

Company Report – Research Update

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AT&T Inc. (T-US, \$16.89)

Diversified Telecommunication

- We reiterate our Buy rating on AT&T and maintain our 12-month target price of \$29 as the ongoing buildout of its advanced, diversified high-speed connectivity network driving its portfolio of resilient businesses is driving a reacceleration of long-term growth in revenue, cash flow, and profitability.
- AT&T's ongoing 5G and fiber network and broadband rollout and adoption continue to drive subscriber growth and positive Business Performance trends.
- AT&T will increasingly leverage its 5G high-speed fiber network to drive ongoing subscriber growth and further enhance value-added services, including its Edge Computing capabilities.
- AT&T will leverage its nationwide wireless sales capabilities to sell fiber services to customers in new Gigapower territories.
- AT&T's strategic capital allocation, including ongoing investment in strategic growth initiatives and debt reduction combined with targeted cash flow-driven dividend payout, will drive increasing shareholder value creation.

Research

(646) 780-8880

research@tigressfp.com**Trading**

(646) 780-8890

trading@tigressfp.com**Tigress Financial Partners LLC**

Member of FINRA/MSRB/SIPC/NYSE
410 Park Avenue
New York, NY 10022
(212) 430-8700
www.tigressfinancialpartners.com

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Company Note
AT&T Inc. (T-US)
 Diversified Telecommunication

Ivan Feinseth
 Director of Research
 (646) 780-8901 Direct
ifeinseth@tigressfp.com

Research Action:

Reiterate rating

Current Rating: Buy

Prior Rating: Buy

Current Target Price: \$29.00

Prior Target Price: \$29.00

Price 04/30/2023: \$16.89

52 Week High / \$18.16

Low: \$13.43

Key Data: (TTM as of Mar-24)
Excess Cash per Share: N/A

Annual Dividend: \$1.11

Dividend Yield: 6.52%

Avg. Volume (30 Day): 40.9M

Shares Outstanding: 7,152.8M

Float: 7,144.7M

Short Interest: 82.7M

SI % / Float 1.16%

Equity MV: \$121,740.5M

Sales TTM: \$122,317.0M

Beta: 0.29

EBITDAR: \$47,679.4M

NOPAT: \$18,038.6M

Total Invested Capital: \$334,864.6M

Return on Capital: 5.41%

Cost of Capital: 5.60%

Economic Profit: (\$635.6)M

Market Value Added: (\$43,934.7)M

Current Operations Value: \$322,261.5M

Future Growth Value:

(\$31,331.6)M

- We reiterate our Buy rating on AT&T and maintain our 12-month target price of \$29 as the ongoing buildout of its advanced, diversified high-speed connectivity network driving its portfolio of resilient businesses is driving a reacceleration of long-term growth in revenue, cash flow, and profitability.** AT&T continues to build out an advanced diversified connectivity portfolio of increasingly resilient businesses and drive long-term growth. AT&T is experiencing early success with its recently introduced AT&T Internet Air, its targeted fixed wireless service, as it ramps up network coverage and rolls out its Internet Air for Business. AT&T reported Q1 revenue decreased 0.4% Y/Y to \$30.0 billion. Mobility revenues increased 0.1% to \$20.59 billion. Service revenues increased 3.3% to \$15.99 billion. Equipment revenues decreased 9.8% to \$4.60 billion. Business Wireline revenues decreased 7.8% to \$4.91 billion, reflecting lower demand for legacy voice and data services and product simplification. Consumer Wireline revenues increased 3.4% to \$3.35 billion, driven by growth in broadband revenues, which increased 7.7% to \$2.72 billion, reflecting fiber revenue growth, which increased 19.5%. AT&T currently has 349K postpaid phone net adds with an expected industry-leading postpaid phone churn of 0.72%. AT&T saw 252K AT&T Fiber net adds, making 1Q the 17th consecutive quarter of 200K+ net adds. Consumer broadband revenue increased 7.7% to \$2.7 billion, and 27.1 million consumer and business locations are now connected to its fiber network. AT&T is on track to achieve over \$2 billion in run-rate cost savings by mid-2026, primarily driven by the increased use of AI to reduce costs and improve customer experiences. AT&T continued to enhance the largest wireless network in North America and expand the most reliable 5G network: the mid-band 5G spectrum now covers 210 million+ people, achieving the company's end-of-year target. AT&T grew the nation's largest fiber network, which now has 27 million+ consumer and business locations, and is on track to pass 30 million+ locations with fiber by the end of 2025. AT&T continues to develop software-defined and AI-driven solutions on top of its connectivity, collaborating with leading Cloud and Edge computing value-added partners. AT&T is well-positioned to gain from solid subscriber growth across its key business lines, including wireless, increasing subscribers to its FirstNet first responder network, ongoing broadband buildout, and an expanded 5G-enabled Edge computing solutions offering. AT&T also continues to improve its capital allocation and management through its ongoing debt reduction process. Accelerating cash flow growth drives gains in Return on Capital, driving greater Economic Profit growth and greater shareholder value creation. We believe significant upside exists from current levels, and our \$29 target price combined with dividends represents a potential 12-month return of over 70% from current levels.

