



## **AT&T CFO Updates Shareholders at Morgan Stanley European Technology Media & Telecom Conference**

DALLAS, November 17, 2022 — Pascal Desroches, senior executive vice president and chief financial officer, [AT&T\\* Inc. \(NYSE:T\)](#), spoke today at the Morgan Stanley European Technology, Media & Telecom 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 has continued to add customers in its strategic focus areas of 5G and fiber as customer demand for connectivity services remains healthy. While the company continues to monitor the evolving economic backdrop, Desroches feels confident in the ongoing benefits of AT&T's simplified business model as a pure play connectivity provider. He believes AT&T's consistent go-to-market approach, along with an improved customer experience, continues to attract high-value customers.
- Desroches highlighted that the company is now lapping investments made over the past two years and realizing additional cost savings from its transformation initiatives to enhance its high-performing workforce, optimize and expand connectivity networks and improve distribution.
- Though the company remains vigilant around inflationary pressures impacting all elements of the economy, the benefits of its cost reduction measures are increasingly falling to the bottom line, as evidenced by AT&T's accelerating third quarter adjusted EBITDA growth. In addition, Desroches shared that he feels good about the resilient nature of AT&T's connectivity services, and that pricing actions are proving accretive and performing slightly better than anticipated.
- Desroches said that AT&T Fiber continues to deliver the best customer experience in the marketplace and he's pleased with the momentum in AT&T Fiber's ARPU and penetration rates for new fiber build. As AT&T expands to new markets, the company has seen AT&T Fiber first-year penetration rates about two times greater than historical norms. AT&T continues to expand its fiber footprint and has the ability to serve 18.5 million consumer locations and 3.0 million business locations in more than 100 metro areas with fiber. Desroches added that AT&T expects to achieve its target of 30 million-plus locations with fiber by the end of 2025.



- Additionally, AT&T is continuously exploring ways to expand where it can serve customers fiber, including outside of its traditional wireline service area. Desroches said that when AT&T Fiber is available, the company has also seen an uplift in subscriber penetration. Regardless of location, AT&T will target areas not currently widely served with fiber and that offer attractive returns. Fiber deployments also support AT&T's wireless business.
- Desroches shared that AT&T expects to invest at record levels this year to meet growing demand for core connectivity, while also meeting free cash flow guidance for the year in the \$14 billion range and continuing to pay an attractive dividend. Desroches reiterated that AT&T expects elevated levels of capital investment in 2022 and 2023 with moderated investment beginning in 2024. The company remains focused on investing in building a sustainable and durable connectivity operation with improved cash generation and continues to be pleased with the return profile of its fiber and 5G investments.
- Desroches indicated that the company's long-term capital allocation priorities remain unchanged, 95% of the company's debt is fixed and that he continues to expect AT&T will use cash after dividends to reduce debt, with a goal of reducing net debt-to-adjusted EBITDA to the 2.5x range.

#### **\*About AT&T**

We help more than 100 million U.S. families, friends and neighbors, plus nearly 2.5 million businesses, connect in meaningful ways every day. From the first phone call 140+ years ago to our 5G wireless and multi-gig internet offerings today, we @ATT innovate to improve lives. For more information about AT&T Inc. (NYSE:T), please visit us at [about.att.com](https://about.att.com). Investors can learn more at [investors.att.com](https://investors.att.com).

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