AT&T Investor Update

July 26, 2023

2023 2nd QUARTER EARNINGS

Cautionary Language Concerning Forward-looking Statements

Information set forth in this presentation contains financial estimates and other forward-looking statements that are subject to risks and uncertainties, and actual results might differ materially. A discussion of factors that may affect future results is contained in AT&T's filings with the Securities and Exchange Commission. AT&T disclaims any obligation to update and revise statements contained in this presentation based on new information or otherwise.

This presentation may contain certain non-GAAP financial measures. Information about non-GAAP financial measures is contained on slide 12 and reconciliations between the non-GAAP financial measures and the GAAP financial measures are available on the company's website at www.att.com/investor.relations.

2023 Business Priorities

1

Grow durable 5G and Fiber relationships

- *Execute consistent and disciplined go-to-market approach*
- *Implement tailored approach that delivers solutions to meet customers' needs*
- *Create and enrich profitable long-term customer relationships across 5G and Fiber*

2

Effective and efficient in everything we do

- *Achieve additional cost savings; expect an incremental $2B+ in targeted savings in addition to $6B+ realized*
- *Transform network to enable legacy rationalization*
- *Target incremental margin expansion with process improvements and workforce rationalization*

3

Deliberate capital allocation

- *Invest for long-term growth – 5G and fiber*
- *Strengthen balance sheet by reducing net debt*
- *Provide an attractive dividend with improving credit quality*

Progression to Sustainable Growth

Grow durable 5G and Fiber relationships

- *Since 2Q20, added **more than 8 million postpaid phones** and grew **AT&T Fiber subscribers by 3.4 million***
- *Increased quarterly wireless service revenues by **$2B+** since 2Q20 and **achieved industry-leading churn***
- *Doubled quarterly **AT&T Fiber** revenues since 2Q20 to **$1.5B+***

Effective and efficient in everything we do

- *Executed cost transformation and **achieved $6B+** in run-rate savings*
- *Increased Adj. EBITDA[†1] margin: **210 bps improvement YOY***
- ***Streamlined workforce***

Deliberate capital allocation

Over past three years:

- *Reduced net debt[†2] by **~$20 billion***
- *Invested **~$65 billion** in capital investment[†3] and **~$35 billion** in spectrum*
- ***Passed additional ~7 million fiber** customer locations*
- *Deployed 5G to cover ~300M people, **175M+ with mid-band** spectrum*

† See notes slide 12

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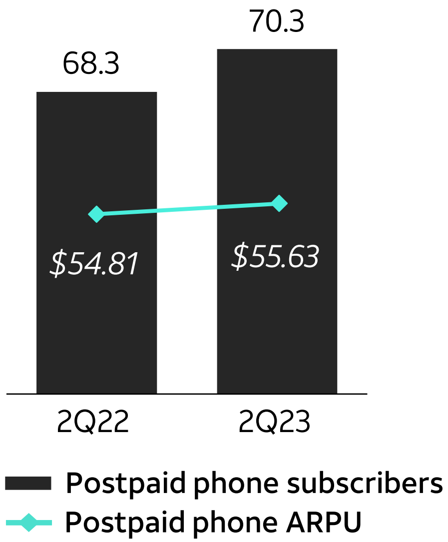
2Q23

