3RD QUARTER EARNINGS 2023

Financial and Operational Trends

OCTOBER 19, 2023

AT&T

Consolidated Statements of Income

AT&T Inc.

Dollars and shares in millions except per share amounts

Unaudited	3/31/21	6/30/21	9/30/21	12/31/21	2021	3/31/22	6/30/22	9/30/22	12/31/22	2022	3/31/23	6/30/23	9/30/23
Operating Revenues	$ 35,877	$ 35,740	$ 31,326	$ 31,095	$ 134,038	$ 29,712	$ 29,643	$ 30,043	$ 31,343	$ 120,741	$ 30,139	$ 29,917	**$ 30,350**
Operating Expenses													
Cost of revenues													
Equipment	5,526	5,315	5,401	7,443	23,685	6,036	5,534	5,440	6,999	24,009	5,658	5,056	**5,219**
Broadcast, programming and operations	3,592	3,397	1,117	-	8,106	-	-	-	-	-	-	-	**-**
Other cost of revenues	7,473	7,446	6,915	6,782	28,616	6,699	6,807	6,761	6,572	26,839	6,673	6,771	**6,835**
Selling, general and administrative	7,626	7,581	7,094	7,368	29,669	6,978	7,265	7,202	7,516	28,961	7,175	7,009	**7,205**
Asset impairments and abandonments and restructuring	-	-	105	108	213	-	631	114	26,753	27,498	-	-	**604**
Depreciation and amortization	4,466	4,429	4,457	4,500	17,852	4,462	4,450	4,514	4,595	18,021	4,631	4,675	**4,705**
Total Operating Expenses	28,683	28,168	25,089	26,201	108,141	24,175	24,687	24,031	52,435	125,328	24,137	23,511	**24,568**
Operating Income (Loss)	7,194	7,572	6,237	4,894	25,897	5,537	4,956	6,012	(21,092)	(4,587)	6,002	6,406	**5,782**
Interest Expense	1,823	1,640	1,627	1,626	6,716	1,626	1,502	1,420	1,560	6,108	1,708	1,608	**1,662**
Equity in Net Income (Loss) of Affiliates	(6)	(18)	183	444	603	521	504	392	374	1,791	538	380	**420**
Other Income (Expense) – Net	4,230	1,206	1,522	2,429	9,387	2,157	2,302	2,270	(919)	5,810	935	987	**440**
Income (Loss) from Continuing Operations Before Income Taxes	9,595	7,120	6,315	6,141	29,171	6,589	6,260	7,254	(23,197)	(3,094)	5,767	6,165	**4,980**
Income Tax Expense (Benefit) on Continuing Operations	2,009	1,151	1,296	939	5,395	1,440	1,509	908	(77)	3,780	1,314	1,403	**1,154**
Income (Loss) from Continuing Operations	7,586	5,969	5,019	5,202	23,776	5,149	4,751	6,346	(23,120)	(6,874)	4,453	4,762	**3,826**
Income (Loss) from Discontinued Operations, Net of Tax	356	(4,095)	1,254	188	(2,297)	15	(214)	53	(35)	(181)	-	-	**-**
Net Income (Loss)	7,942	1,874	6,273	5,390	21,479	5,164	4,537	6,399	(23,155)	(7,055)	4,453	4,762	**3,826**
Less: Net Income Attributable to Noncontrolling Interest	(392)	(304)	(355)	(347)	(1,398)	(354)	(380)	(373)	(362)	(1,469)	(225)	(273)	**(331)**
Net Income (Loss) Attributable to AT&T	$ 7,550	$ 1,570	$ 5,918	$ 5,043	$ 20,081	$ 4,810	$ 4,157	$ 6,026	$ (23,517)	$ (8,524)	$ 4,228	$ 4,489	**$ 3,495**
Less: Preferred Stock Dividends	(50)	(56)	(50)	(51)	(207)	(48)	(52)	(49)	(54)	(203)	(52)	(52)	**(51)**
Net Income (Loss) Attributable to Common Stock	$ 7,500	$ 1,514	$ 5,868	$ 4,992	$ 19,874	$ 4,762	$ 4,105	$ 5,977	$ (23,571)	$ (8,727)	$ 4,176	$ 4,437	**$ 3,444**
Diluted Earnings (Loss) Per Share Attributable to Common Stock[2]	$ 1.02	$ 0.22	$ 0.80	$ 0.68	$ 2.73	$ 0.65	$ 0.56	$ 0.80	$ (3.20)	$ (1.13)	$ 0.57	$ 0.61	**$ 0.48**
From Continuing Operations[3]	0.97	0.76	0.63	0.66	3.02	0.65	0.59	0.79	(3.20)	(1.10)	0.57	0.61	**0.48**
From Continuing Operations - Adjusted[2]	0.68	0.73	0.66	0.56	2.63	0.63	0.65	0.68	0.61	2.57	0.60	0.63	**0.64**
Weighted Average Number of Common Shares Outstanding - Basic	7,161	7,168	7,171	7,172	7,168	7,184	7,169	7,153	7,157	7,166	7,168	7,180	**7,185**
Weighted Average Number of Common Shares Outstanding - with Dilution under ASU 2020-06[2]	7,482	7,484	7,506	7,541	7,503	7,556	7,611	7,647	7,533	7,587	7,474	7,180	**7,185**
Weighted Average Number of Common Shares Outstanding - with Dilution under historical[2]	7,188	7,200	7,202	7,204	7,199	7,219	7,212	7,201	7,205	7,209	7,190	7,180	**7,185**
EBITDA from Continuing Operations[1]	$ 11,660	$ 12,001	$ 10,694	$ 9,394	$ 43,749	$ 9,999	$ 9,406	$ 10,526	$ (16,497)	$ 13,434	$ 10,633	$ 11,081	**$ 10,487**
Adjusted EBITDA from Continuing Operations[1]	$ 11,661	$ 11,931	$ 10,803	$ 9,480	$ 43,875	$ 10,190	$ 10,330	$ 10,714	$ 10,231	$ 41,465	$ 10,589	$ 11,053	**$ 11,203**
Adjusted EBITDA Margin from Continuing Operations[1]	32.5%	33.4%	34.5%	30.5%	32.7%	34.3%	34.8%	35.7%	32.6%	34.3%	35.1%	36.9%	**36.9%**

