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**2<sup>nd</sup> QUARTER EARNINGS 2022**

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# Financial and Operational Schedules & Non-GAAP Reconciliations

**JULY 21, 2022**

**AT&T Inc.**  
**Financial Data**

<b>Consolidated Statements of Income</b>						
<i>Dollars in millions except per share amounts</i>						
<i>Unaudited</i>						
	Second Quarter		Percent	Six-Month Period		Percent
	2022	2021	Change	2022	2021	Change
<b>Operating Revenues</b>						
Service	\$ 24,268	\$ 30,651	(20.8)%	\$ 48,267	\$ 61,093	(21.0)%
Equipment	5,375	5,089	5.6 %	11,088	10,524	5.4 %
<b>Total Operating Revenues</b>	<b>29,643</b>	<b>35,740</b>	<b>(17.1)%</b>	<b>59,355</b>	<b>71,617</b>	<b>(17.1)%</b>
<b>Operating Expenses</b>						
Cost of revenues						
Equipment	5,534	5,315	4.1 %	11,570	10,841	6.7 %
Broadcast, programming and operations	—	3,397	— %	—	6,989	— %
Other cost of revenues (exclusive of depreciation and amortization shown separately below)	6,807	7,446	(8.6)%	13,506	14,919	(9.5)%
Selling, general and administrative	7,265	7,581	(4.2)%	14,243	15,207	(6.3)%
Asset impairments and abandonments and restructuring	631	—	— %	631	—	— %
Depreciation and amortization	4,450	4,429	0.5 %	8,912	8,895	0.2 %
<b>Total Operating Expenses</b>	<b>24,687</b>	<b>28,168</b>	<b>(12.4)%</b>	<b>48,862</b>	<b>56,851</b>	<b>(14.1)%</b>
<b>Operating Income</b>	<b>4,956</b>	<b>7,572</b>	<b>(34.5)%</b>	<b>10,493</b>	<b>14,766</b>	<b>(28.9)%</b>
<b>Interest Expense</b>	<b>1,502</b>	<b>1,640</b>	<b>(8.4)%</b>	<b>3,128</b>	<b>3,463</b>	<b>(9.7)%</b>
<b>Equity in Net Income (Loss) of Affiliates</b>	<b>504</b>	<b>(18)</b>	<b>— %</b>	<b>1,025</b>	<b>(24)</b>	<b>— %</b>
<b>Other Income (Expense) — Net</b>	<b>2,302</b>	<b>1,206</b>	<b>90.9 %</b>	<b>4,459</b>	<b>5,436</b>	<b>(18.0)%</b>
<b>Income from Continuing Operations Before Income Taxes</b>	<b>6,260</b>	<b>7,120</b>	<b>(12.1)%</b>	<b>12,849</b>	<b>16,715</b>	<b>(23.1)%</b>
Income tax expense on continuing operations	1,509	1,151	31.1 %	2,949	3,160	(6.7)%
<b>Income From Continuing Operations</b>	<b>4,751</b>	<b>5,969</b>	<b>(20.4)%</b>	<b>9,900</b>	<b>13,555</b>	<b>(27.0)%</b>
Income (loss) from discontinued operations, net of tax	(214)	(4,095)	94.8 %	(199)	(3,739)	94.7 %
<b>Net Income</b>	<b>4,537</b>	<b>1,874</b>	<b>— %</b>	<b>9,701</b>	<b>9,816</b>	<b>(1.2)%</b>
<b>Less: Net Income Attributable to Noncontrolling Interest</b>	<b>(380)</b>	<b>(304)</b>	<b>(25.0)%</b>	<b>(734)</b>	<b>(696)</b>	<b>(5.5)%</b>
<b>Net Income Attributable to AT&amp;T</b>	<b>\$ 4,157</b>	<b>\$ 1,570</b>	<b>— %</b>	<b>\$ 8,967</b>	<b>\$ 9,120</b>	<b>(1.7)%</b>
<b>Less: Preferred Stock Dividends</b>	<b>(52)</b>	<b>(56)</b>	<b>7.1 %</b>	<b>(100)</b>	<b>(106)</b>	<b>5.7 %</b>
<b>Net Income Attributable to Common Stock</b>	<b>\$ 4,105</b>	<b>\$ 1,514</b>	<b>— %</b>	<b>\$ 8,867</b>	<b>\$ 9,014</b>	<b>(1.6)%</b>
<b>Basic Earnings Per Share Attributable to Common Stock</b>						
From continuing operations	\$ 0.60	\$ 0.77	(22.1)%	\$ 1.26	\$ 1.76	(28.4)%
From discontinued operations	\$ (0.03)	\$ (0.56)	94.6 %	\$ (0.03)	\$ (0.51)	94.1 %
	\$ 0.57	\$ 0.21	— %	\$ 1.23	\$ 1.25	(1.6)%
Weighted Average Common Shares Outstanding (000,000)	7,169	7,168	— %	7,176	7,165	0.2 %
<b>Diluted Earnings Per Share Attributable to Common Stock<sup>1</sup></b>						
From continuing operations	\$ 0.59	\$ 0.76	(22.4)%	\$ 1.23	\$ 1.73	(28.9)%
From discontinued operations	\$ (0.03)	\$ (0.54)	94.4 %	\$ (0.02)	\$ (0.49)	95.9 %
	\$ 0.56	\$ 0.22	— %	\$ 1.21	\$ 1.24	(2.4)%
Weighted Average Common Shares Outstanding with Dilution (000,000) <sup>1</sup>	7,611	7,484	1.7 %	7,584	7,483	1.3 %

<sup>1</sup> Reflects retrospective adoption of Accounting Standards Update (ASU) No. 2020-06

**AT&T Inc.**  
**Financial Data**

<b>Consolidated Balance Sheets</b>		
<i>Dollars in millions</i>		
<i>Unaudited</i>	<b>Jun. 30,</b>	Dec. 31,
	<b>2022</b>	2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 4,018	\$ 19,223
Accounts receivable – net of related allowances for credit loss of \$655 and \$658	11,377	12,313
Inventories	3,241	3,325
Prepaid and other current assets	15,764	16,131
Assets from discontinued operations	85	119,776
Total current assets	34,485	170,768
<b>Property, Plant and Equipment – Net</b>	<b>125,135</b>	121,649
<b>Goodwill</b>	<b>92,746</b>	92,740
<b>Licenses – Net</b>	<b>123,557</b>	113,830
<b>Other Intangible Assets – Net</b>	<b>5,371</b>	5,391
<b>Investments in and Advances to Equity Affiliates</b>	<b>4,523</b>	6,168
<b>Operating Lease Right-Of-Use Assets</b>	<b>21,808</b>	21,824
<b>Other Assets</b>	<b>18,808</b>	19,252
<b>Total Assets</b>	<b>\$ 426,433</b>	<b>\$ 551,622</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
Debt maturing within one year	\$ 6,210	\$ 24,620
Note payable to DIRECTV	619	1,245
Accounts payable and accrued liabilities	35,459	39,095
Advanced billings and customer deposits	3,603	3,966
Dividends payable	2,013	3,749
Liabilities from discontinued operations	85	33,555
Total current liabilities	47,989	106,230
<b>Long-Term Debt</b>	<b>129,747</b>	151,011
<b>Deferred Credits and Other Noncurrent Liabilities</b>		
Deferred income taxes	55,301	53,767
Postemployment benefit obligation	9,775	12,560
Operating lease liabilities	18,749	18,956
Other noncurrent liabilities	28,365	25,243
Total deferred credits and other noncurrent liabilities	112,190	110,526
<b>Stockholders' Equity</b>		
Preferred stock	—	—
Common stock	7,621	7,621
Additional paid-in capital	124,050	130,112
Retained earnings	2,128	42,350
Treasury stock	(17,160)	(17,280)
Accumulated other comprehensive income	2,307	3,529
Noncontrolling interest	17,561	17,523
Total stockholders' equity	136,507	183,855
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 426,433</b>	<b>\$ 551,622</b>

