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 June 30, 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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares (Par Value $1.00 Per Share)	T	New York Stock Exchange NYSE Texas
Depositary Shares, each representing a 1/1000th interest in a share of 5.000% Perpetual Preferred Stock, Series A	T PRA	New York Stock Exchange
Depositary 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. 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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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 July 16, 2026, there were 6,852,385,650 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 June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Operating Revenues				
Service	**$ 25,977**	$ 25,292	**$ 51,455**	$ 50,430
Equipment	**5,581**	5,555	**11,609**	11,043
Total operating revenues	**31,558**	30,847	**63,064**	61,473
Operating Expenses				
Cost of revenues				
Equipment	**5,741**	5,738	**12,046**	11,432
Other cost of revenues (exclusive of depreciation and amortization shown separately below)	**6,306**	6,412	**12,567**	12,751
Selling, general and administrative	**7,221**	6,945	**14,537**	14,090
Asset impairments and abandonments and restructuring	**286**	—	**286**	504
Depreciation and amortization	**4,966**	5,251	**9,932**	10,441
Total operating expenses	**24,520**	24,346	**49,368**	49,218
Operating Income	**7,038**	6,501	**13,696**	12,255
Other Income (Expense)				
Interest expense	**(1,883)**	(1,655)	**(3,696)**	(3,313)
Equity in net income (loss) of affiliates	**(29)**	485	**(70)**	1,925
Other income (expense) — net	**696**	767	**1,290**	1,222
Total other income (expense)	**(1,216)**	(403)	**(2,476)**	(166)
Income from Continuing Operations Before Income Taxes	**5,822**	6,098	**11,220**	12,089
Income tax expense on continuing operations	**784**	1,237	**1,963**	2,536
Income from Continuing Operations	**5,038**	4,861	**9,257**	9,553
Loss from discontinued operations, net of tax	**(28)**	—	**(66)**	—
Net Income	**5,010**	4,861	**9,191**	9,553
Net Income Attributable to Noncontrolling Interest	**(383)**	(361)	**(735)**	(702)
Net Income Attributable to AT&T	**$ 4,627**	$ 4,500	**$ 8,456**	$ 8,851
Preferred Stock Dividends and Redemption Gain	**(36)**	(36)	**(72)**	8
Net Income Attributable to Common Stock	**$ 4,591**	$ 4,464	**$ 8,384**	$ 8,859
Basic Earnings Per Share from continuing operations	**$ 0.66**	$ 0.62	**$ 1.21**	$ 1.22
Basic Loss Per Share from discontinued operations	**—**	—	**(0.01)**	—
Basic Earnings Per Share Attributable to Common Stock	**$ 0.66**	$ 0.62	**$ 1.20**	$ 1.22
Diluted Earnings Per Share from continuing operations	**$ 0.66**	$ 0.62	**$ 1.21**	$ 1.22
Diluted Loss Per Share from discontinued operations	**—**	—	**(0.01)**	—
Diluted Earnings Per Share Attributable to Common Stock	**$ 0.66**	$ 0.62	**$ 1.20**	$ 1.22
Weighted Average Number of Common Shares Outstanding — Basic (in millions)	**6,938**	7,209	**6,977**	7,211
Weighted Average Number of Common Shares Outstanding — with Dilution (in millions)	**6,946**	7,219	**6,987**	7,221

See Notes to Consolidated Financial Statements.

AT&T INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Dollars in millions

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Net income	**$ 5,010**	$ 4,861	**$ 9,191**	$ 9,553
Other comprehensive income (loss), net of tax:				
Foreign currency:				
Translation adjustment, net of taxes of $3, $61, $13 and $71	**9**	188	**43**	209
Securities:				
Net unrealized gains (losses), net of taxes of $0, $1, $0 and $4	**—**	2	**(1)**	12
Reclassification adjustment included in net income, net of taxes of $1, $1, $1 and $1	**2**	3	**2**	4
Derivative instruments:				
Net unrealized gains (losses), net of taxes of $163, $32, $70 and $(171)	**491**	96	**221**	(528)
Reclassification adjustment included in net income, net of taxes of $3, $3, $7 and $7	**11**	11	**22**	22
Defined benefit postretirement plans:				
Amortization of net prior service credit included in net income, net of taxes of $(98), $(114), $(196) and $(229)	**(306)**	(358)	**(612)**	(714)
Other comprehensive income (loss)	**207**	(58)	**(325)**	(995)
Total comprehensive income	**5,217**	4,803	**8,866**	8,558
Less: Total comprehensive income attributable to noncontrolling interest	**(383)**	(361)	**(735)**	(702)
Total Comprehensive Income Attributable to AT&T	**$ 4,834**	$ 4,442	**$ 8,131**	$ 7,856

See Notes to Consolidated Financial Statements.

AT&T INC.

CONSOLIDATED BALANCE SHEETS

Dollars in millions except per share amounts

	June 30, 2026	December 31, 2025
Assets	**(Unaudited)**	
Current Assets		
Cash and cash equivalents	**$ 17,570**	$ 18,234
Accounts receivable – net of related allowances for credit loss of $372 and $429	**8,521**	8,843
Inventories	**2,368**	2,420
Prepaid and other current assets	**23,375**	19,235
Total current assets	**51,834**	48,732
Property, plant and equipment	**352,703**	347,570
Less: accumulated depreciation and amortization	**(218,488)**	(216,011)
Property, Plant and Equipment – Net	**134,215**	131,559
Goodwill – Net	**63,865**	63,425
Licenses – Net	**129,123**	128,148
Other Intangible Assets – Net	**6,063**	5,254
Investments in and Advances to Equity Affiliates	**1,130**	1,106
Operating Lease Right-Of-Use Assets	**22,781**	22,642
Other Assets	**19,348**	19,332
Total Assets	**$ 428,359**	$ 420,198
Liabilities and Stockholders' Equity		
Current Liabilities		
Debt maturing within one year	**$ 9,323**	$ 9,011
Accounts payable and accrued liabilities	**38,049**	38,514
Advanced billings and customer deposits	**4,065**	4,266
Dividends payable	**1,945**	1,989
Total current liabilities	**53,382**	53,780
Long-Term Debt	**134,631**	127,089
Deferred Credits and Other Noncurrent Liabilities		
Noncurrent deferred tax liabilities	**60,401**	58,312
Postemployment benefit obligation	**8,267**	8,478
Operating lease liabilities	**18,934**	18,943
Other noncurrent liabilities	**24,305**	25,104
Total deferred credits and other noncurrent liabilities	**111,907**	110,837
Redeemable Noncontrolling Interest	**2,005**	2,001
Stockholders' Equity		
Preferred stock ($1 par value, 10,000,000 authorized at June 30, 2026 and December 31, 2025):		
Series A (48,000 issued and outstanding at June 30, 2026 and December 31, 2025)	**—**	—
Series B (0 issued and outstanding at June 30, 2026 and 20,000 issued and 0 outstanding at December 31, 2025)	**—**	—
Series C (70,000 issued and outstanding at June 30, 2026 and December 31, 2025)	**—**	—
Common stock ($1 par value, 14,000,000,000 authorized at June 30, 2026 and December 31, 2025: issued 7,620,748,598 at June 30, 2026 and December 31, 2025)	**7,621**	7,621
Additional paid-in capital	**106,161**	106,533
Retained earnings	**20,293**	15,768
Treasury stock (741,978,242 at June 30, 2026 and 583,246,242 at December 31, 2025, at cost)	**(22,446)**	(18,529)
Accumulated other comprehensive income (loss)	**(1,185)**	(860)
Noncontrolling interest	**15,990**	15,958
Total stockholders' equity	**126,434**	126,491
Total Liabilities and Stockholders' Equity	**$ 428,359**	$ 420,198

See Notes to Consolidated Financial Statements.