Financial and Operating Statistics Summary

AT&T Inc.

Unaudited	3/31/21	6/30/21	9/30/21	12/31/21	2021	3/31/22	6/30/22	9/30/22	12/31/22	2022	3/31/23	6/30/23	9/30/23
Dividends Declared Per Common Share	$ 0.52	$ 0.52	$ 0.52	$ 0.52	$ 2.08	$ 0.2775	$ 0.2775	$ 0.2775	$ 0.2775	$ 1.11	$ 0.2775	$ 0.2775	**$ 0.2775**
End of Period Common Shares Outstanding (000,000)	7,140	7,140	7,140	7,141		7,159	7,126	7,126	7,128		7,149	7,149	**7,150**
Debt Ratio	49.3%	49.7%	49.5%	48.9%		48.5%	50.1%	48.8%	56.1%		55.9%	54.8%	**53.5%**
Total Employees (Continuing Operations) (000)	191.3	188.7	177.3	172.9		172.6	172.4	169.9	162.9		157.8	156.6	**152.7**

See Notes to Financial and Operational Trends on page 12.

Consolidated Statements of Cash Flows

AT&T Inc.

Dollars in millions

Unaudited	9/30/22	12/31/22	3/31/23	6/30/23	**9/30/23**
Operating Activities					
Income (loss) from continuing operations	$ 6,346	$ (23,120)	$ 4,453	$ 4,762	**$ 3,826**
Adjustments to reconcile income (loss) from continuing operations to net cash provided by operating activities:					
Depreciation and amortization	4,514	4,595	4,631	4,675	**4,705**
Provision for uncollectible accounts	453	542	477	452	**480**
Deferred income tax expense	623	28	529	1,307	**1,327**
Net (gain) loss on investments, net of impairments	79	(31)	(93)	(67)	**495**
Pension and postretirement benefit expense (credit)	(794)	(708)	(670)	(671)	**(625)**
Actuarial and settlement (gain) loss on pension and postretirement benefits - net	(1,440)	1,839	-	(74)	**(71)**
Asset impairments and abandonments and restructuring	114	26,753	-	-	**604**
Changes in operating assets and liabilities:					
Receivables	(271)	(294)	620	722	**(169)**
Other current assets	(810)	125	364	742	**(1,049)**
Accounts payable and other accrued liabilities	644	2,152	(3,409)	(2,360)	**707**
Equipment installment receivables and related sales	564	(752)	(243)	(59)	**246**
Deferred customer contract acquisition and fulfillment costs	(250)	(191)	(22)	56	**13**
Postretirement claims and contributions	(257)	(380)	(89)	(467)	**(159)**
Other - net	579	(210)	130	904	**6**
Total adjustments	3,748	33,468	2,225	5,160	**6,510**
Net Cash Provided by Operating Activities from Continuing Operations	10,094	10,348	6,678	9,922	**10,336**
Investing Activities					
Capital expenditures[4]	(5,921)	(4,229)	(4,335)	(4,270)	**(4,647)**
Acquisitions, net of cash acquired[4]	(389)	(241)	(291)	(224)	**(408)**
Dispositions	27	150	15	1	**50**
Distributions from DIRECTV in excess of cumulative equity in earnings	567	444	774	200	**473**
(Purchases), sales and settlements of securities and investments - net	21	(12)	19	(1,075)	**13**
Other - net	(5)	-	-	(55)	**(26)**
Net Cash (Used in) Provided by Investing Activities from Continuing Operations	(5,700)	(3,888)	(3,818)	(5,423)	**(4,545)**
Financing Activities					
Net change in short-term borrowings with original maturities of three months or less	(88)	(603)	(536)	(378)	**-**
Issuance of other short-term borrowings	1,362	-	3,627	1,779	**-**
Repayment of other short-term borrowings	(1,248)	(1,484)	-	(867)	**(112)**
Issuance of long-term debt	-	2,500	3,366	6,267	**-**
Repayment of long-term debt	(199)	(706)	(5,945)	(1,664)	**(4,280)**
Repayment of note payable to DIRECTV	(348)	(141)	(130)	-	**-**
Payment of vendor financing	(900)	(460)	(2,113)	(1,643)	**(980)**
Purchase of treasury stock	(3)	(15)	(188)	(1)	**(1)**
Issuance of treasury stock	-	-	3	-	**-**
Issuance of preferred interests in subsidiary	-	-	-	7,151	**-**
Redemption of preferred interests in subsidiary	-	(2,665)	-	(5,333)	**-**
Dividends paid	(2,010)	(2,014)	(2,014)	(2,083)	**(2,019)**
Other - net	(1,505)	427	219	(1,047)	**(362)**
Net Cash (Used in) Provided by Financing Activities from Continuing Operations	(4,939)	(5,161)	(3,711)	2,181	**(7,754)**
Net (decrease) increase in cash and cash equivalents and restricted cash from continuing operations	(545)	1,299	(851)	6,680	**(1,963)**
Cash Flows from Discontinued Operations:					
Cash (used in) provided by operating activities	(23)	(35)	-	-	**-**
Cash provided by (used in) investing activities	157	65	-	-	**-**
Cash provided by (used in) financing activities	(1,212)	(30)	-	-	**-**
Net increase (decrease) in cash and cash equivalents and restricted cash from discontinued operations	(1,078)	-	-	-	**-**
Net (decrease) increase in cash and cash equivalents and restricted cash	(1,623)	1,299	(851)	6,680	**(1,963)**
Cash and cash equivalents and restricted cash beginning of period	4,117	2,494	3,793	2,942	**9,622**
Cash and Cash Equivalents and Restricted Cash End of Period	$ 2,494	$ 3,793	$ 2,942	$ 9,622	**$ 7,659**

