**$ 7,547**
Add: Distributions from DIRECTV classified as investing activities	1,315	323	567	444	774	200	473	602	**194**
Less: Capital expenditures	(4,568)	(4,908)	(5,921)	(4,229)	(4,335)	(4,270)	(4,647)	(4,601)	**(3,758)**
Less: Vendor financing payments	(1,566)	(1,771)	(900)	(460)	(2,113)	(1,643)	(980)	(1,006)	**(841)**
Free Cash Flow[1]	$ 2,811	$ 1,384	$ 3,840	$ 6,103	$ 1,004	$ 4,209	$ 5,182	$ 6,373	**$ 3,142**

AT&T Inc.

Supplemental Free Cash Flow Walk from Adjusted EBITDA[3]

Dollars in millions; Unaudited	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Adjusted EBITDA[1]	$ 10,190	$ 10,330	$ 10,714	$ 10,231	$ 10,589	$ 11,053	$ 11,203	$ 10,555	**$ 11,046**
Noncash Adj. to EBITDA									
Bad debt expense	430	440	453	542	477	452	480	560	**472**
Cash paid for interest (less capitalized interest)	(1,830)	(1,516)	(1,628)	(1,504)	(1,699)	(1,368)	(1,886)	(1,543)	**(1,974)**
Capital investment[1]	(6,134)	(6,679)	(6,821)	(4,689)	(6,448)	(5,913)	(5,627)	(5,607)	**(4,599)**
Cash distributions received from DIRECTV	1,837	838	959	823	1,308	577	896	934	**518**
Working capital	(1,261)	(1,505)	(123)	1,040	(2,690)	(899)	(252)	1,385	**(2,229)**
Other	(421)	(524)	286	(340)	(533)	307	368	89	**(92)**
Free Cash Flow[1]	$ 2,811	$ 1,384	$ 3,840	$ 6,103	$ 1,004	$ 4,209	$ 5,182	$ 6,373	**$ 3,142**
Cash (paid) for income taxes, net of refunds[3]	$ (72)	$ (266)	$ (62)	$ (192)	$ (10)	$ (325)	$ (423)	$ (841)	**$ 9**

AT&T Inc.

Additional Cash Flow Information - Continuing Operations

Dollars in millions; Unaudited	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Capital Investment Detail									
Purchase of property and equipment	$ 4,532	$ 4,867	$ 5,874	$ 4,179	$ 4,291	$ 4,224	$ 4,601	$ 4,558	**$ 3,721**
Interest during construction - capital expenditures	36	41	47	50	44	46	46	43	**37**
Capital expenditures	$ 4,568	$ 4,908	$ 5,921	$ 4,229	$ 4,335	$ 4,270	$ 4,647	$ 4,601	**$ 3,758**
Add: Vendor financing payments	1,566	1,771	900	460	2,113	1,643	980	1,006	**841**
Capital Investment[1]	$ 6,134	$ 6,679	$ 6,821	$ 4,689	$ 6,448	$ 5,913	$ 5,627	$ 5,607	**$ 4,599**
Acquisitions, net of cash acquired									
Spectrum acquisitions	$ 8,956	$ 9	$ 111	$ 4	$ 63	$ 5	$ 241	$ 1,938	**$ 145**
Interest during construction - spectrum	288	317	278	237	228	219	167	81	**66**
Distributions from DIRECTV Investment									
Classified as operating activities	$ 522	$ 515	$ 392	$ 379	$ 534	$ 377	$ 423	$ 332	**$ 324**
Classified as investing activities	1,315	323	567	444	774	200	473	602	**194**
Total Distributions received from DIRECTV	$ 1,837	$ 838	$ 959	$ 823	$ 1,308	$ 577	$ 896	$ 934	**$ 518**
Cash paid for interest	$ 2,154	$ 1,874	$ 1,953	$ 1,791	$ 1,971	$ 1,633	$ 2,099	$ 1,667	**$ 2,077**
Interest during construction	324	358	325	287	272	265	213	124	**103**
Cash paid for interest (less capitalized interest)	$ 1,830	$ 1,516	$ 1,628	$ 1,504	$ 1,699	$ 1,368	$ 1,886	$ 1,543	**$ 1,974**

See Notes to Financial and Operational Trends on page 13.