AT&T INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Dollars in millions

(Unaudited)

	Six months ended June 30,	
	2026	2025
Operating Activities		
Income from continuing operations	**$ 9,257**	$ 9,553
Adjustments to reconcile income from continuing operations to net cash provided by operating activities from continuing operations:		
Depreciation and amortization	**9,932**	10,441
Provision for uncollectible accounts	**1,149**	1,037
Asset impairments and abandonments and restructuring	**286**	504
Pension and postretirement benefit expense (credit)	**(791)**	(794)
Net (gain) loss on investments	**(170)**	(31)
Changes in operating assets and liabilities:		
Receivables	**(418)**	(247)
Equipment installment receivables and related sales	**(176)**	1,115
Contract asset and cost deferral	**(464)**	(299)
Inventories, prepaid and other current assets	**320**	(317)
Accounts payable and other accrued liabilities	**(2,565)**	(4,440)
Changes in income taxes	**1,829**	1,663
Postretirement claims and contributions	**(264)**	(103)
Other - net	**471**	730
Total adjustments	**9,139**	9,259
Net Cash Provided by Operating Activities from Continuing Operations	**18,396**	18,812
Investing Activities		
Capital expenditures	**(10,577)**	(9,174)
Acquisitions, net of cash acquired	**(2,725)**	(48)
Dispositions	**747**	40
(Purchases), sales and settlements of securities - net	**(24)**	(1,084)
Other - net	**(654)**	(778)
Net Cash Used in Investing Activities from Continuing Operations	**(13,233)**	(11,044)
Financing Activities		
Issuance of long-term debt	**14,037**	6,429
Repayment of long-term debt	**(5,398)**	(1,620)
Payment of vendor financing	**(643)**	(423)
Redemption of preferred stock	**—**	(2,075)
Purchase of treasury stock	**(4,669)**	(1,179)
Issuance of treasury stock	**1**	17
Issuance of preferred interests in subsidiary	**—**	2,221
Dividends paid	**(3,973)**	(4,135)
Other - net	**(772)**	167
Net Cash Used in Financing Activities from Continuing Operations	**(1,417)**	(598)
Net increase in cash and cash equivalents and restricted cash from continuing operations	**3,746**	7,170
Cash Flows from Discontinued Operations:		
Cash provided by operating activities	**31**	—
Cash used in investing activities	**(4,363)**	—
Cash used in financing activities	**—**	—
Net increase (decrease) in cash and cash equivalents and restricted cash from discontinued operations	**(4,332)**	—
Net increase (decrease) in cash and cash equivalents and restricted cash	**$ (586)**	$ 7,170
Cash and cash equivalents and restricted cash beginning of year	**18,527**	3,406
Cash and Cash Equivalents and Restricted Cash End of Period	**$ 17,941**	$ 10,576

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				Six months ended			
	June 30, 2026		June 30, 2025		**June 30, 2026**		June 30, 2025	
	Shares	**Amount**	Shares	Amount	**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	**—**	**$ —**	—	$ —	**—**	**$ —**	—	$ —
Retirement of stock	**—**	**—**			**—**	**—**		
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	**7,621**	**$ 7,621**	7,621	$ 7,621
Balance at end of period	**7,621**	**$ 7,621**	7,621	$ 7,621	**7,621**	**$ 7,621**	7,621	$ 7,621
Additional Paid-In Capital								
Balance at beginning of period		**$ 106,084**		$ 106,302		**$ 106,533**		$ 109,108
Redemption of preferred stock		**—**		—		**—**		(2,165)
Issuance of treasury stock		**—**		(4)		**(287)**		(456)
Share-based compensation		**77**		83		**(85)**		(106)
Balance at end of period		**$ 106,161**		$ 106,381		**$ 106,161**		$ 106,381
Retained Earnings								
Balance at beginning of period		**$ 17,620**		$ 4,215		**$ 15,768**		$ 1,871
Net income attributable to AT&T		**4,627**		4,500		**8,456**		8,851
Preferred stock redemption gain		**—**		—		**—**		90
Preferred stock dividends		**(36)**		(35)		**(71)**		(121)
Common stock dividends ($0.2775, $0.2775, $0.5550 and $0.5550 per share)		**(1,918)**		(2,000)		**(3,860)**		(4,011)
Balance at end of period		**$ 20,293**		$ 6,680		**$ 20,293**		$ 6,680

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				Six months ended			
	June 30, 2026		June 30, 2025		**June 30, 2026**		June 30, 2025	
	Shares	**Amount**	Shares	Amount	**Shares**	**Amount**	Shares	Amount
Treasury Stock								
Balance at beginning of period	**(656)**	**$ (20,273)**	(425)	$ (14,252)	**(583)**	**$ (18,529)**	(445)	$ (15,023)
Repurchase and acquisition of common stock	**(86)**	**(2,177)**	(34)	(968)	**(181)**	**(4,672)**	(43)	(1,186)
Reissuance of treasury stock	**—**	**4**	—	10	**22**	**755**	29	999
Balance at end of period	**(742)**	**$ (22,446)**	(459)	$ (15,210)	**(742)**	**$ (22,446)**	(459)	$ (15,210)
Accumulated Other Comprehensive Income (Loss) Attributable to AT&T, net of tax								
Balance at beginning of period		**$ (1,392)**		$ (142)		**$ (860)**		$ 795
Other comprehensive income (loss) attributable to AT&T		**207**		(58)		**(325)**		(995)
Balance at end of period		**$ (1,185)**		$ (200)		**$ (1,185)**		$ (200)
Noncontrolling Interest[1]								
Balance at beginning of period		**$ 15,959**		$ 16,114		**$ 15,958**		$ 13,873
Net income attributable to noncontrolling interest		**347**		326		**663**		631
Issuance and acquisition by noncontrolling owners		**—**		—		**—**		2,221
Distributions		**(316)**		(318)		**(631)**		(603)
Balance at end of period		**$ 15,990**		$ 16,122		**$ 15,990**		$ 16,122
Total Stockholders' Equity at beginning of period		**$ 125,619**		$ 119,858		**$ 126,491**		$ 118,245
Total Stockholders' Equity at end of period		**$ 126,434**		$ 121,394		**$ 126,434**		$ 121,394

[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 six months ended June 30, 2026, we repurchased approximately 174 million shares totaling $4,435 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.

Retirement of Series B Preferred Shares On May 15, 2026, we retired all of the Series B cumulative preferred shares that were redeemed in May 2025.

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 June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Numerators				
Numerator for basic earnings per share:				
Income from Continuing Operations	**$ 5,038**	$ 4,861	**$ 9,257**	$ 9,553
Net Income Attributable to Noncontrolling Interest	**(383)**	(361)	**(735)**	(702)
Preferred Stock Dividends and Redemption Gain	**(36)**	(36)	**(72)**	8
Income from continuing operations attributable to common stock	**4,619**	4,464	**8,450**	8,859
Loss from discontinued operations, net of tax	**(28)**	—	**(66)**	—
Net Income Attributable to Common Stock	**$ 4,591**	$ 4,464	**$ 8,384**	$ 8,859
Dilutive impact of share-based compensation	**2**	2	**5**	6
Numerator for diluted earnings per share	**$ 4,593**	$ 4,466	**$ 8,389**	$ 8,865
Denominators (000,000)				
Denominator for basic earnings per share:				
Weighted average number of common shares outstanding	**6,938**	7,209	**6,977**	7,211
Dilutive impact of share-based compensation (in shares)	**8**	10	**10**	10
Denominator for diluted earnings per share	**6,946**	7,219	**6,987**	7,221

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	43	(1)	221	—	263
Amounts reclassified from accumulated OCI	— [1]	2 [1]	22 [2]	(612) [3]	(588)
Net other comprehensive income (loss)	43	1	243	(612)	(325)
Balance as of June 30, 2026	**$ (1,358)**	**$ (27)**	**$ (966)**	**$ 1,166**	**$ (1,185)**

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	209	12	(528)	—	(307)
Amounts reclassified from accumulated OCI	— [1]	4 [1]	22 [2]	(714) [3]	(688)
Net other comprehensive income (loss)	209	16	(506)	(714)	(995)
Balance as of June 30, 2025	$ (1,546)	$ (30)	$ (1,110)	$ 2,486	$ (200)