See Notes to Financial and Operational Trends on page 12.

AT&T Inc.

Free Cash Flow

Dollars in millions

Unaudited	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23
Cash Flow Detail									
Net cash provided by operating activities from continuing operations	$ 9,310	$ 8,077	$ 7,630	$ 7,740	$ 10,094	$ 10,348	$ 6,678	$ 9,922	**$ 10,336**
Add: Distributions from DIRECTV classified as investing activities	-	1,323	1,315	323	567	444	774	200	**473**
Less: Capital expenditures	(4,470)	(3,494)	(4,568)	(4,908)	(5,921)	(4,229)	(4,335)	(4,270)	**(4,647)**
Less: Vendor financing payments	(1,019)	(583)	(1,566)	(1,771)	(900)	(460)	(2,113)	(1,643)	**(980)**
Free Cash Flow[1]	$ 3,821	$ 5,323	$ 2,811	$ 1,384	$ 3,840	$ 6,103	$ 1,004	$ 4,209	**$ 5,182**

AT&T Inc.

Supplemental Free Cash Flow Walk from Adjusted EBITDA[5]

Dollars in millions

Unaudited	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23
Adjusted EBITDA[1]	$ 10,190	$ 10,330	$ 10,714	$ 10,231	$ 10,589	$ 11,053	**$ 11,203**
Noncash Adj. to EBITDA							
Bad debt expense	430	440	453	542	477	452	**480**
Working capital	(1,261)	(1,505)	(123)	1,040	(2,690)	(899)	**(252)**
Cash paid for interest (less capitalized interest)	(1,830)	(1,516)	(1,628)	(1,504)	(1,699)	(1,368)	**(1,886)**
Cash paid for income taxes	(72)	(266)	(62)	(192)	(10)	(325)	**(423)**
Capital investment[1]	(6,134)	(6,679)	(6,821)	(4,689)	(6,448)	(5,913)	**(5,627)**
Cash distributions received from DIRECTV	1,837	838	959	823	1,308	577	**896**
Other	(349)	(258)	348	(148)	(523)	632	**791**
Free Cash Flow[1]	$ 2,811	$ 1,384	$ 3,840	$ 6,103	$ 1,004	$ 4,209	**$ 5,182**

AT&T Inc.