**AT&T Inc.**  
**Financial Data**

<b>Consolidated Statements of Cash Flows</b>		
<i>Dollars in millions</i>		
<i>Unaudited</i>		
	Six-Month Period	
	2022	2021
<b>Operating Activities</b>		
Income from continuing operations	\$ 9,900	\$ 13,555
Adjustments to reconcile income from continuing operations to net cash provided by operating activities from continuing operations:		
Depreciation and amortization	8,912	8,895
Provision for uncollectible accounts	870	606
Deferred income tax expense	2,324	3,525
Net (gain) loss on investments, net of impairments	333	(310)
Pension and postretirement benefit expense (credit)	(1,735)	(1,903)
Actuarial (gain) loss on pension and postretirement benefits	(2,398)	(2,647)
Asset impairments and abandonments and restructuring	631	—
Changes in operating assets and liabilities:		
Receivables	1,292	796
Other current assets	11	751
Accounts payable and other accrued liabilities	(3,905)	(4,108)
Equipment installment receivables and related sales	342	811
Deferred customer contract acquisition and fulfillment costs	(506)	394
Postretirement claims and contributions	(186)	(207)
Other - net	(515)	(375)
Total adjustments	5,470	6,228
Net Cash Provided by Operating Activities from Continuing Operations	15,370	19,783
<b>Investing Activities</b>		
Capital expenditures	(9,476)	(7,581)
Acquisitions, net of cash acquired	(9,570)	(23,143)
Dispositions	22	375
Distributions from DIRECTV in excess of cumulative equity in earnings	1,638	—
Other - net	75	20
Net Cash Used in Investing Activities from Continuing Operations	(17,311)	(30,329)
<b>Financing Activities</b>		
Net change in short-term borrowings with original maturities of three months or less	172	76
Issuance of other short-term borrowings	2,593	16,440
Repayment of other short-term borrowings	(15,613)	(857)
Issuance of long-term debt	479	9,097
Repayment of long-term debt	(24,213)	(1,096)
Repayment of note payable to DIRECTV	(722)	—
Payment of vendor financing	(3,337)	(2,994)
Purchase of treasury stock	(872)	(185)
Issuance of treasury stock	28	85
Dividends paid	(5,835)	(7,571)
Other - net	(2,144)	(892)
Net Cash (Used in) Provided by Financing Activities from Continuing Operations	(49,464)	12,103
Net (decrease) increase in cash and cash equivalents and restricted cash from continuing operations	(51,405)	1,557
<b>Cash flows from Discontinued Operations:</b>		
Cash (used in) provided by operating activities	(3,731)	1,054
Cash provided by (used in) investing activities	872	(302)
Cash provided by (used in) financing activities	37,065	(203)
Net increase in cash and cash equivalents and restricted cash from discontinued operations	34,206	549
<b>Net (decrease) increase in cash and cash equivalents and restricted cash</b>	<b>\$ (17,199)</b>	<b>\$ 2,106</b>
Cash and cash equivalents and restricted cash beginning of year	21,316	9,870
<b>Cash and Cash Equivalents and Restricted Cash End of Period</b>	<b>\$ 4,117</b>	<b>\$ 11,976</b>

**AT&T Inc.**  
**Consolidated Supplementary Data**

<b>Supplementary Financial Data</b>						
<i>Dollars in millions except per share amounts</i>						
<i>Unaudited</i>	<u>Second Quarter</u>		<u>Percent</u>	<u>Six-Month Period</u>		<u>Percent</u>
	<b>2022</b>	2021	Change	<b>2022</b>	2021	Change
<b>Capital expenditures</b>						
Purchase of property and equipment	\$ 4,867	\$ 3,677	32.4 %	\$ 9,399	\$ 7,487	25.5 %
Interest during construction - capital expenditures	41	33	24.2 %	77	94	(18.1) %
<b>Total Capital Expenditures</b>	<b>\$ 4,908</b>	<b>\$ 3,710</b>	<b>32.3 %</b>	<b>\$ 9,476</b>	<b>\$ 7,581</b>	<b>25.0 %</b>
<b>Acquisition, net of cash acquired</b>						
Spectrum acquisitions	\$ 8	\$ 10	(20.0)%	\$ 8,964	\$ 22,886	(60.8) %
Interest during construction - spectrum	318	257	23.7 %	606	257	— %
<b>Total Acquisitions</b>	<b>\$ 326</b>	<b>\$ 267</b>	<b>22.1 %</b>	<b>\$ 9,570</b>	<b>\$ 23,143</b>	<b>(58.6) %</b>
<b>Dividends Declared per Common Share</b>	<b>\$ 0.2775</b>	<b>\$ 0.52</b>	<b>(46.6)%</b>	<b>\$ 0.5550</b>	<b>\$ 1.04</b>	<b>(46.6) %</b>
<b>End of Period Common Shares Outstanding (000,000)</b>				<b>7,126</b>	7,140	(0.2) %
<b>Debt Ratio</b>				<b>49.9 %</b>	49.7 %	20 BP
<b>Total Employees</b>				<b>172,400</b>	188,710	(8.6) %

## COMMUNICATIONS SEGMENT

The Communications segment provides wireless and wireline telecom and broadband services to consumers located in the U.S. and businesses globally. The Communications segment contains three reporting units: Mobility, Business Wireline, and Consumer Wireline.

Results have been recast to refine the allocation of shared infrastructure costs between the Communications segment and Corporate and Other.

Segment Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Second Quarter		Percent	Six-Month Period		Percent
	2022	2021	Change	2022	2021	Change
<b>Segment Operating Revenues</b>						
Mobility	\$ 19,926	\$ 18,936	5.2 %	\$ 40,001	\$ 37,970	5.3 %
Business Wireline	5,595	6,052	(7.6)%	11,235	12,098	(7.1)%
Consumer Wireline	3,174	3,140	1.1 %	6,335	6,238	1.6 %
Total Segment Operating Revenues	28,695	28,128	2.0 %	57,571	56,306	2.2 %
<b>Operating Income</b>						
Mobility	6,212	6,007	3.4 %	12,065	12,051	0.1 %
Business Wireline	710	1,069	(33.6)%	1,569	2,149	(27.0)%
Consumer Wireline	304	308	(1.3)%	621	615	1.0 %
Total Operating Income	\$ 7,226	\$ 7,384	(2.1)%	\$ 14,255	\$ 14,815	(3.8)%

Supplementary Operating Data			
<i>Subscribers and connections in thousands</i>			
<i>Unaudited</i>			
	June 30,		Percent
	2022	2021	Change
<b>Broadband Connections</b>			
Broadband	15,136	14,988	1.0 %
DSL	373	493	(24.3)%
Total Broadband Connections	15,509	15,481	0.2 %
<b>Voice Connections</b>			
Retail Consumer Switched Access Lines	5,725	6,691	(14.4)%
U-verse Consumer VoIP Connections	3,124	3,559	(12.2)%
Total Retail Voice Connections	8,849	10,250	(13.7)%
	Second Quarter		Percent
	2022	2021	Change
<b>Broadband Net Additions</b>			
Broadband	6	80	(92.5)%
DSL	(30)	(34)	11.8 %
Total Broadband Net Additions	(24)	46	— %

## Mobility

Mobility provides nationwide wireless service and equipment.

