

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported) January 27, 2021

AT&T INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-08610
(Commission
File Number)

43-1301883
(IRS Employer
Identification No.)

208 S. Akard St., Dallas, Texas
(Address of Principal Executive Offices)

75202
(Zip Code)

Registrant's telephone number, including area code (210) 821-4105

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240-14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities Registered Pursuant to Section 12(b) of the Act

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares (Par Value \$1.00 Per Share)	T	New York Stock Exchange
Depository Shares, each representing a 1/1000th interest in a share of 5.000% Perpetual Preferred Stock, Series A	T PRA	New York Stock Exchange
Depository Shares, each representing a 1/1000th interest in a share of 4.750% Perpetual Preferred Stock, Series C	T PRC	New York Stock Exchange
AT&T Inc. 1.875% Global Notes due December 4, 2020	T 20	New York Stock Exchange
AT&T Inc. 2.650% Global Notes due December 17, 2021	T 21B	New York Stock Exchange
AT&T Inc. 1.450% Global Notes due June 1, 2022	T 22B	New York Stock Exchange
AT&T Inc. 2.500% Global Notes due March 15, 2023	T 23	New York Stock Exchange
AT&T Inc. 2.750% Global Notes due May 19, 2023	T 23C	New York Stock Exchange

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
AT&T Inc. Floating Rate Global Notes due September 5, 2023	T 23D	New York Stock Exchange
AT&T Inc. 1.050% Global Notes due September 5, 2023	T 23E	New York Stock Exchange
AT&T Inc. 1.300% Global Notes due September 5, 2023	T 23A	New York Stock Exchange
AT&T Inc. 1.950% Global Notes due September 15, 2023	T 23F	New York Stock Exchange
AT&T Inc. 2.400% Global Notes due March 15, 2024	T 24A	New York Stock Exchange
AT&T Inc. 3.500% Global Notes due December 17, 2025	T 25	New York Stock Exchange
AT&T Inc. 0.250% Global Notes due March 4, 2026	T 26E	New York Stock Exchange
AT&T Inc. 1.800% Global Notes due September 5, 2026	T 26D	New York Stock Exchange
AT&T Inc. 2.900% Global Notes due December 4, 2026	T 26A	New York Stock Exchange
AT&T Inc. 1.600% Global Notes due May 19, 2028	T 28C	New York Stock Exchange
AT&T Inc. 2.350% Global Notes due September 5, 2029	T 29D	New York Stock Exchange
AT&T Inc. 4.375% Global Notes due September 14, 2029	T 29B	New York Stock Exchange
AT&T Inc. 2.600% Global Notes due December 17, 2029	T 29A	New York Stock Exchange
AT&T Inc. 0.800% Global Notes due March 4, 2030	T 30B	New York Stock Exchange
AT&T Inc. 2.050% Global Notes due May 19, 2032	T 32A	New York Stock Exchange
AT&T Inc. 3.550% Global Notes due December 17, 2032	T 32	New York Stock Exchange
AT&T Inc. 5.200% Global Notes due November 18, 2033	T 33	New York Stock Exchange
AT&T Inc. 3.375% Global Notes due March 15, 2034	T 34	New York Stock Exchange
AT&T Inc. 2.450% Global Notes due March 15, 2035	T 35	New York Stock Exchange
AT&T Inc. 3.150% Global Notes due September 4, 2036	T 36A	New York Stock Exchange
AT&T Inc. 2.600% Global Notes due May 19, 2038	T 38C	New York Stock Exchange
AT&T Inc. 1.800% Global Notes due September 14, 2039	T 39B	New York Stock Exchange
AT&T Inc. 7.000% Global Notes due April 30, 2040	T 40	New York Stock Exchange
AT&T Inc. 4.250% Global Notes due June 1, 2043	T 43	New York Stock Exchange
AT&T Inc. 4.875% Global Notes due June 1, 2044	T 44	New York Stock Exchange
AT&T Inc. 4.000% Global Notes due June 1, 2049	T 49A	New York Stock Exchange
AT&T Inc. 4.250% Global Notes due March 1, 2050	T 50	New York Stock Exchange
AT&T Inc. 3.750% Global Notes due September 1, 2050	T 50A	New York Stock Exchange
AT&T Inc. 5.350% Global Notes due November 1, 2066	TBB	New York Stock Exchange
AT&T Inc. 5.625% Global Notes due August 1, 2067	TBC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Other Events.

Throughout this document, AT&T Inc. is referred to as “we” or “AT&T.” AT&T is a holding company whose subsidiaries and affiliates operate worldwide in the telecommunications, media and technology industries.

COVID-19 Update

Disruptions caused by the coronavirus (COVID-19) and measures taken to prevent its spread or mitigate its effects both domestically and internationally have impacted our results of operations. Fourth-quarter 2020 earnings include approximately \$650 million, or \$0.08 per diluted share of COVID-19 impacts, including \$90 million, or \$0.01 per diluted share, of cost reductions reflecting insurance recoveries associated with WarnerMedia business disruption recoveries offset by additional incremental expense.

In addition to the incremental impact, we estimate that our operations and comparability were impacted by an estimated \$740 million, or \$0.09 per diluted share, for the following COVID-19 related pressures: (1) lower television licensing and production revenues due to production delays and the partial closure of movie theaters and postponement of theatrical releases, leading to lower content revenues and associated expenses, and (2) the reluctance of consumers to travel at previous levels, driving significantly lower international wireless roaming services that do not have a directly correlated expense reduction.

Fourth-quarter 2020 subscriber net adds include 35,000 postpaid (28,000 phone), 4,000 broadband and 4,000 premium TV "Keep Americans Connected Pledge" paying accounts. The "Keep Americans Connected Pledge" has concluded and will not impact future subscriber counts.

With partial reopening of the economy and improved collections experience, the economic effects of the pandemic and resulting societal changes remain unpredictable. There are a number of uncertainties that could impact our future results of operations, including the effectiveness of COVID-19 mitigation measures, the duration of the pandemic, the efficacy and widespread distribution of a vaccine, global economic conditions, changes to our operations, changes in consumer confidence, behaviors and spending, work and learn from home trends and the sustainability of supply chains. We expect operating results and cash flows to continue to be adversely impacted by COVID-19 for the duration of the pandemic. We expect our 2021 results to be impacted by the following:

- Lower revenues from the continued partial closure of movie theaters and higher costs based on our decision to distribute films in 2021 on HBO Max in the U.S. simultaneous with theaters for 31 days;
- The decline in revenues from international roaming wireless services due to reduced travel, particularly in the first quarter; and
- Continued expenses to protect front-line employees, contractors and customers.

Overview

We announced on January 27, 2021 that fourth-quarter 2020 net loss attributable to common stock totaled \$(13.9) billion, or \$(1.95) per diluted share. Fourth-quarter 2020 loss per diluted share includes amounts totaling to \$(19.3) billion, or \$(2.70) per share, resulting from the following significant items: \$(2.02) per share from the impairment of assets, \$(0.43) per share for noncash losses for the annual adjustment related to pension and postemployment benefit accounting, \$(0.22) per share for the amortization of merger-related intangible assets, and a combined \$(0.03) per share for tax-related items, employee separation charges and other items. The results compare with a reported net income attributable to common stock of \$2.4 billion, or \$0.33 per diluted share, in the fourth quarter of 2019. For the full year 2020, net income (loss) attributable to common stock was \$(5.4) billion versus \$13.9 billion in 2019; earnings (loss) per diluted share were \$(0.75) compared with \$1.89 for 2019.

Fourth-quarter 2020 revenues were \$45.7 billion, down 2.4 percent from the fourth quarter of 2019, and full-year 2020 revenues were \$171.8 billion, down 5.2 percent from the previous full year. Revenues were impacted by the COVID-19 pandemic across all segments, most significantly contributing to lower content revenues at WarnerMedia and roaming wireless revenues in the Communications segment. Revenues were also lower due to continued declines in domestic video and legacy wireline services and were impacted by Latin America foreign exchange pressure.

Compared with results for the fourth quarter of 2019, current quarter operating expenses were \$56.4 billion, up 36.0 percent, and full-year 2020 operating expenses were \$165.4 billion, up 7.9 percent from the previous full year. Expenses reflect noncash impairment charges of \$15.5 billion resulting from changes in our management strategy and our evaluation of the domestic video business. These changes, including our decision to operate our video business separately from our broadband and legacy telephony operations, required us to identify a separate Video reporting unit and to assess both the recoverability of its long-lived assets and any assigned goodwill for impairment. Fourth-quarter expenses also include charges of approximately \$780 million from the impairment of production and other content inventory at WarnerMedia, with \$520 million resulting from the continued shutdown of theaters during the pandemic and the hybrid distribution model for our 2021 film slate.