Additional Cash Flow Information - Continuing Operations

Dollars in millions

Unaudited	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23
Capital Investment Detail									
Purchase of property and equipment	$ 4,432	$ 3,453	$ 4,532	$ 4,867	$ 5,874	$ 4,179	$ 4,291	$ 4,224	**$ 4,601**
Interest during construction - capital expenditures	38	41	36	41	47	50	44	46	**46**
Capital expenditures	$ 4,470	$ 3,494	$ 4,568	$ 4,908	$ 5,921	$ 4,229	$ 4,335	$ 4,270	**$ 4,647**
Add: Vendor financing payments	1,019	583	1,566	1,771	900	460	2,113	1,643	**980**
Capital Investment[1]	$ 5,489	$ 4,077	$ 6,134	$ 6,679	$ 6,821	$ 4,689	$ 6,448	$ 5,913	**$ 5,627**
Acquisitions, net of cash acquired									
Spectrum acquisitions	$ 131	$ 1,655	$ 8,956	$ 9	$ 111	$ 4	$ 63	$ 5	**$ 241**
Interest during construction - spectrum	259	265	288	317	278	237	228	219	**167**
Distributions from DIRECTV Investment									
Classified as operating activities	$ 130	$ 489	$ 522	$ 515	$ 392	$ 379	$ 534	$ 377	**$ 423**
Classified as investing activities	-	1,323	1,315	323	567	444	774	200	**473**
Total Distributions received from DIRECTV	$ 130	$ 1,812	$ 1,837	$ 838	$ 959	$ 823	$ 1,308	$ 577	**$ 896**
Cash paid for interest	$ 2,171	$ 1,554	$ 2,154	$ 1,874	$ 1,953	$ 1,791	$ 1,971	$ 1,633	**$ 2,099**
Interest during construction	297	306	324	358	325	287	272	265	**213**
Cash paid for interest (less capitalized interest)	$ 1,874	$ 1,248	$ 1,830	$ 1,516	$ 1,628	$ 1,504	$ 1,699	$ 1,368	**$ 1,886**
Cash paid for income taxes, net of (refunds)	$ 33	$ 36	$ 72	$ 266	$ 62	$ 192	$ 10	$ 325	**$ 423**

See Notes to Financial and Operational Trends on page 12.

Operating Revenues

AT&T Inc.

Dollars in millions

Unaudited	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	**9/30/23**
Communications	$ 28,218	$ 30,206	$ 28,876	$ 28,695	$ 29,131	$ 30,365	$ 29,152	$ 28,845	**$ 29,244**
Mobility	19,138	21,146	20,075	19,926	20,278	21,501	20,582	20,315	**20,692**
Business Wireline	5,938	5,901	5,640	5,595	5,668	5,635	5,331	5,279	**5,221**
Consumer Wireline	3,142	3,159	3,161	3,174	3,185	3,229	3,239	3,251	**3,331**
Latin America - Mexico	724	704	690	808	785	861	883	967	**992**
Corporate and Other	2,384	185	146	140	127	117	104	105	**114**
Corporate*	188	185	146	140	127	117	104	105	**114**
DTV-related retained costs	20	29	8	-	-	-	-	-	**-**
Parent administration support	-	(6)	(12)	(6)	(6)	(8)	(9)	(3)	**(1)**
Securitization fees	16	17	16	17	15	17	19	17	**25**
Value portfolio	152	145	134	129	118	108	94	91	**90**
Video	2,149	-	-	-	-	-	-	-	**-**
Held-for-sale and other reclassifications	64	-	-	-	-	-	-	-	**-**
Eliminations and consolidations	(17)	-	-	-	-	-	-	-	**-**
Operating Revenues	$ 31,326	$ 31,095	$ 29,712	$ 29,643	$ 30,043	$ 31,343	$ 30,139	$ 29,917	**$ 30,350**

Adjusted EBITDA[6]

AT&T Inc.

Dollars in millions

Unaudited	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	**9/30/23**
Communications	$ 10,758	$ 10,042	$ 10,611	$ 10,798	$ 11,173	$ 10,835	$ 11,032	$ 11,490	**$ 11,623**
Mobility	7,850	7,208	7,748	8,065	8,268	7,929	8,369	8,736	**8,897**
Business Wireline	2,072	1,961	1,938	1,803	1,963	1,900	1,708	1,729	**1,695**
Consumer Wireline	836	873	925	930	942	1,006	955	1,025	**1,031**
Latin America - Mexico	27	36	59	87	101	85	145	146	**155**
Corporate and Other	17	(597)	(480)	(555)	(560)	(689)	(588)	(583)	**(575)**
Corporate[1]*	(399)	(593)	(480)	(555)	(560)	(689)	(588)	(583)	**(575)**
DTV-related retained costs	(116)	(248)	(152)	(239)	(235)	(244)	(169)	(178)	**(167)**
Parent administration support	(404)	(424)	(359)	(347)	(323)	(381)	(383)	(335)	**(334)**
Securitization fees	15	(19)	(66)	(61)	(88)	(139)	(102)	(137)	**(139)**
Value portfolio	106	98	97	92	86	75	66	67	**65**
Video	383	-	-	-	-	-	-	-	**-**
Held-for-sale and other reclassifications	33	(4)	-	-	-	-	-	-	**-**
Adjusted EBITDA[1]	$ 10,803	$ 9,480	$ 10,190	$ 10,330	$ 10,714	$ 10,231	$ 10,589	$ 11,053	**$ 11,203**

* See page 11 for additional detail of Corporate results.

See Notes to Financial and Operational Trends on page 12. May not foot due to rounding.

