



CAPTRUST

February 8, 2023

Company	Ticker	Sector	Industry
AT&T Inc.	T-US	Communication Services	Diversified Telecommunication Services

Business Description

AT&T, Inc. is a holding company which engages in the provision of telecommunications, media, and technology services. It operates through the following segments: Communications, WarnerMedia, and Latin America. The Communications segment provides wireless and wireline services to businesses and consumers located in the U.S., U.S. territories, and businesses globally. The WarnerMedia segment develops, produces, and distributes feature films, television, gaming, and other content over various physical and digital formats, including the company's HBO Max streaming platform launched in 2020. The Latin America segment provides entertainment and wireless services outside of the U.S. AT&T is the third-largest U.S. wireless carrier, connecting 64 million postpaid and 17 million prepaid phone customers. Through its broadband operation, AT&T serves approximately 15 million households. The company was founded in 1983 and is headquartered in Dallas, TX.

Price Chart

Key Info & Metrics



Empirical Research Rank:	4
Date Purchased:	01/02/2018
Price:	\$19.25
52-Week Range:	\$14.63 - \$24.50
Dividend Yield:	5.77%
Market Cap (\$M):	\$137,195
Forward Price-to-Earnings:	8

Total Return

Year-to-Date:	6.1%
1 Year:	13.1%
3 Year:	-18.7%
5 Year:	-4.6%

Investment Case - Updated: January 12, 2023

AT&T recently sold a majority position in DirecTV and spun off Warner Media. The renewed focus has shown up in solid operating results over the past several quarters. These corporate transactions have also improved the company's balance sheet. We believe building out its 5G network and focusing on deeper fiber penetration is favorable for the firm and its competitive positioning. AT&T was less aggressive in discounting mobile plans recently, which should improve profitability over the long term. Following 2021 spectrum auction, AT&T pulled just about even with Verizon in deployable spectrum to build out their 5G network, while both trail T Mobile. Management expects to reach 30 million homes passed with fiber by 2025 and subscriber penetration has improved significantly since the pandemic as customers seek faster upload speeds due to increased work from home flexibility. AT&T has an above market dividend yield which could provide stability.

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