3RD QUARTER EARNINGS

Financial and Operational Trends

INCOME STATEMENTS, CASH FLOWS, SEGMENT RESULTS, REVENUE DETAILS AND OPERATING VOLUMES

OCTOBER 21ST, 2021

AT&T

Consolidated Statements of Income

AT&T Inc.

Dollars in millions except per share amounts

Unaudited	3/31/19	6/30/19	9/30/19	12/31/19	2019	3/31/20	6/30/20	9/30/20	12/31/20	2020	3/31/21	6/30/21	9/30/21
Operating Revenues	$ 44,827	$ 44,957	$ 44,588	$ 46,821	$ 181,193	$ 42,779	$ 40,950	$ 42,340	$ 45,691	$ 171,760	$ 43,939	$ 44,045	**$ 39,922**
Operating Expenses													
Cost of revenues													
Equipment	4,502	4,061	4,484	5,606	18,653	4,092	3,978	4,552	7,084	19,706	5,556	5,341	**5,427**
Broadcast, programming and operations	7,652	7,730	7,066	8,684	31,132	6,754	5,889	6,912	7,750	27,305	7,538	7,603	**4,750**
Other cost of revenues	8,585	8,721	8,604	8,446	34,356	8,342	8,116	8,375	8,076	32,909	7,993	8,155	**7,649**
Selling, general and administrative	9,649	9,844	9,584	10,345	39,422	8,760	9,831	9,266	10,182	38,039	9,382	9,361	**9,207**
Asset impairments and abandonments	-	-	-	1,458	1,458	123	2,319	73	16,365	18,880	-	4,555	**161**
Depreciation and amortization	7,206	7,101	6,949	6,961	28,217	7,222	7,285	7,030	6,979	28,516	5,809	5,761	**5,619**
Total Operating Expenses	37,594	37,457	36,687	41,500	153,238	35,293	37,418	36,208	56,436	165,355	36,278	40,776	**32,813**
Operating Income (Loss)	7,233	7,500	7,901	5,321	27,955	7,486	3,532	6,132	(10,745)	6,405	7,661	3,269	**7,109**
Interest Expense	2,141	2,149	2,083	2,049	8,422	2,018	2,041	1,972	1,894	7,925	1,870	1,684	**1,667**
Equity in Net Income (Loss) of Affiliates	(7)	40	3	(30)	6	(6)	(10)	5	106	95	52	41	**91**
Other Income (Expense) – Net	286	(318)	(935)	(104)	(1,071)	803	1,017	(231)	(3,020)	(1,431)	4,221	999	**2,279**
Income (Loss) Before Income Taxes	5,371	5,073	4,886	3,138	18,468	6,265	2,498	3,934	(15,553)	(2,856)	10,064	2,625	**7,812**
Income Tax Expense (Benefit)	1,023	1,099	937	434	3,493	1,302	935	766	(2,038)	965	2,122	751	**1,539**
Net Income (Loss)	4,348	3,974	3,949	2,704	14,975	4,963	1,563	3,168	(13,515)	(3,821)	7,942	1,874	**6,273**
Less: Net Income Attributable to Noncontrolling Interest	(252)	(261)	(249)	(310)	(1,072)	(353)	(282)	(352)	(368)	(1,355)	(392)	(304)	**(355)**
Net Income (Loss) Attributable to AT&T	$ 4,096	$ 3,713	$ 3,700	$ 2,394	$ 13,903	$ 4,610	$ 1,281	$ 2,816	$ (13,883)	$ (5,176)	$ 7,550	$ 1,570	**$ 5,918**
Less: Preferred Stock Dividends	-	-	-	(3)	(3)	(32)	(52)	(54)	(55)	(193)	(50)	(56)	**(50)**
Net Income (Loss) Attributable to Common Stock	$ 4,096	$ 3,713	$ 3,700	$ 2,391	$ 13,900	$ 4,578	$ 1,229	$ 2,762	$ (13,938)	$ (5,369)	$ 7,500	$ 1,514	**$ 5,868**
Diluted Earnings Per Share Attributable to Common Stock	$ 0.56	$ 0.51	$ 0.50	$ 0.33	$ 1.89	$ 0.63	$ 0.17	$ 0.39	$ (1.95)	$ (0.75)	$ 1.04	$ 0.21	**$ 0.82**
Adjusted Diluted Earnings Per Share Attributable to Common Stock	$ 0.86	$ 0.89	$ 0.94	$ 0.89	$ 3.57	$ 0.84	$ 0.83	$ 0.76	$ 0.75	$ 3.18	$ 0.86	$ 0.89	**$ 0.87**
EBITDA[1]	$ 14,439	$ 14,601	$ 14,850	$ 12,282	$ 56,172	$ 14,708	$ 10,817	$ 13,162	$ (3,766)	$ 34,921	$ 13,470	$ 9,030	**$ 12,728**
Adjusted EBITDA[1]	$ 14,802	$ 15,041	$ 15,079	$ 14,365	$ 59,287	$ 14,232	$ 14,112	$ 13,313	$ 12,889	$ 54,546	$ 13,564	$ 13,585	**$ 13,019**
Adjusted EBITDA Margin[1]	33.0%	33.4%	33.8%	30.7%	32.7%	33.3%	34.5%	31.4%	28.2%	31.8%	30.9%	30.8%	**32.6%**
Pro Forma Operating Revenues[2]						$ 36,604	$ 34,944	$ 36,350	$ 39,697	$ 147,595	$ 38,187	$ 38,382	**$ 38,068**
Adjusted Pro Forma EBITDA[2]						$ 12,930	$ 12,950	$ 12,270	$ 12,322	$ 50,472	$ 12,577	$ 12,306	**$ 12,622**
Adjusted Pro Forma EBITDA Margin[2]						35.3%	37.1%	33.8%	31.0%	34.2%	32.9%	32.1%	**33.2%**

Financial and Operating Statistics Summary

AT&T Inc.