Communications

Mobility Results[6]

Dollars in millions

Unaudited	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	**9/30/23**
Operating Revenues									
Service	$ 14,527	$ 14,669	$ 14,724	$ 15,004	$ 15,337	$ 15,434	$ 15,483	$ 15,745	**$ 15,908**
Equipment	4,611	6,477	5,351	4,922	4,941	6,067	5,099	4,570	**4,784**
Total Operating Revenues	$ 19,138	$ 21,146	$ 20,075	$ 19,926	$ 20,278	$ 21,501	$ 20,582	$ 20,315	**$ 20,692**
Operating Expenses									
Operations and support	$ 11,288	$ 13,938	$ 12,327	$ 11,861	$ 12,010	$ 13,572	$ 12,213	$ 11,579	**$ 11,795**
Depreciation and amortization	2,035	2,050	2,059	2,017	2,042	2,080	2,098	2,123	**2,134**
Total Operating Expenses	13,323	15,988	14,386	13,878	14,052	15,652	14,311	13,702	**13,929**
Operating Income	$ 5,815	$ 5,158	$ 5,689	$ 6,048	$ 6,226	$ 5,849	$ 6,271	$ 6,613	**$ 6,763**
Operating Income Margin	30.4%	24.4%	28.3%	30.4%	30.7%	27.2%	30.5%	32.6%	**32.7%**
EBITDA[1]	$ 7,850	$ 7,208	$ 7,748	$ 8,065	$ 8,268	$ 7,929	$ 8,369	$ 8,736	**$ 8,897**
EBITDA Margin[1]	41.0%	34.1%	38.6%	40.5%	40.8%	36.9%	40.7%	43.0%	**43.0%**
EBITDA Service Margin[1]	54.0%	49.1%	52.6%	53.8%	53.9%	51.4%	54.1%	55.5%	**55.9%**

See Notes to Financial and Operational Trends on page 12.

Communications

Mobility Operating Volumes and Statistics

Volumes in thousands

Unaudited	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	**9/30/23**
AT&T Mobility Subscribers and Connections[7]									
Total Subscribers and Connections	196,519	201,791	196,616	203,373	210,678	217,397	222,839	229,031	**235,585**
Postpaid	80,249	81,534	81,639	82,694	83,614	84,700	85,421	85,846	**86,365**
Prepaid	19,028	19,028	18,859	19,095	19,215	19,176	19,200	19,352	**19,391**
Reseller	6,263	6,113	5,383	5,480	5,854	6,043	6,192	6,656	**7,101**
Connected Devices	90,979	95,116	90,735	96,104	101,995	107,478	112,026	117,177	**122,728**
Net Add Detail									
Net Subscriber Additions	4,873	5,271	5,532	6,602	7,129	6,363	5,147	6,192	**6,554**
Postpaid Net Adds	1,218	1,285	965	1,058	964	1,104	542	464	**550**
Prepaid Net Adds	351	29	116	231	141	(9)	40	167	**56**
Phone Detail[7]									
Postpaid Phones	66,396	67,260	67,518	68,311	68,969	69,596	70,049	70,331	**70,757**
Prepaid Phones	17,405	17,398	17,228	17,431	17,517	17,474	17,496	17,604	**17,612**
Phone Detail - Net Adds									
Postpaid Phone Net Adds	928	884	691	813	708	656	424	326	**468**
Prepaid Phone Net Adds	249	24	113	196	108	(13)	40	123	**26**
Other Metrics									
Postpaid Smartphone Gross Adds and Upgrades (in millions)	5.6	6.6	5.4	5.1	5.8	6.3	5.1	4.6	**5.4**
Postpaid Upgrade Rate	4.3%	5.3%	4.0%	3.6%	4.3%	4.8%	3.7%	3.1%	**3.9%**
Churn Detail[8]									
Postpaid Phone Churn	0.72%	0.85%	0.79%	0.75%	0.84%	0.84%	0.81%	0.79%	**0.79%**
Postpaid Churn	0.92%	1.02%	0.94%	0.93%	1.01%	1.01%	0.99%	0.95%	**0.95%**
Prepaid Churn	2.77%	3.02%	2.77%	2.59%	2.83%	2.87%	2.73%	2.50%	**2.78%**
ARPU[9]									
Postpaid Phone-Only ARPU	$ 54.37	$ 54.06	$ 54.00	$ 54.81	$ 55.67	$ 55.43	$ 55.05	$ 55.63	**$ 55.99**
Postpaid ARPU	49.17	48.97	48.88	49.52	50.12	49.95	49.46	49.94	**50.16**
Prepaid ARPU	34.10	33.99	34.08	34.22	34.07	34.02	33.81	33.78	**34.05**

See Notes to Financial and Operational Trends on page 12.