Tigress Financial Partners LLC - Member of FINRA/MSRB/SIPC/NYSE
Research: (646) 780-8880 research@tigressfp.com

 410 Park Avenue New York NY, 10022 (212) 430-8700 www.tigressfinancialpartners.com

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- **AT&T's ongoing 5G and fiber network and broadband rollout and adoption continue to drive subscriber growth and positive Business Performance trends.** For the 12 months ending March 2024, Net Sales Revenue increased 0.95% Y/Y from \$121.17 billion to \$122.43 billion. We forecast a further increase of 1.86% to \$124.59 billion over the NTM. Economic Operating Cash Flow (EBITDAR) increased 15.40% Y/Y from \$41.32 billion to \$47.68 billion over the LTM. We forecast a further increase of 5.57% to \$45.83 billion over the NTM. Net Operating Profit After Tax (NOPAT) increased 1.97% Y/Y, from \$17.69 billion to \$18.04 billion over the LTM. We forecast a further increase of 16.51% to \$21.020 billion over the NTM. Return on Capital (ROC) increased from 4.29% to 5.41% over the LTM. We forecast a further increase to 6.25% over the NTM. Economic Profit (EP) increased 88.41% Y/Y from a loss of \$5.48 billion to a loss of \$635.6 million over the LTM. We forecast a significant increase of 409.78% to \$1.97 billion over the NTM as AT&T begins to earn a return above its Cost of Capital, driving a significant acceleration in shareholder value creation. Our 12-month target price of \$29 per share is based on an equity value multiple of just over four times our forward 12-month EBITDAR expectations of \$50.33 billion, which we project will increase 5.57% over the NTM and a multiple of just over ten times our forward 12-month NOPAT expectations of \$21.02 billion which we project to increase 16.51% over the NTM. Our multiples and growth rates are well supported by AT&T's ability to drive increasing growth and yield from ongoing investments in its high-speed wireless and wireline infrastructure that will continue to drive further increases in EBITDAR and NOPAT and, along with ongoing balance sheet optimization, will drive an increasing Return on Capital (ROC).
- **AT&T will increasingly leverage its 5G high-speed fiber network to drive ongoing subscriber growth and further enhance value-added services, including its Edge Computing capabilities.** AT&T has grown into the nation's largest consumer fiber network and is on track to exceed 30 million fiber locations by the end of 2025. Computing power and connectivity will continue to drive enhanced Edge computing capabilities to provide greater application functionality and connectivity. Edge computing will drive the ongoing evolution of autonomous vehicle technology, drone use, robotics applications for robotaxis and transportation, delivery and field connectivity, and all types of manufacturing, retail, and entertainment, along with customer and workforce management. AT&T has also invested in and partnered with satellite-based 5G cellular broadband service provider AST SpaceMobile (ASTS-US, Non-Rated) as it begins to build a satellite-based alternative to land-based cellular networks, increasing coverage to areas underserved by ground-based networks. In December 2023, AT&T closed a five-year contract worth about \$14 billion with Ericsson (ERIC-US, Non-Rated) to modernize its network infrastructure. AT&T will leverage Ericsson

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technology to deploy a commercial-scale open radio access network (Open RAN) nationwide to help build a more robust ecosystem of network infrastructure providers and suppliers. In 2022, AT&T formed a joint venture with BlackRock (BLK-US, Non-Rated), GigaPower, providing a best-in-class fiber network to ISPs (Internet Service Providers) and other enterprises in the U.S., serving customers outside of AT&T's traditional 21 state wireline service footprint with offering advanced fiber access technologies.

