2021

4TH QUARTER EARNINGS

AT&T Investor Update

January 26, 2022

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.

The "quiet period" for FCC Spectrum Auction 110 is in effect. During the quiet period, auction applicants are required to avoid discussions of bids, bidding strategy and post-auction market structure with other auction applicants.

This presentation may contain certain non-GAAP financial measures. Reconciliations between the non-GAAP financial measures and the GAAP financial measures are available on slide 13 of this presentation and on the company's website at https://investors.att.com.

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Business Priorities – 2021 Accomplishments

Grow Customer Relationships

- ✓ *Delivered Mobility postpaid phone net adds of ~3.2 million*
- ✓ *Added more than 1 million fiber subscribers*
- ✓ *Grew HBO Max and HBO global subscriber*†1 *base by more than 13 million to 73.8 million*

Effective and Efficient in Everything We Do

- ✓ *Achieved $3B+ of $6B run-rate cost savings target*
- ✓ *Improved customer experience with higher NPS, lower churn in Mobility and Broadband*
- ✓ *Rationalized low-margin wireline services*

Deliberate Capital Allocation

- ✓ *Announced or closed more than $50B in asset monetization*
- ✓ *Generated $26.8B in free cash flow*†2
- ✓ *Repositioned capital structure for future success*

† See notes slide 13

Business Priorities – 2022 Focus

Grow Customer Relationships

- *5G/Wireless – Expand simplified go-to-market strategy to underpenetrated segments*
- *Fiber – Expand fiber footprint to accelerate growth*
- *HBO Max – Expand international reach and continue investing in world-class content*

Effective and Efficient in Everything We Do

- *Reach $4B+ of $6B run-rate cost savings target*
- *Deliver improved customer experience with continued NPS gains and low churn across all businesses*
- *Expand Business opportunities with fiber expansion and product simplification*

Deliberate Capital Allocation

- *Increase investment in growth opportunities – Fiber and 5G*
- *Reduce net debt†3 to reach 2.5x by end of 2023*
- *Provide an attractive dividend in the $8 - $9 billion per year range post WarnerMedia transaction*

† See notes slide 13
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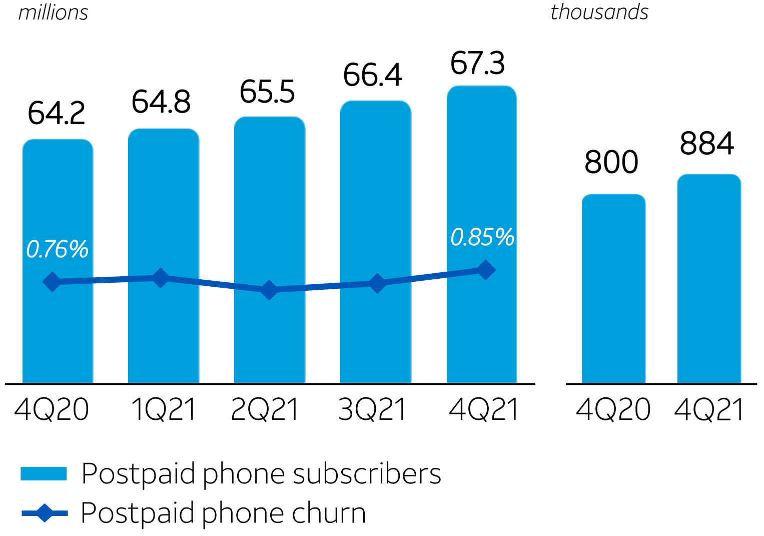
4Q21 Financial Results