Mobility Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Second Quarter		Percent	Six-Month Period		Percent
	2022	2021	Change	2022	2021	Change
<b>Operating Revenues</b>						
Service	\$ 15,004	\$ 14,346	4.6 %	\$ 29,728	\$ 28,394	4.7 %
Equipment	4,922	4,590	7.2 %	10,273	9,576	7.3 %
<b>Total Operating Revenues</b>	<b>19,926</b>	<b>18,936</b>	<b>5.2 %</b>	<b>40,001</b>	<b>37,970</b>	<b>5.3 %</b>
<b>Operating Expenses</b>						
Operations and support	11,697	10,906	7.3 %	23,860	21,882	9.0 %
Depreciation and amortization	2,017	2,023	(0.3) %	4,076	4,037	1.0 %
<b>Total Operating Expenses</b>	<b>13,714</b>	<b>12,929</b>	<b>6.1 %</b>	<b>27,936</b>	<b>25,919</b>	<b>7.8 %</b>
<b>Operating Income</b>	<b>\$ 6,212</b>	<b>\$ 6,007</b>	<b>3.4 %</b>	<b>\$ 12,065</b>	<b>\$ 12,051</b>	<b>0.1 %</b>
<b>Operating Income Margin</b>	<b>31.2 %</b>	<b>31.7 %</b>	<b>(50) BP</b>	<b>30.2 %</b>	<b>31.7 %</b>	<b>(150) BP</b>

Supplementary Operating Data						
<i>Subscribers and connections in thousands</i>						
<i>Unaudited</i>						
	June 30,		Percent			
	2022	2021	Change			
<b>Mobility Subscribers</b>						
Postpaid	82,694	79,059	4.6 %			
Postpaid phone	68,311	65,503	4.3 %			
Prepaid	19,095	18,681	2.2 %			
Reseller	5,480	6,406	(14.5) %			
Connected Devices	96,104	87,500	9.8 %			
<b>Total Mobility Subscribers<sup>1</sup></b>	<b>203,373</b>	<b>191,646</b>	<b>6.1 %</b>			
<sup>1</sup> Wireless subscribers at June 30, 2022 includes a reduction of 10.7 million subscribers and connections (899 postpaid, including 438 phone, 234 prepaid, 749 reseller subscribers, and 8.8 million connected devices) resulting from our 3G network shutdown in February 2022.						
	Second Quarter		Percent	Six-Month Period		Percent
	2022	2021	Change	2022	2021	Change
<b>Mobility Net Additions</b>						
Postpaid Phone Net Additions	813	789	3.0 %	1,504	1,384	8.7 %
<b>Total Phone Net Additions</b>	<b>1,009</b>	<b>963</b>	<b>4.8 %</b>	<b>1,813</b>	<b>1,765</b>	<b>2.7 %</b>
Postpaid	1,058	1,156	(8.5) %	2,023	1,979	2.2 %
Prepaid	231	297	(22.2) %	347	576	(39.8) %
Reseller	21	(125)	— %	4	(193)	— %
Connected Devices	5,292	4,209	25.7 %	9,760	6,726	45.1 %
<b>Total Mobility Net Additions</b>	<b>6,602</b>	<b>5,537</b>	<b>19.2 %</b>	<b>12,134</b>	<b>9,088</b>	<b>33.5 %</b>
Postpaid Churn	0.93 %	0.87 %	6 BP	0.93 %	0.90 %	3 BP
Postpaid Phone-Only Churn	0.75 %	0.69 %	6 BP	0.77 %	0.73 %	4 BP

## Business Wireline

Business Wireline provides advanced IP-based services, as well as traditional voice and data services and related equipment to business customers.

<b>Business Wireline Results</b>						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Second Quarter		Percent	Six-Month Period		Percent
	2022	2021	Change	2022	2021	Change
<b>Operating Revenues</b>						
Service	\$ 5,416	\$ 5,860	(7.6) %	\$ 10,894	\$ 11,732	(7.1) %
Equipment	179	192	(6.8) %	341	366	(6.8) %
<b>Total Operating Revenues</b>	<b>5,595</b>	<b>6,052</b>	<b>(7.6) %</b>	<b>11,235</b>	<b>12,098</b>	<b>(7.1) %</b>
<b>Operating Expenses</b>						
Operations and support	3,572	3,690	(3.2) %	7,054	7,378	(4.4) %
Depreciation and amortization	1,313	1,293	1.5 %	2,612	2,571	1.6 %
<b>Total Operating Expenses</b>	<b>4,885</b>	<b>4,983</b>	<b>(2.0) %</b>	<b>9,666</b>	<b>9,949</b>	<b>(2.8) %</b>
<b>Operating Income</b>	<b>\$ 710</b>	<b>\$ 1,069</b>	<b>(33.6) %</b>	<b>\$ 1,569</b>	<b>\$ 2,149</b>	<b>(27.0) %</b>
<b>Operating Income Margin</b>	<b>12.7 %</b>	<b>17.7 %</b>	<b>(500) BP</b>	<b>14.0 %</b>	<b>17.8 %</b>	<b>(380) BP</b>



## Consumer Wireline

Consumer Wireline provides broadband, including fiber, and legacy telephony voice communication services to residential customers.

Consumer Wireline Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Second Quarter		Percent	Six-Month Period		Percent
	2022	2021	Change	2022	2021	Change
<b>Operating Revenues</b>						
Broadband	\$ 2,393	\$ 2,266	5.6 %	\$ 4,748	\$ 4,471	6.2 %
Legacy voice and data services	445	504	(11.7) %	905	1,023	(11.5) %
Other service and equipment	336	370	(9.2) %	682	744	(8.3) %
<b>Total Operating Revenues</b>	<b>3,174</b>	<b>3,140</b>	<b>1.1 %</b>	<b>6,335</b>	<b>6,238</b>	<b>1.6 %</b>
<b>Operating Expenses</b>						
Operations and support	2,085	2,063	1.1 %	4,163	4,092	1.7 %
Depreciation and amortization	785	769	2.1 %	1,551	1,531	1.3 %
<b>Total Operating Expenses</b>	<b>2,870</b>	<b>2,832</b>	<b>1.3 %</b>	<b>5,714</b>	<b>5,623</b>	<b>1.6 %</b>
<b>Operating Income</b>	<b>\$ 304</b>	<b>\$ 308</b>	<b>(1.3) %</b>	<b>\$ 621</b>	<b>\$ 615</b>	<b>1.0 %</b>
<b>Operating Income Margin</b>	<b>9.6 %</b>	<b>9.8 %</b>	<b>(20) BP</b>	<b>9.8 %</b>	<b>9.9 %</b>	<b>(10) BP</b>