- **AT&T will leverage its nationwide wireless sales capabilities to sell fiber services to customers in new Gigapower territories.** AT&T continues to leverage its high-speed 5G network through the recently announced partnership with NVIDIA (NVDA-US, Buy Rated), enabling high-speed gaming and further enhancing the speed of its GeForce NOW subscription gaming platform that leverages NVIDIA's hosted high-speed GPU platform and AT&T's high-speed 5G network, enabling gaming on lower power devices, including smartphones and tablets. AT&T's high-speed network and expanded Edge computing capabilities will support all types of local and wide area networks and further enhance cloud and hybrid cloud computing capabilities and access. AT&T's Multi-access Edge Compute (MEC) solution provides more efficient and high-speed data traffic management. AT&T's MEC leverages SDN (Software-Defined Network) technology, enabling low latency, high-speed, high-bandwidth applications for faster access to data. In addition, AT&T will incorporate increasing ML and AI applications to manage and optimize an increasing number of connected devices and the real-time distribution of data and computing power.
- **AT&T's strategic capital allocation, including ongoing investment in strategic growth initiatives and debt reduction combined with targeted cash flow-driven dividend payout, will drive increasing shareholder value creation.** AT&T's projected \$50.33 billion Economic Operating Cash Flow (EBITDAR) generation over the NTM will continue to drive its ability to fund new growth initiatives along with ongoing investments in its 5G network, its broadband infrastructure, and most importantly, additional C-Band spectrum and ongoing network deployment. AT&T continues to expand its 5G network and now covers 210 million people in the mid-band 5G spectrum, reaching its end-of-year target. It is on track to exceed 30 million fiber locations by the end of 2025. AT&T's capital investment in the most recent quarter was \$5.6 billion and should continue at a run rate of about \$20 billion per year. AT&T expects 2024 capital investment to be in a range of \$21-\$22 billion as it continues to invest in its 5G and fiber networks and decline in subsequent years and should experience significant increasing returns on its capital investments. AT&T is also well positioned to receive significant Broadband Equity, Access, and Deployment (BEAD) funding in a public/private partnership. In addition, its GigaPower joint venture with BlackRock provides a state-

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of-the-art fiber network to an initial eight new areas and collaborated with AST SpaceMobile to achieve the world's first direct voice call from space between unmodified 4G LTE smartphones connected via low-earth orbit satellites to further help fund the ongoing buildout of its network while it continues to strengthen its balance sheet and reduce debt. AT&T continues to benefit from improved affordability for Internet access through the Affordable Connectivity Program (ACP). AT&T also continues to improve its capital allocation and management through its ongoing debt reduction process, reducing its debt by \$3 billion in the recent quarter, with 95% of its debt at a fixed rate of 4.2% and a weighted average maturity of 16 years.

Investment Thesis

AT&T is experiencing a turn in cash flow generation driven by its focus on core wireless and broadband business communication services, and its ability to leverage its broad product portfolio of wireless and wireline services will drive increasing recurring revenue and greater overall growth in revenue, EBITDAR, and NOPAT. The completion of the spin-off of WarnerMedia refocuses AT&T on its core communications business lines as it restructures its balance sheet and focuses on creating shareholder value by leveraging its communications network infrastructure. The ongoing domestic and international rollout of its high-speed 5G network will drive increasing connectivity on AT&T's Internet of Things (IoT) platform, including the connected car and the connected home, along with home monitoring and security. A refocus on organic communication subscriber growth will drive gains in Return on Capital (ROC), driving greater Economic Profit growth, and greater shareholder value creation. The post-WarnerMedia transaction dividend strategy targets a 40%+ payout ratio, which will continue to provide an attractive dividend yield and total return.

Target Price Calculation

Our 12-month target price of \$29 per share is based on an equity value multiple of just over four times our forward 12-month EBITDAR expectations of \$50.33 billion, which we project will increase 5.57% over the NTM and a multiple of just over ten times our forward 12-month NOPAT expectations of \$21.02 billion which we project to increase 16.51% over the NTM. Our multiples and growth rates are well supported by AT&T's ability to drive increasing growth and yield from ongoing investments in its high-speed wireless and wireline infrastructure that will continue to drive further increases in EBITDAR and NOPAT and, along

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with ongoing balance sheet optimization, will drive an increasing Return on Capital (ROC).

Company Overview

AT&T, Inc. (T-US) is one of the world's leading communications service providers, offering a wide range of business and communications services that include wireless, local exchange and long-distance telecommunications services, data and broadband managed networks, internet access, wholesale telecommunications service access, directory advertising and publishing, and cloud-hosted services. AT&T markets and sells its communications services and products under the AT&T, Cricket, AT&T PREPAID, AT&T TV, and AT&T Fiber brand names. AT&T owns wireless spectrum licenses across the entire U.S. and all of its territories. AT&T also provides wireless and mobile broadband services in over 200 countries. AT&T markets directly to businesses and consumers and operates its own retail stores, selling mobile communication equipment and services.

