



AT&T CFO Updates Shareholders at Bank of America Media, Communications and Entertainment Conference

DALLAS, September 7, 2022 — Pascal Desroches, senior executive vice president and chief financial officer, [AT&T](#)* Inc. ([NYSE:T](#)), spoke today at the Bank of America Media, Communications and Entertainment Conference where he provided an update to shareholders.

Desroches reiterated that AT&T continues to take a disciplined and return-focused approach to growth and investment and made the following points:

- The company continues to add customers in its strategic focus areas of 5G and fiber. Overall industry postpaid phone volumes remain healthy, and AT&T has continued to see solid demand with continued low postpaid phone churn. In addition, AT&T's consistent, disciplined and simple go-to-market approach continues to attract high-value customers. Desroches indicated that the impacts of recent pricing action on churn are within AT&T's expected range and the company continues to expect that the pricing changes will be accretive in the back half of the year.
- AT&T continues to expand its fiber footprint and has the ability to serve 18 million customer locations in more than 100 metro areas with AT&T Fiber. Desroches shared he's pleased with the increasing penetration rates for new fiber build. As AT&T expands to new markets, the company has seen first-year penetration rates about two times greater than historical norms.
- Desroches noted that AT&T is not seeing any material incremental shift in its cash collection cycles, which are within the company's expectations and largely consistent with normal pre-pandemic levels.
- While the current macroeconomic environment has reduced visibility into economic trends going into next year, Desroches reiterated expectations for improved cash conversion in 2023 compared to 2022. Factors driving the company's outlook for improved cash conversion include expectations for better service revenue levels exiting 2023 — from both a larger customer base and higher ARPUs — lower interest costs and the benefits from continued transformation savings.
- Expectations for improved cash conversion off this year's free cash flow guidance of the \$14 billion range provide more than sufficient financial



flexibility to meet AT&T's financial obligations – including its annual dividend commitment of \$8 billion, or \$1.11 per common share – even after factoring in the company's above historical capital investment levels.

***About AT&T**

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Cautionary Language Concerning Forward-Looking Statements

Information set forth in this news release 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 news release based on new information or otherwise.

This news release 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>.

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