[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 June 30, 2026

	Advanced Connectivity	Legacy	Latin America	Total Segment	Corporate & Other	AT&T Inc.
Operating Revenues						
Wireless service	**$ 17,413**	**$ —**	**$ 780**	**$ 18,193**	**$ —**	**$ 18,193**
Consumer	***14,992***					
Business	***2,421***					
Advanced home internet	**2,926**	**—**	**—**	**2,926**	**—**	**2,926**
Business fiber and advanced connectivity	**1,946**	**—**	**—**	**1,946**	**—**	**1,946**
Business transitional and other	**1,042**	**—**	**—**	**1,042**	**—**	**1,042**
Other service	**151**	**1,632**	**—**	**1,783**	**87**	**1,870**
Total Service	**23,478**	**1,632**	**780**	**25,890**	**87**	**25,977**
Equipment	**5,137**	**—**	**444**	**5,581**	**—**	**5,581**
Operating Revenues	**28,615**	**1,632**	**1,224**	**31,471**	**87**	**31,558**
Operating Expenses						
Operations and support expenses	**16,583**	**1,109**	**997**	**18,689**	**430**	**19,119**
Asset impairments and abandonments and restructuring	**—**	**—**	**—**	**—**	**286**	**286**
Transaction, legal and other costs	**—**	**—**	**—**	**—**	**149**	**149**
Depreciation and amortization	**4,687**	**—**	**189**	**4,876**	**90**	**4,966**
Operating Expenses	**21,270**	**1,109**	**1,186**	**23,565**	**955**	**24,520**
Operating Income (Loss)	**$ 7,345**	**$ 523**	**$ 38**	**$ 7,906**	**$ (868)**	**$ 7,038**
Total other income (expense)						**(1,216)**
Income from continuing operations before income tax						**$ 5,822**

For the three months ended June 30, 2025

	Advanced Connectivity	Legacy	Latin America	Total Segment	Corporate & Other	AT&T Inc.
Operating Revenues						
Wireless service	$ 16,853	$ —	$ 662	$ 17,515	$ —	$ 17,515
Consumer	*14,559*					
Business	*2,294*					
Advanced home internet	2,299	—	—	2,299	—	2,299
Business fiber and advanced connectivity	1,769	—	—	1,769	—	1,769
Business transitional and other	1,249	—	—	1,249	—	1,249
Other service	164	2,202	—	2,366	94	2,460
Total Service	22,334	2,202	662	25,198	94	25,292
Equipment	5,163	—	392	5,555	—	5,555
Operating Revenues	27,497	2,202	1,054	30,753	94	30,847
Operating Expenses						
Operations and support expenses	16,356	1,243	853	18,452	594	19,046
Asset impairments and abandonments and restructuring	—	—	—	—	—	—
Transaction, legal and other costs	—	—	—	—	49	49
Depreciation and amortization	5,035	—	155	5,190	61	5,251
Operating Expenses	21,391	1,243	1,008	23,642	704	24,346
Operating Income (Loss)	$ 6,106	$ 959	$ 46	$ 7,111	$ (610)	$ 6,501
Total other income (expense)						(403)
Income from continuing operations before income tax						$ 6,098

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

For the six months ended June 30, 2026

	Advanced Connectivity	Legacy	Latin America	Total Segment	Corporate & Other	AT&T Inc.
Operating Revenues						
Wireless service	**$ 34,354**	**$ —**	**$ 1,533**	**$ 35,887**	**$ —**	**$ 35,887**
Consumer	***29,576***					
Business	***4,778***					
Advanced home internet	**5,725**	**—**	**—**	**5,725**	**—**	**5,725**
Business fiber and advanced connectivity	**3,828**	**—**	**—**	**3,828**	**—**	**3,828**
Business transitional and other	**2,125**	**—**	**—**	**2,125**	**—**	**2,125**
Other service	**309**	**3,400**	**—**	**3,709**	**181**	**3,890**
Total Service	**46,341**	**3,400**	**1,533**	**51,274**	**181**	**51,455**
Equipment	**10,745**	**—**	**864**	**11,609**	**—**	**11,609**
Operating Revenues	**57,086**	**3,400**	**2,397**	**62,883**	**181**	**63,064**
Operating Expenses						
Operations and support expenses	**33,496**	**2,265**	**1,950**	**37,711**	**1,144**	**38,855**
Asset impairments and abandonments and restructuring	**—**	**—**	**—**	**—**	**286**	**286**
Transaction, legal and other costs	**—**	**—**	**—**	**—**	**295**	**295**
Depreciation and amortization	**9,392**	**—**	**389**	**9,781**	**151**	**9,932**
Operating Expenses	**42,888**	**2,265**	**2,339**	**47,492**	**1,876**	**49,368**
Operating Income (Loss)	**$ 14,198**	**$ 1,135**	**$ 58**	**$ 15,391**	**$ (1,695)**	**$ 13,696**
Total other income (expense)						**(2,476)**
Income from continuing operations before income tax						**$ 11,220**

For the six months ended June 30, 2025

	Advanced Connectivity	Legacy	Latin America	Total Segment	Corporate & Other	AT&T Inc.
Operating Revenues						
Wireless service	$ 33,504	$ —	$ 1,277	$ 34,781	$ —	$ 34,781
Consumer	*28,929*					
Business	*4,575*					
Advanced home internet	4,497	—	—	4,497	—	4,497
Business fiber and advanced connectivity	3,524	—	—	3,524	—	3,524
Business transitional and other	2,543	—	—	2,543	—	2,543
Other service	326	4,570	—	4,896	189	5,085
Total Service	44,394	4,570	1,277	50,241	189	50,430
Equipment	10,295	—	748	11,043	—	11,043
Operating Revenues	54,689	4,570	2,025	61,284	189	61,473
Operating Expenses						
Operations and support expenses	32,603	2,592	1,631	36,826	1,319	38,145
Asset impairments and abandonments and restructuring	—	—	—	—	504	504
Transaction, legal and other costs	—	—	—	—	128	128
Depreciation and amortization	10,008	—	305	10,313	128	10,441
Operating Expenses	42,611	2,592	1,936	47,139	2,079	49,218
Operating Income (Loss)	$ 12,078	$ 1,978	$ 89	$ 14,145	$ (1,890)	$ 12,255
Total other income (expense)						(166)
Income from continuing operations before income tax						$ 12,089

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:

Consolidated Balance Sheets	**June 30, 2026**	December 31, 2025
Deferred Acquisition Costs		
Prepaid and other current assets	**$ 3,620**	$ 3,550
Other Assets	**5,109**	4,778
Total deferred customer contract acquisition costs	**$ 8,729**	$ 8,328
Deferred Fulfillment Costs		
Prepaid and other current assets	**$ 1,683**	$ 1,862
Other Assets	**2,781**	2,864
Total deferred customer contract fulfillment costs	**$ 4,464**	$ 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 six months ended:

Consolidated Statements of Income	**June 30, 2026**	June 30, 2025
Deferred acquisition cost amortization	**$ 2,037**	$ 1,854
Deferred fulfillment cost amortization	**960**	1,171

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:

Consolidated Balance Sheets	**June 30, 2026**	December 31, 2025
Contract asset	**$ 8,140**	$ 7,816
Current portion in “Prepaid and other current assets”	**4,385**	4,131
Contract liability	**4,175**	4,409
Current portion in “Advanced billings and customer deposits”	**3,926**	4,136

Our beginning of period contract liability recorded as customer contract revenue during 2026 was $3,570.

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 June 30, 2026, the aggregate amount of the transaction price allocated to remaining performance obligations was $44,582, of which we expect to recognize approximately 74% 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. During the second quarter of 2026, we voluntarily contributed $100 to our pension plans, with an additional $250 planned in the second half of 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 June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Pension cost:				
Service cost – benefits earned during the period	**$ 100**	$ 107	**$ 201**	$ 214
Interest cost on projected benefit obligation	**362**	401	**723**	801
Expected return on assets	**(524)**	(509)	**(1,049)**	(1,016)
Amortization of prior service credit	**(12)**	(12)	**(23)**	(24)
Net pension (credit) cost	**$ (74)**	$ (13)	**$ (148)**	$ (25)
Postretirement cost:				
Service cost – benefits earned during the period	**$ 3**	$ 5	**$ 7**	$ 9
Interest cost on accumulated postretirement benefit obligation	**73**	79	**146**	159
Expected return on assets	**(5)**	(8)	**(11)**	(18)
Amortization of prior service credit	**(392)**	(460)	**(785)**	(919)
Net postretirement (credit) cost	**$ (321)**	$ (384)	**$ (643)**	$ (769)
Combined net pension and postretirement (credit) cost	**$ (395)**	$ (397)	**$ (791)**	$ (794)

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:

	June 30, 2026		December 31, 2025	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Notes and debentures[1]	**$ 142,578**	**$ 133,178**	$ 134,718	$ 127,852
Investment securities[2]	**1,684**	**1,684**	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 June 30, 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.