In July 2021, AT&T completed its transaction with TPG to form a new company named DIRECTV, which is jointly governed by a board with representation from both AT&T and TPG. AT&T received approximately \$7.17 billion from DIRECTV. In November 2021, AT&T completed the sale of its Latin America video operations, Vrio, to Grupo Werthein. In April 2022, AT&T completed the spin-off of WarnerMedia, which it acquired in 2018, with AT&T shareholders receiving 0.242 shares of Warner Brothers Discovery (WBD-US, Non-Rated), leaving AT&T as a pure-play wireless and wireline company with compelling subscription revenue opportunities across its network. In November 2005, SBC acquired AT&T and adopted the AT&T name, and then the combined company acquired BellSouth Corp. in December 2006 and spun out its Directories business in May 2012. The company acquired Mexican wireless telecoms Iuscell and Nextel Mexico in January 2015. AT&T was founded as the American Telephone and Telegraph Company in 1885 as a subsidiary of Bell Telephone. AT&T is headquartered in Dallas, TX.

AT&T operates and reports revenue in four Business Segments:

Communications - Mobility: (69% of revenue) provides nationwide wireless service and high-speed Internet over wireless devices to consumer, business, and wholesale subscribers located in the U.S. and its territories. AT&T's network also provides mission-critical connectivity to America's first responders through FirstNet, its nationwide high-speed wireless broadband communications platform dedicated to and purpose-

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built for America's first responders and the extended public safety community.

Communications - Business Wireline: (17% of revenue) provides advanced IP-based services to business customers, including traditional data services. AT&T Business serves nearly 2.5 million customers, from the largest global companies and government agencies to small businesses. AT&T Business Wireline provides fiber connectivity to over 800K U.S. commercial buildings, enabling high-speed fiber connections to approximately 3.3 million U.S. business customer locations, including more than 10 million business customer locations located within proximity of its fiber network.

Communications - Consumer Wireline: (11% of revenue) provides broadband internet, including AT&T Fiber, and voice communication services primarily to residential customers.

Latin America - Mexico: (3% of revenue) provides wireless service and equipment to customers in Mexico. AT&T is the fastest-growing wireless provider in Mexico, transforming telecommunications across the country and helping accelerate the closing of the digital divide. AT&T's 4G LTE network in Mexico covers over 100 million people and businesses and offers a seamless, cross-border North American wireless network.

AT&T reports its revenue in six Geographic Regions: United States (96% of revenue), Mexico (3% of revenue), Asia/Pacific Rim (<1% of revenue), Europe (<1% of revenue), Latin America (<1% of revenue), and Other (<1% of revenue).



Company Report – Research Update

AT&T Inc. (T-US)