Fourth-quarter operating income (loss) was \$(10.7) billion compared to \$5.3 billion in the comparable 2019 period, and full-year 2020 operating income was \$6.4 billion, down 77.1 percent from the full-year 2019. AT&T's fourth-quarter operating income margin was (23.5) percent, compared to 11.4 percent in the comparable 2019 period, and full-year 2020 operating income margin was 3.7 percent compared to 15.4 percent.

For the full year, cash from operating activities was \$43.1 billion, down \$5.5 billion when compared to 2019, impacted by the timing of working capital payments. Capital expenditures in 2020 were \$15.7 billion, and when including \$3.0 billion cash paid for vendor financing, gross capital investment was \$19.7 billion (excluding \$1.1 billion FirstNet reimbursements).

Segment Summary

We analyze our segments based on, among other things, segment contribution, which consists of operating income, excluding acquisition-related costs and other significant items, and equity in net income (loss) of affiliates for investments managed within each segment. Our reportable segments are: Communications, WarnerMedia and Latin America. During 2020, we recast our segment results for all prior periods to include our prior Xandr segment within our WarnerMedia segment (in the second quarter) and to remove the Crunchyroll anime business that was classified as held-for-sale from the WarnerMedia segment, instead including it in Corporate and Other (in the fourth quarter).

Communications

Our Communications segment consists of our Mobility, Video, Broadband and Business Wireline business units. To further accelerate our ability to innovate and execute in our fast-growing broadband and fiber business, we began operating our video business separately from our broadband and legacy telephony operations. We have recast our results for all prior periods to split the Entertainment Group into two separate business units, Video and Broadband, and remove video operations from Business Wireline, combining all video operations in Video.

Fourth-quarter 2020 operating revenues were \$36.7 billion, up 0.5 percent versus fourth-quarter 2019, with segment operating contribution of \$6.6 billion, down 12.7 percent versus the year-ago quarter. The Communications segment operating income margin was 17.9 percent, compared to 20.6 percent in the year-earlier quarter.

Mobility

Mobility revenues for the fourth quarter of 2020 were \$20.1 billion, up 7.6 percent versus the fourth quarter of 2019, primarily due to equipment revenue growth from higher upgrade volumes, the mix of higher-priced smartphones and sales of postpaid data devices, such as wearables, wireless modems and hotspots. Service revenue also increased as subscriber gains offset declines in international roaming services. Mobility operating expenses totaled \$15.0 billion, up 13.9 percent versus the fourth quarter of 2019 driven by higher equipment costs, increased commission expense and intercompany content costs associated with plans offering HBO Max, partially offset by lower bad debt expense. Mobility's operating income margin was 25.3 percent compared to 29.4 percent in the year-ago quarter.

In our Mobility business unit, during the fourth quarter of 2020, we reported a net gain of 5.9 million wireless subscribers. At December 31, 2020, wireless subscribers totaled 182.6 million (including more than 1.9 million FirstNet connections) compared to 165.9 million at December 31, 2019.

During the fourth quarter, total phone net adds were 760,000, with total net adds by subscriber category as follows:

- Postpaid subscriber net adds were 1.2 million, with phone net adds of 800,000 and additions from wearables and non-tablet computing devices more than offsetting losses in tablets.
- Prepaid subscriber net adds were 14,000, with phone net losses of 40,000.
- Reseller net losses were (197,000).
- Connected device net adds were 4.8 million, 3.2 million of which were primarily attributable to wholesale connected cars.

For the quarter ended December 31, 2020, postpaid phone-only ARPU decreased 1.9 percent versus the year-earlier quarter due to lower international roaming revenues.

Postpaid phone-only churn was 0.76 percent (0.78 percent excluding "Keep Americans Connected Pledge" paying accounts) compared to 1.07 percent in the fourth quarter of 2019. Total postpaid churn was 0.94 percent (0.96 percent excluding "Keep Americans Connected Pledge" paying accounts) compared to 1.29 percent in the year-ago quarter. The "Keep Americans Connected Pledge" did not impact churn for the year ended December 31, 2020.

Video

Video revenues for the fourth quarter of 2020 were \$7.2 billion, down 11.2 percent versus the year-ago quarter, reflecting continuing declines in video subscribers partially offset by increased advertising revenues during the general election, higher premium TV ARPUs and equipment sales. In addition to the continuing impact of COVID-19 on commercial revenues, fourth

quarter service revenues include estimated 2020 billing credits to be provided to subscribers for lower delivery of regional sports networks programming. Video operating expenses totaled \$7.1 billion, down 12.0 percent versus the fourth quarter of 2019, largely driven by lower content costs resulting from fewer subscribers, estimated reimbursements from regional sports networks for lower delivery of programming and ongoing cost initiatives. Partially offsetting these declines were annual content rate increases, including increased costs associated with NFL SUNDAY TICKET. Video operating income margin was 1.4 percent compared to 0.5 percent in the year-earlier quarter.

At December 31, 2020, Video had approximately 17.2 million video connections compared to 20.4 million at December 31, 2019. During the fourth quarter of 2020, premium TV video subscribers, which includes AT&T TV, had a net loss of 617,000. Subscribers to AT&T TV NOW, our OTT video service, had a net loss of 27,000. Beginning in January 2021, AT&T TV NOW has been combined with AT&T TV.

Broadband

Broadband revenues for the fourth quarter of 2020 were \$3.1 billion, down 1.4 percent versus the year-ago quarter, reflecting continuing declines in legacy services partially offset by higher broadband ARPUs resulting from an increase in high-speed fiber customers and pricing actions. Broadband operating expenses totaled \$2.8 billion, up 11.1 percent versus the fourth quarter of 2019, largely driven by content costs associated with plans offering HBO Max, higher sales and customer support costs and higher amortization of cost deferrals. Broadband operating income margin was 11.7 percent compared to 21.7 percent in the year-earlier quarter.

At December 31, 2020, our Broadband segment had approximately 14.1 million broadband connections compared to 14.1 million at December 31, 2019. During the fourth quarter, broadband subscribers had net losses of 2,000 (including fiber broadband net adds of 273,000).

Business Wireline

Business Wireline (Business) revenues for the fourth quarter of 2020 were \$6.3 billion, down 4.1 percent versus the year-ago quarter, reflecting continued declines in legacy services partially offset by growth in strategic and managed services. Business operating expenses totaled \$5.3 billion, up 0.2 percent when compared to the fourth quarter of 2019, driven by higher depreciation expenses related to network upgrades and expansion, offset by our ongoing focus on cost initiatives. Business operating income margin was 15.9 percent compared to 19.5 percent in the year-earlier quarter.

At December 31, 2020, our total switched access lines (Broadband and Business) were 7.3 million compared to 8.5 million at December 31, 2019. The number of U-verse voice connections (which use VoIP technology and therefore are not included in the access line total) decreased by 126,000 in the quarter, totaling 3.8 million at December 31, 2020, compared to 4.4 million at December 31, 2019.

WarnerMedia

Our WarnerMedia segment consists of our Turner, Home Box Office (HBO) and Warner Bros. business units. In the second quarter of 2020, the former Xandri segment combined with the Other operations of the WarnerMedia segment; certain advertising revenues are also reported by the Communications segment and are eliminated upon consolidation. In the fourth quarter of 2020, the Crunchyroll anime business was classified as held-for-sale and removed from Other operations of this segment. Historical WarnerMedia results have been recast for all prior periods to reflect these changes.

Fourth-quarter 2020 operating revenues were \$8.6 billion, down 9.5 percent versus fourth-quarter 2019, with segment operating contribution of \$2.5 billion, down 11.5 percent versus the year-ago quarter. The WarnerMedia segment operating income margin was 29.7 percent, compared to 30.0 percent in the year-earlier quarter.

Turner

Turner revenues for the fourth quarter of 2020 were \$3.2 billion, down 0.6 percent versus the year-ago quarter, primarily due to the delayed start of the NBA season to the latter part of the fourth quarter. This resulted in a decline in digital sports revenues (content and other) as well as lower advertising revenues. Advertising revenue declines were also due to lower overall ratings that unfavorably impacted Turner's domestic entertainment networks delivery, partially offset by higher news delivery during the general election. Growth in subscription revenues from higher domestic affiliate rates, partially offset by lower regional sports network revenues and unfavorable foreign exchange rates. Turner operating expenses totaled \$1.9 billion, down 5.8 percent versus the fourth quarter of 2019, driven by lower programming and production costs, including sports costs associated with the delayed start of the NBA season. Turner operating income margin was 42.0 percent compared to 38.8 percent in the year-earlier quarter.