Financial Results

5G and Fiber

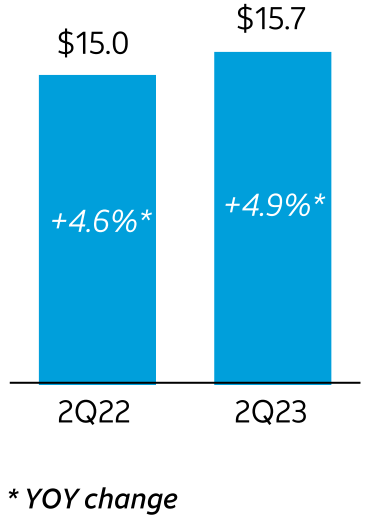
Postpaid Phone Subscribers

millions



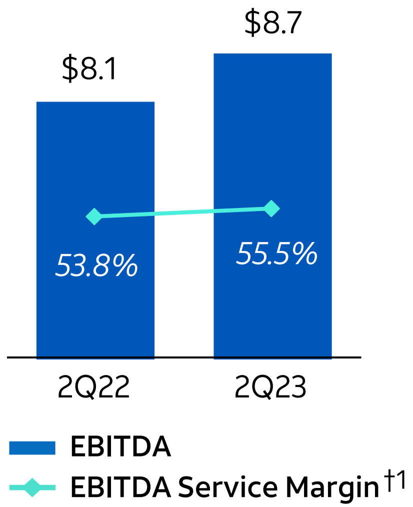
Mobility Service Revenues

$ in billions



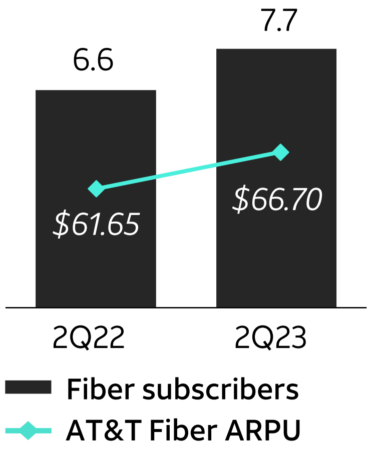
Mobility EBITDA†1

$ in billions



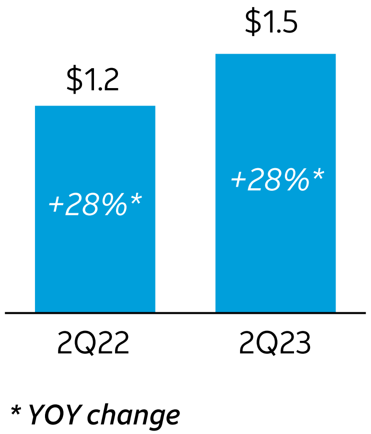
AT&T Fiber Subscribers

millions



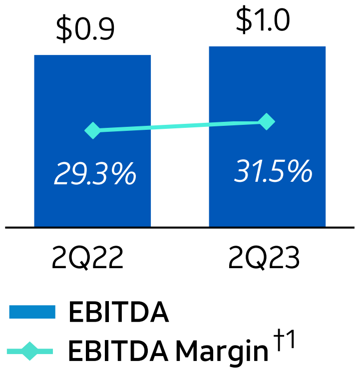
AT&T Fiber Revenues

$ in billions



Consumer Wireline EBITDA†1

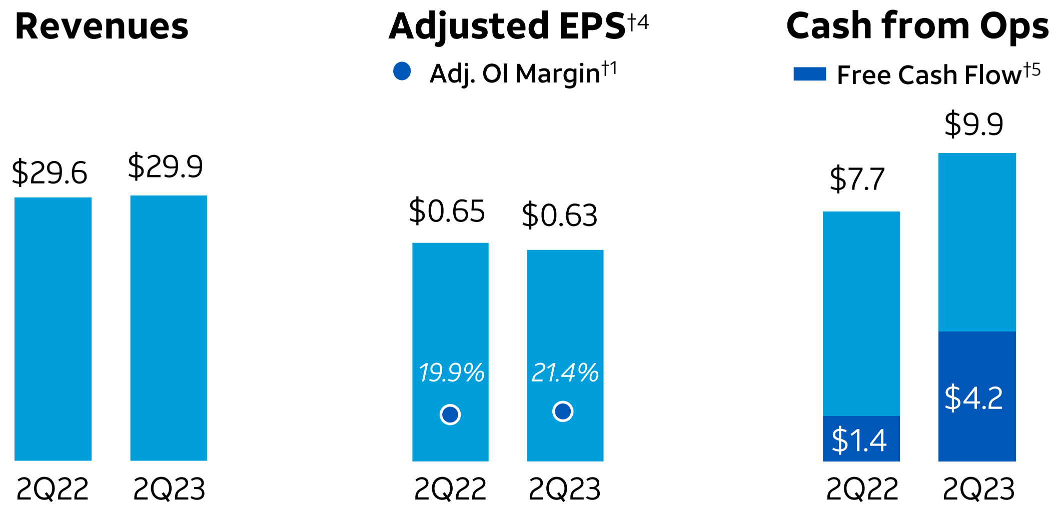
$ in billions



† See notes slide 12

2Q23 Financial Summary

Continuing Operations, $ in billions, except EPS



	2Q22	2Q23
Continuing Operations Reported EPS	**$0.59**	**$0.61**
Adjustments:		
DIRECTV intangible amortization (proportionate share)	$0.04	$0.03
Actuarial and settlement (gain)/loss - net	($0.13)	($0.01)
Non-cash restructuring and impairments	$0.06	-
Other adjustments	$0.09	-
Continuing Operations Adjusted EPS	**$0.65**	**$0.63**