Diversified Telecommunication

Financial Data

Report Basis	LTM	LTM	LTM	LTM	LTM	LTM	LTM	NTM	5 Yr	3 Yr	Current
Reported Period Ending	03/31/2019	03/31/2020	03/31/2021	03/31/2022	03/31/2023	03/31/2024	03/31/2025		Average	Average	Trend
Net Sales Revenue	\$177,594.0	\$179,217.0	\$172,920.0	\$163,030.0	\$121,168.0	\$122,317.0	\$124,590.0	\$151,730.4	\$135,505.0	\$123,453.5	
Sales Growth	11.54%	0.91%	-3.51%	-5.72%	-25.68%	0.95%	1.86%	-6.61%	-10.15%	1.40%	
Sales Growth Trend	6.09%	5.16%	-1.74%	-4.84%	-17.69%	-9.70%	1.49%	-5.76%	-10.74%	-4.10%	
Economic Operating Cash Flow (EBITDAR)	\$58,349.3	\$66,924.5	\$57,190.4	\$45,502.6	\$41,317.7	\$47,679.4	\$50,334.4	\$51,722.9	\$44,833.2	\$49,006.9	
EBITDAR Margin	32.86%	37.34%	33.07%	27.91%	34.10%	38.98%	40.40%	34.28%	33.66%	39.69%	
EBITDAR Growth	10.08%	14.70%	-14.54%	-20.44%	-9.20%	15.40%	5.57%	-2.82%	-4.75%	10.48%	
Net Operating Profit Before Tax (NOPBT)	\$23,411.3	\$33,007.5	\$24,191.4	\$17,547.6	\$17,690.7	\$22,909.4	\$26,705.0	\$23,069.3	\$19,382.6	\$24,807.2	
NOPBT Margin	13.18%	18.42%	13.99%	10.76%	14.60%	18.73%	21.43%	15.30%	14.70%	20.08%	
NOPBT Growth	-1.64%	40.99%	-26.71%	-27.46%	0.82%	29.50%	16.57%	3.43%	0.95%	23.03%	
Cash Operating Income Tax	\$4,430.1	\$6,430.3	\$7,983.2	\$3,577.5	\$0.0	\$4,870.8	\$5,688.2	\$4,572.4	\$2,816.1	\$5,279.5	
Economic Tax Effective Rate	18.92%	19.48%	33.00%	20.39%	0.00%	21.26%	21.30%	18.83%	13.88%	21.28%	
Net Operating Profit After Tax (NOPAT)	\$18,981.2	\$26,577.1	\$16,208.2	\$13,970.1	\$17,690.7	\$18,038.6	\$21,016.8	\$18,497.0	\$16,566.5	\$19,527.7	
NOPAT Margin	10.69%	14.83%	9.37%	8.57%	14.60%	14.75%	16.87%	12.42%	12.64%	15.81%	
NOPAT Growth	-51.24%	40.02%	-39.01%	-13.81%	26.63%	1.97%	16.51%	3.16%	4.93%	9.24%	
Cash & Equivalents	\$8,133.0	\$11,631.0	\$12,832.0	\$39,933.0	\$4,156.0	\$3,520.0	\$3,590.0	\$14,414.4	\$15,869.7	\$3,555.2	
Total Assets	\$548,384.0	\$545,354.0	\$546,985.0	\$577,195.0	\$400,873.0	\$399,428.0	\$407,416.6	\$493,967.0	\$459,165.3	\$403,422.3	
Non - Interest Bearing Liabilities (NIBLs)	\$152,906.0	\$156,872.0	\$154,548.0	\$155,337.0	\$131,018.0	\$126,690.0	\$129,223.8	\$144,893.0	\$137,681.7	\$127,956.9	
Net Assets	\$385,639.0	\$370,812.0	\$374,846.0	\$404,338.0	\$260,905.0	\$256,683.0	\$261,816.7	\$333,516.8	\$307,308.7	\$259,249.8	
Economic Asset Adjustments	\$77,101.6	\$84,414.2	\$82,934.6	\$87,739.7	\$75,634.8	\$78,181.6	\$79,745.3	\$81,781.0	\$80,518.0	\$78,963.4	
Net Operating Assets	\$462,740.6	\$455,226.2	\$457,780.6	\$492,077.7	\$336,539.8	\$334,864.6	\$341,561.9	\$415,297.8	\$387,827.4	\$338,213.3	
Debt & Debt Equivalents	\$220,921.6	\$217,928.2	\$233,799.6	\$259,460.7	\$181,173.8	\$171,120.6	\$174,543.0	\$212,696.6	\$203,918.4	\$172,831.8	
Equity & Equivalents	\$185,112.0	\$177,779.0	\$165,488.0	\$169,036.0	\$99,396.0	\$104,540.0	\$106,630.8	\$143,247.8	\$124,324.0	\$105,585.4	
Total Capital - Financing Sources	\$406,033.6	\$395,707.2	\$399,287.6	\$428,496.7	\$280,569.8	\$275,660.6	\$281,173.8	\$355,944.4	\$328,242.4	\$278,417.2	
Capital Adjustments	\$52,985.0	\$55,782.0	\$54,664.0	\$61,495.0	\$53,888.0	\$57,116.0	\$58,258.3	\$56,589.0	\$57,499.7	\$57,687.2	
Net Capital Financing Sources	\$459,018.6	\$451,489.2	\$453,951.6	\$489,991.7	\$334,457.8	\$332,776.6	\$339,432.2	\$412,533.4	\$385,742.1	\$336,104.4	
Net Working Capital	\$3,354.7	\$7,817.9	\$2,534.0	(\$6,124.5)	(\$10,482.6)	(\$2,182.2)	(\$2,225.8)	(\$1,687.5)	(\$6,263.1)	(\$2,204.0)	
