AT&T Investor Update

4th Quarter Earnings

January 29, 2020

Q4 2019 AT&T 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. Reconciliations between the non-GAAP financial measures and the GAAP financial measures are available on the company's website at https://investors.att.com.

The "quiet period" for FCC Spectrum Auction 103 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.

Important additional Information:

AT&T has filed a Form 8-K reporting the quarterly results for the fourth quarter of 2019. The 8-K must be read in conjunction with this presentation and contains additional important details on the quarterly results.

2019

Accomplished what we set out to do

Met or Exceeded All 2019 Commitments

De-lever to 2.5x net-debt-to-adj-EBITDA	✓ *Reduced net debt to $151B, or ~2.5x* *Retired 56 million common shares in 2019*
Generate $26B in free cash flow	✓ *Record free cash flow of $29B*
Monetize $6-8B in assets	✓ *Overachieved, closed on ~$18B*
Grow adj. EPS in the low-single-digit range	✓ *Adjusted EPS of $3.57, up 1.4%*
Deliver on merger plan and launch DTC	✓ *$700M in synergies; HBO Max unveiled*
Grow wireless service revenues	✓ *Up nearly 2% for full year*
Stabilize Entertainment Group EBITDA	✓ *$10B in 2019 vs. $10B in 2018*
Invest $23B range in capital Investment	✓ *$23.7B gross capital Investment in 2019*
Achieve network leadership	✓ *Best and fastest wireless network*

Foundation for Future Value Creation

Positioned to deliver 3-year plan[1]

- *Grow revenues every year*
- *Improve adj. EBITDA margins 200bps by 2022*
- *Grow adj. EBITDA by ~$6B by 2022*
- *Grow free cash flow to $30-$32B in 2022, with dividend payout < 50%*
- *Adj. EPS of $4.50-$4.80 in 2022*

Capital allocation plan

- *Continued top-tier capital investment in the core business*
- *Retire ~100% of acquisition debt and ~70% of equity issued for TWX transaction*
- *Achieve net-debt-to-adjusted EBITDA ratio of 2.0x – 2.25x by end of 2022*
- *Continued modest annual dividend increases*
- *Portfolio review and continued monetization of non-core assets*
- *No major acquisitions*

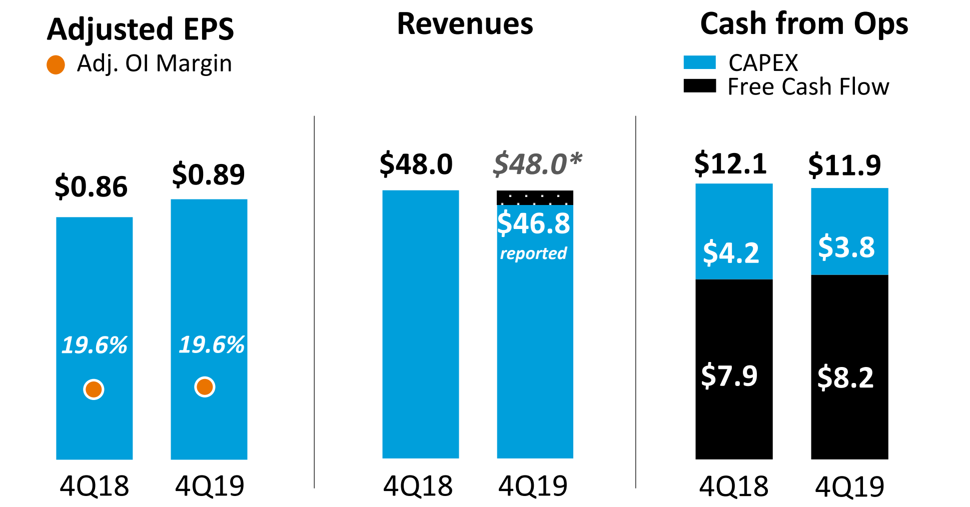
1 Adjustments to 2020 and 2022 EPS include merger-related amortization for the three-year period in the range of $17.0 billion ($6.5 billion range for 2020), a non-cash mark-to-market benefit plan gain/loss, merger integration and other adjustments. We expect the mark-to-market adjustment which is driven by interest rates and investment returns that are not reasonably estimable at this time, to be a significant item. Our 2022 adj. EPS estimate assumes share retirements of approximately 40 cents, new cost initiatives and EBITDA growth in our Mexico operations of a combined 25 cents, WarnerMedia synergies of approximately 20 cents and organic growth opportunities, that we expect to be partially offset by dilution from HBO Max. Our adj. EPS, free cash flow and adj. 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 our non-GAAP metrics and the reported GAAP metrics without unreasonable effort.