Revenue growth driven by subscriber and ARPU gains

- Revenues of $29.9B, up $0.3B
- Mobility service revenue growth of 4.9%
- Consumer broadband revenue growth of 7.0%

Adjusted EPS of $0.63

- Includes ~($0.07) impact from higher pension costs, lower equity income from DIRECTV and lower capitalized interest

Cash from operations of $9.9B; $16.6B YTD, up $1.2B

- Free cash flow[†5] of $4.2B; includes $0.6B from DIRECTV
- Capital expenditures of $4.3B
- Capital investment[†3] of $5.9B; includes $1.6B of vendor financing payments
- 2023 YTD free cash flow[†5] of $5.2B, up $1B, with $0.8B lower DIRECTV cash and $0.7B lower net impact of receivable sales**

**Net impact of receivable sales is calculated as cash proceeds received, net of remittances paid, from sales of receivables.

† See notes slide 12

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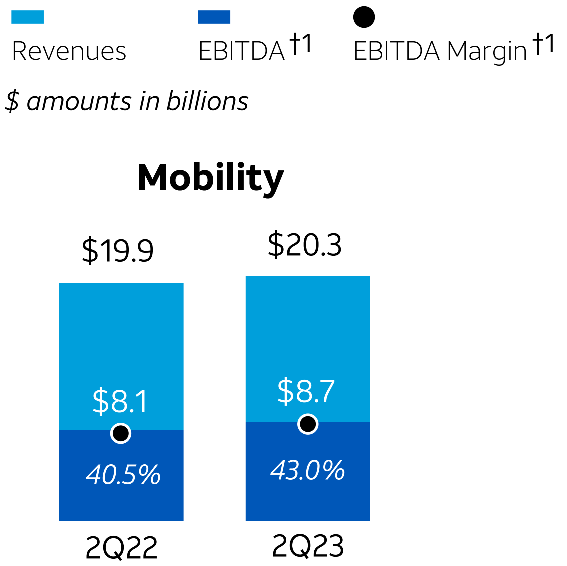
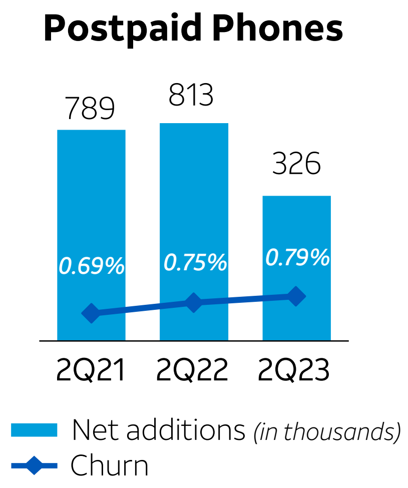
2Q23 Mobility Results





Strong revenue and EBITDA†1 growth from high-quality subscriber and ARPU gains

- Wireless service revenues grew $741M, up 4.9%
- EBITDA†1 of $8.7B, up 8.3%
- Postpaid phone ARPU of $55.63, up 1.5%
- Continued strong EBITDA and service margins from sustainable go-to-market strategy and cost transformation

Consistent and disciplined execution as industry growth normalizes

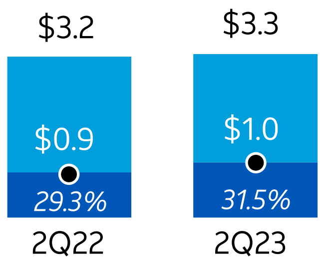
- 326K postpaid phone net additions
- Continued low postpaid phone churn of 0.79%, as improved value proposition continues to resonate with customers