Cost of Net Working Capital	\$69.8	\$142.1	\$166.6	(\$71.6)	(\$466.8)	(\$354.5)	(\$361.5)	(\$116.8)	(\$297.6)	(\$358.0)	
% of Revenue	0.04%	0.08%	0.10%	-0.04%	-0.39%	-0.29%	-0.29%	-0.11%	-0.24%	-0.29%	
Operational Capital	\$179,757.3	\$189,379.1	\$179,826.6	\$171,220.2	\$161,341.2	\$167,402.5	\$170,750.5	\$173,833.9	\$166,654.6	\$169,076.5	
Cost of Operational Capital	\$6,729.7	\$4,694.2	\$5,941.5	\$6,997.5	\$9,347.3	\$9,200.7	\$9,384.7	\$7,236.2	\$8,515.2	\$9,292.7	
% of Revenue	3.79%	2.62%	3.44%	4.29%	7.71%	7.52%	7.53%	5.12%	6.51%	7.53%	
Productive Capital	\$488,765.3	\$489,389.1	\$476,108.6	\$463,293.2	\$359,084.2	\$367,960.5	\$375,319.7	\$431,167.1	\$396,779.3	\$371,640.1	
Cost of Productive Capital	\$17,612.0	\$12,438.8	\$15,537.4	\$18,725.4	\$23,114.6	\$20,348.1	\$20,755.1	\$18,032.9	\$20,729.4	\$20,551.6	
% of Revenue	9.92%	6.94%	8.99%	11.49%	19.08%	16.64%	16.66%	12.62%	15.73%	16.65%	
Total Operating Capital	\$463,487.3	\$452,556.1	\$453,594.6	\$460,296.2	\$338,442.2	\$337,460.5	\$344,209.7	\$408,469.9	\$378,733.0	\$340,835.1	
Cost of Total Operating Capital	\$16,273.6	\$11,649.0	\$14,582.3	\$18,216.9	\$22,450.2	\$18,916.8	\$19,295.1	\$17,163.0	\$19,861.3	\$19,106.0	
% of Revenue	9.16%	6.50%	8.43%	11.17%	18.53%	15.47%	15.49%	12.02%	15.06%	15.48%	
Non - Operating Capital	(\$746.7)	\$2,670.2	\$4,186.0	\$31,781.5	(\$1,902.4)	(\$2,595.9)	(\$2,647.8)	\$6,827.9	\$9,094.4	(\$2,621.8)	
Cost of Non - Operating Capital	\$901.0	\$24.5	\$110.3	\$717.0	\$839.8	(\$125.9)	(\$128.4)	\$313.1	\$477.0	(\$127.2)	
% of Revenue	0.51%	0.01%	0.06%	0.44%	0.69%	-0.10%	-0.10%	0.22%	0.34%	-0.10%	
Total Capital	\$462,740.6	\$455,226.2	\$457,780.6	\$492,077.7	\$336,539.8	\$334,864.6	\$341,561.9	\$415,297.8	\$387,827.4	\$338,213.3	
Cost of Total Capital	\$17,174.6	\$11,673.4	\$14,692.7	\$18,933.9	\$23,290.0	\$18,790.9	\$19,166.7	\$17,476.2	\$20,338.3	\$18,978.8	
% of Revenue	9.67%	6.51%	8.50%	11.61%	19.22%	15.36%	15.38%	12.24%	15.40%	15.37%	
Cost of Capital (WACC)	4.12%	2.54%	3.22%	3.99%	5.62%	5.60%	5.60%	4.19%	5.07%	5.60%	
Capital Structure											
Debt & Debt Equivalents	\$220,921.6	\$217,928.2	\$233,799.6	\$259,460.7	\$181,173.8	\$171,120.6	\$174,543.0	\$212,696.6	\$203,918.4	\$172,831.8	
Debt & Debt Equivalents % of Market Value	49.16%	51.03%	51.96%	60.59%	56.90%	57.61%	56.16%	55.37%	58.62%	56.87%	
Preferred Equity	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Preferred Equity % of Market Value	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Market Value of Common Equity	\$228,444.7	\$209,089.6	\$216,127.8	\$168,786.5	\$137,250.0	\$125,889.2	\$136,230.0	\$171,428.6	\$143,975.2	\$131,059.6	
Common Equity % of Market Value	50.84%	48.97%	48.04%	39.41%	43.10%	42.39%	43.84%	44.63%	41.38%	43.13%	
Total Economic Market Value (MV)	\$449,366.4	\$427,017.8	\$449,927.4	\$428,247.3	\$318,423.8	\$297,009.8	\$310,773.0	\$384,125.2	\$347,893.6	\$303,891.4	
Total %	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
Excess Cash	(\$746.7)	\$2,670.2	\$4,186.0	\$31,781.5	(\$1,902.4)	(\$2,595.9)	(\$2,647.8)	\$6,827.9	\$9,094.4	(\$2,621.8)	
Economic Enterprise Value	\$450,113.1	\$424,347.6	\$445,741.4	\$396,465.8	\$320,326.2	\$299,605.6	\$313,420.8	\$377,297.3	\$338,799.2	\$306,513.2	
Average Capital	\$413,349.6	\$455,253.9	\$452,720.4	\$471,971.7	\$412,224.8	\$333,617.2	\$336,104.4	\$425,157.6	\$405,937.9	\$334,860.8	
Capital Δ	\$91,338.1	(\$7,529.4)	\$2,462.4	\$36,040.1	(\$155,533.9)	(\$1,681.2)	\$6,655.5	(\$25,248.4)	(\$40,391.7)	\$2,487.2	