4Q19 and 2019 Results

4Q19 and 2019 Financial Summary

$ in billions, except EPS

4Q19

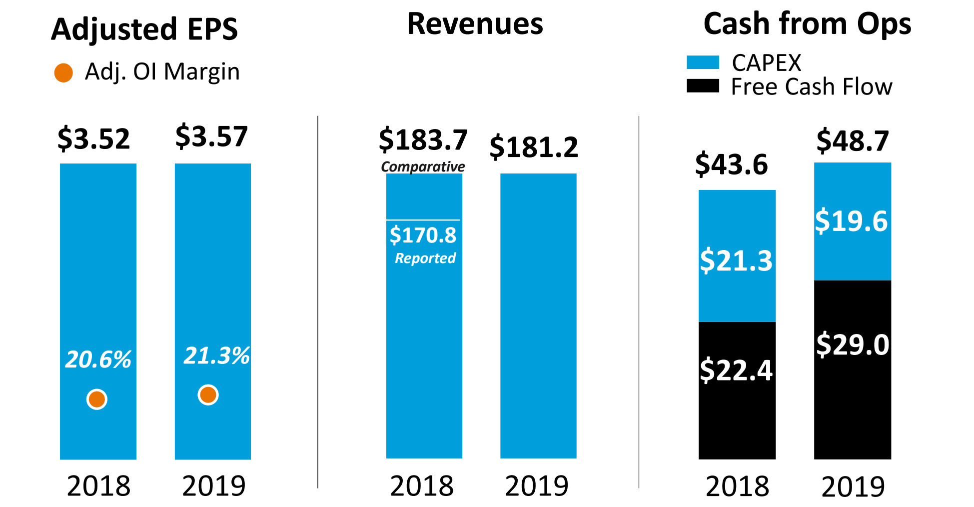


** 4Q19 illustrative revenue excludes impact of foregone content licensing revenue*

	4Q18	4Q19
Reported EPS	**$0.66**	**$0.33**
Adjustments:		
• Actuarial (gain) loss on benefit plans	(0.07)	$0.12
• Amortization of intangibles	$0.25	$0.19
• Asset write-offs[1]	$0.01	$0.16
• Merger integration items	$0.06	$0.04
• Other adjustments[2]	($0.05)	$0.05
Adjusted EPS	**$0.86**	**$0.89**

1 4Q19 Asset write-offs include $0.13 non-cash impact from copper abandonment
2 4Q19 includes $0.03 debt redemption costs and $0.02 severance and other costs

2019 Full-Year Highlights



Adjusted EPS of $3.57, up 1.4% year over year
Full-year adjusted operating income margin up 70bps

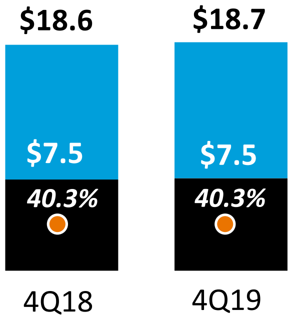
2019 revenues of $181.2 billion, down ~1% on a comparative basis
4Q19 revenues reflect ~($1.2B) impact from foregone content licensing

Record free cash flow of $29 billion, up 30%
Year-end net-debt-to-adjusted-EBITDA ratio of ~2.5x