† See notes slide 12

2Q23 Consumer and Business Wireline Results

$ amounts in billions

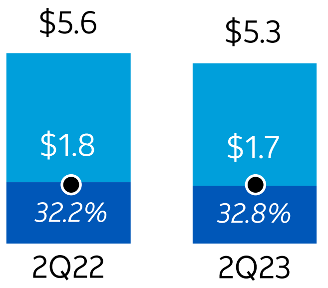
Consumer Wireline



Revenue and EBITDA†1 growth driven by Fiber adoption, with Fiber revenues up 28%

- Broadband revenues grew 7.0%, with Fiber subscriber growth and mix shift to Fiber
- Fiber ARPU of $66.70, up 8.2%, with intake ARPU about $70
- AT&T Fiber net additions of 251K, even with significantly lower move activity
- Closed Gigapower transaction and announced initial 8 new areas

Business Wireline



Business Wireline results impacted by ongoing transition toward core connectivity

- Portfolio rationalization continuing to impact year-over-year comparisons
- 2Q23 EBITDA†1 comparability impacted by ~$75M in favorable items this quarter
- Business Solutions†6 wireless service revenues grew 9.1%; FirstNet added ~350K connections

† See notes slide 12

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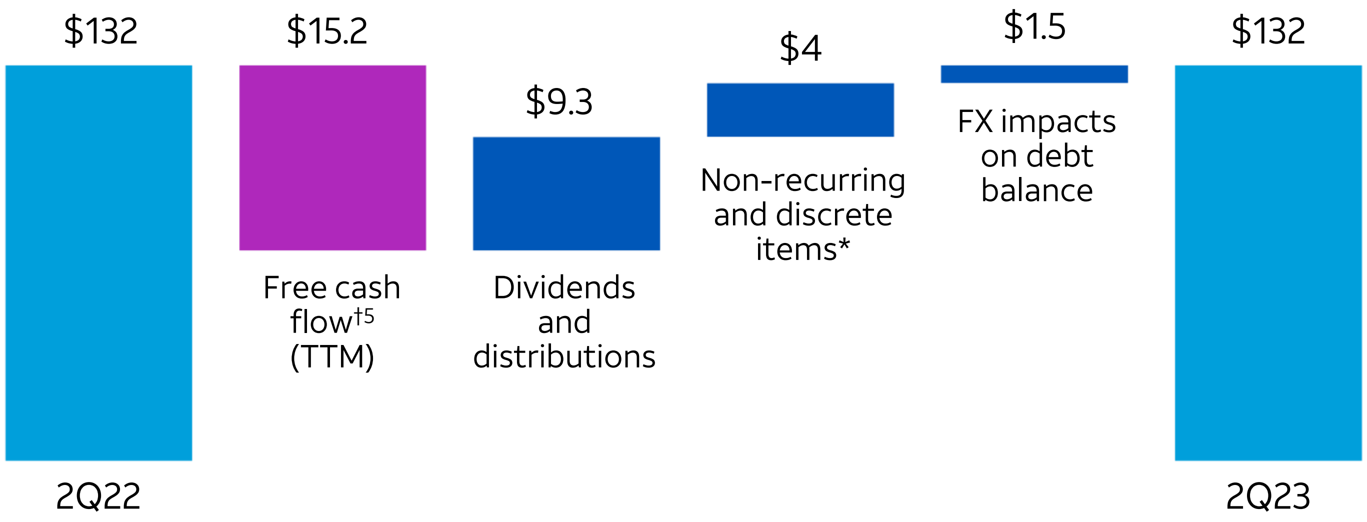
2Q23 Capital Allocation Update

Net debt[†2] – change since 2Q22 (TTM)

$ amounts in billions



* Non-recurring and discrete items include (1) payments related to prior dispositions, including a post-closing adjustment to Warner Bros. Discovery, and DIRECTV note payable in connection with the NFL Sunday Ticket contract, (2) capitalized interest and clearing costs associated with spectrum transactions, and (3) the net impact of redemptions of our preferred interest in our Mobility II subsidiary and the associated subsequent issuances of preferred subsidiary interests..