HBO

HBO revenues for the fourth quarter of 2020 were \$1.9 billion, up 11.7 percent versus the year-ago quarter, driven by growth in subscription revenues primarily due to the May 2020 acquisition of the remaining interest in HBO Latin America Group and

higher domestic HBO Max direct-to-consumer subscribers, partially offset by content and other revenues declines due to lower home entertainment and licensing. HBO operating expenses totaled \$1.8 billion, up 48.6 percent versus the fourth quarter of 2019, driven by higher programming costs and expenses related to investment in HBO Max. HBO operating income margin was 4.5 percent compared to 28.2 percent in the year-earlier quarter.

At December 31, 2020, we had 41.5 million U.S. subscribers to HBO Max and HBO, up from 34.6 million at December 31, 2019.

Warner Bros.

Warner Bros. revenues for the fourth quarter of 2020 were \$3.2 billion, down 21.2 percent versus the year-ago quarter, driven by the postponement of theatrical and home entertainment releases and unfavorable comparisons to prior year releases. Theatrical releases in 2019 included the early fourth quarter release of *Joker*, compared to the limited-capacity and hybrid HBO Max distribution release of *Wonder Woman 1984* near the end of the fourth quarter of 2020. Revenue declines also reflect lower television licenses and production revenues that were impacted by pandemic-related production delays, which impacted the delivery of the 2020-21 broadcast season, and lower licensing. Warner Bros. operating expenses totaled \$2.5 billion, down 25.9 percent versus the fourth quarter of 2019, primarily due to fewer theatrical and home entertainment releases, which resulted in a decline in production and marketing costs. Warner Bros. operating income margin was 24.4 percent compared to 19.5 percent in the year-earlier quarter.

Latin America

Our Latin America segment consists of our Vrio and Mexico business units and is subject to foreign currency fluctuations. In May 2020, we found it necessary to close our DIRECTV operations in Venezuela due to political instability in the country and to comply with sanctions of the U.S. government.

Fourth-quarter 2020 operating revenues were \$1.5 billion, down 14.8 percent versus the prior year. Segment operating contribution was \$(167) million, versus \$(87) million in the comparable 2019 period. Both operating revenue and segment contribution declines were driven by foreign exchange pressures and the impact of COVID-19. The Latin America operating income margin was (11.0) percent, compared to (5.1) percent in the year-earlier quarter.

Vrio

Video service revenues were \$762 million, down 22.4 percent versus the prior year. Operating expenses were \$801 million, down 15.1 percent. Both operating revenue and expense declines were driven by foreign exchange and COVID-19 pressures in most of the region. Vrio's operating income margin was (5.1) percent compared to 3.9 percent in the year-earlier quarter.

We had approximately 10.9 million Latin America video connections at December 31, 2020 compared to 13.3 million at December 31, 2019, reflecting the removal of 2.2 million subscriber connections in Venezuela in the second quarter. During the fourth quarter of 2020, video net adds were 49,000.

Mexico

Wireless revenues were \$736 million, down 5.2 percent when compared to the fourth quarter of 2019, primarily due to foreign exchange pressure and COVID-19 impacts on the economy. Operating expenses were \$862 million, down 4.5 percent, driven by lower equipment sales volumes and foreign exchange rates. Mexico's operating income margin was (17.1) percent, compared to (16.4) percent in the year-earlier quarter.

We had approximately 18.9 million Mexican wireless subscribers at December 31, 2020 compared to 19.2 million at December 31, 2019. During the fourth quarter of 2020, we had prepaid net adds of 509,000 and postpaid net losses of 14,000.

Supplemental Discussions

As a supplemental discussion of our operating results, for comparison purposes, we are providing (1) our AT&T Business Solutions results which include both wireless and wireline operations and (2) a combined view of reported advertising revenues across all segments of AT&T. A reconciliation of the non-GAAP numbers in this supplemental discussion is attached as exhibit 99.2 hereto.

AT&T Business Solutions

Revenues from AT&T Business Solutions for the fourth quarter of 2020 were \$9.2 billion, down 1.6 percent versus the year-ago quarter, driven by declines in our legacy voice and data services, partially offset by growth in strategic and managed services and in wireless service and equipment revenues. Operating expenses totaled \$7.7 billion, up 2.9 percent versus the fourth quarter of 2019. AT&T Business Solutions operating income margin was 15.9 percent, compared to 19.6 percent in the year-earlier quarter.

AT&T Advertising Revenues

Total AT&T advertising revenues for the fourth quarter of 2020 were \$2.0 billion, up 6.8%, primarily driven by political advertising.

CAUTIONARY LANGUAGE CONCERNING FORWARD-LOOKING STATEMENTS

Information set forth in this filing contains financial estimates and other forward-looking statements that are subject to risks and uncertainties. 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 or revise statements contained in this filing based on new information or otherwise

Item 9.01 Financial Statements and Exhibits.

The following exhibits are furnished as part of this report:

(d) Exhibits

[99.1 AT&T Inc. selected financial statements and operating data.](#)

[99.2 Discussion and reconciliation of non-GAAP measures.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AT&T INC.

Date: January 27, 2021

By: /s/ Debra L. Dial
Debra L. Dial
Senior Vice President and Controller

AT&T Inc.
Financial Data

Consolidated Statements of Income						
<i>Dollars in millions except per share amounts</i>						
<i>Unaudited</i>	Fourth Quarter		Percent	Year Ended		Percent
	2020	2019	Change	2020	2019	Change
Operating Revenues						
Service	\$ 39,051	\$ 41,475	(5.8)%	\$ 152,767	\$ 163,499	(6.6)%
Equipment	6,640	5,346	24.2 %	18,993	17,694	7.3 %
Total Operating Revenues	45,691	46,821	(2.4)%	171,760	181,193	(5.2)%
Operating Expenses						
Cost of revenues						
Equipment	7,084	5,606	26.4 %	19,706	18,653	5.6 %
Broadcast, programming and operations	7,750	8,684	(10.8)%	27,305	31,132	(12.3)%
Other cost of revenues (exclusive of depreciation and amortization shown separately below)	8,076	8,446	(4.4)%	32,909	34,356	(4.2)%
Selling, general and administrative	10,182	10,345	(1.6)%	38,039	39,422	(3.5)%
Asset impairments and abandonments	16,365	1,458	— %	18,880	1,458	— %
Depreciation and amortization	6,979	6,961	0.3 %	28,516	28,217	1.1 %
Total Operating Expenses	56,436	41,500	36.0 %	165,355	153,238	7.9 %
Operating Income (Loss)	(10,745)	5,321	— %	6,405	27,955	(77.1)%
Interest Expense	1,894	2,049	(7.6)%	7,925	8,422	(5.9)%
Equity in Net Income (Loss) of Affiliates	106	(30)	— %	95	6	— %
Other Income (Expense) — Net	(3,020)	(104)	— %	(1,431)	(1,071)	(33.6)%
Income (Loss) Before Income Taxes	(15,553)	3,138	— %	(2,856)	18,468	— %
Income Tax (Benefit) Expense	(2,038)	434	— %	965	3,493	(72.4)%
Net Income (Loss)	(13,515)	2,704	— %	(3,821)	14,975	— %
Less: Net Income Attributable to Noncontrolling Interest	(368)	(310)	(18.7)%	(1,355)	(1,072)	(26.4)%
Net Income (Loss) Attributable to AT&T	\$ (13,883)	\$ 2,394	— %	\$ (5,176)	\$ 13,903	— %
Less: Preferred Stock Dividends	(55)	(3)	— %	(193)	(3)	— %
Net Income (Loss) Attributable to Common Stock	\$ (13,938)	\$ 2,391	— %	\$ (5,369)	\$ 13,900	— %
Basic Earnings Per Share Attributable to Common Stock	\$ (1.95)	\$ 0.33	— %	\$ (0.75)	\$ 1.90	— %
Weighted Average Common Shares Outstanding (000,000)	7,150	7,312	(2.2)%	7,157	7,319	(2.2)%
Diluted Earnings Per Share Attributable to Common Stock	\$ (1.95)	\$ 0.33	— %	\$ (0.75)	\$ 1.89	— %
Weighted Average Common Shares Outstanding with Dilution (000,000)	7,176	7,341	(2.2)%	7,183	7,348	(2.2)%

