

Our key performance indicators (KPIs)

We delivered robust operational performance in FY22. Financial performance was broadly in line with guidance^a.

We use eleven KPIs – five operational and six financial.

We reconcile the financial measures to the closest IFRS measure on [pages 209 to 211](#).

Operational At 31 March

R The annual bonus and long-term incentive plans that comprise our directors' remuneration are linked to certain KPIs. See the [Report on directors' remuneration](#) on [page 102](#).

a We gave our original financial outlook in May 2021 and subsequently adjusted our revenue outlook in February 2022. You can read more on [page 46](#).

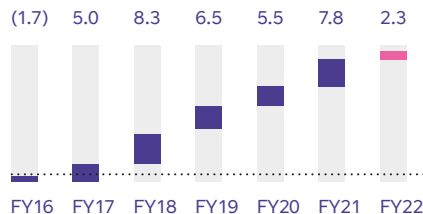
b Adjusted EBITDA as stated is before specific items, share of post tax profits/losses of associates and joint ventures and net non-interest related finance expense, as explained on [page 210](#).

c Adjusted measures exclude specific items, as explained on [page 209](#).

d Normalised free cash flow as defined on [page 211](#).

e The number of EE consumer customers receiving or capable of receiving a 5G network connection using one or both of a 5G-enabled handset and a 5G-enabled SIM.

BT Group Net Promoter Score (NPS) pp improvement



Definition

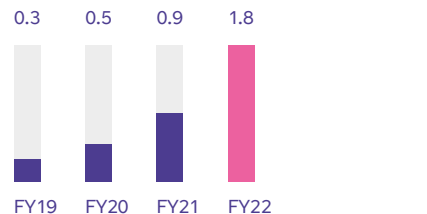
This tracks changes in our customers' perceptions of BT Group since we launched the measure in April 2016. It's a combined measure of 'promoters' minus 'detractors' across our business units. BT Group NPS measures the net promoter score in our retail business and net satisfaction in our wholesale business.

Link to strategy

Performance

BT Group NPS increased by 2.3 percentage points (FY21: up 7.8 percentage points), a new all-time high supported by strong results in year for Consumer, BT SME and Global. You can read more about these and our approach to customer experience on [page 27](#).

Total Openreach FTTP connections m



Definition

This tracks how many premises are connected to Openreach's full fibre (FTTP) network.

Link to strategy

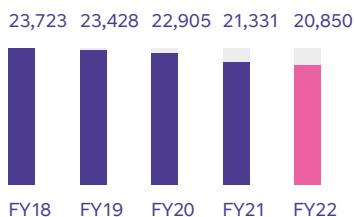
Performance

Almost 1.8m customers were connected to Openreach's FTTP network at 31 March 2022 (FY21: 0.9m). Openreach's full fibre footprint reaches more than 7m homes and businesses – more than our competitors combined – and we're on track to get to 25m premises by the end of 2026. You can read more about the full fibre rollout on [page 21](#).

Financial Year ended 31 March

Reported revenue

£m



Definition

This is our revenue as reported in our income statement.

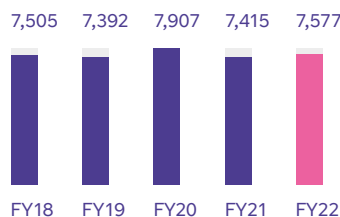
Link to strategy

Performance

Reported revenue was £20,850m (FY21: £21,331m). The decrease was primarily due to revenue declines in our Enterprise and Global units offset by growth in Openreach, with revenue in Consumer flat. You can read more about CFU performance on [pages 52 to 53](#).

Adjusted^b EBITDA

£m



Definition

This measures our earnings before interest, tax, depreciation and amortisation, specific items, share of post tax profits/losses of associates and joint ventures and net non-interest related finance expenses.

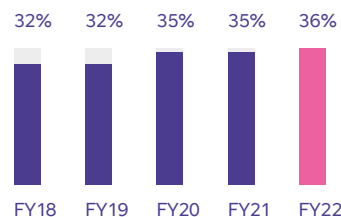
Link to strategy

Performance

Adjusted^b EBITDA was £7,577m (FY21: £7,415m). Growth was driven by savings from our modernisation programmes, tight cost management and lower indirect commissions, which more than offset revenue decline. You can read more on [page 48](#). Lease payments are not included in adjusted^b EBITDA following adoption of IFRS 16 Leases in FY20.