Supplementary Operating Data			
<i>Subscribers and connections in thousands</i>			
<i>Unaudited</i>			
	June 30,		Percent
	2022	2021	Change
<b>Broadband Connections</b>			
Total Broadband and DSL Connections	14,105	14,174	(0.5) %
Broadband	13,825	13,818	0.1 %
Fiber Broadband Connections	6,597	5,432	21.4 %
<b>Voice Connections</b>			
Retail Consumer Switched Access Lines	2,228	2,631	(15.3) %
U-verse Consumer VoIP Connections	2,521	2,965	(15.0) %
<b>Total Retail Consumer Voice Connections</b>	<b>4,749</b>	<b>5,596</b>	<b>(15.1) %</b>
	Second Quarter		Percent
	2022	2021	Change
<b>Broadband Net Additions</b>			
Total Broadband and DSL Net Additions	(43)	28	— %
Broadband	(25)	51	— %
Fiber Broadband Net Additions	316	246	28.5 %

## Business Solutions

As a supplemental presentation to our Communications segment operating results, we are providing a view of our AT&T Business Solutions results which includes both wireless and fixed 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.

Business Solutions Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Second Quarter		Percent	Six-Month Period		Percent
	2022	2021	Change	2022	2021	Change
<b>Operating Revenues</b>						
Wireless service	\$ 2,175	\$ 2,025	7.4 %	\$ 4,309	\$ 3,994	7.9 %
Wireline service	5,416	5,860	(7.6) %	10,894	11,732	(7.1) %
Wireless equipment	874	781	11.9 %	1,773	1,571	12.9 %
Wireline equipment	179	192	(6.8) %	341	366	(6.8) %
<b>Total Operating Revenues</b>	<b>8,644</b>	<b>8,858</b>	<b>(2.4) %</b>	<b>17,317</b>	<b>17,663</b>	<b>(2.0) %</b>
<b>Operating Expenses</b>						
Operations and support	5,684	5,643	0.7 %	11,292	11,162	1.2 %
Depreciation and amortization	1,666	1,638	1.7 %	3,326	3,252	2.3 %
<b>Total Operating Expenses</b>	<b>7,350</b>	<b>7,281</b>	<b>0.9 %</b>	<b>14,618</b>	<b>14,414</b>	<b>1.4 %</b>
<b>Operating Income</b>	<b>\$ 1,294</b>	<b>\$ 1,577</b>	<b>(17.9) %</b>	<b>\$ 2,699</b>	<b>\$ 3,249</b>	<b>(16.9) %</b>
<b>Operating Income Margin</b>	<b>15.0 %</b>	<b>17.8 %</b>	<b>(280) BP</b>	<b>15.6 %</b>	<b>18.4 %</b>	<b>(280) BP</b>

## LATIN AMERICA SEGMENT

The segment provides wireless services and equipment to customers in Mexico.

Segment Results							
<i>Dollars in millions</i>							
<i>Unaudited</i>							
	Second Quarter		Percent	Six-Month Period		Percent	
	2022	2021	Change	2022	2021	Change	
<b>Operating Revenues</b>							
Wireless service	\$ 534	\$ 447	19.5 %	\$ 1,024	\$ 886	15.6 %	
Wireless equipment	274	241	13.7 %	474	433	9.5 %	
<b>Total Segment Operating Revenues</b>	<b>808</b>	<b>688</b>	<b>17.4 %</b>	<b>1,498</b>	<b>1,319</b>	<b>13.6 %</b>	
<b>Operating Expenses</b>							
Operations and support	721	667	8.1 %	1,352	1,287	5.1 %	
Depreciation and amortization	169	150	12.7 %	330	295	11.9 %	
<b>Total Segment Operating Expenses</b>	<b>890</b>	<b>817</b>	<b>8.9 %</b>	<b>1,682</b>	<b>1,582</b>	<b>6.3 %</b>	
<b>Operating Income (Loss)</b>	<b>\$ (82)</b>	<b>\$ (129)</b>	<b>36.4 %</b>	<b>\$ (184)</b>	<b>\$ (263)</b>	<b>30.0 %</b>	
<b>Operating Income Margin</b>	<b>(10.1)%</b>	<b>(18.8)%</b>	<b>870 BP</b>	<b>(12.3)%</b>	<b>(19.9)%</b>	<b>760 BP</b>	

Supplementary Operating Data							
<i>Subscribers and connections in thousands</i>							
<i>Unaudited</i>							
	June 30,		Percent			Percent	
	2022	2021	Change			Change	
<b>Mexico Wireless Subscribers</b>							
Postpaid	4,835	4,745	1.9 %				
Prepaid	15,422	13,810	11.7 %				
Reseller	443	491	(9.8) %				
<b>Total Mexico Wireless Subscribers</b>	<b>20,700</b>	<b>19,046</b>	<b>8.7 %</b>				
	Second Quarter		Percent	Six-Month Period		Percent	
	2022	2021	Change	2022	2021	Change	
<b>Mexico Wireless Net Additions</b>							
Postpaid	25	20	25.0 %	28	49	(42.9) %	
Prepaid	187	54	— %	365	52	— %	
Reseller	(15)	(9)	(66.7) %	(55)	2	— %	
<b>Total Mexico Wireless Net Additions</b>	<b>197</b>	<b>65</b>	<b>— %</b>	<b>338</b>	<b>103</b>	<b>— %</b>	

## SUPPLEMENTAL SEGMENT RECONCILIATION

Three Months Ended					
<i>Dollars in millions</i>					
<i>Unaudited</i>					
<i>June 30, 2022</i>					
	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)
<b>Communications</b>					
Mobility	\$ 19,926	\$ 11,697	\$ 8,229	\$ 2,017	\$ 6,212
Business Wireline	5,595	3,572	2,023	1,313	710
Consumer Wireline	3,174	2,085	1,089	785	304
Total Communications	28,695	17,354	11,341	4,115	7,226
<b>Latin America - Mexico</b>	808	721	87	169	(82)
Segment Total	29,503	18,075	11,428	4,284	7,144
<b>Corporate and Other</b>					
Corporate:					
DTV-related retained costs	—	207	(207)	135	(342)
Parent administration support	(6)	303	(309)	4	(313)
Securitization fees	17	78	(61)	—	(61)
Value portfolio	129	37	92	10	82
Total Corporate	140	625	(485)	149	(634)
Reclassification of prior service credits	—	613	(613)	—	(613)
Merger & Significant Items	—	924	(924)	17	(941)
Total Corporate and Other	140	2,162	(2,022)	166	(2,188)
AT&T Inc.	\$ 29,643	\$ 20,237	\$ 9,406	\$ 4,450	\$ 4,956