Operating Revenues

AT&T Inc.

Dollars in millions; Unaudited	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Communications	$ 28,876	$ 28,695	$ 29,131	$ 30,365	$ 29,152	$ 28,845	$ 29,244	$ 30,797	**$ 28,857**
Mobility	20,075	19,926	20,278	21,501	20,582	20,315	20,692	22,393	**20,594**
Business Wireline	5,640	5,595	5,668	5,635	5,331	5,279	5,221	5,052	**4,913**
Consumer Wireline	3,161	3,174	3,185	3,229	3,239	3,251	3,331	3,352	**3,350**
Latin America - Mexico	690	808	785	861	883	967	992	1,090	**1,063**
Corporate	146	140	127	117	104	105	114	135	**108**
DTV-related retained costs	8	-	-	-	-	-	-	-	**-**
Parent administration support	(12)	(6)	(6)	(8)	(9)	(3)	(1)	6	**-**
Securitization fees	16	17	15	17	19	17	25	24	**26**
Value portfolio	134	129	118	108	94	91	90	105	**82**
Operating Revenues	$ 29,712	$ 29,643	$ 30,043	$ 31,343	$ 30,139	$ 29,917	$ 30,350	$ 32,022	**$ 30,028**

Adjusted EBITDA

AT&T Inc.

Dollars in millions; Unaudited	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Communications	$ 10,611	$ 10,798	$ 11,173	$ 10,835	$ 11,032	$ 11,490	$ 11,623	$ 11,019	**$ 11,475**
Mobility	7,748	8,065	8,268	7,929	8,369	8,736	8,897	8,376	**8,955**
Business Wireline	1,938	1,803	1,963	1,900	1,708	1,729	1,695	1,534	**1,426**
Consumer Wireline	925	930	942	1,006	955	1,025	1,031	1,109	**1,094**
Latin America - Mexico	59	87	101	85	145	146	155	137	**180**
Corporate*	(480)	(555)	(560)	(689)	(588)	(583)	(575)	(601)	**(609)**
DTV-related retained costs	(152)	(239)	(235)	(244)	(169)	(178)	(167)	(172)	**(134)**
Parent administration support	(359)	(347)	(323)	(381)	(383)	(335)	(334)	(371)	**(392)**
Securitization fees	(66)	(61)	(88)	(139)	(102)	(137)	(139)	(141)	**(139)**
Value portfolio	97	92	86	75	66	67	65	83	**56**
Adjusted EBITDA[1]	$ 10,190	$ 10,330	$ 10,714	$ 10,231	$ 10,589	$ 11,053	$ 11,203	$ 10,555	**$ 11,046**

* See page 12 for additional detail of Corporate results.

See Notes to Financial and Operational Trends on page 13. May not foot due to rounding.

Communications

Mobility Results

Dollars in millions; Unaudited	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	**3/31/24**
Operating Revenues									
Service	$ 14,724	$ 15,004	$ 15,337	$ 15,434	$ 15,483	$ 15,745	$ 15,908	$ 16,039	**$ 15,994**
Equipment	5,351	4,922	4,941	6,067	5,099	4,570	4,784	6,354	**4,600**
Total Operating Revenues	$ 20,075	$ 19,926	$ 20,278	$ 21,501	$ 20,582	$ 20,315	$ 20,692	$ 22,393	**$ 20,594**
Operating Expenses									
Operations and support	$ 12,327	$ 11,861	$ 12,010	$ 13,572	$ 12,213	$ 11,579	$ 11,795	$ 14,017	**$ 11,639**
Depreciation and amortization	2,059	2,017	2,042	2,080	2,098	2,123	2,134	2,162	**2,487**
Total Operating Expenses	14,386	13,878	14,052	15,652	14,311	13,702	13,929	16,179	**14,126**
Operating Income	$ 5,689	$ 6,048	$ 6,226	$ 5,849	$ 6,271	$ 6,613	$ 6,763	$ 6,214	**$ 6,468**
Operating Income Margin	28.3%	30.4%	30.7%	27.2%	30.5%	32.6%	32.7%	27.7%	**31.4%**
EBITDA[1]	$ 7,748	$ 8,065	$ 8,268	$ 7,929	$ 8,369	$ 8,736	$ 8,897	$ 8,376	**$ 8,955**
EBITDA Margin[1]	38.6%	40.5%	40.8%	36.9%	40.7%	43.0%	43.0%	37.4%	**43.5%**
EBITDA Service Margin[1]	52.6%	53.8%	53.9%	51.4%	54.1%	55.5%	55.9%	52.2%	**56.0%**