	June 30, 2026			
	Level 1	**Level 2**	**Level 3**	**Total**
Equity Securities				
Domestic equities	**$ 624**	**$ —**	**$ —**	**$ 624**
International equities	**9**	**—**	**—**	**9**
Fixed income equities	**219**	**—**	**—**	**219**
Available-for-Sale Debt Securities	**—**	**579**	**—**	**579**
Asset Derivatives				
Cross-currency swaps	**—**	**588**	**—**	**588**
Liability Derivatives				
Cross-currency swaps	**—**	**(2,415)**	**—**	**(2,415)**

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 June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Total gains (losses) recognized on equity securities	**$ 79**	$ 48	**$ 47**	$ 21
Gains (losses) recognized on equity securities sold	**—**	—	**—**	—
Unrealized gains (losses) recognized on equity securities held at end of period	**$ 79**	$ 48	**$ 47**	$ 21

At June 30, 2026, available-for-sale debt securities totaling $579 have maturities as follows - less than one year: $63; one to three years: $145; three to five years: $118; five or more years: $253.

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

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 six months ended June 30, 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 June 30, 2026, we had posted collateral of $25 (a deposit asset) and held collateral of $177 (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 June, we would have been required to post additional collateral of $51. 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 $1,940. 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:

	June 30, 2026	December 31, 2025
Cross-currency swaps	**$ 36,037**	$ 35,741
Total	**$ 36,037**	$ 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

	Three months ended June 30,		Six months ended June 30,	
Fair Value Hedging Relationships	**2026**	2025	**2026**	2025
Interest rate swaps ("Interest expense"):				
Gain (loss) on interest rate swaps	**$ —**	$ (1)	**$ (1)**	$ (2)
Gain (loss) on long-term debt	**—**	1	**1**	2
Cross-currency swaps:				
Gain (loss) on cross-currency swaps	**(283)**	2,735	**(870)**	3,859
Gain (loss) on long-term debt	**283**	(2,735)	**870**	(3,859)
Gain (loss) recognized in accumulated OCI	**642**	128	**267**	(703)

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:

	Three months ended June 30,		Six months ended June 30,	
Cash Flow Hedging Relationships	**2026**	2025	**2026**	2025
Cross-currency swaps:				
Gain (loss) recognized in accumulated OCI	**$ 12**	$ —	**$ 24**	$ 4
Interest rate locks:				
Interest income (expense) reclassified from accumulated OCI into income	**(14)**	(14)	**(29)**	(29)

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 June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Net cash received (paid) from equipment installment receivables program[1]	**$ (482)**	$ (135)	**$ (214)**	$ 724
Net cash received (paid) from revolving receivables program	**64**	(42)	**30**	91
Total net cash impact to cash flows from operating activities[2]	**$ (418)**	$ (177)	**$ (184)**	$ 815

[1] Cash from initial sales of $2,832 and $2,779 for the three months and $6,315 and $6,577 for the six months ended June 30, 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:

	June 30, 2026		December 31, 2025	
	Equipment Installment	**Revolving**	Equipment Installment	Revolving
Gross receivables:	**$ 3,220**	**$ 286**	$ 3,725	$ 425
Balance sheet classification				
Accounts receivable				
Notes receivable	**1,704**	**—**	1,886	—
Trade receivables	**363**	**286**	304	425
Other Assets				
Noncurrent notes and trade receivables	**1,153**	**—**	1,535	—
Outstanding portfolio of receivables derecognized from our consolidated balance sheets	**$ 12,156**	**$ 3,040**	$ 11,987	$ 2,940
Cash proceeds received, net of remittances[1]	**9,341**	**3,040**	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 June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Gross receivables sold[1]	**$ 2,863**	$ 2,807	**$ 6,379**	$ 6,642
Net receivables sold[2]	**2,738**	2,687	**6,093**	6,375
Cash proceeds received	**2,832**	2,779	**6,315**	6,577
Guarantee obligation recorded	**217**	219	**496**	499

[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 June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Fair value of repurchased receivables	**$ 1,022**	$ 1,011	**$ 1,747**	$ 2,948
Carrying value of beneficial interests	**1,023**	1,011	**1,749**	2,944
Gain (loss) on repurchases[1]	**$ (1)**	$ —	**$ (2)**	$ 4

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

At June 30, 2026 and December 31, 2025, our beneficial interests were $2,584 and $2,067, respectively, of which $1,646 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 June 30, 2026 and December 31, 2025 was $498 and $410, respectively, of which $263 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
We maintain a revolving agreement that allows us to transfer up to $3,040 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 $286 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 June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Gross receivables sold/cash proceeds received[1]	**$ 7,805**	$ 7,673	**$ 15,306**	$ 15,016
Total collections under revolving agreement	**7,705**	7,673	**15,206**	14,846
Net cash proceeds received	**$ 100**	$ —	**$ 100**	$ 170
Net receivables sold[2]	**$ 7,597**	$ 7,463	**$ 14,891**	$ 14,605

[1] Includes initial sales of receivables of $100 and $0 for the three months and $100 and $170 for the six months ended June 30, 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 $3,689 and $3,090 of our outstanding payment obligations as of June 30, 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 $6,725 of direct supplier financing outstanding as of June 30, 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 six months ended June 30, 2026 and 2025, we recorded vendor financing commitments of $1,603 and $831, respectively. We had $2,868 of vendor financing payables at June 30, 2026, with $1,875 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:

	June 30,		December 31,	
	2026	2025	2025	2024
Cash and cash equivalents	**$ 17,570**	$ 10,499	$ 18,234	$ 3,298
Restricted cash in Prepaid and other current assets	**312**	1	157	1
Restricted cash in Other Assets	**59**	76	136	107
Cash and Cash Equivalents and Restricted Cash	**$ 17,941**	$ 10,576	$ 18,527	$ 3,406

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

	Six months ended June 30,	
Cash paid (received) during the period for:	**2026**	2025
Interest	**$ 3,734**	$ 3,316
Income taxes, net of refunds	**91**	880

The following table summarizes capital expenditures:

	Six months ended June 30,	
	2026	2025
Purchase of property and equipment	**$ 10,486**	$ 9,097
Interest during construction - capital expenditures[2]	**91**	77
Total Capital Expenditures	**$ 10,577**	$ 9,174

The following table summarizes acquisitions, net of cash acquired:

	Six months ended June 30,	
	2026	2025
Business acquisitions[1]	**$ 1,691**	$ —
Spectrum acquisitions	**1,034**	14
Interest during construction - spectrum[2]	**—**	34
Total Acquisitions[1]	**$ 2,725**	$ 48

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

[2] Total capitalized interest was $91 and $111 for the six months ended June 30, 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 in the second quarter and for the first six months of 2026 have been presented on a gross basis, with approximately $137 and $232, respectively, 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.

A summary of operating results included in income (loss) from discontinued operations are shown in the table below:

	Three months ended June 30, **2026**	Six months ended June 30, **2026**
Revenues	**$ 154**	**$ 253**
Operating Expenses		
Cost of revenues	**75**	**126**
Selling, general and administrative[1]	**90**	**171**
Total operating expenses	**165**	**297**
Other income (expense) – net	**(26)**	**(43)**
Net income (loss) before income taxes	**(37)**	**(87)**
Income tax (benefit) expense	**(9)**	**(21)**
Loss from discontinued operations, net of tax	**$ (28)**	**$ (66)**

[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 June 30:

	2026
Assets:	
Current Assets	**$ 152**
Property, Plant and Equipment[1]	**3,702**
Goodwill	**445**
Other Assets	**175**
Total Assets, discontinued operations[2]	**$ 4,474**
Liabilities:	
Current liabilities	**$ 423**
Other liabilities	**—**
Total Liabilities, discontinued operations[2]	**$ 423**

[1] Includes $266 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
Dollars in millions except per share amounts

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.