**Three Months Ended**

*Dollars in millions*

*Unaudited*

*June 30, 2021*

	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)
<b>Communications</b>					
Mobility	\$ 18,936	\$ 10,906	\$ 8,030	\$ 2,023	\$ 6,007
Business Wireline	6,052	3,690	2,362	1,293	1,069
Consumer Wireline	3,140	2,063	1,077	769	308
Total Communications	28,128	16,659	11,469	4,085	7,384
<b>Latin America - Mexico</b>	688	667	21	150	(129)
Segment Total	28,816	17,326	11,490	4,235	7,255
<b>Corporate and Other</b>					
Corporate:					
DTV-related retained costs	—	—	—	—	—
Parent administration support	3	414	(411)	8	(419)
Securitization fees	15	12	3	—	3
Value portfolio	166	71	95	10	85
Total Corporate	184	497	(313)	18	(331)
Video	6,639	5,275	1,364	148	1,216
Held-for-sale and other reclassifications	158	96	62	—	62
Reclassification of prior service credits	—	672	(672)	—	(672)
Merger & Significant Items	—	(70)	70	28	42
Eliminations and consolidations	(57)	(57)	—	—	—
Total Corporate and Other	6,924	6,413	511	194	317
AT&T Inc.	\$ 35,740	\$ 23,739	\$ 12,001	\$ 4,429	\$ 7,572

## SUPPLEMENTAL SEGMENT RECONCILIATION

Six Months Ended						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
<i>June 30, 2022</i>						
	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)	
<b>Communications</b>						
Mobility	\$ 40,001	\$ 23,860	\$ 16,141	\$ 4,076	\$ 12,065	
Business Wireline	11,235	7,054	4,181	2,612	1,569	
Consumer Wireline	6,335	4,163	2,172	1,551	621	
Total Communications	57,571	35,077	22,494	8,239	14,255	
<b>Latin America - Mexico</b>	<b>1,498</b>	<b>1,352</b>	<b>146</b>	<b>330</b>	<b>(184)</b>	
Segment Total	59,069	36,429	22,640	8,569	14,071	
<b>Corporate and Other</b>						
Corporate:						
DTV-related retained costs	8	335	(327)	269	(596)	
Parent administration support	(18)	607	(625)	10	(635)	
Securitization fees	33	160	(127)	—	(127)	
Value portfolio	263	74	189	20	169	
Total Corporate	286	1,176	(890)	299	(1,189)	
Reclassification of prior service credits	—	1,230	(1,230)	—	(1,230)	
Merger & Significant Items	—	1,115	(1,115)	44	(1,159)	
Total Corporate and Other	286	3,521	(3,235)	343	(3,578)	
AT&T Inc.	\$ 59,355	\$ 39,950	\$ 19,405	\$ 8,912	\$ 10,493	

**Six Months Ended**

*Dollars in millions*

*Unaudited*

*June 30, 2021*

	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)
<b>Communications</b>					
Mobility	\$ 37,970	\$ 21,882	\$ 16,088	\$ 4,037	\$ 12,051
Business Wireline	12,098	7,378	4,720	2,571	2,149
Consumer Wireline	6,238	4,092	2,146	1,531	615
Total Communications	56,306	33,352	22,954	8,139	14,815
<b>Latin America - Mexico</b>	1,319	1,287	32	295	(263)
Segment Total	57,625	34,639	22,986	8,434	14,552
<b>Corporate and Other</b>					
Corporate:					
DTV-related retained costs	—	—	—	—	—
Parent administration support	(12)	787	(799)	15	(814)
Securitization fees	28	52	(24)	—	(24)
Value portfolio	342	115	227	20	207
Total Corporate	358	954	(596)	35	(631)
Video	13,364	10,935	2,429	312	2,117
Held-for-sale and other reclassifications	389	275	114	—	114
Reclassification of prior service credits	—	1,341	(1,341)	—	(1,341)
Merger & Significant Items	—	(69)	69	114	(45)
Eliminations and consolidations	(119)	(119)	—	—	—
Total Corporate and Other	13,992	13,317	675	461	214
AT&T Inc.	\$ 71,617	\$ 47,956	\$ 23,661	\$ 8,895	\$ 14,766

## Discussion and Reconciliation of Non-GAAP Measures for Continuing Operations

We believe the following measures are relevant and useful information to investors as they are part of AT&T's internal management reporting and planning processes and are important metrics that management uses to evaluate the operating performance of AT&T and its segments. Management also uses these measures as a method of comparing performance with that of many of our competitors. These measures should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with U.S. generally accepted accounting principles (GAAP).

On April 8, 2022, we completed the previously announced separation of our WarnerMedia business. With the separation and distribution, the WarnerMedia business met the criteria for discontinued operations in the second quarter of 2022. For discontinued operations, we evaluated transactions completed during 2021 that were components of AT&T's single plan of a strategic shift, including dispositions that may not have individually met the criteria due to materiality, and have determined discontinued operations to be comprised of WarnerMedia, Vrio, Xandr and Playdemic Ltd. (Playdemic). These businesses are reflected in our historical financial statements as discontinued operations, including for periods prior to the consummation of the WarnerMedia/Discovery transaction. The information below refers only to our continuing operations and does not include discussion of balances or activity of WarnerMedia, Vrio, Xandr and Playdemic.

### Free Cash Flow

Free cash flow is defined as cash from operations and cash distributions from DIRECTV classified as investing activities minus capital expenditures and cash paid for vendor financing (classified as financing activities). Free cash flow after dividends is defined as cash from operations and cash distributions from DIRECTV, minus capital expenditures, cash paid for vendor financing and dividends on common and preferred shares. Free cash flow dividend payout ratio is defined as the percentage of dividends paid on common and preferred shares to free cash flow. We believe these metrics provide useful information to our investors because management views free cash flow as an important indicator of how much cash is generated by routine business operations, including capital expenditures and vendor financing, and from our continued economic interest in the U.S. video operations as part of our DIRECTV equity method investment, and makes decisions based on it. Management also views free cash flow as a measure of cash available to pay debt and return cash to shareowners.

Free Cash Flow and Free Cash Flow Dividend Payout Ratio				
<i>Dollars in millions</i>				
	Second Quarter		Six-Month Period	
	2022	2021	2022	2021
Net cash provided by operating activities <sup>1</sup>	\$ 7,740	\$ 10,181	\$ 15,370	\$ 19,783
Add: Distributions from DIRECTV classified as investing activities	323	—	1,638	—
Less: Capital expenditures	(4,908)	(3,710)	(9,476)	(7,581)
Less: Cash paid for vendor financing	(1,771)	(1,304)	(3,337)	(2,994)
<b>Free Cash Flow</b>	<b>1,384</b>	<b>5,167</b>	<b>4,195</b>	<b>9,208</b>
Less: Dividends paid	(2,086)	(3,830)	(5,835)	(7,571)
Free Cash Flow after Dividends	\$ (702)	\$ 1,337	\$ (1,640)	\$ 1,637
<b>Free Cash Flow Dividend Payout Ratio</b>	<b>150.7 %</b>	<b>74.1 %</b>	<b>139.1 %</b>	<b>82.2 %</b>

<sup>1</sup> Includes distributions from DIRECTV of \$515 in the second quarter and \$1,037 in the first six months of 2022.



## Cash Paid for Capital Investment

In connection with capital improvements, we negotiate with some of our vendors to obtain favorable payment terms of 120 days or more, referred to as vendor financing, which are excluded from capital expenditures and reported in accordance with GAAP as financing activities. We present an additional view of cash paid for capital investment to provide investors with a comprehensive view of cash used to invest in our networks, product developments and support systems.