Communications

Business Wireline Results[6]

Dollars in millions

Unaudited	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23
Operating Revenues									
Service	$ 5,765	$ 5,727	$ 5,478	$ 5,416	$ 5,524	$ 5,473	$ 5,200	$ 5,114	**$ 5,087**
Equipment	173	174	162	179	144	162	131	165	**134**
Total Operating Revenues	$ 5,938	$ 5,901	$ 5,640	$ 5,595	$ 5,668	$ 5,635	$ 5,331	$ 5,279	**$ 5,221**
Operating Expenses									
Operations and support	$ 3,866	$ 3,940	$ 3,702	$ 3,792	$ 3,705	$ 3,735	$ 3,623	$ 3,550	**$ 3,526**
Depreciation and amortization	1,304	1,317	1,299	1,313	1,342	1,360	1,330	1,333	**1,345**
Total Operating Expenses	5,170	5,257	5,001	5,105	5,047	5,095	4,953	4,883	**4,871**
Operating Income	$ 768	$ 644	$ 639	$ 490	$ 621	$ 540	$ 378	$ 396	**$ 350**
Operating Income Margin	12.9%	10.9%	11.3%	8.8%	11.0%	9.6%	7.1%	7.5%	**6.7%**
EBITDA[1]	$ 2,072	$ 1,961	$ 1,938	$ 1,803	$ 1,963	$ 1,900	$ 1,708	$ 1,729	**$ 1,695**
EBITDA Margin[1]	34.9%	33.2%	34.4%	32.2%	34.6%	33.7%	32.0%	32.8%	**32.5%**

Communications

Supplemental Business Solutions Results (Wireline and Business Mobility)[6, 10]

Dollars in millions

Unaudited	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23
Operating Revenues	$ 8,810	$ 9,039	$ 8,673	$ 8,644	$ 8,749	$ 8,830	$ 8,384	$ 8,427	**$ 8,371**
Total Wireless Revenues	2,872	3,138	3,033	3,049	3,081	3,195	3,053	3,148	**3,150**
Operating Income	1,311	1,069	1,153	1,043	1,221	1,153	1,028	1,015	**973**
EBITDA[1]	$ 2,962	$ 2,736	$ 2,813	$ 2,709	$ 2,920	$ 2,877	$ 2,744	$ 2,738	**$ 2,711**

See Notes to Financial and Operational Trends on page 12.

Communications

Consumer Wireline Results[6]

Dollars in millions

Unaudited	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23
Operating Revenues									
Broadband[11]	$ 2,290	$ 2,324	$ 2,355	$ 2,393	$ 2,429	$ 2,492	$ 2,527	$ 2,561	**$ 2,667**
Legacy Voice and Data Services	484	470	460	445	427	414	396	383	**368**
Other Service and Equipment	368	365	346	336	329	323	316	307	**296**
Total Operating Revenues	$ 3,142	$ 3,159	$ 3,161	$ 3,174	$ 3,185	$ 3,229	$ 3,239	$ 3,251	**$ 3,331**
Operating Expenses									
Operations and support	$ 2,306	$ 2,286	$ 2,236	$ 2,244	$ 2,243	$ 2,223	$ 2,284	$ 2,226	**$ 2,300**
Depreciation and amortization	775	789	766	785	800	818	861	857	**871**
Total Operating Expenses	3,081	3,075	3,002	3,029	3,043	3,041	3,145	3,083	**3,171**
Operating Income	$ 61	$ 84	$ 159	$ 145	$ 142	$ 188	$ 94	$ 168	**$ 160**
Operating Income Margin	1.9%	2.7%	5.0%	4.6%	4.5%	5.8%	2.9%	5.2%	**4.8%**
EBITDA[1]	$ 836	$ 873	$ 925	$ 930	$ 942	$ 1,006	$ 955	$ 1,025	**$ 1,031**
EBITDA Margin[1]	26.6%	27.6%	29.3%	29.3%	29.6%	31.2%	29.5%	31.5%	**31.0%**
Broadband Revenue Detail[11]									
Fiber	$ 973	$ 1,047	$ 1,112	$ 1,190	$ 1,271	$ 1,376	$ 1,453	$ 1,523	**$ 1,613**
Non Fiber	1,317	1,277	1,243	1,203	1,158	1,116	1,074	1,038	**1,054**

Communications

Consumer Wireline Operating Volumes and Statistics

Volumes in thousands

Unaudited	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23
Total Broadband Connections[11]	13,846	13,845	13,850	13,825	13,796	13,753	13,730	13,695	**13,710**
Fiber	5,721	5,992	6,281	6,597	6,935	7,215	7,487	7,738	**8,034**
Non Fiber	8,125	7,853	7,569	7,228	6,861	6,538	6,243	5,957	**5,676**
Total Broadband Net Adds[11]	28	(1)	5	(25)	(29)	(43)	(23)	(35)	**15**
Fiber	289	271	289	316	338	280	272	251	**296**
Non Fiber	(261)	(272)	(284)	(341)	(367)	(323)	(295)	(286)	**(281)**
ARPU[9]									
Broadband ARPU	$ 55.16	$ 55.96	$ 56.66	$ 57.64	$ 58.63	$ 60.31	$ 61.31	$ 62.26	**$ 64.91**
Fiber ARPU	58.17	59.57	60.41	61.65	62.62	64.82	65.92	66.70	**68.21**
Non Fiber ARPU	53.12	53.30	53.67	54.17	54.80	55.54	56.00	56.71	**60.43**
Other Metrics[11]									
Fiber Served Customer Locations (in millions)	15.5	16.2	17.0	18.0	18.5	19.1	19.7	20.2	**20.7**
Fiber Penetration	37%	37%	37%	37%	37%	38%	38%	38%	**39%**

See Notes to Financial and Operational Trends on page 12.