See Notes to Financial and Operational Trends on page 13.

Communications

Mobility Operating Volumes and Statistics

Volumes in thousands; Unaudited	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	**3/31/24**
AT&T Mobility Subscribers[4]									
Total Subscribers	105,881	107,269	108,683	109,919	110,813	111,854	112,857	113,808	**114,513**
Postpaid	81,639	82,694	83,614	84,700	85,421	85,846	86,365	87,104	**87,450**
Prepaid	18,859	19,095	19,215	19,176	19,200	19,352	19,391	19,236	**19,211**
Reseller	5,383	5,480	5,854	6,043	6,192	6,656	7,101	7,468	**7,852**
Net Add Detail									
Net Subscriber Additions[4]	1,064	1,310	1,413	1,245	690	1,063	1,007	962	**741**
Postpaid Net Adds	965	1,058	964	1,104	542	464	550	759	**389**
Prepaid Net Adds	116	231	141	(9)	40	167	56	(135)	**1**
Reseller Net Adds	(17)	21	308	150	108	432	401	338	**351**
Phone Detail									
Total Phone Subscribers	84,746	85,743	86,486	87,069	87,546	87,935	88,369	88,713	**88,991**
Postpaid Phones	67,518	68,311	68,969	69,596	70,049	70,331	70,757	71,255	**71,558**
Prepaid Phones	17,228	17,431	17,517	17,474	17,496	17,604	17,612	17,458	**17,433**
Phone Detail - Net Adds									
Total Phone Net Adds	804	1,009	816	643	464	449	494	394	**350**
Postpaid Phone Net Adds	691	813	708	656	424	326	468	526	**349**
Prepaid Phone Net Adds	113	196	108	(13)	40	123	26	(132)	**1**
Other Metrics									
Postpaid Smartphone Gross Adds and Upgrades (in millions)	5.4	5.1	5.8	6.3	5.1	4.6	5.4	6.2	**4.4**
Postpaid Upgrade Rate	4.0%	3.6%	4.3%	4.8%	3.7%	3.1%	3.9%	4.7%	**3.0%**
FirstNet Connections (in millions)[7]	3.3	3.7	4.0	4.4	4.7	5.0	5.3	5.5	**5.9**
Churn Detail[5]									
Postpaid Phone Churn	0.79%	0.75%	0.84%	0.84%	0.81%	0.79%	0.79%	0.84%	**0.72%**
Postpaid Churn	0.94%	0.93%	1.01%	1.01%	0.99%	0.95%	0.95%	1.01%	**0.89%**
Prepaid Churn	2.77%	2.59%	2.83%	2.87%	2.73%	2.50%	2.78%	2.97%	**2.77%**
ARPU[6]									
Postpaid Phone-Only ARPU	$ 54.00	$ 54.81	$ 55.67	$ 55.43	$ 55.05	$ 55.63	$ 55.99	$ 56.23	**$ 55.57**
Postpaid ARPU	48.88	49.52	50.12	49.95	49.46	49.94	50.16	50.39	**49.75**
Prepaid ARPU	34.08	34.22	34.07	34.02	33.81	33.78	34.05	34.15	**34.21**

See Notes to Financial and Operational Trends on page 13.