Dollars in millions except per share amounts

Unaudited	3/31/19	6/30/19	9/30/19	12/31/19	2019	3/31/20	6/30/20	9/30/20	12/31/20	2020	3/31/21	6/30/21	**9/30/21**
Capital Expenditures:													
Purchase of property and equipment	$ 5,121	$ 5,421	$ 5,141	$ 3,752	$ 19,435	$ 4,938	$ 4,434	$ 3,819	$ 2,361	$ 15,552	$ 3,972	$ 3,926	**$ 4,666**
Interest during construction - capital expenditures	61	51	48	40	200	28	32	32	31	123	61	33	**38**
Acquisitions, net of cash acquired:													
Spectrum and business acquisitions	117	203	804	685	1,809	100	1,074	41	636	1,851	22,884	28	**105**
Interest during construction - spectrum	-	-	-	-	-	-	-	-	-	-	-	257	**259**
Dividends Declared Per Share	$ 0.51	$ 0.51	$ 0.51	$ 0.52	$ 2.05	$ 0.52	$ 0.52	$ 0.52	$ 0.52	$ 2.08	$ 0.52	$ 0.52	**$ 0.52**
End of Period Common Shares Outstanding (000,000)	7,297	7,305	7,303	7,255		7,125	7,125	7,125	7,126		7,140	7,140	**7,140**
Debt Ratio	47.4%	46.8%	45.9%	44.7%		45.7%	46.6%	44.9%	46.7%		49.6%	50.0%	**49.7%**
Total Employees	262,290	257,790	251,840	247,800		244,490	243,350	234,630	230,760		228,470	226,840	**214,840**

See Notes to Financial and Operational Trends on page 14.

Consolidated Statements of Cash Flows

AT&T Inc.

Dollars in millions

Unaudited	9/30/20	12/31/20	3/31/21	6/30/21	**9/30/21**
Operating Activities					
Net income (loss)	$ 3,168	$ (13,515)	$ 7,942	$ 1,874	**$ 6,273**
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation and amortization	7,030	6,979	5,809	5,761	**5,619**
Amortization of film and television costs	2,463	2,155	2,886	3,370	**2,165**
Distributed (undistributed) earnings from investments in equity affiliates	44	(70)	(47)	62	**87**
Provision for uncollectible accounts	412	361	321	275	**262**
Deferred income tax expense (benefit)	1,595	(573)	1,848	(76)	**1,415**
Net (gain) loss on investments, net of impairments	16	(53)	(119)	(118)	**(728)**
Pension and postretirement benefit expense (credit)	(750)	(747)	(974)	(925)	**(971)**
Actuarial (gain) loss on pension and postretirement benefits	63	4,106	(2,844)	197	**(374)**
Asset impairments and abandonments	73	16,365	-	4,555	**161**
Changes in operating assets and liabilities:					
Receivables	(201)	(105)	751	664	**(1,358)**
Other current assets, inventories and theatrical film and television production costs	(2,244)	(5,234)	(3,518)	(3,467)	**(4,943)**
Accounts payable and other accrued liabilities	(1,058)	3,495	(3,060)	(1,238)	**2,044**
Equipment installment receivables and related sales	(374)	(1,281)	1,190	(379)	**(96)**
Deferred customer contract acquisition and fulfillment costs	131	(77)	244	166	**(94)**
Postretirement claims and contributions	(181)	(576)	(343)	136	**(218)**
Other - net	1,936	(1,148)	(159)	53	**622**
Total adjustments	8,955	23,597	1,985	9,036	**3,593**
Net Cash Provided by Operating Activities	12,123	10,082	9,927	10,910	**9,866**
Investing Activities					
Capital expenditures[3]	(3,851)	(2,392)	(4,033)	(3,959)	**(4,704)**
Acquisitions, net of cash acquired [3]	(41)	(636)	(22,884)	(285)	**(364)**
Dispositions	81	3,213	51	584	**8,451**
Other - net	363	(7)	14	(119)	**(85)**
Net Cash Provided by (Used in) Investing Activities	(3,448)	178	(26,852)	(3,779)	**3,298**
Financing Activities					
Net change in short-term borrowings with original maturities of three months or less	(515)	-	687	(611)	**554**
Issuance of other short-term borrowings	1,000	-	15,485	955	**1,036**
Repayment of other short-term borrowings	(1,735)	(1,757)	-	(857)	**(1,591)**
Issuance of long-term debt	10,927	1	9,097	-	**834**
Repayment of long-term debt	(20,299)	(2,381)	(902)	(253)	**(498)**
Note payable to DIRECTV, net of payments of $361	-	-	-	-	**1,439**
Payment of vendor financing	(611)	(1,001)	(1,690)	(1,304)	**(1,019)**
Purchase of treasury stock	(3)	(15)	(176)	(9)	**(6)**
Issuance of treasury stock	4	17	63	22	**4**
Issuance of preferred interests in subsidiaries	1,979	-	-	-	**-**
Redemption of preferred interests in subsidiaries	-	(1,950)	-	-	**-**
Dividends paid	(3,741)	(3,741)	(3,741)	(3,830)	**(3,748)**
Other - net	(2,863)	588	(340)	(696)	**(740)**
Net Cash (Used in) Provided by Financing Activities	(15,857)	(10,239)	18,483	(6,583)	**(3,735)**
Net increase (decrease) in cash and cash equivalents and restricted cash	(7,182)	21	1,558	548	**9,429**
Cash and cash equivalents and restricted cash beginning of period	17,031	9,849	9,870	11,428	**11,976**
Cash and Cash Equivalents and Restricted Cash End of Period	$ 9,849	$ 9,870	$ 11,428	$ 11,976	**$ 21,405**
Cash paid for interest	$ 2,459	$ 1,576	$ 2,134	$ 1,727	**$ 2,218**

See Notes to Financial and Operational Trends on page 14.