Latin America Segment - *Mexico*

Statement of Segment Income

Dollars in millions

Unaudited	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	**9/30/23**
Segment Operating Revenues									
Wireless service	$ 463	$ 485	$ 490	$ 534	$ 559	$ 579	$ 591	$ 635	**$ 672**
Wireless equipment	261	219	200	274	226	282	292	332	**320**
Total Segment Operating Revenues	$ 724	$ 704	$ 690	$ 808	$ 785	$ 861	$ 883	$ 967	**$ 992**
Segment Operating Expenses									
Operations and support	$ 697	$ 668	$ 631	$ 721	$ 684	$ 776	$ 738	$ 821	**$ 837**
Depreciation and amortization	157	153	161	169	164	164	175	185	**184**
Total Segment Operating Expenses	854	821	792	890	848	940	913	1,006	**1,021**
Segment Operating Income (Loss)	$ (130)	$ (117)	$ (102)	$ (82)	$ (63)	$ (79)	$ (30)	$ (39)	**$ (29)**
Segment Operating Income Margin	-18.0%	-16.6%	-14.8%	-10.1%	-8.0%	-9.2%	-3.4%	-4.0%	**-2.9%**
EBITDA[1]	$ 27	$ 36	$ 59	$ 87	$ 101	$ 85	$ 145	$ 146	**$ 155**
EBITDA Margin[1]	3.7%	5.1%	8.6%	10.8%	12.9%	9.9%	16.4%	15.1%	**15.6%**

Latin America Segment - *Mexico*

Operating Volumes and Statistics

Volumes in thousands

Unaudited	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	**9/30/23**
Wireless Subscribers	19,473	20,362	20,503	20,700	20,998	21,603	21,613	21,689	**21,754**
Postpaid	4,781	4,807	4,810	4,835	4,854	4,925	4,973	5,030	**5,085**
Prepaid	14,199	15,057	15,235	15,422	15,689	16,204	16,146	16,196	**16,213**
Reseller	493	498	458	443	455	474	494	463	**456**
Wireless Net Adds	427	889	141	197	298	605	10	76	**65**
Wireless Churn[8]	5.99%	5.75%	6.13%	6.19%	6.23%	5.98%	5.83%	5.70%	**5.86%**
Wireless ARPU[9]	$ 6.97	$ 6.80	$ 6.62	$ 7.05	$ 7.04	$ 7.19	$ 7.23	$ 7.78	**$ 8.17**

See Notes to Financial and Operational Trends on page 12.

Corporate

Supplemental Results - Corporate[6]

Dollars in millions

Unaudited	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23
Total Operating Revenues	$ 188	$ 185	$ 146	$ 140	$ 127	$ 117	$ 104	$ 105	**$ 114**
Operating Expenses									
Operations and support	587	778	626	695	687	806	692	688	**689**
DTV-related retained costs	136	277	160	239	235	244	169	178	**167**
Parent administration support	404	418	347	341	317	373	374	332	**333**
Securitization fees	1	36	82	78	103	156	121	154	**164**
Value portfolio	46	47	37	37	32	33	28	24	**25**
Depreciation and amortization	114	163	150	149	150	157	150	160	**150**
Total Operating Expenses	701	941	776	844	837	963	842	848	**839**
Operating Loss	$ (513)	$ (756)	$ (630)	$ (704)	$ (710)	$ (846)	$ (738)	$ (743)	**$ (725)**

AT&T Inc.

Equity in Net Income of Affiliates

Dollars in millions

Unaudited	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23
Equity in Net Income of Affiliates	$ 183	$ 444	$ 521	$ 504	$ 392	$ 374	$ 538	$ 380	**$ 420**
Less: Equity in Net Income (Loss) from Other investments	26	(18)	(1)	(11)	-	(5)	4	3	**(3)**
Equity in Net Income from DIRECTV investment	157	462	522	515	392	379	534	377	**423**
Add: DIRECTV intangible amortization (proportionate share)	392	434	416	396	376	359	341	324	**310**
Adjusted Equity in Net Income from DIRECTV investment[12]	$ 549	$ 896	$ 938	$ 911	$ 768	$ 738	$ 875	$ 701	**$ 733**

AT&T Inc.

Other Income (Expense) - Net[13]

Dollars in millions

Unaudited	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23
Interest income and other gain/(loss) items	$ (76)	$ 84	$ (28)	$ (16)	$ (107)	$ 76	$ 138	$ 114	**$ (383)**
Net pension and postretirement credit, excluding actuarial and settlement gain/(loss)	1,224	1,226	1,132	973	937	844	797	799	**752**
Expected Return on Assets and Interest Cost, net	554	556	517	357	207	114	146	147	
Amortization of Prior Service Credit	670	670	615	616	730	730	651	652	
Actuarial and settlement gain/(loss), net	374	1,119	1,053	1,345	1,440	(1,839)	-	74	**71**
Other Income (Expense) - Net	$ 1,522	$ 2,429	$ 2,157	$ 2,302	$ 2,270	$ (919)	$ 935	$ 987	**$ 440**

See Notes to Financial and Operational Trends on page 12.