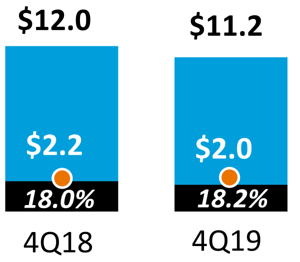
4Q19 Communications Segment

$ in billions REVENUES EBITDA
EBITDA MARGIN

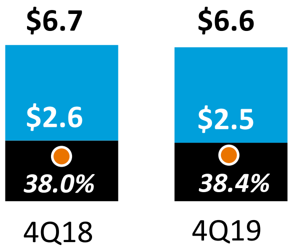
Mobility



Entertainment Group



Business Wireline



Wireless service revenues drive EBITDA growth

Service revenues up nearly 2% for 4Q19 and full year

FirstNet network deployment more than 75% completed

229,000 postpaid phone net adds in 4Q19

Full-year Entertainment Group EBITDA stable with 2018

Video and IPBB volumes impacted by roll-off of heavily discounted plans

191,000 Fiber net adds, nearly 4 million Fiber subscribers

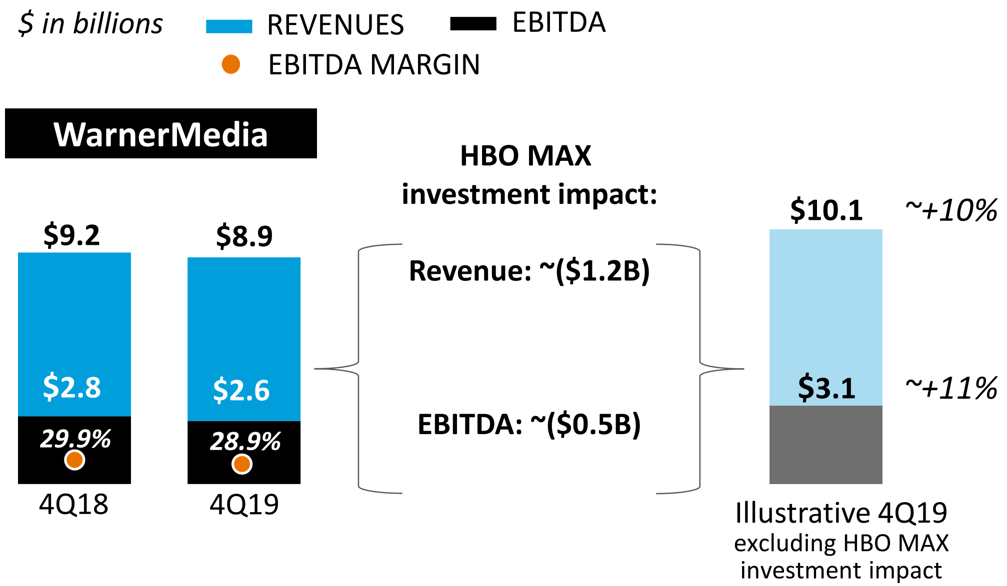
945,000 premium video subscriber net losses; sequential improvement of 218,000

Business Wireline EBITDA margin improved

Revenue trend improvement continued with sequential revenue growth of $86 million

4Q19 strategic and managed services revenues grew 3%; ~60% of Business Wireline revenues

4Q19 WarnerMedia Segment

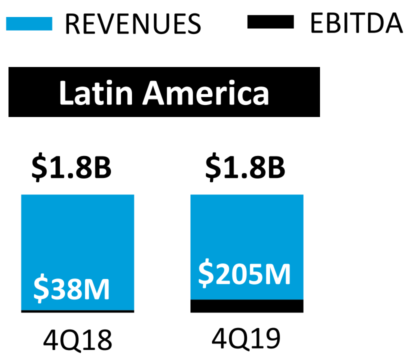


Turner and Home Box Office revenue gains help offset lower Warner Bros. revenues
(Revenues grew +1.6% at Turner and +1.9% at Home Box Office)

Warner Bros. results reflect impact from foregone revenues from HBO Max investment and comparison to strong 4Q18 film slate

6 Golden Globe® awards and 12 Academy Award® nominations

4Q19 Latin America Segment



Mexico reaches positive EBITDA

Mexico EBITDA improved ~$200 million YOY in 4Q19; improved $300 million for FY19

Wholesale wireless agreement signed with Telefonica in 4Q19

Vrio shows continued profitability and positive cash flow

2020 Operating Plan

2020 Operating Plan

2020 Objectives

- Continue Mobility momentum
- Launch HBO MAX and deliver on merger synergies
- Grow broadband revenues and simplify video products
- Improve operational efficiencies

2020 Performance Objectives – Mobility

Mobility momentum expected to drive revenue growth and profitability

Network leadership – Tops in quality, capacity, and speeds

- Nation’s best and fastest wireless network
- Industry-leading low-/mid-band spectrum position
- Nationwide 5G by mid-year
- FirstNet build coverage target: 80% complete by mid-year

Wireless service revenue growth gains continue

- Postpaid and prepaid subscriber growth – nearly 1 million phone net adds in 2019
- FirstNet expansion – 10,000+ agencies and more than 1 million connections
- Higher adoption of unlimited plans - just over 50% today

5G device adoption to drive upgrade cycle

- Expect higher upgrade rates and equipment revenue growth
- Opportunity to distribute HBO Max

2020 Performance Objectives – WarnerMedia – HBO Max

HBOmax

Highest quality, premium SVOD that appeals to a wide demographic

- High-quality content that is culturally relevant
- HBO award recognition further strengthens the HBO Max offering
- Investment in content expands demographic appeal

Launches in May 2020

- Discussions with potential distribution partners underway – both digital and MVPD
- 10M+ AT&T HBO subscribers to be offered immediate access

Advantages of combined media and distribution

- AT&T distribution channels drive incremental HBO MAX adoption
- Bundling HBO Max with premium-tiered wireless/broadband/video offers
- Data will be available to WarnerMedia for advertising analytics and curation

2020 Performance Objectives – Entertainment Group

Focus on Fiber growth and product simplification

Increase AT&T Fiber penetration and grow broadband revenues

- AT&T Fiber passes ~14 million customer locations
- Opportunity to drive penetration higher
- Bundling with better video options to accelerate adoption

Simplify video offerings and transition to software-delivered architecture

- Video strategy now focused on AT&T TV and HBO Max
- Video subscriber losses peaked in 2019; expect subscriber trends to improve throughout 2020
- Momentum improves with product simplification and bundling opportunity