AT&T Inc.
Financial Data

Consolidated Balance Sheets		
<i>Dollars in millions</i>		
<i>Unaudited</i>	Dec. 31,	Dec. 31,
	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 9,740	\$ 12,130
Accounts receivable - net of related allowance for credit loss of \$1,221 and \$1,235	20,215	22,636
Prepaid expenses	1,822	1,631
Other current assets	20,231	18,364
Total current assets	52,008	54,761
Noncurrent Inventories and Theatrical Film and Television Production Costs	14,752	12,434
Property, Plant and Equipment – Net	127,315	130,128
Goodwill	135,259	146,241
Licenses – Net	93,840	97,907
Trademarks and Trade Names – Net	23,297	23,567
Distribution Networks – Net	13,793	15,345
Other Intangible Assets – Net	15,386	20,798
Investments in and Advances to Equity Affiliates	1,780	3,695
Operating Lease Right-Of-Use Assets	24,714	24,039
Other Assets	23,617	22,754
Total Assets	\$ 525,761	\$ 551,669
Liabilities and Stockholders' Equity		
Current Liabilities		
Debt maturing within one year	\$ 3,470	\$ 11,838
Accounts payable and accrued liabilities	49,032	45,956
Advanced billings and customer deposits	6,176	6,124
Accrued taxes	1,019	1,212
Dividends payable	3,741	3,781
Total current liabilities	63,438	68,911
Long-Term Debt	153,775	151,309
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	60,472	59,502
Postemployment benefit obligation	18,276	18,788
Operating lease liabilities	22,202	21,804
Other noncurrent liabilities	28,358	29,421
Total deferred credits and other noncurrent liabilities	129,308	129,515
Stockholders' Equity		
Preferred stock	—	—
Common stock	7,621	7,621
Additional paid-in capital	130,175	126,279
Retained earnings	37,457	57,936
Treasury stock	(17,910)	(13,085)
Accumulated other comprehensive income	4,330	5,470
Noncontrolling interest	17,567	17,713
Total stockholders' equity	179,240	201,934
Total Liabilities and Stockholders' Equity	\$ 525,761	\$ 551,669

AT&T Inc.
Financial Data

Consolidated Statements of Cash Flows		
<i>Dollars in millions</i> <i>Unaudited</i>	Year Ended	
	2020	2019
Operating Activities		
Net income (loss)	\$ (3,821)	\$ 14,975
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	28,516	28,217
Amortization of film and television costs	8,603	9,587
Undistributed earnings from investments in equity affiliates	38	295
Provision for uncollectible accounts	1,972	2,575
Deferred income tax expense	1,675	1,806
Net (gain) loss on investments, net of impairments	(742)	(1,218)
Pension and postretirement benefit expense (credit)	(2,992)	(2,002)
Actuarial (gain) loss on pension and postretirement benefits	4,169	5,171
Asset impairments and abandonments	18,880	1,458
Changes in operating assets and liabilities:		
Receivables	2,216	2,812
Other current assets, inventories and theatrical film and television production costs	(13,070)	(12,852)
Accounts payable and other accrued liabilities	(1,410)	(1,524)
Equipment installment receivables and related sales	(1,429)	548
Deferred customer contract acquisition and fulfillment costs	376	(910)
Postretirement claims and contributions	(985)	(1,008)
Other - net	1,134	738
Total adjustments	46,951	33,693
Net Cash Provided by Operating Activities	43,130	48,668
Investing Activities		
Capital expenditures, including \$(123) and \$(200) of interest during construction	(15,675)	(19,635)
Acquisitions, net of cash acquired	(1,851)	(1,809)
Dispositions	3,641	4,684
(Purchases), sales and settlements of securities and investments, net	497	435
Advances to and investments in equity affiliates, net	(160)	(365)
Net Cash Used in Investing Activities	(13,548)	(16,690)
Financing Activities		
Net change in short-term borrowings with original maturities of three months or less	(17)	(276)
Issuance of other short-term borrowings	9,440	4,012
Repayment of other short-term borrowings	(9,467)	(6,904)
Issuance of long-term debt	31,988	17,039
Repayment of long-term debt	(39,964)	(27,592)
Payment of vendor financing	(2,966)	(3,050)
Issuance of preferred stock	3,869	1,164
Purchase of treasury stock	(5,498)	(2,417)
Issuance of treasury stock	105	631
Issuance of preferred interests in subsidiary	1,979	7,876
Redemption of preferred interest in subsidiary	(1,950)	—
Dividends paid	(14,956)	(14,888)
Other - net	(4,570)	(678)
Net Cash Used in Financing Activities	(32,007)	(25,083)
Net (decrease) increase in cash and cash equivalents and restricted cash	(2,425)	6,895
Cash and cash equivalents and restricted cash beginning of year	12,295	5,400
Cash and Cash Equivalents and Restricted Cash End of Year	\$ 9,870	\$ 12,295

AT&T Inc.
Consolidated Supplementary Data

Supplementary Financial Data						
<i>Dollars in millions except per share amounts</i>						
<i>Unaudited</i>						
	Fourth Quarter		Percent	Year Ended		Percent
	2020	2019	Change	2020	2019	Change
Capital expenditures						
Purchase of property and equipment	\$ 2,361	\$ 3,752	(37.1)%	\$ 15,552	\$ 19,435	(20.0) %
Interest during construction	31	40	(22.5)%	123	200	(38.5) %
Total Capital Expenditures	\$ 2,392	\$ 3,792	(36.9)%	\$ 15,675	\$ 19,635	(20.2) %
Dividends Declared per Common Share	\$ 0.52	\$ 0.52	— %	\$ 2.08	\$ 2.05	1.5 %
End of Period Common Shares Outstanding (000,000)				7,126	7,255	(1.8) %
Debt Ratio				46.7 %	44.7 %	200 BP
Total Employees				230,760	247,800	(6.9) %

Supplementary Operating Data			
<i>Subscribers and connections in thousands</i>			
<i>Unaudited</i>			
	December 31,		Percent
	2020	2019	Change
Broadband Connections			
IP	14,818	14,659	1.1 %
DSL	566	730	(22.5) %
Total Broadband Connections	15,384	15,389	— %
Voice Connections			
Network Access Lines	7,263	8,487	(14.4) %
U-verse VoIP Connections	3,816	4,370	(12.7) %
Total Retail Voice Connections	11,079	12,857	(13.8) %

	Fourth Quarter		Percent	Year Ended		Percent
	2020	2019	Change	2020	2019	Change
Broadband Net Additions						
IP	57	(127)	— %	159	(94)	— %
DSL	(48)	(59)	18.6 %	(164)	(219)	25.1 %
Total Broadband Net Additions	9	(186)	— %	(5)	(313)	98.4 %

COMMUNICATIONS SEGMENT

Our Communications segment consists of our Mobility, Video, Broadband and Business Wireline business units. During the fourth quarter, to further accelerate our ability to innovate and execute in our fast-growing broadband and fiber business, we began operating our video business separately from our broadband and legacy telephony operations. We have recast our results for all prior periods to split the Entertainment Group into two separate business units, Video and Broadband, and remove video operations from Business Wireline, combining all video operations in Video.

Segment Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Fourth Quarter		Percent	Year Ended		Percent
	2020	2019	Change	2020	2019	Change
Segment Operating Revenues						
Mobility	\$ 20,119	\$ 18,700	7.6 %	\$ 72,564	\$ 71,056	2.1 %
Video	7,168	8,075	(11.2)%	28,610	32,124	(10.9)%
Broadband	3,116	3,161	(1.4)%	12,318	13,012	(5.3)%
Business Wireline	6,319	6,586	(4.1)%	25,358	26,167	(3.1)%
Total Segment Operating Revenues	36,722	36,522	0.5 %	138,850	142,359	(2.5)%
Segment Operating Contribution						
Mobility	5,088	5,503	(7.5)%	22,372	22,321	0.2 %
Video	98	39	— %	1,729	2,064	(16.2)%
Broadband	366	686	(46.6)%	1,822	2,681	(32.0)%
Business Wireline	1,006	1,283	(21.6)%	4,598	5,164	(11.0)%
Total Segment Operating Contribution	\$ 6,558	\$ 7,511	(12.7)%	\$ 30,521	\$ 32,230	(5.3)%

Mobility

Mobility provides nationwide wireless service and equipment.