Source: Company Data, Financial statements and Tigress Research

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Company Report – Research Update

AT&T Inc. (T-US)

Diversified Telecommunication

Financial Analysis

Table with 11 columns: Report Basis, Reported Period Ending, LTM (03/31/2019, 03/31/2020, 03/31/2021, 03/31/2022), LTM (03/31/2023, 03/31/2024), NTM (03/31/2025), 5 Yr Average, 3 Yr Average, Current Trend. Rows include Return on Market Value, Economic Profit, Performance Drivers, Risk Factors, and Valuation Measures.

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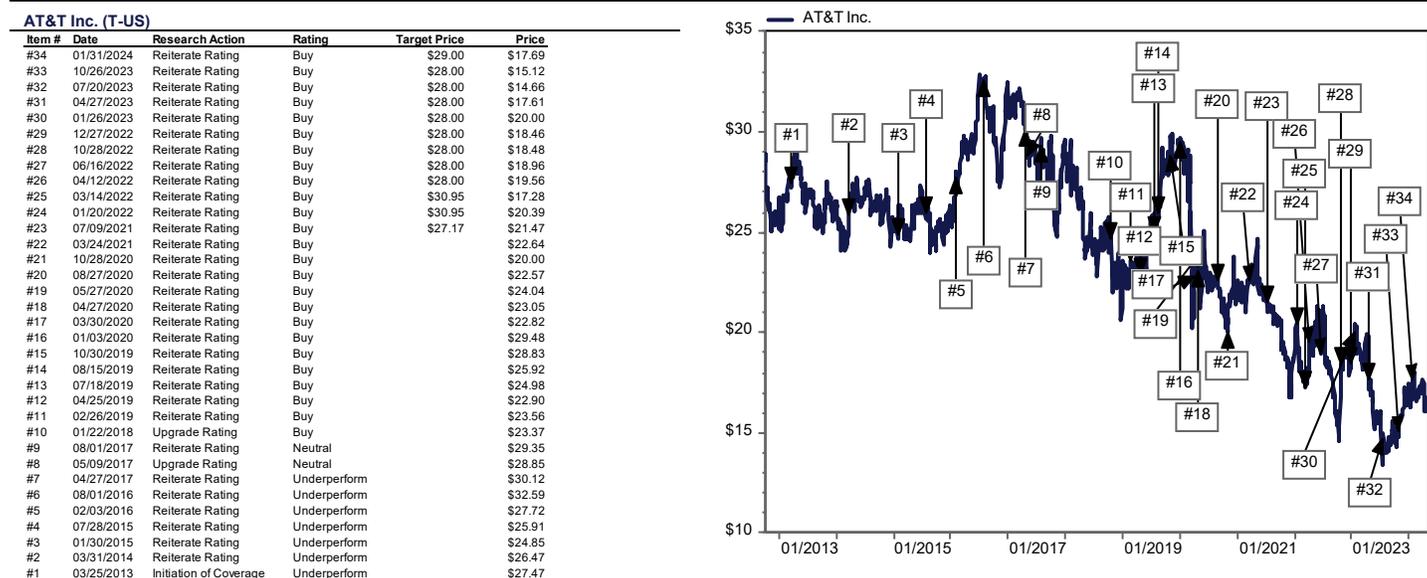
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Company Report – Research Update

AT&T Inc. (T-US)

Diversified Telecommunication

Ratings History



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Rating:	Meaning:
Strong Buy:	Expect significant price gains in the price of the stock relative to its industry peer group and general market over the next 12 months.
Buy:	Expect out-performance for the price of the stock relative to its industry peer group and general market over the next 12 months.
Neutral:	Expect little or no outperformance opportunity over the next 12 months.
Underperform:	Expect underperformance for the price of the stock relative to its industry peer group and general market over the next 12 months.
Sell:	Expect price decline or significant relative market and industry underperformance over the next 12 months.