	Second Quarter			Six-Month Period		
	2026	2025	Percent Change	**2026**	2025	Percent Change
Operating Revenues						
Service	**$ 25,977**	$ 25,292	2.7 %	**$ 51,455**	$ 50,430	2.0 %
Equipment	**5,581**	5,555	0.5	**11,609**	11,043	5.1
Total Operating Revenues	**31,558**	30,847	2.3	**63,064**	61,473	2.6
Operating Expenses						
Operations and support	**19,554**	19,095	2.4	**39,436**	38,777	1.7
Depreciation and amortization	**4,966**	5,251	(5.4)	**9,932**	10,441	(4.9)
Total Operating Expenses	**24,520**	24,346	0.7	**49,368**	49,218	0.3
Operating Income	**7,038**	6,501	8.3	**13,696**	12,255	11.8
Interest expense	**1,883**	1,655	13.8	**3,696**	3,313	11.6
Equity in net income (loss) of affiliates	**(29)**	485	—	**(70)**	1,925	—
Other income (expense) — net	**696**	767	(9.3)	**1,290**	1,222	5.6
Income from Continuing Operations Before Income Taxes	**5,822**	6,098	(4.5)	**11,220**	12,089	(7.2)
Income from Continuing Operations	**5,038**	4,861	3.6 %	**9,257**	9,553	(3.1)%

Operating revenues increased in the second quarter and for the first six months of 2026, reflecting higher Advanced Connectivity fiber and wireless revenues, with fiber revenues including the impact of acquiring Lumen's mass markets fiber business. Operating revenues in Mexico were also higher due to favorable foreign exchange impacts. 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 second quarter and for the first six months of 2026. The increase in the second quarter was primarily due to an asset abandonment charge associated with the reprioritization of our spectrum strategy, higher advertising expense, incremental customer costs related to our acquired mass markets fiber business and higher bad debt expenses driven by subscriber growth. These increases were partially offset by cost reductions from transformation initiatives, lower content licensing fees and gains on tower transactions.

The increase for the first six months was 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, which were partially offset by cost reductions from transformation initiatives, higher restructuring charges in the prior year and lower content licensing fees.

Depreciation and amortization expense decreased in the second quarter and for the first six months 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.

Operating income increased in the second quarter and for the first six months of 2026. Our operating income margin in the second quarter increased from 21.1% in 2025 to 22.3% in 2026 and for the first six months increased from 19.9% in 2025 to 21.7% in 2026.

Interest expense increased in the second quarter and for the first six months 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 second quarter and for the first six months 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 decreased in the second quarter and increased for the first six months of 2026. The decrease in the second quarter was primarily due to a gain recognized in the second quarter of 2025 associated with a prior disposition, partially offset by higher returns on benefit-related investments and interest income from higher average cash balances.

The increase for the first six months was primarily due to interest income from higher average cash balances.

Income tax expense decreased in the second quarter and for the first six months of 2026. The decrease was primarily due to lower income from continuing operations before income tax and the resolution of certain Internal Revenue Service (IRS) examinations.

Our effective tax rate was 13.5% in the second quarter and 17.5% for the first six months of 2026, versus 20.3% and 21.0% in the comparable periods in the prior year, reflecting the resolution of certain IRS examinations.

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.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations
Dollars in millions except per share amounts

ADVANCED CONNECTIVITY SEGMENT

	Second Quarter			Six-Month Period		
	2026	2025	Percent Change	**2026**	2025	Percent Change
Segment Operating Revenues						
Wireless service	**$ 17,413**	$ 16,853	3.3 %	**$ 34,354**	$ 33,504	2.5 %
Advanced home internet	**2,926**	2,299	27.3	**5,725**	4,497	27.3
Business fiber and advanced connectivity	**1,946**	1,769	10.0	**3,828**	3,524	8.6
Business transitional and other	**1,042**	1,249	(16.6)	**2,125**	2,543	(16.4)
Other service	**151**	164	(7.9)	**309**	326	(5.2)
Total Service Revenues	**23,478**	22,334	5.1	**46,341**	44,394	4.4
Equipment	**5,137**	5,163	(0.5)	**10,745**	10,295	4.4
Total Segment Operating Revenues	**28,615**	27,497	4.1	**57,086**	54,689	4.4
Segment Operating Expenses						
Operations and support	**16,583**	16,356	1.4	**33,496**	32,603	2.7
Depreciation and amortization	**4,687**	5,035	(6.9)	**9,392**	10,008	(6.2)
Total Segment Operating Expenses	**21,270**	21,391	(0.6)	**42,888**	42,611	0.7
Operating Income	**$ 7,345**	$ 6,106	20.3 %	**$ 14,198**	$ 12,078	17.6 %

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

Wireless

	June 30,		
(in 000s)	**2026**	2025	Percent Change
Retail Wireless Subscribers[1]	**109,800**	108,696	1.0 %
Phone	**91,439**	90,501	1.0
Postpaid phone	**74,921**	73,408	2.1
Prepaid phone	**16,518**	17,093	(3.4)
Other	**18,361**	18,195	0.9 %

	Second Quarter			Six-Month Period		
	2026	2025	Percent Change	**2026**	2025	Percent Change
Retail Wireless Net Adds[1, 2]	**549**	327	67.9 %	**707**	583	21.3 %
Phone	**436**	367	18.8	**658**	671	(1.9)
Postpaid phone	**432**	401	7.7	**726**	725	0.1
Prepaid phone	**4**	(34)	—	**(68)**	(54)	(25.9)
Other	**113**	(40)	— %	**49**	(88)	— %
Phone churn[3]	**1.12 %**	1.17 %	(5) BP	**1.16 %**	1.15 %	1 BP
Postpaid phone churn[3]	**0.86 %**	0.87 %	(1) BP	**0.87 %**	0.85 %	2 BP
Prepaid phone churn[3]	**2.30 %**	2.43 %	(13) BP	**2.46 %**	2.49 %	(3) 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.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations
Dollars in millions except per share amounts

Internet

(in 000s)	June 30, 2026	2025	Percent Change
Internet Connections	**15,479**	11,952	29.5 %
Fiber	**12,868**	10,480	22.8
AT&T Fiber	**12,144**	9,835	23.5
AT&T Business Fiber[1]	**724**	645	12.2
Fixed Wireless	**2,611**	1,472	77.4
AT&T Internet Air (AIA)	**1,951**	1,006	93.9
Business Fixed Wireless[2]	**660**	466	41.6 %

	Second Quarter			Six-Month Period		
	2026	2025	Percent Change	**2026**	2025	Percent Change
Internet Net Adds[3]	**646**	509	26.9 %	**1,230**	1,025	20.0 %
Fiber	**367**	269	36.4	**659**	552	19.4
AT&T Fiber	**344**	243	41.6	**617**	504	22.4
AT&T Business Fiber[1]	**23**	26	(11.5)	**42**	48	(12.5)
Fixed Wireless	**279**	240	16.3	**571**	473	20.7
AT&T Internet Air (AIA)	**215**	203	5.9	**454**	384	18.2
Business Fixed Wireless[2]	**64**	37	73.0 %	**117**	89	31.5 %

[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 second quarter and for the first six months of 2026 driven by growth in retail wireless subscribers in underpenetrated categories and converged accounts, and pricing actions that were partially offset by promotional discounts on wireless subscriber additions. The effective management of subscriber churn is critical to our ability to maximize revenue growth and to maintain and improve margins. Phone churn was lower in the second quarter and slightly higher for the first six months of 2026, reflecting the competitive dynamics of the industry.

Advanced home internet revenue increased in the second quarter and for the first six months of 2026 driven by an increase in fiber and AIA revenues. Fiber revenues increased 21.4% and 21.3% in the second quarter of 2026 and for the first six months, 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 and ramp marketing and promotion activities.

