AT&T

Supplemental Free Cash Flow Walk from Adjusted EBITDA

Dollars in millions

Unaudited

	2022
Adjusted EBITDA	$ 41,465
Noncash Adj to EBITDA:	
Bad debt expense	1,865
Working capital[1]	(1,849)
Cash paid for interest - continuing operations[2]	(6,478)
Cash paid for taxes - continuing operations	(592)
Capital investment	(24,323)
Cash received from DIRECTV[3]	4,457
Other	(407)
Free Cash Flow	$ 14,138

Adjusted EBITDA, capital investment, and free cash flow are non-GAAP measures; reconciliations are available in exhibit 99.3 to our Form 8-K filed January 25, 2023

[1] Changes in operating assets and liabilities

[2] Cash paid for interest less interest capitalized for capital expenditures and spectrum acquisitions

[3] Includes distributions from DIRECTV reported as cash from operations and distributions classified as investing activities