Mobility Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Fourth Quarter		Percent Change	Year Ended		Percent Change
	2020	2019		2020	2019	
Operating Revenues						
Service	\$ 14,022	\$ 13,948	0.5 %	\$ 55,542	\$ 55,331	0.4 %
Equipment	6,097	4,752	28.3 %	17,022	15,725	8.2 %
Total Operating Revenues	20,119	18,700	7.6 %	72,564	71,056	2.1 %
Operating Expenses						
Operations and support	13,023	11,170	16.6 %	42,106	40,681	3.5 %
Depreciation and amortization	2,008	2,027	(0.9) %	8,086	8,054	0.4 %
Total Operating Expenses	15,031	13,197	13.9 %	50,192	48,735	3.0 %
Operating Income	5,088	5,503	(7.5) %	22,372	22,321	0.2 %
Equity in Net Income (Loss) of Affiliates	—	—	— %	—	—	— %
Operating Contribution	\$ 5,088	\$ 5,503	(7.5) %	\$ 22,372	\$ 22,321	0.2 %
Operating Income Margin	25.3 %	29.4 %	(410) BP	30.8 %	31.4 %	(60) BP

Supplementary Operating Data						
<i>Subscribers and connections in thousands</i>						
<i>Unaudited</i>						
	December 31,		Percent Change			Percent Change
	2020	2019		2020	2019	
Mobility Subscribers						
Postpaid	77,154	75,207	2.6 %			
Prepaid	18,102	17,803	1.7 %			
Reseller	6,535	6,893	(5.2) %			
Connected Devices	80,767	65,986	22.4 %			
Total Mobility Subscribers	182,558	165,889	10.0 %			
	Fourth Quarter		Percent Change	Year Ended		Percent Change
	2020	2019		2020	2019	
Mobility Net Additions						
Postpaid Phone Net Additions ¹	800	229	— %	1,457	483	— %
Total Phone Net Additions¹	760	209	— %	1,640	989	65.8 %
Postpaid ^{1,2}	1,229	135	— %	2,183	(435)	— %
Prepaid ^{2,3}	14	8	75.0 %	379	677	(44.0) %
Reseller ²	(197)	(251)	21.5 %	(449)	(928)	51.6 %
Connected Devices	4,809	3,698	30.0 %	14,785	14,645	1.0 %
Total Mobility Net Additions	5,855	3,590	63.1 %	16,898	13,959	21.1 %
Postpaid Churn ¹	0.94 %	1.29 %	(35) BP	0.98 %	1.18 %	(20) BP
Postpaid Phone-Only Churn ¹	0.76 %	1.07 %	(31) BP	0.79 %	0.95 %	(16) BP

¹ Fourth-quarter 2020 subscriber net adds include 35 postpaid (28 phone) "Keep Americans Connected Pledge" paying accounts. The fourth quarter postpaid churn excluding "Keep Americans Connected Pledge" paying accounts was 0.96% (0.78% phone), with no impact for the year ended December 31, 2020.

² The year ended December 31, 2020, includes subscribers transferred in connection with business dispositions.

³ The year ended December 31, 2020, includes 188 subscriber disconnections resulting from updating our prepaid activation policy.

Video

Video provides video, including over-the-top (OTT) services and also sells advertising on video distribution platforms. Video results were previously reported in the Entertainment Group and Business Wireline business units.

Video Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Fourth Quarter		Percent	Year Ended		Percent
	2020	2019	Change	2020	2019	Change
Operating Revenues						
Service	\$ 7,124	\$ 8,074	(11.8) %	\$ 28,465	\$ 32,123	(11.4) %
Equipment	44	1	— %	145	1	— %
Total Operating Revenues	7,168	8,075	(11.2) %	28,610	32,124	(10.9) %
Operating Expenses						
Operations and support	6,549	7,447	(12.1) %	24,619	27,599	(10.8) %
Depreciation and amortization	521	589	(11.5) %	2,262	2,461	(8.1) %
Total Operating Expenses	7,070	8,036	(12.0) %	26,881	30,060	(10.6) %
Operating Income	98	39	— %	1,729	2,064	(16.2) %
Equity in Net Income (Loss) of Affiliates	—	—	— %	—	—	— %
Operating Contribution	\$ 98	\$ 39	— %	\$ 1,729	\$ 2,064	(16.2) %
Operating Income Margin	1.4 %	0.5 %	90 BP	6.0 %	6.4 %	(40) BP
Supplementary Operating Data						
<i>Subscribers and connections in thousands</i>						
<i>Unaudited</i>						
	December 31,		Percent			Percent
	2020	2019	Change			Change
Video Connections						
Premium TV	16,505	19,496	(15.3) %			
AT&T TV Now	656	926	(29.2) %			
Total Video Connections	17,161	20,422	(16.0) %			
	Fourth Quarter		Percent	Year Ended		Percent
	2020	2019	Change	2020	2019	Change
Video Net Additions						
Premium TV ¹	(617)	(946)	34.8 %	(2,992)	(3,430)	12.8 %
AT&T TV Now	(27)	(219)	87.7 %	(270)	(665)	59.4 %
Total Video Net Additions	(644)	(1,165)	44.7 %	(3,262)	(4,095)	20.3 %

¹ Fourth-quarter 2020 subscriber net adds include 4 premium TV “Keep Americans Connected Pledge” paying accounts.

Broadband

Broadband provides broadband, including fiber, and voice communication services primarily to residential customers. Broadband was previously combined with the majority of our Video business unit and reported as Entertainment Group. Results have been recast to conform to the current period's presentation of separate Video and Broadband business units.

Broadband Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Fourth Quarter		Percent	Year Ended		Percent
	2020	2019	Change	2020	2019	Change
Operating Revenues						
High-speed internet	\$ 2,205	\$ 2,107	4.7 %	\$ 8,534	\$ 8,403	1.6 %
Legacy voice and data services	534	604	(11.6) %	2,213	2,573	(14.0) %
Other service and equipment	377	450	(16.2) %	1,571	2,036	(22.8) %
Total Operating Revenues	3,116	3,161	(1.4) %	12,318	13,012	(5.3) %
Operating Expenses						
Operations and support	2,012	1,749	15.0 %	7,582	7,451	1.8 %
Depreciation and amortization	738	726	1.7 %	2,914	2,880	1.2 %
Total Operating Expenses	2,750	2,475	11.1 %	10,496	10,331	1.6 %
Operating Income	366	686	(46.6) %	1,822	2,681	(32.0) %
Equity in Net Income (Loss) of Affiliates	—	—	— %	—	—	— %
Operating Contribution	\$ 366	\$ 686	(46.6) %	\$ 1,822	\$ 2,681	(32.0) %
Operating Income Margin	11.7 %	21.7 %	(1,000) BP	14.8 %	20.6 %	(580) BP

Supplementary Operating Data			
<i>Subscribers and connections in thousands</i>			
<i>Unaudited</i>			
	December 31,		Percent
	2020	2019	Change
Broadband Connections			
Total Broadband Connections	14,100	14,119	(0.1) %
Fiber Broadband Connections	4,951	3,887	27.4 %
Voice Connections			
Retail Consumer Switched Access Lines	2,862	3,329	(14.0) %
U-verse Consumer VoIP Connections	3,231	3,794	(14.8) %
Total Retail Consumer Voice Connections	6,093	7,123	(14.5) %
	Fourth Quarter		Percent
	2020	2019	Change
Broadband Net Additions			
Total Broadband Net Additions ¹	(2)	(182)	98.9 %
Fiber Broadband Net Additions	273	191	42.9 %

¹ Fourth-quarter 2020 subscriber net adds include 4 "Keep Americans Connected Pledge" paying accounts.

Business Wireline

Business Wireline unit provides advanced IP-based services, as well as traditional data services to business customers. Results have been recast to conform to the current period's presentation of a separate Video business unit.

Business Wireline Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Fourth Quarter		Percent Change	Year Ended		Percent Change
	2020	2019		2020	2019	
Operating Revenues						
Strategic and managed services	\$ 4,006	\$ 3,925	2.1 %	\$ 15,788	\$ 15,430	2.3 %
Legacy voice and data services	1,956	2,207	(11.4) %	8,183	9,180	(10.9) %
Other service and equipment	357	454	(21.4) %	1,387	1,557	(10.9) %
Total Operating Revenues	6,319	6,586	(4.1) %	25,358	26,167	(3.1) %
Operating Expenses						
Operations and support	3,993	4,056	(1.6) %	15,534	16,069	(3.3) %
Depreciation and amortization	1,320	1,247	5.9 %	5,226	4,934	5.9 %
Total Operating Expenses	5,313	5,303	0.2 %	20,760	21,003	(1.2) %
Operating Income	1,006	1,283	(21.6) %	4,598	5,164	(11.0) %
Equity in Net Income (Loss) of Affiliates	—	—	— %	—	—	— %
Operating Contribution	\$ 1,006	\$ 1,283	(21.6) %	\$ 4,598	\$ 5,164	(11.0) %
Operating Income Margin	15.9 %	19.5 %	(360) BP	18.1 %	19.7 %	(160) BP

Business Solutions

As a supplemental presentation to our Communications segment operating results, we are providing a view of our AT&T Business Solutions results which includes both wireless and fixed operations. This combined view presents a complete profile of the entire business customer relationship and underscores the importance of mobile solutions to serving our business customers. Results have been recast to conform to the current period's classification of consumer and business wireless subscribers and a separate Video reporting unit.