Cash Paid for Capital Investment				
Dollars in millions	Second Quarter		Six-Month Period	
	2022	2021	2022	2021
	Capital Expenditures	\$ (4,908)	\$ (3,710)	\$ (9,476)
Cash paid for vendor financing	(1,771)	(1,304)	(3,337)	(2,994)
<b>Cash paid for Capital Investment</b>	<b>\$ (6,679)</b>	<b>\$ (5,014)</b>	<b>\$ (12,813)</b>	<b>\$ (10,575)</b>

## EBITDA

Our calculation of EBITDA, as presented, may differ from similarly titled measures reported by other companies. For AT&T, EBITDA excludes other income (expense) – net, and equity in net income (loss) of affiliates, as these do not reflect the operating results of our subscriber base or operations that are not under our control. Equity in net income (loss) of affiliates represents the proportionate share of the net income (loss) of affiliates in which we exercise significant influence, but do not control. Because we do not control these entities, management excludes these results when evaluating the performance of our primary operations. EBITDA also excludes interest expense and the provision for income taxes. Excluding these items eliminates the expenses associated with our capital and tax structures. Finally, EBITDA excludes depreciation and amortization in order to eliminate the impact of capital investments. EBITDA does not give effect to cash used for debt service requirements and thus does not reflect available funds for distributions, reinvestment or other discretionary uses. EBITDA is not presented as an alternative measure of operating results or cash flows from operations, as determined in accordance with GAAP.

EBITDA service margin is calculated as EBITDA divided by service revenues.

These measures are used by management as a gauge of our success in acquiring, retaining and servicing subscribers because we believe these measures reflect AT&T's ability to generate and grow subscriber revenues while providing a high level of customer service in a cost-effective manner. Management also uses these measures as a method of comparing operating performance with that of many of its competitors. The financial and operating metrics which affect EBITDA include the key revenue and expense drivers for which management is responsible and upon which we evaluate performance.

We believe EBITDA Service Margin (EBITDA as a percentage of service revenues) to be a more relevant measure than EBITDA Margin (EBITDA as a percentage of total revenue) for our Mobility business unit operating margin. We also use wireless service revenues to calculate margin to facilitate comparison, both internally and externally with our wireless competitors, as they calculate their margins using wireless service revenues as well.

There are material limitations to using these non-GAAP financial measures. EBITDA, EBITDA margin and EBITDA service margin, as we have defined them, may not be comparable to similarly titled measures reported by other companies. Furthermore, these performance measures do not take into account certain significant items, including depreciation and amortization, interest expense, tax expense and equity in net income (loss) of affiliates. For market comparability, management analyzes performance measures that are similar in nature to EBITDA as we present it, and considering the economic effect of the excluded expense items independently as well as in connection with its analysis of net income as calculated in accordance with GAAP. EBITDA, EBITDA margin and EBITDA service margin should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with GAAP.

<b>EBITDA, EBITDA Margin and EBITDA Service Margin</b>				
<i>Dollars in millions</i>				
	Second Quarter		Six-Month Period	
	2022	2021	2022	2021
<b>Income from Continuing Operations</b>	\$ 4,751	\$ 5,969	\$ 9,900	\$ 13,555
Additions:				
Income Tax Expense	1,509	1,151	2,949	3,160
Interest Expense	1,502	1,640	3,128	3,463
Equity in Net (Income) Loss of Affiliates	(504)	18	(1,025)	24
Other (Income) Expense - Net	(2,302)	(1,206)	(4,459)	(5,436)
Depreciation and amortization	4,450	4,429	8,912	8,895
<b>EBITDA</b>	<b>9,406</b>	<b>12,001</b>	<b>19,405</b>	<b>23,661</b>
Transaction and other costs	185	—	283	35
Employee separation costs and benefit-related (gain) loss	108	(70)	201	(104)
Assets impairments and abandonment and restructuring	631	—	631	—
<b>Adjusted EBITDA</b> <sup>1</sup>	<b>\$ 10,330</b>	<b>\$ 11,931</b>	<b>\$ 20,520</b>	<b>\$ 23,592</b>
Less: Video and Other dispositions	—	(1,776)	—	(3,243)
<b>Standalone AT&amp;T Adjusted EBITDA</b> <sup>2</sup>	<b>\$ 10,330</b>	<b>\$ 10,155</b>	<b>\$ 20,520</b>	<b>\$ 20,349</b>

<sup>1</sup> See page 5 for additional discussion and reconciliation of adjusted items.

<sup>2</sup> See Exhibit 99.4 for reconciliation of Standalone AT&T Adjusted EBITDA.

## Segment and Business Unit EBITDA, EBITDA Margin and EBITDA Service Margin

*Dollars in millions*

	Second Quarter		Six-Month Period	
	2022	2021	2022	2021
<b>Communications Segment</b>				
<b>Operating Income</b>	\$ 7,226	\$ 7,384	\$ 14,255	\$ 14,815
Additions:				
Depreciation and amortization	4,115	4,085	8,239	8,139
<b>EBITDA</b>	<b>11,341</b>	11,469	<b>22,494</b>	22,954
Total Operating Revenues	<b>28,695</b>	28,128	<b>57,571</b>	56,306
<b>Operating Income Margin</b>	<b>25.2 %</b>	26.3 %	<b>24.8 %</b>	26.3 %
<b>EBITDA Margin</b>	<b>39.5 %</b>	40.8 %	<b>39.1 %</b>	40.8 %
<b>Mobility</b>				
<b>Operating Income</b>	\$ 6,212	\$ 6,007	\$ 12,065	\$ 12,051
Additions:				
Depreciation and amortization	2,017	2,023	4,076	4,037
<b>EBITDA</b>	<b>8,229</b>	8,030	<b>16,141</b>	16,088
Total Operating Revenues	<b>19,926</b>	18,936	<b>40,001</b>	37,970
Service Revenues	<b>15,004</b>	14,346	<b>29,728</b>	28,394
<b>Operating Income Margin</b>	<b>31.2 %</b>	31.7 %	<b>30.2 %</b>	31.7 %
<b>EBITDA Margin</b>	<b>41.3 %</b>	42.4 %	<b>40.4 %</b>	42.4 %
<b>EBITDA Service Margin</b>	<b>54.8 %</b>	56.0 %	<b>54.3 %</b>	56.7 %
<b>Business Wireline</b>				
<b>Operating Income</b>	\$ 710	\$ 1,069	\$ 1,569	\$ 2,149
Additions:				
Depreciation and amortization	1,313	1,293	2,612	2,571
<b>EBITDA</b>	<b>2,023</b>	2,362	<b>4,181</b>	4,720
Total Operating Revenues	<b>5,595</b>	6,052	<b>11,235</b>	12,098
<b>Operating Income Margin</b>	<b>12.7 %</b>	17.7 %	<b>14.0 %</b>	17.8 %
<b>EBITDA Margin</b>	<b>36.2 %</b>	39.0 %	<b>37.2 %</b>	39.0 %
<b>Consumer Wireline</b>				
<b>Operating Income</b>	\$ 304	\$ 308	\$ 621	\$ 615
Additions:				
Depreciation and amortization	785	769	1,551	1,531
<b>EBITDA</b>	<b>1,089</b>	1,077	<b>2,172</b>	2,146
Total Operating Revenues	<b>3,174</b>	3,140	<b>6,335</b>	6,238
<b>Operating Income Margin</b>	<b>9.6 %</b>	9.8 %	<b>9.8 %</b>	9.9 %
<b>EBITDA Margin</b>	<b>34.3 %</b>	34.3 %	<b>34.3 %</b>	34.4 %
<b>Latin America Segment - Mexico</b>				
<b>Operating Income</b>	\$ (82)	\$ (129)	\$ (184)	\$ (263)
Additions:				
Depreciation and amortization	169	150	330	295
<b>EBITDA</b>	<b>87</b>	21	<b>146</b>	32
Total Operating Revenues	<b>808</b>	688	<b>1,498</b>	1,319
<b>Operating Income Margin</b>	<b>-10.1 %</b>	-18.8 %	<b>-12.3 %</b>	-19.9 %
<b>EBITDA Margin</b>	<b>10.8 %</b>	3.1 %	<b>9.7 %</b>	2.4 %