Communications

Business Wireline Results

Dollars in millions; Unaudited	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Operating Revenues									
Service	$ 5,478	$ 5,416	$ 5,524	$ 5,473	$ 5,200	$ 5,114	$ 5,087	$ 4,873	**$ 4,700**
Equipment	162	179	144	162	131	165	134	179	**213**
Total Operating Revenues	$ 5,640	$ 5,595	$ 5,668	$ 5,635	$ 5,331	$ 5,279	$ 5,221	$ 5,052	**$ 4,913**
Operating Expenses									
Operations and support	$ 3,702	$ 3,792	$ 3,705	$ 3,735	$ 3,623	$ 3,550	$ 3,526	$ 3,518	**$ 3,487**
Depreciation and amortization	1,299	1,313	1,342	1,360	1,330	1,333	1,345	1,369	**1,362**
Total Operating Expenses	5,001	5,105	5,047	5,095	4,953	4,883	4,871	4,887	**4,849**
Operating Income	$ 639	$ 490	$ 621	$ 540	$ 378	$ 396	$ 350	$ 165	**$ 64**
Operating Income Margin	11.3%	8.8%	11.0%	9.6%	7.1%	7.5%	6.7%	3.3%	**1.3%**
EBITDA[1]	$ 1,938	$ 1,803	$ 1,963	$ 1,900	$ 1,708	$ 1,729	$ 1,695	$ 1,534	**$ 1,426**
EBITDA Margin[1]	34.4%	32.2%	34.6%	33.7%	32.0%	32.8%	32.5%	30.4%	**29.0%**

Communications

Supplemental Business Solutions Results (Wireline and Business Mobility)[8]

Dollars in millions; Unaudited	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Operating Revenues									
Wireless Service	$ 2,134	$ 2,175	$ 2,222	$ 2,258	$ 2,280	$ 2,374	$ 2,378	$ 2,391	**$ 2,386**
Wireless Equipment	899	874	859	937	773	774	772	903	**766**
Wireline	5,640	5,595	5,668	5,635	5,331	5,279	5,221	5,052	**4,913**
Total Operating Revenues	8,673	8,644	8,749	8,830	8,384	8,427	8,371	8,346	**8,065**
Operating Income	1,153	1,043	1,221	1,153	1,028	1,015	973	728	**649**
EBITDA[1]	$ 2,813	$ 2,709	$ 2,920	$ 2,877	$ 2,744	$ 2,738	$ 2,711	$ 2,494	**$ 2,465**

See Notes to Financial and Operational Trends on page 13.

Communications

Consumer Wireline Results

Dollars in millions; Unaudited	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	**3/31/24**
Operating Revenues									
Broadband[9]	$ 2,355	$ 2,393	$ 2,429	$ 2,492	$ 2,527	$ 2,561	$ 2,667	$ 2,700	**$ 2,722**
Legacy Voice and Data Services	460	445	427	414	396	383	368	361	**342**
Other Service and Equipment	346	336	329	323	316	307	296	291	**286**
Total Operating Revenues	$ 3,161	$ 3,174	$ 3,185	$ 3,229	$ 3,239	$ 3,251	$ 3,331	$ 3,352	**$ 3,350**
Operating Expenses									
Operations and support	$ 2,236	$ 2,244	$ 2,243	$ 2,223	$ 2,284	$ 2,226	$ 2,300	$ 2,243	**$ 2,256**
Depreciation and amortization	766	785	800	818	861	857	871	880	**881**
Total Operating Expenses	3,002	3,029	3,043	3,041	3,145	3,083	3,171	3,123	**3,137**
Operating Income	$ 159	$ 145	$ 142	$ 188	$ 94	$ 168	$ 160	$ 229	**$ 213**
Operating Income Margin	5.0%	4.6%	4.5%	5.8%	2.9%	5.2%	4.8%	6.8%	**6.4%**
EBITDA[1]	$ 925	$ 930	$ 942	$ 1,006	$ 955	$ 1,025	$ 1,031	$ 1,109	**$ 1,094**
EBITDA Margin[1]	29.3%	29.3%	29.6%	31.2%	29.5%	31.5%	31.0%	33.1%	**32.7%**
Broadband Revenue Detail[9]									
Fiber	$ 1,112	$ 1,190	$ 1,271	$ 1,376	$ 1,453	$ 1,523	$ 1,613	$ 1,678	**$ 1,736**
Non Fiber	1,243	1,203	1,158	1,116	1,074	1,038	1,054	1,022	**986**

See Notes to Financial and Operational Trends on page 13.