Expect to reduce net debt[†2] by ~$4B by end of 2023, with net debt-to-adjusted EBITDA of 3.0x[†7]

- Expect free cash flow[†5] of $16B or better for 2023, indicating about $11B in second half 2023

  In 2H23, expect:

  ~$11B in free cash flow[†5]

  ($5B) dividends and distributions

  ($2B) spectrum clearing costs

  ~$4B in net debt reduction

On track to reach 2.5x range[†7] in first half of 2025

- Going forward, expect majority of cash after dividends to go to debt reduction

† See notes slide 12
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Notes

1. EBITDA, EBITDA margin, EBITDA service margin, Adjusted EBITDA margin and adjusted operating income margin are non-GAAP financial measures that are frequently used by investors and credit rating agencies to provide relevant and useful information. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures are provided in the Financial and Operational Schedules & Non-GAAP Reconciliations document on the company's Investor Relations website, investors.att.com.

2. Net Debt of $132.0 billion at June 30, 2023, is calculated as Total Debt of $143.3 billion less Cash and Cash Equivalents of $9.5 billion and Time Deposits (i.e., deposits at financial institutions that are greater than 90 days) of $1.8 billion. Net Debt of $131.9 billion at June 30, 2022, is calculated as Total Debt of $136.0 billion less Cash and Cash Equivalents of $4.0 billion. Net Debt from continuing operations of $151.3 billion at June 30, 2020, is calculated as Total Debt of $166.0 billion less Cash and Cash Equivalents of $14.7 billion.

3. Capital investment includes capital expenditures and cash paid for vendor financing ($1.6 billion in 2Q23). Capital investment for the three year period ended June 30, 2023 of about $65 billion is calculated as capital expenditures from continuing operations of about $50B ($8.6B for the six months ended June 30, 2023, $19.6B for 2022, $15.5B for 2021, $5.7B for the six months ended December 31, 2020), plus cash paid for vendor financing of approximately $15B ($3.8B for the six months ended June 30, 2023, $4.7B for 2022, $4.6B for 2021, $1.6B for the six months ended December 31, 2020).

4. Adjusted EPS from continuing operations is calculated by excluding from operating revenues, operating expenses and income tax expense, certain significant items that are non-operational or non-recurring in nature, including dispositions and merger integration and transaction costs, actuarial gains and losses, significant abandonments and impairment, benefit-related gains and losses, employee separation and other material gains and losses.

5. Free cash flow is a non-GAAP financial measure that is frequently used by investors and credit rating agencies to provide relevant and useful information. In 2Q23, free cash flow of $4.2 billion is cash from operating activities from continuing operations of $9.9 billion, plus cash distributions from DIRECTV classified as investing activities of $0.2 billion, minus capital expenditures of $4.3 billion and cash paid for vendor financing of $1.6 billion. For 2Q23 year-to-date, free cash flow of $5.2 billion is cash from operating activities from continuing operations of $16.6 billion, plus cash distributions from DIRECTV classified as investing activities of $1.0 billion, minus capital expenditures of $8.6 billion and cash paid for vendor financing of $3.8 billion.

   For the trailing twelve months ended 2Q23, free cash flow of $15.2 billion is cash from operating activities from continuing operations of $37.0 billion, plus cash distributions from DIRECTV classified as investing activities of $2.0 billion, minus capital expenditures of $18.8 billion and cash paid for vendor financing of $5.1 billion. Due to high variability and difficulty in predicting items that impact cash from operating activities and cash distributions from DIRECTV, the company is not able to provide a reconciliation between projected free cash flow and the most comparable GAAP metric without unreasonable effort.

6. 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.

7. Net debt-to-adjusted EBITDA ratios are non-GAAP financial measures that are frequently used by investors and credit rating agencies to provide relevant and useful information. Our Net Debt to Adjusted EBITDA ratio is calculated by dividing the Net Debt by the sum of the most recent four quarters of Adjusted EBITDA. Net Debt is calculated by subtracting cash and cash equivalents and deposits at financial institutions that are greater than 90 days (e.g., certificates of deposit and time deposits), from the sum of debt maturing within one year and long-term debt. Adjusted EBITDA is calculated by excluding from operating revenues and operating expenses certain significant items that are non-operational or non-recurring in nature, including dispositions and merger integration and transaction costs, significant abandonments and impairment, benefit-related gains and losses, employee separation and other material gains and losses. Net Debt and Adjusted EBITDA estimates depend on future levels of revenues, expenses and other metrics which are not reasonably estimable at this time. Accordingly, we cannot provide a reconciliation between projected Net Debt to Adjusted EBITDA and the most comparable GAAP metrics and related ratios without unreasonable effort.

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