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

Business transitional and other revenues decreased in the second quarter and for the first six months 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 second quarter and for the first six months of 2026, reflecting the continued decline in the number of consumer VoIP customers.

Equipment revenue decreased in the second quarter and increased for the first six months of 2026, with lower hardware sales to business customers in the second quarter offset by higher wireless device sales volumes. The increase for the first six months was primarily driven by higher wireless device sales volumes.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations
Dollars in millions except per share amounts

Operations and support expenses increased in the second quarter and for the first six months of 2026. The increase in the second quarter was primarily due to higher advertising expense, incremental customer costs related to our acquired mass markets fiber business and higher bad debt expenses driven by subscriber growth. These increases were partially offset by cost reductions from transformation initiatives, lower content licensing fees and gains on tower transactions.

The increase for the first six months was 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, which were partially offset by cost reductions from transformation initiatives and lower content licensing fees.

Depreciation expense decreased in the second quarter and for the first six months 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 second quarter and for the first six months of 2026. Our Advanced Connectivity operating income margin in the second quarter increased from 22.2% in 2025 to 25.7% in 2026 and for the first six months increased from 22.1% in 2025 to 24.9% in 2026. Our Advanced Connectivity EBITDA margin in the second quarter increased from 40.5% in 2025 to 42.0% in 2026 and for the first six months increased from 40.4% in 2025 to 41.3% in 2026.

LEGACY SEGMENT	Second Quarter			Six-Month Period		
	2026	2025	Percent Change	**2026**	2025	Percent Change
Segment Operating Revenues	**$ 1,632**	$ 2,202	(25.9)%	**$ 3,400**	$ 4,570	(25.6)%
Segment Operating Expenses						
Operations and support	**1,109**	1,243	(10.8)	**2,265**	2,592	(12.6)
Depreciation and amortization	**—**	—	—	**—**	—	—
Total Segment Operating Expenses	**1,109**	1,243	(10.8)	**2,265**	2,592	(12.6)
Operating Income	**$ 523**	$ 959	(45.5)%	**$ 1,135**	$ 1,978	(42.6)%

Operating revenues decreased in the second quarter and for the first six months 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 second quarter and for the first six months 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 settlements.

Operating income decreased in the second quarter and for the first six months of 2026. Our Legacy operating income and EBITDA margins in the second quarter decreased from 43.6% in 2025 to 32.0% in 2026 and for the first six months decreased from 43.3% in 2025 to 33.4% in 2026.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations
Dollars in millions except per share amounts

LATIN AMERICA SEGMENT	Second Quarter			Six-Month Period		
	2026	2025	Percent Change	**2026**	2025	Percent Change
Segment Operating Revenues						
Service	**$ 780**	$ 662	17.8 %	**$ 1,533**	$ 1,277	20.0 %
Equipment	**444**	392	13.3	**864**	748	15.5
Total Segment Operating Revenues	**1,224**	1,054	16.1	**2,397**	2,025	18.4
Segment Operating Expenses						
Operations and support	**997**	853	16.9	**1,950**	1,631	19.6
Depreciation and amortization	**189**	155	21.9	**389**	305	27.5
Total Segment Operating Expenses	**1,186**	1,008	17.7	**2,339**	1,936	20.8
Operating Income	**$ 38**	$ 46	(17.4)%	**$ 58**	$ 89	(34.8)%

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

Subscribers

	June 30,		
(in 000s)	**2026**	2025	Percent Change
Postpaid	**7,457**	6,180	20.7 %
Prepaid	**15,829**	17,440	(9.2)
Reseller	**149**	223	(33.2)
Total Mexico Wireless Subscribers	**23,435**	23,843	(1.7)%

Mexico Wireless Net Additions

	Second Quarter			Six-Month Period		
(in 000s)	**2026**	2025	Change	**2026**	2025	Percent Change
Postpaid	**369**	183	— %	**706**	343	— %
Prepaid	**(1,006)**	64	—	**(1,901)**	(46)	—
Reseller	**(31)**	(12)	—	**(50)**	(30)	(66.7)
Total Mexico Wireless Net Additions	**(668)**	235	— %	**(1,245)**	267	— %

Service revenues increased in the second quarter and for the first six months of 2026, primarily due to favorable foreign exchange impacts and growth in postpaid subscribers and ARPU.

Equipment revenues increased in the second quarter and for the first six months of 2026, substantially due to favorable foreign exchange impacts.

Operations and support expenses increased in the second quarter and for the first six months of 2026, driven by unfavorable foreign exchange rates and higher bad debt expenses.

Depreciation and amortization expense increased in the second quarter and for the first six months of 2026, driven by unfavorable foreign exchange rates and spectrum renewal fees, with accelerated depreciation impacting the first three months of the year.

Operating income decreased in the second quarter and for the first six months of 2026. Our Mexico operating income margin in the second quarter decreased from 4.4% in 2025 to 3.1% in 2026 and for the first six months decreased from 4.4% in 2025 to 2.4% in 2026. Our Mexico EBITDA margin in the second quarter decreased from 19.1% in 2025 to 18.5% in 2026 and for the first six months decreased from 19.5% in 2025 to 18.6% in 2026.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations
Dollars in millions except per share amounts

SUPPLEMENTAL INFORMATION

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

Advanced Connectivity
Consumer

	Second Quarter			Six-Month Period		
	2026	2025	Percent Change	**2026**	2025	Percent Change
Operating revenues						
Wireless service	**$ 14,992**	$ 14,559	3.0 %	**$ 29,576**	$ 28,929	2.2 %
Advanced home internet	**2,926**	2,299	27.3	**5,725**	4,497	27.3
Other service	**151**	164	(7.9)	**309**	326	(5.2)
Total Service Revenues	**18,069**	17,022	6.2	**35,610**	33,752	5.5
Equipment	**4,260**	4,273	(0.3)	**8,871**	8,519	4.1
Total Operating Revenues	**22,329**	21,295	4.9	**44,481**	42,271	5.2
Operating expenses						
Operations and support	**12,234**	11,866	3.1	**24,823**	23,667	4.9
Depreciation and amortization	**2,976**	3,056	(2.6)	**5,998**	6,067	(1.1)
Total Operating Expenses	**15,210**	14,922	1.9	**30,821**	29,734	3.7
Operating Income	**$ 7,119**	$ 6,373	11.7 %	**$ 13,660**	$ 12,537	9.0 %

Advanced Connectivity
Business

	Second Quarter			Six-Month Period		
	2026	2025	Percent Change	**2026**	2025	Percent Change
Operating revenues						
Wireless service	**$ 2,421**	$ 2,294	5.5 %	**$ 4,778**	$ 4,575	4.4 %
Fiber and advanced connectivity	**1,946**	1,769	10.0	**3,828**	3,524	8.6
Transitional and other service	**1,042**	1,249	(16.6)	**2,125**	2,543	(16.4)
Total Service Revenues	**5,409**	5,312	1.8	**10,731**	10,642	0.8
Equipment	**877**	890	(1.5)	**1,874**	1,776	5.5
Total Operating Revenues	**6,286**	6,202	1.4	**12,605**	12,418	1.5
Operating expenses						
Operations and support	**4,349**	4,490	(3.1)	**8,673**	8,936	(2.9)
Depreciation and amortization	**1,711**	1,979	(13.5)	**3,394**	3,941	(13.9)
Total Operating Expenses	**6,060**	6,469	(6.3)	**12,067**	12,877	(6.3)
Operating Income (Loss)	**$ 226**	$ (267)	— %	**$ 538**	$ (459)	— %

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.

On November 15, 2023, pursuant to a congressional directive, the FCC adopted rules to "facilitate" equal access to broadband and prevent digital discrimination in broadband access. The rules prohibited covered entities from implementing policies or practices not justified by genuine issues of technical or economic feasibility, that differentially impact consumers' access to broadband internet access service based on prohibited characteristics (including income level, race and ethnicity) or that have such differential impact, whether intentional or not. The rules broadly applied prospectively to all aspects of an ISP's service that could impact a consumer's ability to access broadband. Several business associations filed appeals challenging the rules and several of those appeals were consolidated in the Eighth Circuit. On May 6, 2026, the Eighth Circuit vacated the FCC's digital discrimination rules, holding that under the plain language of the implementing law, the FCC could not adopt rules imposing "disparate impact" liability. The FCC will need to adopt new rules consistent with the statute.