Communications

Consumer Wireline Operating Volumes and Statistics

Volumes in thousands; Unaudited	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	**3/31/24**
Total Broadband Connections[9]	13,850	13,825	13,796	13,753	13,730	13,695	13,710	13,729	**13,784**
Fiber	6,281	6,597	6,935	7,215	7,487	7,738	8,034	8,307	**8,559**
Non Fiber	7,569	7,228	6,861	6,538	6,243	5,957	5,676	5,422	**5,225**
Total Broadband Net Adds[9]	5	(25)	(29)	(43)	(23)	(35)	15	19	**55**
Fiber	289	316	338	280	272	251	296	273	**252**
Non Fiber	(284)	(341)	(367)	(323)	(295)	(286)	(281)	(254)	**(197)**
AT&T Internet Air (included in non fiber broadband)									
Connections	-	-	-	-	-	2	26	93	**203**
Net Adds	-	-	-	-	-	2	24	67	**110**
ARPU[6]									
Broadband ARPU	$ 56.66	$ 57.64	$ 58.63	$ 60.31	$ 61.31	$ 62.26	$ 64.91	$ 65.62	**$ 65.98**
Fiber ARPU	60.41	61.65	62.62	64.82	65.92	66.70	68.21	68.50	**68.61**
Non Fiber ARPU	53.67	54.17	54.80	55.54	56.00	56.71	60.43	61.38	**61.81**

Communications

Fiber Location Metrics[9]

Volumes in millions; Unaudited	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	**3/31/24**
Total Consumer and Business Locations Passed	21.4	22.5	23.4	24.1	24.7	25.4	26.0	26.5	**27.1**
Fiber Served Locations - Consumer	17.0	18.0	18.5	19.1	19.7	20.2	20.7	21.1	**21.5**
Fiber Penetration - Consumer	37%	37%	37%	38%	38%	38%	39%	39%	**40%**

See Notes to Financial and Operational Trends on page 13.

Latin America Segment - *Mexico*

Statement of Segment Income

Dollars in millions; Unaudited	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	**3/31/24**
Segment Operating Revenues									
Wireless service	$ 490	$ 534	$ 559	$ 579	$ 591	$ 635	$ 672	$ 671	**$ 690**
Wireless equipment	200	274	226	282	292	332	320	419	**373**
Total Segment Operating Revenues	$ 690	$ 808	$ 785	$ 861	$ 883	$ 967	$ 992	$ 1,090	**$ 1,063**
Segment Operating Expenses									
Operations and support	$ 631	$ 721	$ 684	$ 776	$ 738	$ 821	$ 837	$ 953	**$ 883**
Depreciation and amortization	161	169	164	164	175	185	184	180	**177**
Total Segment Operating Expenses	792	890	848	940	913	1,006	1,021	1,133	**1,060**
Segment Operating Income (Loss)	$ (102)	$ (82)	$ (63)	$ (79)	$ (30)	$ (39)	$ (29)	$ (43)	**$ 3**
Segment Operating Income Margin	-14.8%	-10.1%	-8.0%	-9.2%	-3.4%	-4.0%	-2.9%	-3.9%	**0.3%**
EBITDA[1]	$ 59	$ 87	$ 101	$ 85	$ 145	$ 146	$ 155	$ 137	**$ 180**
EBITDA Margin[1]	8.6%	10.8%	12.9%	9.9%	16.4%	15.1%	15.6%	12.6%	**16.9%**