Business Solutions Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Fourth Quarter		Percent Change	Year Ended		Percent Change
	2020	2019		2020	2019	
Operating Revenues						
Wireless service	\$ 1,948	\$ 1,899	2.6 %	\$ 7,732	\$ 7,444	3.9 %
Strategic and managed services	4,006	3,925	2.1 %	15,788	15,430	2.3 %
Legacy voice and data services	1,956	2,207	(11.4) %	8,183	9,180	(10.9) %
Other service and equipment	357	454	(21.4) %	1,387	1,557	(10.9) %
Wireless equipment	925	855	8.2 %	2,882	2,754	4.6 %
Total Operating Revenues	9,192	9,340	(1.6) %	35,972	36,365	(1.1) %
Operating Expenses						
Operations and support	6,091	5,960	2.2 %	22,713	22,714	— %
Depreciation and amortization	1,640	1,554	5.5 %	6,509	6,148	5.9 %
Total Operating Expenses	7,731	7,514	2.9 %	29,222	28,862	1.2 %
Operating Income	1,461	1,826	(20.0) %	6,750	7,503	(10.0) %
Equity in Net Income (Loss) of Affiliates	—	—	— %	—	—	— %
Operating Contribution	\$ 1,461	\$ 1,826	(20.0) %	\$ 6,750	\$ 7,503	(10.0) %
Operating Income Margin	15.9 %	19.6 %	(370) BP	18.8 %	20.6 %	(180) BP

WARNERMEDIA SEGMENT

The WarnerMedia segment develops, produces and distributes feature films, television, gaming and other content in various physical and digital formats globally, and also includes our Xandr business, which utilizes data analytics to provide targeted advertising services. Results from Turner, Home Box Office (HBO) and Warner Bros. businesses are combined with AT&T's Regional Sports Network (RSN), Otter Media Holdings and Xandr in the WarnerMedia segment. All previously reported periods have been recast to include Xandr, which was a separate reportable segment prior to the second quarter of 2020 and to remove the Crunchyroll anime business that was classified as held-for-sale.

Segment Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Fourth Quarter		Percent	Year Ended		Percent
	2020	2019	Change	2020	2019	Change
Segment Operating Revenues						
Turner	\$ 3,242	\$ 3,262	(0.6)%	\$ 12,568	\$ 13,122	(4.2)%
HBO	1,903	1,704	11.7 %	6,808	6,749	0.9 %
Warner Bros.	3,247	4,118	(21.2)%	12,154	14,358	(15.4)%
Eliminations and other	162	369	(56.1)%	(1,088)	1,030	— %
Total Segment Operating Revenues	8,554	9,453	(9.5)%	30,442	35,259	(13.7)%
Cost of revenues						
Turner	1,356	1,458	(7.0)%	5,330	5,970	(10.7)%
HBO	1,201	892	34.6 %	4,356	3,248	34.1 %
Warner Bros.	2,057	2,823	(27.1)%	8,236	10,006	(17.7)%
Selling, general and administrative	1,698	1,416	19.9 %	5,803	5,368	8.1 %
Eliminations and other	(477)	(141)	— %	(2,146)	(420)	— %
Depreciation and amortization	177	169	4.7 %	671	589	13.9 %
Total Operating Expenses	6,012	6,617	(9.1)%	22,250	24,761	(10.1)%
Operating Income	2,542	2,836	(10.4)%	8,192	10,498	(22.0)%
Equity in Net Income (Loss) of Affiliates	(13)	23	— %	18	161	(88.8)%
Total Segment Operating Contribution	\$ 2,529	\$ 2,859	(11.5)%	\$ 8,210	\$ 10,659	(23.0)%

Turner

Turner creates and programs branded news, entertainment, sports and kids multi-platform content that is sold to various distribution affiliates. Turner also sells advertising on its networks and digital properties.

Turner Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Fourth Quarter		Percent Change	Year Ended		Percent Change
	2020	2019		2020	2019	
Operating Revenues						
Subscription	\$ 1,920	\$ 1,901	1.0 %	\$ 7,613	\$ 7,736	(1.6) %
Advertising	1,111	1,126	(1.3) %	3,941	4,566	(13.7) %
Content and other	211	235	(10.2) %	1,014	820	23.7 %
Total Operating Revenues	3,242	3,262	(0.6) %	12,568	13,122	(4.2) %
Operating Expenses						
Cost of revenues	1,356	1,458	(7.0) %	5,330	5,970	(10.7) %
Selling, general and administrative	453	469	(3.4) %	1,624	1,770	(8.2) %
Depreciation and amortization	70	68	2.9 %	277	235	17.9 %
Total Operating Expenses	1,879	1,995	(5.8) %	7,231	7,975	(9.3) %
Operating Income	1,363	1,267	7.6 %	5,337	5,147	3.7 %
Equity in Net Income (Loss) of Affiliates	(2)	6	— %	(2)	52	— %
Operating Contribution	\$ 1,361	\$ 1,273	6.9 %	\$ 5,335	\$ 5,199	2.6 %
Operating Income Margin	42.0 %	38.8 %	320 BP	42.5 %	39.2 %	330 BP

Home Box Office

Home Box Office consists of premium pay television and OTT services domestically and premium pay, basic tier television and OTT services internationally, as well as content licensing and home entertainment.

Home Box Office Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Fourth Quarter		Percent Change	Year Ended		Percent Change
	2020	2019		2020	2019	
Operating Revenues						
Subscription	\$ 1,687	\$ 1,431	17.9 %	\$ 6,090	\$ 5,814	4.7 %
Content and other	216	273	(20.9) %	718	935	(23.2) %
Total Operating Revenues	1,903	1,704	11.7 %	6,808	6,749	0.9 %
Operating Expenses						
Cost of revenues	1,201	892	34.6 %	4,356	3,248	34.1 %
Selling, general and administrative	591	296	99.7 %	1,672	1,064	57.1 %
Depreciation and amortization	25	35	(28.6) %	98	102	(3.9) %
Total Operating Expenses	1,817	1,223	48.6 %	6,126	4,414	38.8 %
Operating Income	86	481	(82.1) %	682	2,335	(70.8) %
Equity in Net Income (Loss) of Affiliates	1	(10)	— %	16	30	(46.7) %
Operating Contribution	\$ 87	\$ 471	(81.5) %	\$ 698	\$ 2,365	(70.5) %
Operating Income Margin	4.5 %	28.2 %	(2,370) BP	10.0 %	34.6 %	(2,460) BP

Warner Bros.

Warner Bros. consists of the production, distribution and licensing of television programming and feature films, the distribution of home entertainment products and the production and distribution of games.

Warner Bros. Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Fourth Quarter		Percent Change	Year Ended		Percent Change
	2020	2019		2020	2019	
Operating Revenues						
Theatrical product	\$ 1,186	\$ 1,570	(24.5) %	\$ 4,389	\$ 5,978	(26.6) %
Television product	1,566	1,983	(21.0) %	6,171	6,367	(3.1) %
Games and other	495	565	(12.4) %	1,594	2,013	(20.8) %
Total Operating Revenues	3,247	4,118	(21.2) %	12,154	14,358	(15.4) %
Operating Expenses						
Cost of revenues	2,057	2,823	(27.1) %	8,236	10,006	(17.7) %
Selling, general and administrative	354	450	(21.3) %	1,681	1,810	(7.1) %
Depreciation and amortization	45	40	12.5 %	169	162	4.3 %
Total Operating Expenses	2,456	3,313	(25.9) %	10,086	11,978	(15.8) %
Operating Income	791	805	(1.7) %	2,068	2,380	(13.1) %
Equity in Net Income (Loss) of Affiliates	(20)	(11)	(81.8) %	(70)	(30)	— %
Operating Contribution	\$ 771	\$ 794	(2.9) %	\$ 1,998	\$ 2,350	(15.0) %
Operating Income Margin	24.4 %	19.5 %	490 BP	17.0 %	16.6 %	40 BP

LATIN AMERICA SEGMENT

The Latin America segment provides entertainment and wireless service outside of the U.S. Our international subsidiaries conduct business in their local currency and operating results are converted to U.S. dollars using official exchange rates. The Latin America segment contains two business units: Vrio and Mexico.