4Q21 Solid Subscriber Gains in Areas of Market Focus

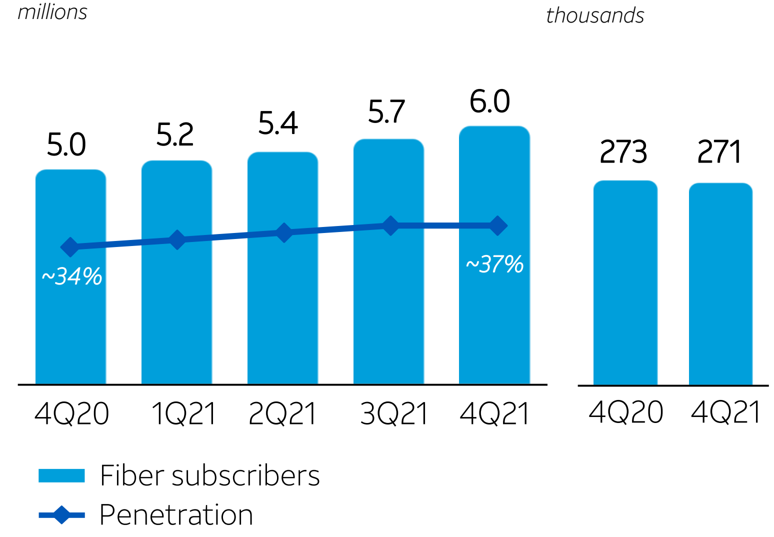
Wireless

Postpaid Phone Subscribers | **Net Adds**



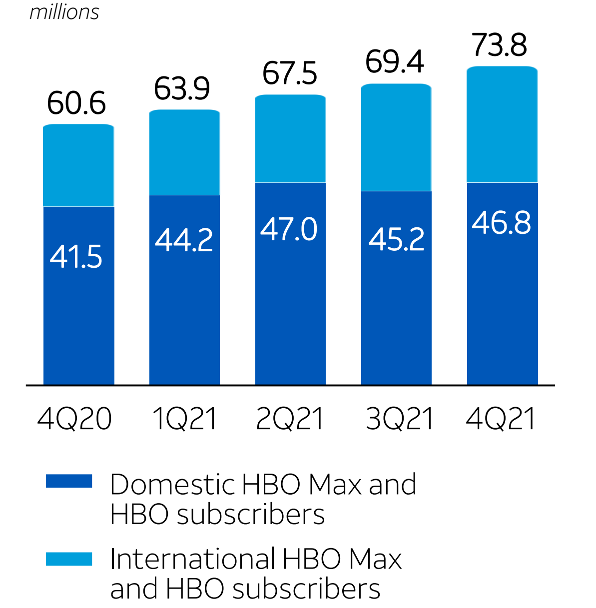
Fiber

AT&T Fiber Subscribers | **Net Adds**



HBO Max

HBO Max and HBO Subscribers†1



† See notes slide 13

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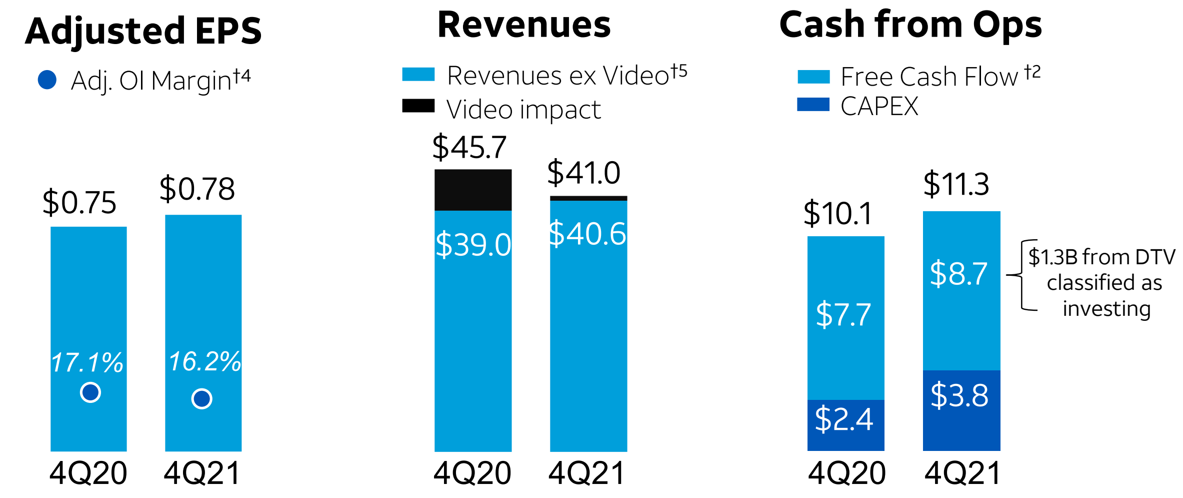
4Q21 Financial Summary

$ in billions, except EPS



	4Q20	4Q21
Reported EPS	**($1.95)**	**$0.69**
Adjustments:		
Amortization of intangibles	$0.22	$0.12
DIRECTV intangible amortization (proportionate share)	-	$0.05
Impairments	$2.02	$0.02
Actuarial loss/(gain) on benefit plans	$0.43	($0.12)
Other adjustments	$0.03	$0.02
Adjusted EPS	**$0.75**	**$0.78**