AT&T Inc.

Free Cash Flow & Capital Investment Detail

Dollars in millions

Unaudited	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	**9/30/21**
Cash Flow Detail									
Net cash provided by operating activities	$ 11,389	$ 11,943	$ 8,866	$ 12,059	$ 12,123	$ 10,082	$ 9,927	$ 10,910	**$ 9,866**
Add: Distributions from DIRECTV classified as investing activities									**-**
Less: Capital expenditures	(5,189)	(3,792)	(4,966)	(4,466)	(3,851)	(2,392)	(4,033)	(3,959)	**(4,704)**
Free Cash Flow[1]	6,200	8,151	3,900	7,593	8,272	7,690	5,894	6,951	**5,162**
Capital Investment Detail									
Capital expenditures	$ 5,189	$ 3,792	$ 4,966	$ 4,466	$ 3,851	$ 2,392	$ 4,033	$ 3,959	**$ 4,704**
Add: Vendor financing payments	765	449	791	563	611	1,001	1,690	1,304	**1,019**
Capital Investment[1]	5,954	4,241	5,757	5,029	4,462	3,393	5,723	5,263	**5,723**
Add: FirstNet capital expenditures reimbursement	-	902	7	72	64	920	-	-	**-**
Gross Capital Investment[1]	5,954	5,143	5,764	5,101	4,526	4,313	5,723	5,263	**5,723**

AT&T Inc.

FirstNet - Capital Expenditures and Reimbursements

Dollars in millions

Unaudited	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	**9/30/21**
Capital Expenditures Impact									
Capital expenditures	$ 5,189	$ 3,792	$ 4,966	$ 4,466	$ 3,851	$ 2,392	$ 4,033	$ 3,959	**$ 4,704**
FirstNet capital expenditures reimbursement	-	902	7	72	64	920	-	-	**-**
Capital expenditures, gross	5,189	4,694	4,973	4,538	3,915	3,312	4,033	3,959	**4,704**
FirstNet Reimbursements									
Capital expenditures	$ -	$ 902	$ 7	$ 72	$ 64	$ 920	$ -	$ -	**$ -**
Operating expenses	-	338	3	58	18	484	-	-	**77**
Total reimbursements	-	1,240	10	130	82	1,404	-	-	**77**

See Notes to Financial and Operational Trends on page 14.

Operating Revenues and Adjusted EBITDA

AT&T Inc.

Dollars in millions

Unaudited	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	**9/30/21**
Operating Revenues	$ 44,588	$ 46,821	$ 42,779	$ 40,950	$ 42,340	$ 45,691	$ 43,939	$ 44,045	**$ 39,922**
Communications[4]	27,384	28,382	26,779	26,505	27,195	29,486	28,178	28,128	**28,218**
Mobility	17,701	18,700	17,402	17,149	17,894	20,119	19,034	18,936	**19,138**
Business Wireline	6,426	6,521	6,266	6,305	6,261	6,251	6,046	6,052	**5,938**
Consumer Wireline	3,257	3,161	3,111	3,051	3,040	3,116	3,098	3,140	**3,142**
WarnerMedia	8,282	9,453	7,765	6,728	7,395	8,554	8,526	8,791	**8,442**
Latin America	1,730	1,758	1,590	1,232	1,396	1,498	1,374	1,437	**1,480**
Vrio	1,013	982	887	752	753	762	743	749	**756**
Mexico	717	776	703	480	643	736	631	688	**724**
Corporate and Other[4,15]									
Corporate, Acquisition-Related and Significant Items	550	528	534	589	628	456	426	361	**278**
Video	7,942	8,075	7,407	7,021	7,014	7,168	6,725	6,639	**2,149**
Eliminations[5]	(879)	(873)	(883)	(831)	(880)	(868)	(902)	(901)	**(534)**
Consolidations[5]	(421)	(502)	(413)	(294)	(408)	(603)	(388)	(410)	**(111)**

Adjusted EBITDA	$ 15,079	$ 14,365	$ 14,232	$ 14,112	$ 13,313	$ 12,889	$ 13,564	$ 13,585	**$ 13,019**
Communications[4]	11,469	11,338	11,444	11,531	11,132	10,422	11,419	11,425	**11,237**
Mobility	7,753	7,530	7,833	7,817	7,712	7,096	8,016	8,025	**7,990**
Business Wireline	2,473	2,518	2,379	2,591	2,497	2,313	2,336	2,343	**2,289**
Consumer Wireline	1,243	1,290	1,232	1,123	923	1,013	1,067	1,057	**958**
WarnerMedia	3,023	3,005	2,160	2,072	1,912	2,719	2,123	1,857	**2,171**
Latin America	105	205	93	33	59	95	93	110	**123**
Vrio	162	202	104	91	78	81	82	89	**96**
Mexico	(57)	3	(11)	(58)	(19)	14	11	21	**27**
Corporate and Other[4,15]									
Corporate	(288)	(480)	(478)	(480)	(547)	(493)	(787)	(799)	**(831)**
Video	1,155	750	1,387	1,212	1,127	710	1,065	1,364	**418**
Eliminations and Consolidations[5]	(385)	(454)	(374)	(256)	(370)	(565)	(349)	(372)	**(99)**

See Notes to Financial and Operational Trends on page 14.