2020 Performance Objectives – Efficiency and Cost Initiatives

EBITDA growth helped by incremental cost-reduction plan

Operational efficiencies and labor productivity gains

- Continued 6-8% annual cost improvements in technology operations
- Incremental 4% cost reduction across the company
    - ~$1.5B in labor-related savings in 2020
    - 50% identified and implemented

Product and Information Technology rationalization

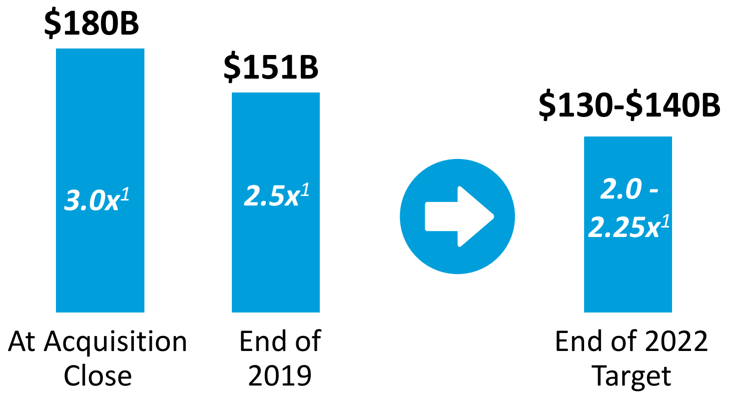
- Identified $2 billion of annual run-rate efficiencies by end of 2022
- Thinning product portfolio and simplifying offers
- Modernizing information technology
- Rationalizing call centers and enhancing customer self-support

Our assessment work continues

Capital Allocation and 2020 Financial Guidance

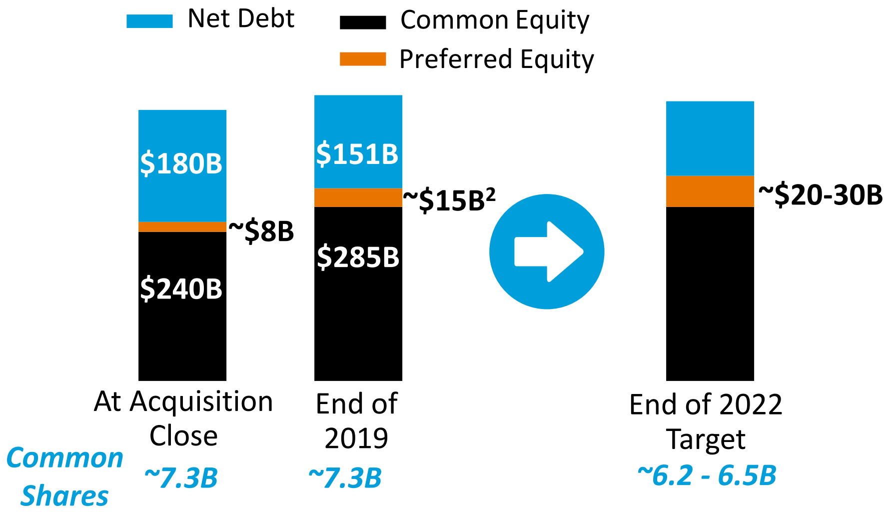
Capital Allocation Update

Net Debt



1 Net debt-to-adjusted-EBITDA ratio

Capital Stack



2 Consists of ~$8B Mobility preferred interest held by pension plan; $6B preferred interest in tower receivables; $1.2B AT&T Inc retail preferred equity

Strengthened balance sheet in 2019; building an optimal capital structure

Record free cash flow of $29B

Monetized ~$18 billion of assets (net)

Issued preferred equity to monetize assets and diversify, including:

- $6B monetization of long-term, end-of-lease tower purchase options
- $1.2B retail preferred equity issuance

~2.5x net-debt-to-adjusted EBITDA ratio at end of 2019

Reduced net debt by ~$30B since acquiring Time Warner

Share retirement program underway

56 million common shares retired in 2019; 85 million retired in January 2020

$4B Accelerated Share Repurchase in 1Q20

2020 Goal: 250 million+ common shares

Future capital stack to include additional preferred equity

Exploring future preferred equity issuances for diversification at attractive rates

2020 Consolidated Guidance

1-2% revenue growth; adj. EPS of $3.60 - $3.70*; stable adj. EBITDA margins

Share retirements, HBO Max investment and 5G device adoption impact quarterly timing

Free cash flow in $28B range with dividend payout ratio in low 50s%

Net-debt-to-adj. EBITDA ratio temporarily impacted during the year by timing of funding for share retirements

Gross capital investment in $20B range

~$1B in FirstNet reimbursement expected in 2H2020

Robust capital return with continued debt paydown

Target share retirement of 250 million+ common shares
Net asset monetizations of $5-10B

** See footnote on slide 4*

Q&A

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