Solid revenue growth on a comparable basis

4Q21 reported revenues of $41.0B

Excluding Video†5, revenues were up $1.6B, or 4.2%

2021 revenues were up 5.9% on a comparable basis†5

Adjusted EPS of $0.78

Strong cash flows and dividend coverage

$11.3B in cash from operations

$8.7B free cash flow†2; $26.8B for full-year 2021

$3.8B in CAPEX; $4.9B in gross capital investment†6

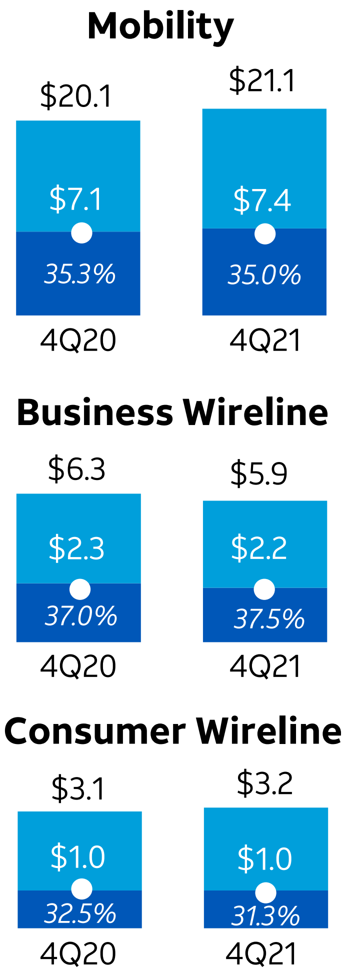
2021 dividend payout ratio†2 of ~56%

† See notes slide 13

4Q21 Communications Segment

$ in billions

Revenues · EBITDA †4 · EBITDA Margin †4



Strong revenue, EBITDA and subscriber gains

Revenues up 5.1%; service revenues up ~$650M, or 4.6%

884,000 postpaid phone net adds; 24,000 prepaid phone net adds

Strong EBITDA and service margins; 2021 full-year EBITDA up ~$1.0B, or 3.2%

Margins remain stable with continued portfolio rationalization

Revenue comparable further impacted by proactive portfolio rationalization

Emphasizing core network and transport connectivity

Broadband drives revenue growth

Broadband revenues grew 5.4% due to higher ARPU from fiber growth

271,000 fiber net additions

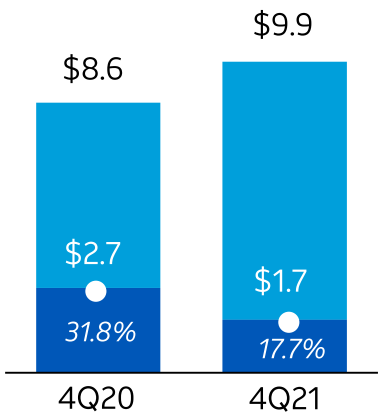
† See notes slide 13

4Q21 WarnerMedia Segment

$ in billions

Revenues | EBITDA †4 | EBITDA Margin †4

WarnerMedia



Strong subscription growth offset impacts from advertising

WarnerMedia revenues up 15.4% driven by content licensing and strong DTC subscription growth

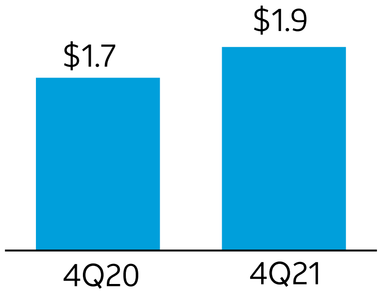
4Q21 includes ~$380M in DIRECTV advertising revenue sharing costs

DTC subscription revenue growth of 11.5%

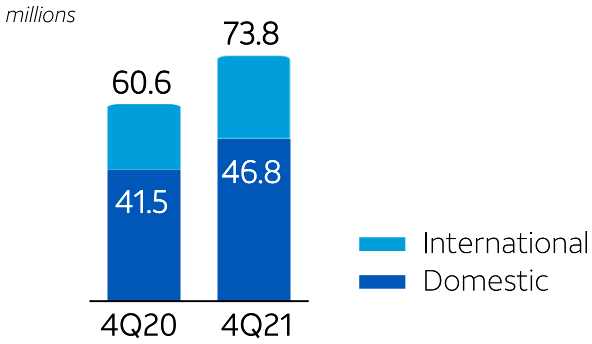
Strong international subscriber growth in Latin America and successful European launches