Communications

Mobility Results

Dollars in millions

Unaudited	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	**9/30/21**
Operating Revenues									
Service	$ 13,930	$ 13,948	$ 13,968	$ 13,669	$ 13,883	$ 14,022	$ 14,048	$ 14,346	**$ 14,527**
Equipment	3,771	4,752	3,434	3,480	4,011	6,097	4,986	4,590	**4,611**
Total Operating Revenues	$ 17,701	$ 18,700	$ 17,402	$ 17,149	$ 17,894	$ 20,119	$ 19,034	$ 18,936	**$ 19,138**
Operating Expenses									
Operations and support	9,948	11,170	9,569	9,332	10,182	13,023	11,018	10,911	**11,148**
Depreciation and amortization	2,011	2,027	2,045	2,012	2,021	2,008	2,014	2,023	**2,035**
Total Operating Expenses	11,959	13,197	11,614	11,344	12,203	15,031	13,032	12,934	**13,183**
Operating Income	$ 5,742	$ 5,503	$ 5,788	$ 5,805	$ 5,691	$ 5,088	$ 6,002	$ 6,002	**$ 5,955**
Operating Income Margin	32.4%	29.4%	33.3%	33.9%	31.8%	25.3%	31.5%	31.7%	**31.1%**
EBITDA[1]	$ 7,753	$ 7,530	$ 7,833	$ 7,817	$ 7,712	$ 7,096	$ 8,016	$ 8,025	**$ 7,990**
EBITDA Margin[1]	43.8%	40.3%	45.0%	45.6%	43.1%	35.3%	42.1%	42.4%	**41.7%**
EBITDA Service Margin[1]	55.7%	54.0%	56.1%	57.2%	55.5%	50.6%	57.1%	55.9%	**55.0%**

See Notes to Financial and Operational Trends on page 14.

Communications

Mobility Operating Volumes and Statistics

Volumes in thousands

Unaudited	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	**9/30/21**
AT&T Mobility Subscribers and Connections									
Total Subscribers and Connections[6]	162,300	165,889	169,198	171,407	176,744	182,558	186,108	191,646	**196,519**
Postpaid	75,152	75,207	75,148	74,919	75,969	77,154	77,934	79,059	**80,249**
Prepaid	17,740	17,803	17,808	18,008	18,100	18,102	18,387	18,681	**19,028**
Reseller	7,120	6,893	6,736	6,718	6,708	6,535	6,501	6,406	**6,263**
Connected Devices	62,288	65,986	69,506	71,762	75,967	80,767	83,286	87,500	**90,979**
Net Add Detail									
Net Subscriber Additions	3,679	3,590	3,310	2,208	5,525	5,855	3,551	5,537	**4,873**
Postpaid Net Adds	(217)	135	27	(154)	1,081	1,229	823	1,156	**1,218**
Prepaid Net Adds	227	8	(45)	165	245	14	279	297	**351**
Phone Detail									
Postpaid Phones	62,812	63,018	63,105	62,882	63,485	64,216	64,752	65,503	**66,396**
Prepaid Phones[6]	16,650	16,682	16,687	16,856	16,832	16,779	16,992	17,161	**17,405**
Phone Detail - Net Adds									
Postpaid Phone Net Adds	101	229	163	(151)	645	800	595	789	**928**
Prepaid Phone Net Adds	154	(20)	(43)	135	131	(40)	207	174	**249**
Other Metrics									
Postpaid Smartphone Gross Adds and Upgrades (in millions)	4.8	5.7	3.9	3.8	4.4	6.9	5.1	5.0	**5.6**
Postpaid Upgrade Rate	4.0%	4.8%	3.0%	3.3%	3.5%	6.5%	4.1%	3.9%	**4.3%**
Churn Detail[7]									
Postpaid Phone Churn	0.95%	1.07%	0.86%	0.84%	0.69%	0.76%	0.76%	0.69%	**0.72%**
Postpaid Churn	1.19%	1.29%	1.08%	1.05%	0.85%	0.94%	0.93%	0.87%	**0.92%**
ARPU[8]									
Postpaid Phone-Only ARPU	$ 55.89	$ 55.52	$ 55.68	$ 54.47	$ 54.70	$ 54.46	$ 54.10	$ 54.24	**$ 54.37**
Postpaid ARPU	50.51	50.49	50.63	49.76	49.94	49.50	49.13	49.26	**49.17**

See Notes to Financial and Operational Trends on page 14.

Communications

Business Wireline Results[4]

Dollars in millions

Unaudited	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21
Operating Revenues									
Service	$ 6,227	$ 6,272	$ 6,091	$ 6,101	$ 6,079	$ 6,042	$ 5,872	$ 5,860	**$ 5,765**
Equipment	199	249	175	204	182	209	174	192	**173**
Total Operating Revenues	$ 6,426	$ 6,521	$ 6,266	$ 6,305	$ 6,261	$ 6,251	$ 6,046	$ 6,052	**$ 5,938**
Operating Expenses									
Operations and support	3,953	4,003	3,887	3,714	3,764	3,938	3,710	3,709	**3,649**
Depreciation and amortization	1,252	1,245	1,286	1,301	1,313	1,316	1,278	1,293	**1,304**
Total Operating Expenses	5,205	5,248	5,173	5,015	5,077	5,254	4,988	5,002	**4,953**
Operating Income	$ 1,221	$ 1,273	$ 1,093	$ 1,290	$ 1,184	$ 997	$ 1,058	$ 1,050	**$ 985**
Operating Income Margin	19.0%	19.5%	17.4%	20.5%	18.9%	15.9%	17.5%	17.3%	**16.6%**
EBITDA[1]	$ 2,473	$ 2,518	$ 2,379	$ 2,591	$ 2,497	$ 2,313	$ 2,336	$ 2,343	**$ 2,289**
EBITDA Margin[1]	38.5%	38.6%	38.0%	41.1%	39.9%	37.0%	38.6%	38.7%	**38.5%**

Communications

Supplemental Business Solutions Results (Wireline and Business Mobility)[4]

Dollars in millions

Unaudited	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21
Operating Revenues	$ 9,004	$ 9,275	$ 8,925	$ 8,775	$ 8,873	$ 9,124	$ 8,805	$ 8,858	**$ 8,810**
Total Wireless Revenues	2,578	2,754	2,659	2,470	2,612	2,873	2,759	2,806	**2,872**
Operating Income	$ 1,879	$ 1,817	$ 1,670	$ 1,794	$ 1,800	$ 1,451	$ 1,642	$ 1,557	**$ 1,556**
EBITDA[1]	$ 3,434	$ 3,368	$ 3,279	$ 3,415	$ 3,432	$ 3,089	$ 3,256	$ 3,195	**$ 3,207**

See Notes to Financial and Operational Trends on page 14.

