AT&T makes changes in response to activist investor push

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In this July 18, 2019, file photo, is an AT&T retail store in Miami. AT&T will review its portfolio for assets it can sell off, pay down debt related to its Time Warner acquisition and add two board members as part of a plan to boost results. (AP Photo/Lynne Sladky, File)

AT&T said it will look for more parts of its business to sell off and add two new board members after pressure from an activist investor.

The moves are part of a plan to boost results that also includes paying down debt from its $81 billion Time Warner acquisition.

The activist investor, hedge fund Elliott Management, on Monday said it supported AT&T's plans. It had called for changes in September as it revealed a 1% stake in the wireless company.

One business Elliott had called for AT&T to consider dumping: DirecTV, the struggling satellite TV operator acquired in 2015.

AT&T Inc. CEO Randall Stephenson said Monday that DirecTV was an important part of the company's business strategy over the next three years, but that there were no "sacred cows" that would be exempt from being considered up for sale.

AT&T also said Monday that Stephenson would stay on through at least 2020.

AT&T is readying a streaming service, HBO Max, for launch in 2020 as more customers abandon traditional TV. It's entering a crowded field as Disney, Apple and Comcast all launch their own versions of a Netflix alternative.

Meanwhile, its TV business continues to decline, dropping 1.4 million customers in the third quarter. Even its streaming service, a version of cable delivered online called AT&T TV Now, which was meant to help it combat the shrinking number of traditional TV customers, lost subscribers for the 4th straight quarter.

In its wireless arm, AT&T added 101,000 phone customers who pay a monthly bill, the more lucrative kind of customer, up from 67,000 a year ago.

Overall, AT&T earned $3.7 billion, or 50 cents per share, in the three months ended Sept. 30. Adjusted earnings topped Wall Street expectations.

Shares of the Dallas company jumped nearly 5% in midmorning trading.