## Adjusting Items

Adjusting items include revenues and costs we consider non-operational in nature, including items arising from asset acquisitions or dispositions. We also adjust for net actuarial gains or losses associated with our pension and postemployment benefit plans due to the often-significant impact on our results (we immediately recognize this gain or loss in the income statement, pursuant to our accounting policy for the recognition of actuarial gains and losses). Consequently, our adjusted results reflect an expected return on plan assets rather than the actual return on plan assets, as included in the GAAP measure of income. Prior periods have been recast for consistency to include gains on benefit-related and other cost investments.

The tax impact of adjusting items is calculated using the effective tax rate during the quarter except for adjustments that, given their magnitude, can drive a change in the effective tax rate, in these cases we use the actual tax expense or combined marginal rate of approximately 25%.

Adjusting Items				
<i>Dollars in millions</i>				
	Second Quarter		Six-Month Period	
	2022	2021	2022	2021
<b>Operating Expenses</b>				
Transaction and other costs	\$ 185	\$ —	\$ 283	\$ 35
Benefit-related (gain) loss and other employee-related costs	108	(70)	201	(104)
Assets impairments and abandonment and restructuring	631	—	631	—
<b>Adjustments to Operations and Support Expenses</b>	<b>924</b>	<b>(70)</b>	<b>1,115</b>	<b>(69)</b>
Amortization of intangible assets	17	28	44	114
<b>Adjustments to Operating Expenses</b>	<b>941</b>	<b>(42)</b>	<b>1,159</b>	<b>45</b>
<b>Other</b>				
DIRECTV intangible amortization (proportionate share)	396	—	812	—
Benefit-related (gain) loss, transaction financing costs and other	314	(213)	406	(337)
Actuarial (gain) loss	(1,345)	197	(2,398)	(2,647)
<b>Adjustments to Income Before Income Taxes</b>	<b>306</b>	<b>(58)</b>	<b>(21)</b>	<b>(2,939)</b>
Tax impact of adjustments	38	(1)	(65)	(725)
Tax-related items	(79)	250	(79)	368
<b>Adjustments to Net Income</b>	<b>\$ 347</b>	<b>\$ (307)</b>	<b>\$ 123</b>	<b>\$ (2,582)</b>

Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EBITDA service margin and Adjusted diluted EPS are non-GAAP financial measures 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. Management believes that these measures provide relevant and useful information to investors and other users of our financial data in evaluating the effectiveness of our operations and underlying business trends.

Adjusted Operating Revenues, Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EBITDA service margin and Adjusted diluted EPS should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with GAAP. AT&T's calculation of Adjusted items, as presented, may differ from similarly titled measures reported by other companies.

<b>Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted EBITDA, and Adjusted EBITDA Margin</b>				
<i>Dollars in millions</i>				
	Second Quarter		Six-Month Period	
	2022	2021	2022	2021
<b>Operating Income</b>	\$ 4,956	\$ 7,572	\$ 10,493	\$ 14,766
Adjustments to Operating Expenses	941	(42)	1,159	45
<b>Adjusted Operating Income</b>	<b>5,897</b>	<b>7,530</b>	<b>11,652</b>	<b>14,811</b>
<b>EBITDA</b>	<b>9,406</b>	<b>12,001</b>	<b>19,405</b>	<b>23,661</b>
Adjustments to Operations and Support Expenses	924	(70)	1,115	(69)
<b>Adjusted EBITDA</b>	<b>10,330</b>	<b>11,931</b>	<b>20,520</b>	<b>23,592</b>
Total Operating Revenues	29,643	35,740	59,355	71,617
Operating Income Margin	16.7 %	21.2 %	17.7 %	20.6 %
Adjusted Operating Income Margin	19.9 %	21.1 %	19.6 %	20.7 %
<b>Adjusted EBITDA Margin</b>	<b>34.8 %</b>	<b>33.4 %</b>	<b>34.6 %</b>	<b>32.9 %</b>

<b>Adjusted Diluted EPS</b>				
	Second Quarter		Six-Month Period	
	2022	2021	2022	2021
<b>Diluted Earnings Per Share (EPS)</b>	\$ 0.59	\$ 0.76	\$ 1.23	\$ 1.73
DIRECTV intangible amortization (proportionate share)	0.04	—	0.08	—
Actuarial (gain) loss <sup>1</sup>	(0.13)	0.02	(0.24)	(0.27)
Restructuring and impairments	0.06	—	0.06	—
Benefit-related, transaction and other costs <sup>1,2</sup>	0.08	(0.02)	0.13	(0.01)
Tax-related items	0.01	(0.03)	0.01	(0.05)
<b>Adjusted EPS</b>	\$ 0.65	\$ 0.73	\$ 1.27	\$ 1.40
Less: Video and Other dispositions	—	(0.09)	—	(0.18)
<b>Standalone AT&amp;T Adjusted EPS<sup>3</sup></b>	\$ 0.65	\$ 0.64	\$ 1.27	\$ 1.22
<i>Year-over-year growth - Adjusted</i>	<b>1.6%</b>		<b>4.1%</b>	
<b>Weighted Average Common Shares Outstanding with Dilution (000,000)</b>	<b>7,611</b>	<b>7,484</b>	<b>7,584</b>	<b>7,483</b>

<sup>1</sup> Includes adjustments for actuarial gains or losses associated with our pension benefit plan, which we immediately recognize in the income statement, pursuant to our accounting policy for the recognition of actuarial gains/losses. We recorded total net actuarial gain of \$1.3 billion in the second quarter of 2022. As a result, adjusted EPS reflects an expected return on plan assets of \$0.8 billion (based on an average expected return on plan assets of 6.75% for our pension trust), rather than the actual return on plan assets of \$(4.0) billion (actual pension return of -11.3%), included in the GAAP measure of income. Adjustments also include the impact to our second-quarter 2022 benefit expense accrual that resulted from the first-quarter 2022 remeasurement of plan assets and obligations, which included an increase in the assumed discount rate.

