



AT&T CFO Updates Shareholders at Citi Media & Entertainment Conference

DALLAS, January 4, 2023 — Pascal Desroches, chief financial officer, [AT&T](#)* Inc. ([NYSE:T](#)), spoke today at the Citi Media & Entertainment Conference where he provided an update to shareholders.

Desroches made the following points:

- The company continues to focus its efforts on driving solid growth in 5G and fiber services, driven by continued high demand for connectivity. While the company does not expect wireless industry growth levels to mirror those experienced in 2021 or the first half of 2022, Desroches indicated that demand remains healthy. The company continues to see solid demand levels via its consistent go-to-market approach despite opting not to be as promotional as peers during the recent holiday selling season.
- Looking ahead to 2023, Desroches said he expects the company to maintain its focus on growing customer relationships in a disciplined manner, proactively reducing costs and remaining deliberate in its capital allocation. He said that 2022 and 2023 are expected to be peak years for capital investment as the company continues to invest in 5G and fiber. AT&T remains focused on achieving its 2.5x net debt-to-adjusted EBITDA target and expects to use cash after dividends to reduce debt until that time.
- AT&T plans to provide detailed 2023 guidance when it announces earnings later this month. Desroches indicated he expects 2023 free cash flow growth to be supported by wireless revenue growth from a bigger postpaid phone base with increasing ARPUs; growth in fiber subscribers, ARPUs and revenues; and the benefits of ongoing cost transformation initiatives, which are expected to increasingly support the company's profitability. Expected offsets to these trends include expected higher cash taxes and lower cash distributions from DIRECTV.
- Desroches reiterated AT&T's commitment to its target of 30 million-plus fiber locations, including business locations, by the end of 2025. The company ended the third quarter of 2022 with the ability to serve 18.5 million consumer locations and approximately 3 million business customer locations with fiber. The company's recently announced Gigapower joint venture gives it an opportunity to expand fiber coverage by an initial 1.5



million incremental locations and provides additional flexibility to further expand its out-of-network footprint over time.

***About AT&T**

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