Latin America Segment - *Mexico*

Operating Volumes and Statistics

Volumes in thousands; Unaudited	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	**3/31/24**
Wireless Subscribers	20,503	20,700	20,998	21,603	21,613	21,689	21,754	22,316	**22,459**
Postpaid	4,810	4,835	4,854	4,925	4,973	5,030	5,085	5,236	**5,352**
Prepaid	15,235	15,422	15,689	16,204	16,146	16,196	16,213	16,663	**16,742**
Reseller	458	443	455	474	494	463	456	417	**365**
Wireless Net Adds	141	197	298	605	10	76	65	562	**143**
Wireless Churn[5]	6.13%	6.19%	6.23%	5.98%	5.83%	5.70%	5.86%	5.69%	**5.78%**
Wireless ARPU[6]	$ 6.62	$ 7.05	$ 7.04	$ 7.19	$ 7.23	$ 7.78	$ 8.17	$ 8.03	**$ 8.11**

See Notes to Financial and Operational Trends on page 13.

Corporate

Supplemental Results - Corporate

Dollars in millions; Unaudited	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	**3/31/24**
Total Operating Revenues	$ 146	$ 140	$ 127	$ 117	$ 104	$ 105	$ 114	$ 135	**$ 108**
Operating Expenses									
Operations and support	626	695	687	806	692	688	689	736	**717**
DTV-related retained costs	160	239	235	244	169	178	167	172	**134**
Parent administration support	347	341	317	373	374	332	333	377	**392**
Securitization fees	82	78	103	156	121	154	164	165	**165**
Value portfolio	37	37	32	33	28	24	25	22	**26**
Depreciation and amortization	150	149	150	157	150	160	150	154	**125**
Total Operating Expenses	776	844	837	963	842	848	839	890	**842**
Operating Loss	$ (630)	$ (704)	$ (710)	$ (846)	$ (738)	$ (743)	$ (725)	$ (755)	**$ (734)**

AT&T Inc.

Equity in Net Income of Affiliates

Dollars in millions; Unaudited	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	**3/31/24**
Equity in Net Income of Affiliates	$ 521	$ 504	$ 392	$ 374	$ 538	$ 380	$ 420	$ 337	**$ 295**
Less: Equity in Net Income (Loss) from Other investments	(1)	(11)	-	(5)	4	3	(3)	5	**(29)**
Equity in Net Income from DIRECTV investment	522	515	392	379	534	377	423	332	**324**
Add: DIRECTV intangible amortization (proportionate share)	416	396	376	359	341	324	310	294	**286**
Adjusted Equity in Net Income from DIRECTV investment[10]	$ 938	$ 911	$ 768	$ 738	$ 875	$ 701	$ 733	$ 626	**$ 610**

AT&T Inc.

Other Income (Expense) - Net[11]

Dollars in millions; Unaudited	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	**3/31/24**
Net pension and postretirement credit, excluding actuarial and settlement gain/(loss)	$ 1,132	$ 973	$ 937	$ 844	$ 797	$ 799	$ 752	$ 704	**$ 598**
Expected return on assets	900	835	763	721	747	748	602	566	**567**
Interest cost on projected benefit obligations	(383)	(478)	(556)	(607)	(601)	(601)	(501)	(513)	**(473)**
Amortization of prior service credit	615	616	730	730	651	652	651	651	**504**
Actuarial and settlement gain/(loss), net	1,053	1,345	1,440	(1,839)	-	74	71	(1,739)	**-**
Benefit-related gain (loss), impairments of investments and other	(92)	(153)	(78)	16	111	82	(507)	(76)	**(254)**
Interest income	29	53	25	36	41	50	121	91	**64**
Other gain/(loss) items	35	84	(54)	24	(14)	(18)	3	74	**43**
Other Income (Expense) - Net	$ 2,157	$ 2,302	$ 2,270	$ (919)	$ 935	$ 987	$ 440	$ (946)	**$ 451**

AT&T Inc.

Interest Expense and Interest Income

Dollars in millions; Unaudited	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	**3/31/24**
Interest expense	$ 1,626	$ 1,502	$ 1,420	$ 1,560	$ 1,708	$ 1,608	$ 1,662	$ 1,726	**$ 1,724**
Interest during construction	324	358	325	287	272	265	213	124	**103**
Interest income	29	53	25	36	41	50	121	91	**64**

See Notes to Financial and Operational Trends on page 13.