<sup>2</sup> As of January 1, 2022, we adopted, through retrospective application, Accounting Standards Update (ASU) No. 2020-06, which requires that instruments which may be settled in cash or stock to be presumed settled in stock in calculating diluted EPS. While our intent is to settle the Mobility II preferred interests in cash, the ability to settle this instrument in AT&T shares will result in additional dilutive impact, the magnitude of which is influenced by the fair value of the Mobility II preferred interests and the average AT&T common stock price during the reporting period, which could vary from period-to-period. For these reasons, we have excluded the impact of ASU 2020-06 from our adjusted EPS calculation. The per share impact of ASU 2020-06 was to decrease reported diluted EPS \$0.02 and \$0.01 for the quarters ended June 30, 2022 and 2021, and \$0.02 and \$0.02 for the six months ended June 30, 2022 and 2021, respectively.

<sup>3</sup> See Exhibit 99.4 for reconciliation of Standalone AT&T Adjusted EPS.

## Net Debt to Adjusted EBITDA

Net Debt to EBITDA ratios are non-GAAP financial measures frequently used by investors and credit rating agencies and management believes these measures provide relevant and useful information to investors and other users of our financial data. Our Net Debt to Adjusted EBITDA ratio is calculated by dividing the Net Debt by the sum of the most recent four quarters Adjusted EBITDA. Net Debt is calculated by subtracting cash and cash equivalents and certificates of deposit and time deposits that are greater than 90 days, from the sum of debt maturing within one year and long-term debt.

Net Debt to Adjusted EBITDA - 2022					
<i>Dollars in millions</i>					
	Three Months Ended				Four Quarters
	Sept. 30 2021 <sup>1</sup>	Dec. 31, 2021 <sup>1</sup>	March 31, 2022 <sup>1</sup>	June 30, 2022	
Adjusted EBITDA	\$ 10,803	\$ 9,480	\$ 10,190	\$ 10,330	\$ 40,803
End-of-period current debt					6,210
End-of-period long-term debt					129,747
<b>Total End-of-Period Debt</b>					<b>135,957</b>
Less: Cash and Cash Equivalents					4,018
<b>Net Debt Balance</b>					<b>131,939</b>
<b>Annualized Net Debt to Adjusted EBITDA Ratio <sup>2</sup></b>					<b>3.23</b>

<sup>1</sup> As reported in Exhibit 99.4.

<sup>2</sup> Annualized Net Debt to Adjusted EBITDA Ratio of 3.28 when adjusted to remove the impacts for Video and Other dispositions of \$568 and \$4 in the third and fourth quarters of 2021, respectively. Additional information on Standalone AT&T can be found in Exhibit 99.4.

Net Debt to Adjusted EBITDA - 2021					
<i>Dollars in millions</i>					
	Three Months Ended				Four Quarters
	Sept. 30 2020 <sup>1</sup>	Dec. 31, 2020 <sup>1</sup>	March 31, 2021 <sup>1</sup>	June 30, 2021 <sup>1</sup>	
Adjusted EBITDA	\$ 11,642	\$ 10,590	\$ 11,661	\$ 11,931	\$ 45,824
End-of-period current debt					23,975
End-of-period long-term debt					154,006
<b>Total End-of-Period Debt</b>					<b>177,981</b>
Less: Cash and Cash Equivalents					9,924
<b>Net Debt Balance</b>					<b>168,057</b>
<b>Annualized Net Debt to Adjusted EBITDA Ratio</b>					<b>3.67</b>

<sup>1</sup> As reported in Exhibit 99.4.

## Supplemental Operational Measures

We provide a supplemental discussion of our business solutions operations that is calculated by combining our Mobility and Business Wireline operating units, and then adjusting to remove non-business operations. The following table presents a reconciliation of our supplemental Business Solutions results.

Supplemental Operational Measure								
Second Quarter								
	June 30, 2022				June 30, 2021			
	Mobility	Business Wireline	Adjustments <sup>1</sup>	Business Solutions	Mobility	Business Wireline	Adjustments <sup>1</sup>	Business Solutions
<b>Operating Revenues</b>								
Wireless service	\$ 15,004	\$ —	\$ (12,829)	\$ 2,175	\$ 14,346	\$ —	\$ (12,321)	\$ 2,025
Wireline service	—	5,416	—	5,416	—	5,860	—	5,860
Wireless equipment	4,922	—	(4,048)	874	4,590	—	(3,809)	781
Wireline equipment	—	179	—	179	—	192	—	192
<b>Total Operating Revenues</b>	<b>19,926</b>	<b>5,595</b>	<b>(16,877)</b>	<b>8,644</b>	<b>18,936</b>	<b>6,052</b>	<b>(16,130)</b>	<b>8,858</b>
<b>Operating Expenses</b>								
Operations and support	11,697	3,572	(9,585)	5,684	10,906	3,690	(8,953)	5,643
EBITDA	8,229	2,023	(7,292)	2,960	8,030	2,362	(7,177)	3,215
Depreciation and amortization	2,017	1,313	(1,664)	1,666	2,023	1,293	(1,678)	1,638
<b>Total Operating Expenses</b>	<b>13,714</b>	<b>4,885</b>	<b>(11,249)</b>	<b>7,350</b>	<b>12,929</b>	<b>4,983</b>	<b>(10,631)</b>	<b>7,281</b>
<b>Operating Income</b>	<b>6,212</b>	<b>710</b>	<b>(5,628)</b>	<b>1,294</b>	<b>6,007</b>	<b>1,069</b>	<b>(5,499)</b>	<b>1,577</b>

<sup>1</sup> Non-business wireless reported in the Communications segment under the Mobility business unit. Results have been recast to conform to the current period's classification.

Supplemental Operational Measure								
Six-Month Period								
	June 30, 2022				June 30, 2021			
	Mobility	Business Wireline	Adjustments <sup>1</sup>	Business Solutions	Mobility	Business Wireline	Adjustments <sup>1</sup>	Business Solutions
<b>Operating Revenues</b>								
Wireless service	\$ 29,728	\$ —	\$ (25,419)	\$ 4,309	\$ 28,394	\$ —	\$ (24,400)	\$ 3,994
Wireline service	—	10,894	—	10,894	—	11,732	—	11,732
Wireless equipment	10,273	—	(8,500)	1,773	9,576	—	(8,005)	1,571
Wireline equipment	—	341	—	341	—	366	—	366
<b>Total Operating Revenues</b>	<b>40,001</b>	<b>11,235</b>	<b>(33,919)</b>	<b>17,317</b>	<b>37,970</b>	<b>12,098</b>	<b>(32,405)</b>	<b>17,663</b>
<b>Operating Expenses</b>								
Operations and support	23,860	7,054	(19,622)	11,292	21,882	7,378	(18,098)	11,162
EBITDA	16,141	4,181	(14,297)	6,025	16,088	4,720	(14,307)	6,501
Depreciation and amortization	4,076	2,612	(3,362)	3,326	4,037	2,571	(3,356)	3,252
<b>Total Operating Expenses</b>	<b>27,936</b>	<b>9,666</b>	<b>(22,984)</b>	<b>14,618</b>	<b>25,919</b>	<b>9,949</b>	<b>(21,454)</b>	<b>14,414</b>
<b>Operating Income</b>	<b>12,065</b>	<b>1,569</b>	<b>(10,935)</b>	<b>2,699</b>	<b>12,051</b>	<b>2,149</b>	<b>(10,951)</b>	<b>3,249</b>

<sup>1</sup> Non-business wireless reported in the Communications segment under the Mobility business unit. Results have been recast to conform to the current period's classification.