Communications

Consumer Wireline Results[4]

Dollars in millions

Unaudited	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21
Operating Revenues									
Broadband[9]	$ 2,117	$ 2,107	$ 2,109	$ 2,092	$ 2,128	$ 2,205	$ 2,205	$ 2,266	**$ 2,290**
Legacy Voice and Data Services	628	604	581	560	538	534	519	504	**484**
Other Service and Equipment	512	450	421	399	374	377	374	370	**368**
Total Operating Revenues	$ 3,257	$ 3,161	$ 3,111	$ 3,051	$ 3,040	$ 3,116	$ 3,098	$ 3,140	**$ 3,142**
Operating Expenses									
Operations and support	2,014	1,871	1,879	1,928	2,117	2,103	2,031	2,083	**2,184**
Depreciation and amortization	730	726	712	730	734	738	762	769	**775**
Total Operating Expenses	2,744	2,597	2,591	2,658	2,851	2,841	2,793	2,852	**2,959**
Operating Income	$ 513	$ 564	$ 520	$ 393	$ 189	$ 275	$ 305	$ 288	**$ 183**
Operating Income Margin	15.8%	17.8%	16.7%	12.9%	6.2%	8.8%	9.8%	9.2%	**5.8%**
EBITDA[1]	$ 1,243	$ 1,290	$ 1,232	$ 1,123	$ 923	$ 1,013	$ 1,067	$ 1,057	**$ 958**
EBITDA Margin[1]	38.2%	40.8%	39.6%	36.8%	30.4%	32.5%	34.4%	33.7%	**30.5%**

Communications

Consumer Wireline Operating Volumes and Statistics

Volumes in thousands

Unaudited	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21
Total Broadband and DSL Connections	14,301	14,119	14,046	13,944	14,102	14,100	14,146	14,174	**14,180**
Fiber	3,696	3,887	4,096	4,321	4,678	4,951	5,186	5,432	**5,721**
Non Fiber	10,043	9,711	9,458	9,154	8,984	8,742	8,581	8,386	**8,125**
DSL	562	521	492	469	440	407	379	356	**334**
Total Broadband and DSL Net Adds	(119)	(182)	(73)	(102)	158	(2)	46	28	**6**
Fiber	318	191	209	225	357	273	235	246	**289**
Non Fiber	(401)	(332)	(253)	(304)	(170)	(242)	(161)	(195)	**(261)**
DSL	(36)	(41)	(29)	(23)	(29)	(33)	(28)	(23)	**(22)**
Broadband ARPU[8]	$ 51.21	$ 51.36	$ 51.84	$ 51.61	$ 52.43	$ 53.72	$ 53.52	$ 54.76	**$ 55.16**

See Notes to Financial and Operational Trends on page 14.

WarnerMedia[4]

Statement of Segment Income

Dollars in millions

Unaudited	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21
Segment Operating Revenues									
Subscription	$ 3,486	$ 3,356	$ 3,400	$ 3,265	$ 3,477	$ 3,623	$ 3,830	$ 3,961	**$ 3,988**
Content and Other	3,353	4,328	2,900	2,292	2,318	3,042	2,959	3,091	**3,053**
Advertising	1,443	1,769	1,465	1,171	1,600	1,889	1,737	1,739	**1,401**
Total Segment Operating Revenues	$ 8,282	$ 9,453	$ 7,765	$ 6,728	$ 7,395	$ 8,554	$ 8,526	$ 8,791	**$ 8,442**
Segment Operating Expenses									
Direct Costs									
Programming[10]	2,882	3,827	3,082	2,375	3,181	3,040	3,774	4,154	**3,068**
Marketing	631	753	550	545	655	779	850	983	**1,096**
Other	716	778	775	820	734	882	813	854	**932**
General and administrative	1,030	1,090	1,198	916	913	1,134	966	943	**1,175**
Depreciation and amortization	163	169	161	164	169	177	163	165	**163**
Total Segment Operating Expenses	5,422	6,617	5,766	4,820	5,652	6,012	6,566	7,099	**6,434**
Segment Operating Income	$ 2,860	$ 2,836	$ 1,999	$ 1,908	$ 1,743	$ 2,542	$ 1,960	$ 1,692	**$ 2,008**
Equity in Net Income (Loss) of Affiliates	16	23	15	4	12	(13)	70	47	**(73)**
Segment Contribution	$ 2,876	$ 2,859	$ 2,014	$ 1,912	$ 1,755	$ 2,529	$ 2,030	$ 1,739	**$ 1,935**
Segment Operating Income Margin	34.5%	30.0%	25.7%	28.4%	23.6%	29.7%	23.0%	19.2%	**23.8%**
EBITDA[1]	$ 3,023	$ 3,005	$ 2,160	$ 2,072	$ 1,912	$ 2,719	$ 2,123	$ 1,857	**$ 2,171**
EBITDA Margin[1]	36.5%	31.8%	27.8%	30.8%	25.9%	31.8%	24.9%	21.1%	**25.7%**
Revenue Eliminations	$ (425)	$ (319)	$ (670)	$ (1,540)	$ (511)	$ (636)	$ (643)	$ (616)	**$ (712)**
Cash Paid for Programming and Produced Film/TV Content[10]	4,115	4,287	4,322	2,897	3,062	4,617	4,535	5,261	**4,766**