For a further discussion of regulations impacting AT&T and its subsidiaries, 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 the six months ended June 30,	**2026**	2025
Cash provided by operating activities	**$ 18,396**	$ 18,812
Cash used in investing activities	**(13,233)**	(11,044)
Cash used in financing activities	**(1,417)**	(598)

	June 30, 2026	December 31, 2025
Cash and cash equivalents	**$ 17,570**	$ 18,234
Total debt	**143,954**	136,100

Our cash balance at June 30, 2026 remained elevated as we anticipate the completion of our pending transaction with EchoStar Corporation (EchoStar). We had $17,570 in cash and cash equivalents available at June 30, 2026, decreasing $664 since December 31, 2025. Cash and cash equivalents included cash of $5,744 and money market funds and other cash equivalents of $11,826. Approximately $1,251 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 six 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 exceeded cash used to meet the needs of the business, including, but not limited to, payment of operating expenses. The cash generated from operating activities was primarily used to fund capital improvements and business acquisitions, repay long-term debt, 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 six months of 2026, cash provided by operating activities was $18,396, compared to $18,812 for the first six months of 2025, with the prior year benefiting from $1,675 of cash received from DIRECTV, net of related tax payments. Cash from operations in 2026 includes increases resulting from lower cash tax payments and the timing of working capital payments, which were partially offset by $100 of voluntarily contribution to our pension plans.

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 $272 and $2,146 for the six months ended June 30, 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 six months of 2026, cash used in investing activities totaled $13,233 and consisted primarily of $10,577 (including interest during construction) for capital expenditures. During the first six months of 2026, investing activities also included $360 of FirstNet sustainability payments, net of reinvestment, and approximately $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 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 six months of 2026, vendor financing payments were $643, compared to $423 for the first six months of 2025. Capital expenditures for the first six months of 2026 were $10,577, and when including $643 cash paid for vendor financing, capital investment was $11,220 ($1,623 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 six months of 2026, we placed $1,603 of productive assets in service under vendor financing arrangements (compared to $831 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 certain 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. We expect to close this transaction by the end of July 2026 and will fund the acquisition using a combination of cash on hand and term loan borrowings.

Cash Provided by or Used in Financing Activities from Continuing Operations
For the first six months of 2026, cash used in financing activities totaled $1,417 and was comprised of debt repayments, common stock repurchases, dividend payments, and vendor financing payments, partially offset by issuances of long-term debt.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued
Dollars in millions except per share amounts

A tabular summary of our debt activities for the six months ended June 30, 2026 is as follows:

	First Quarter	Second Quarter	Six months ended June 30, 2026
Issuance of Notes and Debentures:			
USD notes	$ 6,465	$ 5,939	$ 12,404
CAD notes	1,633	—	1,633
Debt Issuances	$ 8,098	$ 5,939	$ 14,037
Repayments			
USD notes	$ (3,741)	$ —	$ (3,741)
EUR notes	(1,103)	(32)	(1,135)
AUD notes	(216)	—	(216)
Other	(187)	(119)	(306)
Repayments of long-term debt	$ (5,247)	$ (151)	$ (5,398)

The weighted average interest rate of our long-term debt portfolio, including credit agreement borrowings and the impact of derivatives, was approximately 4.4% as of June 30, 2026 and 4.2% as of December 31, 2025. We had $142,578 of total notes and debentures outstanding at June 30, 2026. This also included Euro, British pound sterling, Canadian dollar, Australian dollar, and Swiss franc denominated debt that totaled approximately $34,652.

At June 30, 2026, we had $9,323 of long-term debt maturing within one year. We had no outstanding commercial paper or other short-term borrowings on June 30, 2026.

For the first six months of 2026, we paid $643 of cash under our vendor financing program, compared to $423 in the prior-year comparable period. Total vendor financing payables included in our June 30, 2026 consolidated balance sheet were $2,868, with $1,875 due within one year (in "Accounts payable and accrued liabilities") and the remainder predominantly due within five years (in "Other noncurrent liabilities").

During the first six months of 2026, we repurchased approximately 174 million shares totaling $4,435 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 June 30, 2026, we had approximately $1,296 remaining under the 2024 Authorization, and $10,000 remaining under the 2026 Authorization.

We paid dividends on common and preferred shares of $3,973 during the first six months of 2026, compared with $4,135 for the first six months of 2025.

Dividends on common stock declared by our Board of Directors totaled $0.5550 per share in the first six 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. The summaries of the Revolving Credit Agreement and Term Loan (each as defined below) are qualified in their 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 June 30, 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 June 30, 2026.

In March 2026, we entered into two bilateral term loan facilities totaling $1,500, that will allow us to borrow funds during the year. 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 June 30, 2026.

In May 2026, we entered into a $1,000 bilateral term loan facility, that will allow us to borrow funds during the year. When drawn, $1,000 will be due in 2029. Advances will bear interest at a variable rate based on SOFR plus a margin. No amount was outstanding under this facility as of June 30, 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 June 30, 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 $36,037 derivative portfolio, counterparties are still required to post collateral. During the first six months of 2026, we received $351 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 June 30, 2026, our debt ratio was 52.8%, compared to 51.7% at June 30, 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.

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.

	Second Quarter			Six-Month Period		
	2026	2025	Percent Change	**2026**	2025	Percent Change
Advanced Connectivity Segment						
Operating income	**$ 7,345**	$ 6,106	20.3 %	**$ 14,198**	$ 12,078	17.6 %
Add: Depreciation and amortization	**4,687**	5,035	(6.9)	**9,392**	10,008	(6.2)
EBITDA	**$ 12,032**	$ 11,141	8.0 %	**$ 23,590**	$ 22,086	6.8 %
Operating income margin	**25.7 %**	22.2 %		**24.9 %**	22.1 %	
EBITDA margin	**42.0 %**	40.5 %		**41.3 %**	40.4 %	
Legacy Segment						
Operating income	**$ 523**	$ 959	(45.5)%	**$ 1,135**	$ 1,978	(42.6)%
Add: Depreciation and amortization	**—**	—	—	**—**	—	—
EBITDA	**$ 523**	$ 959	(45.5)%	**$ 1,135**	$ 1,978	(42.6)%
Operating income margin	**32.0 %**	43.6 %		**33.4 %**	43.3 %	
EBITDA margin	**32.0 %**	43.6 %		**33.4 %**	43.3 %	
Latin America Segment						
Operating income	**$ 38**	$ 46	(17.4)%	**$ 58**	$ 89	(34.8)%
Add: Depreciation and amortization	**189**	155	21.9	**389**	305	27.5
EBITDA	**$ 227**	$ 201	12.9 %	**$ 447**	$ 394	13.5 %
Operating income margin	**3.1 %**	4.4 %		**2.4 %**	4.4 %	
EBITDA margin	**18.5 %**	19.1 %		**18.6 %**	19.5 %	

Item 3. Quantitative and Qualitative Disclosures About Market Risk

At June 30, 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 $36,037 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 $(1,827) at June 30, 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 June 30, 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 June 30, 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 and coverage areas 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 second 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 second 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
April 1, 2026 - April 30, 2026	23,214,943	$ 26.73	23,205,000	$ 12,832
May 1, 2026 - May 31, 2026	36,147,814	$ 25.14	36,143,712	$ 11,923
June 1, 2026 - June 30, 2026	26,871,268	$ 23.36	26,863,791	$ 11,296
Total	86,234,025	$ 25.01	86,212,503	

[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, 21,522 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 June 30, 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
3.1	Restated Certificate of Incorporation, filed with the Secretary of State of Delaware on May 15, 2026 (Exhibit 3.1 to Form 8-K filed on May 20, 2026)
10.1	2026 Incentive Plan (Exhibit 10-a to Form S-8 filed on May 29, 2026)
10.2	Stock Purchase and Deferral Plan as amended on May 14, 2026 (Exhibit 10-b to Form S-8 filed on May 29, 2026)
10.3	Administrative Plan
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 June 30, 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 June 30, 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.