Notes to Financial and Operational Trends
AT&T Inc.

[1] See Discussion and Reconciliation of Non-GAAP Measures included in Form 8-K dated April 24, 2024.

[2] Interest during construction is included in both Acquisitions and in Capital Expenditures (see Additional Cash Flow Information on page 4).

[3] Reconciling items between Adjusted EBITDA and Free Cash Flow include: (a) Working Capital = Changes in operating assets and liabilities; Working Capital includes changes in Accounts Payable and Accrued Liabilities, which includes cash paid for income taxes; (b) Cash Paid for Interest = Cash paid for interest less interest capitalized for capital expenditures and spectrum acquisitions; (c) Cash distributions received from DIRECTV = Includes distributions from DIRECTV reported as cash from operations and distributions classified as investing activities; (d) Other includes, but not limited to, postretirement claims and contributions, and other changes in non-current assets and liabilities not included in Working Capital.

[4] Effective with the first-quarter 2024 reporting, connected devices were removed from total Mobility subscribers and total net adds, consistent with industry standards and AT&T's key performance metrics. Connected devices did include data-centric devices such as session-based tablets, monitoring devices and primarily wholesale automobile systems.

[5] Churn is 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.

[6] For Mobility and Mexico, ARPU is defined as wireless subscriber revenues during the period divided by average wireless subscribers during the period. Wireless service revenues include subscriber revenues and other revenues. In Consumer Wireline, (1) Broadband ARPU is defined as Broadband revenues (see footnote 9 below) during the period divided by average Broadband connections (see footnote 9 below) during the period; (2) Fiber ARPU is defined as Fiber revenues in the business unit during the period divided by average Fiber connections during the period; and (3) Non-Fiber ARPU is defined as Non-Fiber revenues in the business unit during the period divided by average Non-Fiber connections during the period.

[7] FirstNet connections include voice and other connections on our nationwide communications platform dedicated to public safety. Connections are mostly included as postpaid subscribers and are comprised of postpaid phone and postpaid other devices. Additionally, FirstNet connections also include connected devices. See footnote 4 for discussion on reporting of connected devices.

[8] 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.

[9] Broadband revenues are comprised of revenues from Fiber and Non-Fiber subscribers and exclude DSL revenues, which are included in Legacy Voice and Data Services. Broadband connections and net adds exclude DSL. Non-Fiber connections include subscribers to fixed wireless access services. A Fiber Location Served is defined as (1) where fiber has been built to a specific customer location, (2) the customer can place an order for fiber, and (3) service can be provisioned. Consumer fiber penetration is calculated as Consumer fiber connections divided by Consumer fiber locations served. Fiber Locations Passed refers to the total number of potential consumer and business customer locations, such as single-family homes, apartment and condominium units, and small and medium business and enterprise sites, that are passed by our fiber network. Fiber location metrics are presented based on available information and are subject to revision.

[10] Adjusted equity in net income from DIRECTV investment is calculated as equity income from DIRECTV reported in Equity in Net Income of Affiliates and excludes AT&T's proportionate share of the non-cash depreciation and amortization of fair value accretion from DIRECTV's revaluation of assets and purchase price allocation, which we consider to be non-operational in nature.

[11] Other Income (Expense) – Net includes certain items, which have been excluded from adjusted EPS. These adjustments are reflected in the following line items of the schedule: (1) Actuarial and settlement gain/(loss), net; (2) Benefit-related gain (loss), impairments of investments and other; and (3) Interest cost that reflects impacts to our 2022 quarterly benefit expense accruals that resulted from quarterly remeasurements of plan assets and obligations, which included increases in the assumed discount rates. See Adjusting Items in the Financial and Operational Schedules & Non-GAAP Reconciliations. Prior service credit amortization, a component of net pension and postretirement credit, amounted to $2.6 billion in 2023. Estimated pre-tax amortization of prior service credit for the next five years is: $2.0 billion for 2024, $1.9 billion for 2025, $1.6 billion for 2026, $0.7 billion for 2027, and less than $0.1 billion for 2028.