WarnerMedia

Basic Networks - Supplemental disclosures provided for modeling purposes[4]

Dollars in millions

Unaudited	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21
Operating Revenues									
Subscription	$ 1,927	$ 1,901	$ 2,049	$ 1,804	$ 1,840	$ 1,920	$ 2,013	$ 1,955	**$ 1,948**
Advertising	913	1,126	957	796	1,077	1,111	1,267	1,218	**876**
Content and other	167	235	156	388	259	211	254	192	**202**
Total Operating Revenues	$ 3,007	$ 3,262	$ 3,162	$ 2,988	$ 3,176	$ 3,242	$ 3,534	$ 3,365	**$ 3,026**
Direct Costs									
Programming costs	$ 795	$ 1,234	$ 1,104	$ 700	$ 1,511	$ 1,118	$ 1,508	$ 1,670	**$ 824**
Marketing	117	140	131	125	128	134	125	134	**119**
Other	241	224	216	265	178	238	271	268	**282**
Total Direct Costs	$ 1,153	$ 1,598	$ 1,451	$ 1,090	$ 1,817	$ 1,490	$ 1,904	$ 2,072	**$ 1,225**

See Notes to Financial and Operational Trends on page 14.

WarnerMedia

Direct-to-Consumer (DTC) - Supplemental disclosures provided for modeling purposes[4]

Dollars in millions

Unaudited	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21
Operating Revenues									
Subscription	$ 1,533	$ 1,431	$ 1,338	$ 1,441	$ 1,624	$ 1,687	$ 1,810	$ 1,996	**$ 2,036**
Content and other	286	273	159	186	157	216	119	140	**206**
Total Operating Revenues	$ 1,819	$ 1,704	$ 1,497	$ 1,627	$ 1,781	$ 1,903	$ 1,929	$ 2,136	**$ 2,242**
Direct Costs									
Programming costs	$ 622	$ 648	$ 585	$ 806	$ 966	$ 899	$ 998	$ 1,071	**$ 1,127**
Marketing	113	184	95	266	307	428	421	504	**535**
Other	225	244	231	289	278	302	266	319	**379**
Total Direct Costs	$ 960	$ 1,076	$ 911	$ 1,361	$ 1,551	$ 1,629	$ 1,685	$ 1,894	**$ 2,041**

WarnerMedia

Direct-to-Consumer (DTC) Operating Volumes and Statistics

Volumes in thousands

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21
Total Global HBO Max and HBO Subscribers	54,662	53,841	55,576	56,894	60,613	63,921	67,527	**69,414**
Domestic HBO Max and HBO Subscribers[11]	34,587	33,096	36,347	38,033	41,528	44,183	47,029	**45,181**
HBO Max - Wholesale	-	-	23,594	25,106	30,785	30,935	31,451	**29,026**
HBO Max - Retail	-	-	2,975	3,625	6,880	9,693	12,077	**12,647**
HBO	30,331	28,829	5,918	5,614	197	55	32	**30**
HBO Commercial	4,256	4,267	3,860	3,688	3,666	3,500	3,469	**3,478**
International HBO Max and HBO Subscribers[12]	20,075	20,745	19,229	18,861	19,085	19,738	20,498	**24,233**
Domestic ARPU[13]	$ 11.94	$ 11.97	$ 11.72	$ 11.43	$ 11.46	$ 11.72	$ 11.90	**$ 11.82**

WarnerMedia

Theatrical, TV Content and Games Licensing - Supplemental disclosures provided for modeling purposes[4]

Dollars in millions

Unaudited	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21
Operating Revenues									
Theatrical product	$ 1,375	$ 1,570	$ 1,106	$ 1,029	$ 1,068	$ 1,186	$ 1,190	$ 1,284	**$ 1,343**
Television product	1,461	1,983	1,769	1,876	960	1,566	1,674	1,678	**1,607**
Games and other	497	565	365	351	383	495	349	405	**403**
Total Operating Revenues	$ 3,333	$ 4,118	$ 3,240	$ 3,256	$ 2,411	$ 3,247	$ 3,213	$ 3,367	**$ 3,353**
Direct Costs									
Film and TV Production costs	$ 1,618	$ 2,103	$ 1,824	$ 1,893	$ 1,176	$ 1,592	$ 1,877	$ 2,006	**$ 1,825**
Marketing	400	427	300	153	219	215	303	340	**437**
Other	243	293	222	187	205	250	185	196	**188**
Total Direct Costs	$ 2,261	$ 2,823	$ 2,346	$ 2,233	$ 1,600	$ 2,057	$ 2,365	$ 2,542	**$ 2,450**

See Notes to Financial and Operational Trends on page 14.

Latin America

Statement of Segment Income

Dollars in millions

Unaudited	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21
Segment Operating Revenues									
Video Entertainment	$ 1,013	$ 982	$ 887	$ 752	$ 753	$ 762	$ 743	$ 749	**$ 756**
Wireless Service	455	487	467	345	385	459	439	447	**463**
Wireless Equipment	262	289	236	135	258	277	192	241	**261**
Total Segment Operating Revenues	$ 1,730	$ 1,758	$ 1,590	$ 1,232	$ 1,396	$ 1,498	$ 1,374	$ 1,437	**$ 1,480**
Segment Operating Expenses									
Operations and support	1,625	1,553	1,497	1,199	1,337	1,403	1,281	1,327	**1,357**
Depreciation and amortization	284	294	281	242	250	260	262	264	**157**
Total Segment Operating Expenses	1,909	1,847	1,778	1,441	1,587	1,663	1,543	1,591	**1,514**
Segment Operating Income (Loss)	(179)	(89)	(188)	(209)	(191)	(165)	(169)	(154)	**(34)**
Equity in Net Income (Loss) of Affiliates	13	2	4	8	14	(2)	(4)	2	**9**
Segment Contribution	$ (166)	$ (87)	$ (184)	$ (201)	$ (177)	$ (167)	$ (173)	$ (152)	**$ (25)**
Segment Operating Income Margin	-10.3%	-5.1%	-11.8%	-17.0%	-13.7%	-11.0%	-12.3%	-10.7%	**-2.3%**
EBITDA[1]	$ 105	$ 205	$ 93	$ 33	$ 59	$ 95	$ 93	$ 110	**$ 123**
EBITDA Margin[1]	6.1%	11.7%	5.8%	2.7%	4.2%	6.3%	6.8%	7.7%	**8.3%**