July 22, 2026

/s/ Pascal Desroches
Pascal Desroches
Senior Executive Vice President
and Chief Financial Officer

Administrative Plan

Effective May 14, 2026

The benefits under this Plan are offered by AT&T Inc. (“AT&T”) to persons who have been identified by AT&T as executive officers of AT&T under Rule 3b-7 of the Securities Exchange Act of 1934 (“Executive Officers”).

Administration of Plan. The Plan or the benefits hereunder may be modified or terminated by the Human Resources Committee in its sole discretion at any time.

Except to the extent otherwise provided herein, the Senior Executive Vice President responsible for Human Resources (or the successor to such position) shall be the Administrator of the Plan and will administer the Plan, interpret, construe and apply its provisions in accordance with its terms. The Administrator, in his or her sole discretion, may establish, adopt or revise rules, as he or she may deem necessary or advisable for the administration of the Plan, including the allocation or limitation of benefits.

The Administrator may adopt another plan or plans, not to exceed the benefits included herein, for the benefit of non Executive Officer employees or former employees of AT&T and/or its subsidiaries, as the Administrator may determine in his or her sole discretion and on such terms and conditions as the Administrator shall determine. In addition, the Administrator may provide current or former non Executive Officer employees with:

(a) an amount equal to that necessary to offset the Federal, state and local income taxes, as well as associated employment taxes, of the recipient (including taxes on tax reimbursements) resulting from the benefits in such plan or plans, other than (1) the monthly automobile allowance, and (2) personal use of aircraft; and/or

(b) social club and country club memberships as approved by the CEO or the Administrator (without the limits otherwise provided in this Plan).

The benefit under (a), above, shall also apply to Executive Officers who retired prior to 2010. The Administrator may, from time to time, revise the plan solely to increase the financial limits on benefits, not to exceed the corresponding proportional increase in the consumer price index from January 1, 2003, through the date of change.

All decisions of the Administrator shall be final and binding unless the Board of Directors or its delegate should determine otherwise.

No Employment Rights. Nothing herein shall constitute a contract of continuing employment or in any manner obligate AT&T or any Executive Officer to continue the employment relationship of, or obligate an Executive Officer to continue in the service of AT&T or any Affiliate.

Non-Transferability. No recipient of benefits under this Plan nor any other person shall have any right to sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey any of the benefits hereunder, or any part thereof, which are, and all rights to which are, expressly declared to be unassignable and non-transferable.

Notice. Any notice required or permitted to be given to the Administrator under the Plan shall be sufficient if in writing and hand delivered, or sent by certified mail, to the principal office of AT&T, directed to the attention of the Senior Executive Vice President-Human Resources. Any notice required or permitted to be given to any other person shall be sufficient if in writing and hand delivered, or sent by certified mail, to the person at the person's last known mailing address as reflected on the records of his or her employing company. Notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark or on the receipt for certification.

Validity. In the event any provision of this Plan is held invalid, void or unenforceable, the same shall not affect, in any respect whatsoever, the validity of any other provision of this plan.

Applicable Law. This Plan shall be governed and construed in accordance with the laws of the State of Texas to the extent not preempted by the Employee Retirement Income Security Act of 1974, as amended, and regulations thereunder ("ERISA").

Automobile. Each Executive Officer may receive the use of a four-door automobile or an automobile allowance and expenses associated with the operation of the automobile. The Administrator shall determine the amount of the allowance for each Executive Officer provided that the allowance shall not exceed $2,000 per month.

Company Services. Each Executive Officer may receive reasonable communications and entertainment services. Such services shall only be provided by AT&T, except wireline and Internet services where AT&T service is not reasonably available.

Financial Counseling. Executive Officers may receive income tax preparation services and financial planning services from a list of designated providers not to exceed $14,000 per year.

Estate Planning. Executive Officers may receive estate planning documentation services not to exceed $10,000 per year. The Estate Planning limit restarts in the event of a company-initiated relocation to another state.

Annual Limits. Expenses will be charged against the annual limits for the calendar year based on the date of the invoice.

Clubs. Executive Officers may receive social club and country club memberships (along with transfer fees and assessments) as approved by the CEO or the Administrator. Executive officers, but not persons other than Executive Officers, shall be limited to transferable country club memberships and shall not receive other country club fees, including dues.

AT&T does not reimburse for any expenses incurred in connection with a membership in a club that discriminates in its membership policies based on race, creed, gender or ethnic origin. The Administrator shall report annually to the Human Resources Committee any changes in memberships for the Chief Executive Officer.

Executive Protection. Based upon the concern for the security of Executive Officers, the need to secure their optimum availability for business purposes and to permit uninterrupted communications between them, the Executive Officers are authorized to receive home security services, and, whenever feasible, to use AT&T provided aircraft in connection with business travel. For the same reasons, the Chief Executive Officer may use such aircraft for personal

travel. Other Executive Officers may also use such aircraft for personal travel where the Chief Executive Officer, in his or her sole discretion, deems such personal use appropriate.

Except where prohibited by law, Executive Officers shall be required to reimburse the Company for the incremental cost of personal use of AT&T provided aircraft, subject to any exemption that the Human Resources Committee may provide for the Chief Executive Officer. For Executive Officers other than the Chief Executive Officer, the Chief Executive Officer may determine, in his or her sole discretion, that such reimbursement is not required.

Retirement. Upon the Retirement of an Executive Officer, he or she may receive up to an additional amount for financial consulting reasonably in connection with his/her Retirement, as follows: In any given year, for retirements occurring:

1. from January 1 through June 30 (inclusive), the amount will be $20,000 in the calendar year of retirement;

2. from July 1 through November 30 (inclusive), the amount will be $10,000 in the calendar year of retirement and $10,000 in the immediately following calendar year; and

3. from December 1 through December 31 (inclusive), the amount will be $20,000 in the year following retirement.

A Retired Executive Officer shall continue to receive the communications benefits until death and his or her survivor shall receive the communications benefit for twenty-four (24) billing cycles after the Executive Officer's death.

Executive Officers who retire:

1. on or before December 31, 2009, shall continue to receive the financial counseling and estate planning benefits until his or her death.
2. on or after January 1, 2010, shall continue to receive the financial counseling and estate planning benefits for up to 36 months following retirement or until his/her death.

After the death of an Executive Officer or Retired Executive Officer, his or her survivor shall receive the communications benefit for twenty-four (24) billing cycles after the Executive Officer or Retired Executive Officer's death and shall receive the financial counseling and estate planning benefits for the remainder of the year of death and the immediately following calendar year. In a Retired Executive Officer's final calendar year of eligibility, the Annual Limits shall be pro-rated on a monthly basis, based on the number of full or partial months the Retired Executive Officer worked in the calendar year of Retirement divided by twelve (12).

Exhibit 31.1

CERTIFICATION

I, John T. Stankey, certify that:

1. I have reviewed this report on Form 10-Q of AT&T Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 22, 2026

/s/ John T. Stankey
John T. Stankey
Chairman of the Board,
Chief Executive Officer and President

Exhibit 31.2

CERTIFICATION

I, Pascal Desroches, certify that:

1. I have reviewed this report on Form 10-Q of AT&T Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 22, 2026

/s/ Pascal Desroches
Pascal Desroches
Senior Executive Vice President
and Chief Financial Officer

Certification of Periodic Financial Reports

Pursuant to 18 U.S.C. Section 1350, each of the undersigned officers of AT&T Inc. (the "Company") hereby certifies that the Company's Quarterly Report on Form 10-Q for the three months ended June 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

July 22, 2026

By: /s/ John T. Stankey
John T. Stankey
Chairman of the Board,
Chief Executive Officer and President

July 22, 2026

By: /s/ Pascal Desroches
Pascal Desroches
Senior Executive Vice President
and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document. This certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 ("Exchange Act") or otherwise subject to liability under that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act except to the extent this Exhibit 32 is expressly and specifically incorporated by reference in any such filing. A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to AT&T Inc. and will be retained by AT&T Inc. and furnished to the Securities and Exchange Commission or its staff upon request.