



## **AT&T CFO Updates Shareholders at Credit Suisse Conference**

DALLAS, Jun 14, 2022 — Pascal Desroches, senior executive vice president and chief financial officer, [AT&T Inc.\\* \(NYSE:T\)](#), spoke today at the Credit Suisse Annual Communications Conference where he provided an update to shareholders.

Desroches reiterated that AT&T has taken a disciplined approach to growth and investment and made the following points:

- The company continues to grow customer relationships in its strategic focus areas of 5G and fiber. Desroches said the company continues to see healthy consumer demand even with continued expectations that 2022 postpaid wireless industry demand is unlikely to replicate 2021 levels. AT&T continues to successfully attract high-value customers with its consistent, simple go-to-market strategy.
- Desroches remains comfortable that the company can deliver improving postpaid phone ARPU trends in 2022. He noted that postpaid phone ARPU could in fact edge up sequentially in the second quarter.
- Desroches also reiterated expectations for gradual improvement in year-over-year mobility EBITDA trends through the course of 2022. Following a more pronounced impact in the second quarter, the revenue and EBITDA impacts of the previously announced 3G network shutdown and the absence of approximately \$100 million in CAF II and FirstNet related reimbursements are expected to be more than mitigated in the back half of year by organic service revenue growth and the lapping of 3G shutdown costs comparisons in the second half of 2021.
- AT&T's fiber build progress continues with expectations to achieve 30+ million customer locations by 2025. Desroches noted that AT&T is acquiring new customers and seeing strong penetration rates thanks to a straightforward go-to-market approach.
- Desroches shared that the company continues to work with state and local government municipalities across the country to provide affordable broadband connectivity to low-income customers through the Affordable



Connectivity Program. Over time, the company believes these efforts can help provide internet for all Americans and expand the total addressable market for broadband access. Additionally, Desroches indicated that any federal funding in support of the company's fiber buildout would be deployed to expand its network to additional customer locations, representing potential upside above AT&T's existing guidance.

- AT&T continues to work through its business wireline portfolio rationalization process and focus its efforts on core transport and connectivity solutions. Desroches noted that the company has yet to see a recovery in government sector demand trends which impacted the business during the first quarter.
- With regard to the macroeconomic environment, Desroches said that the company considered a higher-than-typical level of inflation when setting 2022 budget. The company's recent pricing increases were a response to higher-than-expected inflation trends. Additionally, the company has opportunities to address the impacts of inflation with its ongoing cost savings initiative, which is expected to reach a run rate of \$4+ billion by the end of this year.
- Desroches stated the company feels good about its financial flexibility, does not plan to issue any debt in the near-term and remains focused on its goal of achieving a net debt-to-adjusted EBITDA ratio in the 2.5x range by the end of 2023.

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

We help more than 100 million U.S. families, friends and neighbors 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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