Latin America

Vrio and Mexico Results

Dollars in millions

Unaudited	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21
Vrio EBITDA[1]	$ 162	$ 202	$ 104	$ 91	$ 78	$ 81	$ 82	$ 89	**$ 96**
Vrio EBITDA Margin[1]	16.0%	20.6%	11.7%	12.1%	10.4%	10.6%	11.0%	11.9%	**12.7%**
Mexico EBITDA[1]	$ (57)	$ 3	$ (11)	$ (58)	$ (19)	$ 14	$ 11	$ 21	**$ 27**
Mexico EBITDA Margin[1]	-7.9%	0.4%	-1.6%	-12.1%	-3.0%	1.9%	1.7%	3.1%	**3.7%**

Latin America

Operating Volumes and Statistics

Volumes in thousands

Unaudited	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21
Vrio Video Connections[14]	13,306	13,331	13,217	10,664	10,893	10,942	10,559	10,320	**10,142**
Vrio Video Net Adds[14]	(167)	25	(114)	(312)	229	49	(383)	(239)	**(178)**
Mexico Wireless Subscribers	18,619	19,159	19,158	17,973	18,414	18,943	18,981	19,046	**19,473**
Postpaid	5,352	5,103	4,962	4,771	4,710	4,696	4,725	4,745	**4,781**
Prepaid	12,848	13,584	13,692	12,777	13,249	13,758	13,756	13,810	**14,199**
Reseller	419	472	504	425	455	489	500	491	**493**
Mexico Wireless Net Adds	598	540	(1)	(1,085)	441	529	38	65	**427**
Mexico Wireless Churn[7]	7.32%	7.43%	6.54%	6.94%	5.90%	5.95%	5.91%	6.04%	**5.99%**
Mexico Wireless ARPU[8]	$ 7.86	$ 8.30	$ 7.78	$ 5.84	$ 6.40	$ 7.04	$ 6.85	$ 6.94	**$ 6.97**

See Notes to Financial and Operational Trends on page 14.

Corporate

Supplemental Results - Corporate[15]

Dollars in millions

Unaudited	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21
Total Operating Revenues	$ 550	$ 528	$ 534	$ 589	$ 628	$ 456	$ 426	$ 361	**$ 278**
Operating Expenses									
Operations and support	838	1,008	1,012	1,069	1,175	949	1,213	1,160	**1,109**
Depreciation and amortization	136	128	90	99	65	56	35	30	**129**
Total Operating Expenses	974	1,136	1,102	1,168	1,240	1,005	1,248	1,190	**1,238**
Operating Loss	$ (424)	$ (608)	$ (568)	$ (579)	$ (612)	$ (549)	$ (822)	$ (829)	**$ (960)**
Operations and Support:									
Reclassification of amortization of prior service credits	$ 454	$ 454	$ 610	$ 611	$ 611	$ 610	$ 669	$ 672	**$ 670**
Other Corporate expenses	384	554	402	458	564	339	544	488	**439**

AT&T Inc.

Other Income (Expense) - Net

Dollars in millions

Unaudited	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21
Interest income and other gain/(loss) items[16]	$ 203	$ 23	$ (214)	$ (3)	$ (1,186)	$ 67	$ 136	$ 28	**$ 681**
Special termination charges	12	-	-	-	-	-	-	-	**-**
Net pension and postretirement credit, excluding actuarial gain/(loss)	767	996	1,017	1,020	1,018	1,019	1,241	1,168	**1,224**
Actuarial gain/(loss)	(1,917)	(1,123)	-	-	(63)	(4,106)	2,844	(197)	**374**
Other Income (Expense) - Net	$ (935)	$ (104)	$ 803	$ 1,017	$ (231)	$ (3,020)	$ 4,221	$ 999	**$ 2,279**

AT&T Inc.

Equity in Net Income (Loss) of Affiliates

Dollars in millions

Unaudited	9/30/21
Equity in Net Income (Loss) of Affiliates	**$ 91**
Less: Equity in Net Income (loss) from Other investments	**(66)**
Equity in Net Income from DIRECTV investment	**157**
Add: DIRECTV intangible amortization (proportionate share)	**392**
Adjusted Equity in Net Income from DIRECTV investment[17]	**$ 549**

See Notes to Financial and Operational Trends on page 14.

Notes to Financial and Operational Trends

AT&T Inc.

[1] See Discussion and Reconciliation of Non-GAAP Measures included in Form 8-K dated October 21, 2021. Additionally, see Non-GAAP Reconciliations in the 1Q21 Financial and Operational Trends for certain business units for which historical results were recast in the Form 8-K dated April 9, 2021 (note 3). Beginning in the third quarter of 2021, AT&T includes all cash received from DIRECTV as part of Free Cash Flow, including distributions reported as investing activities.

[2] Pro Forma results reflect the July 31, 2021 separation of the U.S. video business. See Forms 8-K dated September 9, 2021 and October 21, 2021 and Supplemental Quarterly Pro Forma Financial Information schedule included on the AT&T Investor Relations Website for further explanation of these pro forma metrics.