HBO Max investment impact of ~$500M year-over-year

Direct-to-Consumer Subscription Revenues



Global HBO Max and HBO Subscribers †1



HBO max

2022 content slate is strong

† See notes slide 13

2022 Guidance

2022 Financial Outlook

	2022 Consolidated Guidance*	2022 WarnerMedia Guidance**
REVENUE GROWTH ex Video†5 ***Wireless Service Rev Growth***	***Low single digits*** ***3%+***	*Revenue in the $37 - $39B range*
EPS – ADJUSTED†7	***$3.10 - $3.15***	*EBITDA in the $6 – $7B range*
GROSS CAPITAL INVESTMENT†6 ***Capital Expenditures***	***$24B range*** ***$20B range***	
FREE CASH FLOW†2	***$23B range***	*Contribution of approximately $3B*

*Assumes inclusion of WarnerMedia and Xandr results for full year

**Assumes inclusion of Xandr results for full year

† See notes slide 13
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Notes

1. Global HBO Max and HBO subscribers consist of domestic and international HBO Max and HBO subscribers, and exclude free trials, basic and Cinemax subscribers. Domestic HBO Max and HBO subscribers consist of U.S. accounts with access to HBO Max (including wholesale subscribers that may not have signed in) and HBO accounts, and exclude free trials and Cinemax subscribers. International HBO Max and HBO subscribers consist 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.

2. 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 4Q21, free cash flow is cash from operating activities of $11.3 billion, plus cash distributions from DIRECTV classified as investing activities of $1.3 billion, minus capital expenditures of $3.8 billion. In 2021, free cash flow is cash from operating activities of $42.0 billion, plus cash distributions from DIRECTV classified as investing activities of $1.3 billion, minus capital expenditures of $16.5 billion. Free cash flow total dividend payout ratio is total dividends paid ($15.1 billion in 2021) divided by free cash flow. Due to high variability and difficulty in predicting items that impact cash from operating activities, cash distributions from DIRECTV, and capital expenditures, the company is not able to provide a reconciliation between projected free cash flow and the most comparable GAAP metric without unreasonable effort.

3. 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. Adjusted EBITDA estimates depend on future levels of revenues and expenses which are not reasonably estimable at this time. Accordingly, we cannot provide a reconciliation between Adjusted EBITDA and the most comparable GAAP metric without unreasonable effort.

4. EBITDA, EBITDA Margin and adjusted operating income are non-GAAP financial measures that are frequently used by investors and credit rating agencies to provide relevant and useful information. Reconciliation 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.

5. "Revenues excluding Video" reflects the removal of the U.S. Video business and Vrio results from all periods presented. 4Q21 is calculated as Operating Revenues of $41.0 billion minus Vrio operating revenues of $0.4 billion. For 2021, Revenues excluding Video of $153.2 billion is calculated as Operating Revenues of $168.9 billion minus Video operating revenues of $15.5 billion, minus Vrio operating revenues of $2.6 billion, plus WarnerMedia sales for content and advertising of $2.5 billion that are now external after close of the transactions. Further information is included in Form 8-K dated January 26, 2022.

6. Gross capital investment includes capital expenditures and cash payments for vendor financing and excludes FirstNet reimbursements. In 4Q21, gross capital investment included $0.6 billion in vendor financing payments and excluded $0.5 billion in FirstNet reimbursements. In 2022, vendor financing payments are expected to be in the $4 billion range.

7. The company expects adjustments to 2022 reported diluted EPS (that excludes any impact of adoption of new accounting standards) to include merger-related amortization in the range of $1 billion per quarter (prior to close of the WarnerMedia-Discovery transaction) and other adjustments, the proportionate share of intangible amortization at the DIRECTV equity method investment in the range of $1.5 billion, a non-cash mark-to-market benefit plan gain/loss, and other items. The company expects the mark-to-market adjustment, which is driven by interest rates and investment returns that are not reasonably estimable at this time, to be a significant item. Our 2022 EPS depends on future levels of revenues and expenses which are not reasonably estimable at this time. Accordingly, we cannot provide a reconciliation between these projected non-GAAP metrics and the reported GAAP metrics without unreasonable effort.

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