Segment Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Fourth Quarter		Percent Change	Year Ended		Percent Change
	2020	2019		2020	2019	
Segment Operating Revenues						
Vrio	\$ 762	\$ 982	(22.4)%	\$ 3,154	\$ 4,094	(23.0)%
Mexico	736	776	(5.2)%	2,562	2,869	(10.7)%
Total Segment Operating Revenues	1,498	1,758	(14.8)%	5,716	6,963	(17.9)%
Segment Operating Contribution						
Vrio	(41)	40	— %	(142)	83	— %
Mexico	(126)	(127)	0.8 %	(587)	(718)	18.2 %
Total Segment Operating Contribution	\$ (167)	\$ (87)	(92.0)%	\$ (729)	\$ (635)	(14.8)%

Vrio

Vrio provides entertainment services to customers utilizing satellite technology in Latin America and the Caribbean.

Vrio Results							
<i>Dollars in millions</i>							
<i>Unaudited</i>							
	Fourth Quarter		Percent Change	Year Ended		Percent Change	
	2020	2019		2020	2019		
Operating Revenues	\$ 762	\$ 982	(22.4) %	\$ 3,154	\$ 4,094	(23.0) %	
Operating Expenses							
Operations and support	681	780	(12.7) %	2,800	3,378	(17.1) %	
Depreciation and amortization	120	164	(26.8) %	520	660	(21.2) %	
Total Operating Expenses	801	944	(15.1) %	3,320	4,038	(17.8) %	
Operating Income (Loss)	(39)	38	— %	(166)	56	— %	
Equity in Net Income (Loss) of Affiliates	(2)	2	— %	24	27	(11.1) %	
Operating Contribution	\$ (41)	\$ 40	— %	\$ (142)	\$ 83	— %	
Operating Income Margin	(5.1)%	3.9 %	(900) BP	(5.3)%	1.4 %	(670) BP	

Supplementary Operating Data			
<i>Subscribers and connections in thousands</i>			
<i>Unaudited</i>			
	December 31,		Percent Change
	2020	2019	
Vrio Video Subscribers	10,942	13,331	(17.9) %
	Fourth Quarter		Percent Change
	2020	2019	
Vrio Video Net Additions¹	49	25	96.0 %

¹ 2020 excludes the impact of 2.2 million subscriber disconnections resulting from the closure of our DIRECTV operations in Venezuela.

Mexico

Mexico provides wireless services and equipment to customers in Mexico.

Mexico Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Fourth Quarter		Percent	Year Ended		Percent
	2020	2019	Change	2020	2019	Change
Operating Revenues						
Wireless service	\$ 459	\$ 487	(5.7) %	\$ 1,656	\$ 1,863	(11.1) %
Wireless equipment	277	289	(4.2) %	906	1,006	(9.9) %
Total Operating Revenues	736	776	(5.2) %	2,562	2,869	(10.7) %
Operating Expenses						
Operations and support	722	773	(6.6) %	2,636	3,085	(14.6) %
Depreciation and amortization	140	130	7.7 %	513	502	2.2 %
Total Operating Expenses	862	903	(4.5) %	3,149	3,587	(12.2) %
Operating Income (Loss)	(126)	(127)	0.8 %	(587)	(718)	18.2 %
Equity in Net Income of Affiliates	—	—	— %	—	—	— %
Operating Contribution	\$ (126)	\$ (127)	0.8 %	\$ (587)	\$ (718)	18.2 %
Operating Income Margin	(17.1)%	(16.4)%	(70) BP	(22.9)%	(25.0)%	210 BP
Supplementary Operating Data						
<i>Subscribers and connections in thousands</i>						
<i>Unaudited</i>						
	December 31,		Percent			Percent
	2020	2019	Change			Change
Mexico Wireless Subscribers						
Postpaid	4,696	5,103	(8.0) %			
Prepaid	13,758	13,584	1.3 %			
Reseller	489	472	3.6 %			
Mexico Wireless Subscribers	18,943	19,159	(1.1) %			
	Fourth Quarter		Percent	Year Ended		Percent
	2020	2019	Change	2020	2019	Change
Mexico Wireless Net Additions¹						
Postpaid	(14)	(249)	94.4 %	(407)	(608)	33.1 %
Prepaid	509	736	(30.8) %	174	1,919	(90.9) %
Reseller	34	53	(35.8) %	118	219	(46.1) %
Mexico Wireless Net Additions	529	540	(2.0) %	(115)	1,530	— %

¹ 2020 excludes the impact of 101 subscriber disconnections resulting from conforming our policy on reporting of fixed wireless resellers.

Supplemental AT&T Advertising Revenues

As a supplemental presentation, we are providing a view of total advertising revenues generated by AT&T, which combines the advertising revenues recorded across all operating segments. This combined view presents the entire portfolio of revenues generated from AT&T assets.

Advertising Revenues						
<i>Dollars in millions</i>						
<i>Unaudited</i>	Fourth Quarter		Percent Change	Year Ended		Percent Change
	2020	2019		2020	2019	
Operating Revenues						
Turner	\$ 1,111	\$ 1,126	(1.3)%	\$ 3,941	\$ 4,566	(13.7)%
Video	603	502	20.1 %	1,718	1,672	2.8 %
Xandr	741	607	22.1 %	2,089	2,022	3.3 %
Other	122	116	5.2 %	386	382	1.0 %
Eliminations	(603)	(502)	(20.1)%	(1,718)	(1,672)	(2.8)%
Total Advertising Revenues	\$ 1,974	\$ 1,849	6.8 %	\$ 6,416	\$ 6,970	(7.9)%

SUPPLEMENTAL SEGMENT RECONCILIATION

Three Months Ended							
<i>Dollars in millions</i>							
<i>Unaudited</i>							
December 31, 2020							
	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)	Equity in Net Income (Loss) of Affiliates	Segment Contribution
Communications							
Mobility	\$ 20,119	\$ 13,023	\$ 7,096	\$ 2,008	\$ 5,088	\$ —	\$ 5,088
Video	7,168	6,549	619	521	98	—	98
Broadband	3,116	2,012	1,104	738	366	—	366
Business Wireline	6,319	3,993	2,326	1,320	1,006	—	1,006
Total Communications	36,722	25,577	11,145	4,587	6,558	—	6,558
WarnerMedia							
Turner	3,242	1,809	1,433	70	1,363	(2)	1,361
Home Box Office	1,903	1,792	111	25	86	1	87
Warner Bros.	3,247	2,411	836	45	791	(20)	771
Eliminations and other	162	(177)	339	37	302	8	310
Total WarnerMedia	8,554	5,835	2,719	177	2,542	(13)	2,529
Latin America							
Vrio	762	681	81	120	(39)	(2)	(41)
Mexico	736	722	14	140	(126)	—	(126)
Total Latin America	1,498	1,403	95	260	(165)	(2)	(167)
Segment Total	46,774	32,815	13,959	5,024	8,935	(15)	8,920
Corporate and Other							
Corporate	388	894	(506)	52	(558)		
Acquisition-related items	—	37	(37)	1,890	(1,927)		
Certain significant items	—	16,617	(16,617)	14	(16,631)		
Eliminations and consolidations	(1,471)	(906)	(565)	(1)	(564)		
AT&T Inc.	\$ 45,691	\$ 49,457	\$ (3,766)	\$ 6,979	\$ (10,745)		