Rating Distribution (04/29/2024)

Companies Under Coverage	Relationship Companies Under Coverage*	
	#	%
Strong Buy	17	12%
Buy	77	53%
Neutral	45	31%
Underperform	5	4%
Sell	0	0%
Total	144	100%

*Relationship Companies under research coverage are companies in which Tigress Financial Partners LLC or one of its affiliates has received compensation for investment banking or non-investment banking services from the company, affiliated entities and/or its employees within the past twelve months or expects to do so within the next three months.

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Contacts

Ivan Feinseth
Director of Research
(646) 780-8901 Direct
ifeinseth@tigressfp.com

Brad Distel
Research Support
(646) 780-8938 Direct
bdistel@tigressfp.com

Hollis Copeland
Head of Equity Capital Markets
(646) 780-8940 Direct
hcopeland@tigressfp.com

Michael Lindley
Head, Debt Capital Markets
(646) 780-8910 Direct
mlindey@tigressfp.com

Kyle D'Arcy
Managing Director, Equity Trading
(646) 780-8915 Direct
kdarcy@tigressfp.com

Andrew Mayers
Operations Manager
(646) 780-8895 Direct
amayers@tigressfp.com

Lily Li
Head, Global Wealth Management
(646) 780-8903 Direct
lillyeli@tigressfp.com

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Tigress Research Methodology Overview

We employ proprietary quantitative valuation models combined with dynamic fundamental analysis based on the principles of Economic Profit to formulate timely and insightful investment ratings, analysis, strategies, and recommendations.

We make key adjustments to reported financial data eliminating GAAP-based accounting distortions and measuring all companies on a cash operating basis.

Our proprietary research framework is a multi-factor model that scores and ranks companies based on their risk-adjusted ability to create Economic Profit relative to their current market value focusing on three key components:

Business Performance: Measuring economic profitability, growth, and operating efficiency.

Risk: Measuring business sustainability, volatility, strength, and consistency.

Valuation: Linking business performance to market value. Measuring value created relative to capital employed and enterprise multiples of Economic Profit and cash flow.

We score and rank 24 key measurements of performance, risk, and value into relative market and industry investment recommendations.

Glossary of Key Terms and Measures

Excess Cash per Share: Excess Cash per Share is the amount of excess cash divided by basic shares outstanding. Excess Cash consists of all cash and short-term securities, less operating cash needed to run the business. Operating Cash is 5% of TTM net sales revenue.

EBITDAR: Earnings Before Interest, Taxes, Depreciation, Amortization, and Restructuring, and Rent Costs. This is especially important when comparing companies that use a significant amount of leased assets like restaurants and retailers.

NOPAT: Net Operating Profit After Tax represents a company's after-tax cash operating Profit, excluding financing costs.

Total Invested Capital: Total Invested Capital the total cash investment that shareholders and debt holders have made during the life of the company.

Return on Capital: Return on Capital equals NOPAT divided by Total Invested Capital. It is a key measure of operating efficiency. ROC quantifies how well a company generates cash flow relative to the capital invested in its business.

Cost of Capital: Is the proportionately weighted cost of each category of capital – common equity, preferred equity, and debt.

Economic Profit: Economic Profit is the net operating income after tax less the opportunity cost of the total capital invested. It is the most important driver of shareholder value.

Current Operations Value: Current Operations Value is the portion of market value based on the discounted present value of the current earnings stream, assuming it remains constant forever.

Future Growth Value: Future Growth Value is the portion of market value based on un-earned Economic Profit

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Multiple factors could negate or negatively impact a company's ability to meet our investment objectives and price target. Risks include but are not limited to material adverse impacts to a company's business plan, ability to execute its business objectives along with negative global and local economic impacts and industry disruptions. Other risks include increased competition from current or newly emerged competitors, changes in regulations and legislation that could negatively impact the company's business, and product malfunctions or failures to perform. Other risks include any unforeseen events that could adversely impact the company's operations, ability to sustain their business or cause product delays, and negatively impact ongoing operations.

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Company:	Disclosure:
AT&T Inc. (T-US)	14
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