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 19, 2023. Additionally, see Non-GAAP Reconciliations in the 1Q23 Financial and Operational Trends for certain business units for which historical results were recast in the Form 8-K dated March 3, 2023 (note 6).

[2] ASU No. 2020-06 requires that instruments which may be settled in cash or stock are presumed settled in stock in calculating diluted earnings per share. Reported diluted earnings per share reflects the dilutive impacts, where applicable, of the AT&T Mobility II LLC preferred interests and through 1Q23, these impacts were adjusted in calculating adjusted earnings per share resulting in no change to historical amounts. On April 5, 2023 we fully repurchased the Mobility II preferred interests. Beginning with the second quarter of 2023, our quarterly calculation of diluted earnings per share no longer reflects these instruments.

[3] Diluted Earnings Per Share Attributable to Common Stock - Continuing Operations is calculated as follows: Income from Continuing Operations minus net income from continuing operations attributable to noncontrolling interest and preferred stock dividends, divided by the weighted average number of shares outstanding - with dilution under ASU 2020-06. For 2Q21, noncontrolling interest includes $81 million related to impairments recorded in discontinued operations. In periods with reported net loss or when share-based payments are antidilutive, Basic Earnings per Share is reported. In periods where the effect of ASU 2020-06 is antidilutive (2Q21), the assumed conversion of the Mobility preferred interests is excluded from our calculation. In 4Q and full-year 2022, the calculation of Basic earnings per share includes adjustment to carrying value of noncontrolling interest.

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

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

[6] Effective for the quarter ended March 31, 2023, we modified our segment reporting and no longer record prior service credits to our individual business units or the corresponding charge to Corporate and Other. Prior service credits are, and will continue to be, recorded as other income in our consolidated income statement in accordance with U.S. generally accepted accounting principles. Historical reporting has been recast to remove prior service credits from all periods presented. This recast decreased our full-year Communications segment operating income and EBITDA (defined as operating income excluding depreciation and amortization) by approximately $2.4 billion in 2022 ($0.7 billion Mobility, $1.0 billion Business Wireline and $0.7 billion Consumer Wireline) and $2.1 billion in 2021 ($0.7 billion Mobility, $0.9 billion Business Wireline and $0.5 billion Consumer Wireline), with increases to Corporate and Other for a corresponding amount for each year. There was no impact to consolidated operating income and EBITDA. For Corporate and Other, prior service credits related to parent administration support ($0.2 billion in both 2022 and 2021) and our former U.S. video business ($0.1 billion in 2022 and $0.2 billion in 2021), which we included in our DTV-related retained costs, have also been recast to reflect this change, with an offsetting impact in the elimination of our reclassification.

[7] 1Q22 subscribers and connections include a reduction of 10,707k subscribers and connections (899k postpaid including 438k phones, 234k prepaid, 749k reseller, 8,825k connected devices) resulting from 3G network shutdown in February 2022. 3Q22 and 4Q22 also include adjustments of +169k and +360k connected devices, respectively, related to the 3G network shutdown. 1Q23 includes adjustments of +295k subscribers related to the 3G shutdown (+206k postpaid including +74k phones, and +89k connected devices).

[8] 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.

[9] For Mobility and Mexico, ARPU is defined as wireless subscriber revenues during the period divided by average wireless subscribers during the period. Wireless service revenues include subscriber revenues and other revenues. In Consumer Wireline, (1) Broadband ARPU is defined as Broadband revenues (see footnote 11 below) during the period divided by average Broadband connections (see footnote 11 below) during the period; (2) Fiber ARPU is defined as Fiber revenues in the business unit during the period divided by average Fiber connections during the period; and (3) Non-Fiber ARPU is defined as Non-Fiber revenues in the business unit during the period divided by average Non-Fiber connections during the period.

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

[11] Broadband revenues are comprised of revenues from Fiber and Non-Fiber subscribers and exclude DSL revenues, which are included in Legacy Voice and Data Services. Broadband connections and net adds exclude DSL. Non-Fiber connections include subscribers to fixed wireless access services. A Fiber Served Customer Location is defined as (1) where fiber has been built to a specific customer location, (2) the customer can place an order for fiber, and (3) service can be provisioned. Fiber penetration is calculated as Fiber connections divided by Fiber Served Customer Locations.

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

[13] 3Q23 Other Income (Expense) – Net includes an impairment of an equity investment and holding losses from benefit-related investments totaling $507 million, which have been excluded from adjusted EPS. See Adjusting Items in the Financial and Operational Schedules & Non-GAAP Reconciliations. Current quarter amounts for expected return on assets, interest cost, and amortization of prior service credit will be available in the Form 10-Q when filed.