Three Months Ended

Dollars in millions

Unaudited

December 31, 2019

	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)	Equity in Net Income (Loss) of Affiliates	Segment Contribution
Communications							
Mobility	\$ 18,700	\$ 11,170	\$ 7,530	\$ 2,027	\$ 5,503	\$ —	5,503
Video	8,075	7,447	628	589	39	—	39
Broadband	3,161	1,749	1,412	726	686	—	686
Business Wireline	6,586	4,056	2,530	1,247	1,283	—	1,283
Total Communications	36,522	24,422	12,100	4,589	7,511	—	7,511
WarnerMedia							
Turner	3,262	1,927	1,335	68	1,267	6	1,273
Home Box Office	1,704	1,188	516	35	481	(10)	471
Warner Bros.	4,118	3,273	845	40	805	(11)	794
Eliminations and other	369	60	309	26	283	38	321
Total WarnerMedia	9,453	6,448	3,005	169	2,836	23	2,859
Latin America							
Vrio	982	780	202	164	38	2	40
Mexico	776	773	3	130	(127)	—	(127)
Total Latin America	1,758	1,553	205	294	(89)	2	(87)
Segment Total	47,733	32,423	15,310	5,052	10,258	25	10,283
Corporate and Other							
Corporate	463	955	(492)	126	(618)		
Acquisition-related items	—	381	(381)	1,741	(2,122)		
Certain significant items	—	1,701	(1,701)	43	(1,744)		
Eliminations and consolidations	(1,375)	(921)	(454)	(1)	(453)		
AT&T Inc.	\$ 46,821	\$ 34,539	\$ 12,282	\$ 6,961	\$ 5,321		

SUPPLEMENTAL SEGMENT RECONCILIATION

Year Ended							
<i>Dollars in millions</i>							
<i>Unaudited</i>							
December 31, 2020							
	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)	Equity in Net Income (Loss) of Affiliates	Segment Contribution
Communications							
Mobility	\$ 72,564	\$ 42,106	\$ 30,458	\$ 8,086	\$ 22,372	\$ —	22,372
Video	28,610	24,619	3,991	2,262	1,729	—	1,729
Broadband	12,318	7,582	4,736	2,914	1,822	—	1,822
Business Wireline	25,358	15,534	9,824	5,226	4,598	—	4,598
Total Communications	138,850	89,841	49,009	18,488	30,521	—	30,521
WarnerMedia							
Turner	12,568	6,954	5,614	277	5,337	(2)	5,335
Home Box Office	6,808	6,028	780	98	682	16	698
Warner Bros.	12,154	9,917	2,237	169	2,068	(70)	1,998
Eliminations and other	(1,088)	(1,320)	232	127	105	74	179
Total WarnerMedia	30,442	21,579	8,863	671	8,192	18	8,210
Latin America							
Vrio	3,154	2,800	354	520	(166)	24	(142)
Mexico	2,562	2,636	(74)	513	(587)	—	(587)
Total Latin America	5,716	5,436	280	1,033	(753)	24	(729)
Segment Total	175,008	116,856	58,152	20,192	37,960	\$ 42	\$ 38,002
Corporate and Other							
Corporate	1,932	3,974	(2,042)	300	(2,342)		
Acquisition-related items	—	468	(468)	8,012	(8,480)		
Certain significant items	—	19,156	(19,156)	14	(19,170)		
Eliminations and consolidations	(5,180)	(3,615)	(1,565)	(2)	(1,563)		
AT&T Inc.	\$ 171,760	\$ 136,839	\$ 34,921	\$ 28,516	\$ 6,405		

Year Ended							
<i>Dollars in millions</i>							
<i>Unaudited</i>							
<i>December 31, 2019</i>							
	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)	Equity in Net Income (Loss) of Affiliates	Segment Contribution
Communications							
Mobility	\$ 71,056	\$ 40,681	\$ 30,375	\$ 8,054	\$ 22,321	\$ —	22,321
Video	32,124	27,599	4,525	2,461	2,064	—	2,064
Broadband	13,012	7,451	5,561	2,880	2,681	—	2,681
Business Wireline	26,167	16,069	10,098	4,934	5,164	—	5,164
Total Communications	142,359	91,800	50,559	18,329	32,230	—	32,230
WarnerMedia							
Turner	13,122	7,740	5,382	235	5,147	52	5,199
Home Box Office	6,749	4,312	2,437	102	2,335	30	2,365
Warner Bros.	14,358	11,816	2,542	162	2,380	(30)	2,350
Eliminations and other	1,030	304	726	90	636	109	745
Total WarnerMedia	35,259	24,172	11,087	589	10,498	161	10,659
Latin America							
Vrio	4,094	3,378	716	660	56	27	83
Mexico	2,869	3,085	(216)	502	(718)	—	(718)
Total Latin America	6,963	6,463	500	1,162	(662)	27	(635)
Segment Total	184,581	122,435	62,146	20,080	42,066	\$ 188	\$ 42,254
Corporate and Other							
Corporate	1,937	3,279	(1,342)	636	(1,978)		
Acquisition-related items	(72)	960	(1,032)	7,460	(8,492)		
Certain significant items	—	2,082	(2,082)	43	(2,125)		
Eliminations and consolidations	(5,253)	(3,735)	(1,518)	(2)	(1,516)		
AT&T Inc.	\$ 181,193	\$ 125,021	\$ 56,172	\$ 28,217	\$ 27,955		

Discussion and Reconciliation of Non-GAAP Measures

Supplemental Operational Measures

We provide a supplemental discussion of our business solutions operations that is calculated by combining our Mobility and Business Wireline operating units, and then adjusting to remove non-business operations. The following table presents a reconciliation of our supplemental Business Solutions results.

Supplemental Operational Measure								
Fourth Quarter								
December 31, 2020					December 31, 2019			
	Mobility	Business Wireline	Adjustments ¹	Business Solutions	Mobility	Business Wireline	Adjustments ¹	Business Solutions
Operating Revenues								
Wireless service	\$ 14,022	\$ —	\$ (12,074)	\$ 2,873	\$ 13,948	\$ —	\$ (12,049)	\$ 2,754
Strategic and managed services	—	4,006	—	4,006	—	3,925	—	3,925
Legacy voice and data services	—	1,956	—	1,956	—	2,207	—	2,207
Other services and equipment	—	357	—	357	—	454	—	454
Wireless equipment	6,097	—	(5,172)	209	4,752	—	(3,897)	249
Total Operating Revenues	20,119	6,319	(17,246)	9,192	18,700	6,586	(15,946)	9,340
Operating Expenses								
Operations and support	13,023	3,993	(10,925)	6,091	11,170	4,056	(9,266)	5,960
EBITDA	7,096	2,326	(6,321)	3,101	7,530	2,530	(6,680)	3,380
Depreciation and amortization	2,008	1,320	(1,688)	1,640	2,027	1,247	(1,720)	1,554
Total Operating Expenses	15,031	5,313	(12,613)	7,731	13,197	5,303	(10,986)	7,514
Operating Income	5,088	1,006	(4,633)	1,461	5,503	1,283	(4,960)	1,826
Equity in Net Income (Loss) of Affiliates	—	—	—	—	—	—	—	—
Operating Contribution	\$ 5,088	\$ 1,006	\$ (4,633)	\$ 1,461	\$ 5,503	\$ 1,283	\$ (4,960)	\$ 1,826

¹ Non-business wireless reported in the Communication segment under the Mobility business unit.

Supplemental Operational Measure								
Year Ended								
December 31, 2020					December 31, 2019			
	Mobility	Business Wireline	Adjustments ¹	Business Solutions	Mobility	Business Wireline	Adjustments ¹	Business Solutions
Operating Revenues								
Wireless service	\$ 55,542	\$ —	\$ (47,810)	\$ 10,614	\$ 55,331	\$ —	\$ (47,887)	\$ 10,198
Strategic and managed services	—	15,788	—	15,788	—	15,430	—	15,430
Legacy voice and data services	—	8,183	—	8,183	—	9,180	—	9,180
Other services and equipment	—	1,387	—	1,387	—	1,557	—	1,557
Wireless equipment	17,022	—	(14,140)	2,882	15,725	—	(12,971)	2,754
Total Operating Revenues	72,564	25,358	(61,950)	35,972	71,056	26,167	(60,858)	36,365
Operating Expenses								
Operations and support	42,106	15,534	(34,927)	22,713	40,681	16,069	(34,036)	22,714
EBITDA	30,458	9,824	(27,023)	13,259	30,375	10,098	(26,822)	13,651
Depreciation and amortization	8,086	5,226	(6,803)	6,509	8,054	4,934	(6,840)	6,148
Total Operating Expenses	50,192	20,760	(41,730)	29,222	48,735	21,003	(40,876)	28,862
Operating Income	22,372	4,598	(20,220)	6,750	22,321	5,164	(19,982)	7,503
Equity in Net Income (Loss) of Affiliates	—	—	—	—	—	—	—	—
Operating Contribution	\$ 22,372	\$ 4,598	\$ (20,220)	\$ 6,750	\$ 22,321	\$ 5,164	\$ (19,982)	\$ 7,503

¹ Non-business wireless reported in the Communication segment under the Mobility business unit. Results have been recast to conform to the current period's classification.