[3] Interest during construction is included in both Acquisitions and in Capital Expenditures (see Financial and Operating Statistics Summary on page 2).

[4] In 1Q21, results were reclassified to conform to current-period presentation. See Form 8-K dated April 9, 2021. Changes include: (1) Communications segment results were recast to remove the Video and Government Solutions held-for-sale businesses, instead reporting those results in Corporate and Other. (2) Business Wireline revenues are characterized as either “service” or “equipment”. (3) Consumer Wireline business unit (formerly Broadband) and Video have historically been operated as a single business unit, which included our U-verse products that provide both video and broadband services to customers and run on a shared network infrastructure. In conjunction with finalizing the deal terms of our previously announced Video transaction with TPG, we have refined cost allocations, specifically shared infrastructure and deferred customer acquisition costs. (4) WarnerMedia segment results reflect the operation of WarnerMedia as one integrated organization, and as such, operating contribution is reported at the segment level. For modeling purposes, supplemental disclosures of revenue and direct costs are provided herein for the following areas: Basic Networks (formerly Turner business unit), Direct-to-Consumer (DTC) (formerly Home Box Office business unit), and Theatrical, TV Content and Games Licensing (formerly Warner Bros. business unit). In 2Q21, WarnerMedia segment results were recast to conform to current-period presentation reflecting a net presentation for operating revenues and for operating expenses.

[5] Eliminations and consolidations remove transactions that either involve dealings between AT&T companies, including content licensing with WarnerMedia, or relate to advertising arrangements recorded in both the WarnerMedia segment and Video operations (included in Corporate and Other). After the July 31, 2021 separation of the U.S. video business, transactions between WarnerMedia and DIRECTV are third-party activities and advertising arrangements are reflected only in the WarnerMedia segment.

[6] 4Q20 subscribers include a reduction of 41K subscribers resulting from a true-up after the divestiture of Puerto Rico and U.S. Virgin Islands mobility operations. 3Q20 Prepaid subscribers and Prepaid Phone subscribers exclude 188K subscriber disconnections resulting from updating our prepaid activation policy.

[7] Churn is calculated by dividing the aggregate number of wireless subscribers who canceled service during a month by the total number of wireless subscribers at the beginning of that month. The churn rate for the period is equal to the average of the churn rate for each month of that period.

[8] For Mobility and Mexico, ARPU is defined as wireless subscriber revenues during the period divided by average wireless subscribers during the period. Wireless service revenues include subscriber revenues and other revenues. In Consumer Wireline, Broadband ARPU is defined as Broadband revenues (see footnote 9 below) during the period divided by average Broadband connections (excluding DSL) during the period.

[9] Broadband revenues are comprised of revenues from IP Fiber and IP Non-Fiber subscribers and exclude DSL revenues, which are included in Legacy Voice and Data Services.

[10] Programming includes amortization of film and television costs reflected in the Consolidated Statements of Cash Flows. Cash Paid for Programming and Produced Film/TV Content is net of the elimination of transactions between WarnerMedia business units.

[11] Domestic HBO Max and HBO Subscribers include the following categories of U.S. accounts: (1) HBO Max – Wholesale: accounts that have access to HBO Max through a wholesale distributor (including wholesale subscribers that may not have signed in), (2) HBO Max – Retail: accounts that have access to HBO Max and are billed directly by WarnerMedia or by a third party via in-app purchase, (3) HBO: accounts that do not have access to HBO Max, and (4) HBO Commercial: commercial accounts that do not have access to HBO Max and are billed on a bulk basis (e.g., hotels, etc.). Domestic HBO Max and HBO Subscribers do not include free trials or Cinemax subscribers.

[12] International HBO Max and HBO Subscribers consists of non-domestic accounts with access to HBO Max (including wholesale subscribers that may not have signed in), and HBO accounts and exclude free trial, basic and Cinemax subscribers.

[13] Domestic ARPU is defined as Domestic HBO Max and HBO Subscriber revenues during the period divided by average Domestic HBO Max and HBO Subscribers during the period, excluding HBO Commercial and other bulk-billed revenues and subscribers during the period.

[14] Vrio Video connections and net adds include satellite and over-the-top.

[15] Corporate includes: (1) businesses no longer integral to our operations or which we no longer actively market, (2) corporate support functions, (3) impacts of corporate-wide decisions for which the individual operating segments are not being evaluated, and (4) the reclassification of the amortization of prior service credits, which we continue to report with segment operating expenses, to consolidated "Other Income (Expense) - Net". After the Video separation, certain Video operations and support costs and network depreciation costs will be retained by AT&T. These retained costs and reimbursements from DIRECTV are reported in Corporate for the remainder of 2021 to maintain comparability of AT&T’s operating segment results, and while operational plans and cost reduction initiatives are developed (see Form 8-K dated September 9, 2021). Operating loss for 3Q21 reflects approximately $150M of retained Video costs (net), including approximately $100M of retained depreciation. Corporate included the following held-for-sale businesses prior to their divestiture: Puerto Rico and U.S. Virgin Islands mobility and business wireline operations (divested in October 2020), AT&T Government Solutions (divested in March 2021) and Crunchyroll (divested August 9, 2021).

[16] 3Q21 Interest income and other gain/(loss) includes approximately $700M net gains from divested businesses and other adjustments which have been excluded from adjusted EPS. See Adjusting Items in the Financial and Operational Schedules & Non-GAAP Reconciliations.

[17] Adjusted equity in net income from DIRECTV investment is calculated as equity income from DIRECTV reported in Equity in Net Income (Loss) of Affiliates and excludes AT&T’s proportionate share of merger costs, such as the noncash depreciation and amortization of fair value accretion from DIRECTV’s revaluation of assets and purchase price allocation.