Adjusted^b EBITDA margin

%



Definition

This measures our margin, calculated using our adjusted^b EBITDA and adjusted^c revenue.

Link to strategy

Performance

Adjusted^b EBITDA margin improved 1pp to 36% (FY21: 35%). The increase is mainly driven by improved adjusted^b EBITDA which more than offset the impact of the decline in revenue. You can read more on [page 48](#). Adjusted^b EBITDA margin from FY20 is benefited by the adoption of IFRS 16.

Link to strategy

Each KPI measures how we're doing against at least one of our strategic pillars. You can read more about these, and our progress against them, from [page 18](#).



Build the strongest foundations



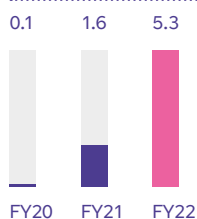
Create standout customer experiences



Lead the way to a bright, sustainable future

Total 5G connections

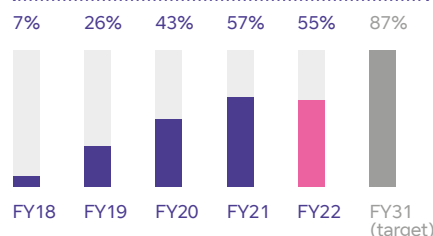
m

**Definition**

This measures the number of EE customers connected to our 5G products.

Link to strategy**Performance**

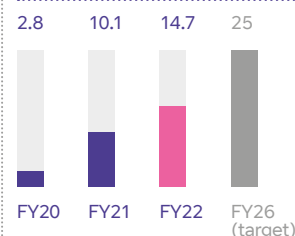
Our 5G customer base keeps growing, with 5.3m EE customers able to connect to our 5G network at 31 March 2022 (FY21: 1.6m). We now have 7.2m 5G ready* customers. We continue to expand our 5G network which now covers over half of the UK population. You can read more on our 5G coverage and rollout on [page 21](#).

Percentage reduction in carbon emissions intensity % reduction**Definition**

This measures performance against our target to cut carbon emissions intensity by 87% by the end of March 2031 compared to FY17 levels. It's measured by reference to tonnes of CO₂e (carbon dioxide equivalent) per £m value added (adjusted EBITDA^b plus employee costs).

Link to strategy**Performance**

Against our carbon emission intensity reduction target this year we achieved a 55% reduction from our baseline year (FY17). This was down slightly on last year's result of 57%, as a result of the rebound effect from the pandemic and due to an increase in vehicle emissions to support fibre rollout. You can find more information on what we're doing to tackle environmental challenges and our journey to net zero emissions on [page 35](#).

Cumulative number of people reached to help improve their digital skills m**Definition**

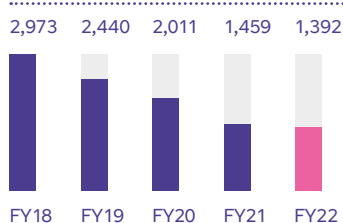
This measures the number of people we've reached with help to improve their digital skills.

Link to strategy**Performance**

At 31 March 2022 we had helped 14.7m people improve their digital skills (FY21: 10.1m) and we're on track to reach our target of 25m by the end of March 2026. You can read more about what we're doing to achieve this on [page 34](#).

Normalised free cash flow^d

£m

**Definition**

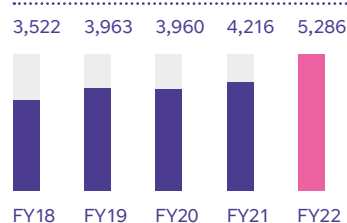
This measures free cash flow (net cash inflow from operating activities after capital expenditure) after net interest paid and payment of lease liabilities, before pension deficit payments (including the cash tax benefit of pension deficit payments) and specific items.

Link to strategy**Performance**

We generated £1,392m of normalised free cash flow^d. This was down 5% from last year and mainly reflects higher cash capital expenditure, partially offset by higher adjusted^b EBITDA and lower tax and lease payments.

Reported capital expenditure

£m

**Definition**

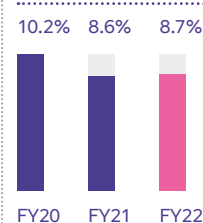
This measures additions to property, plant and equipment and intangible assets during the year.

Link to strategy**Performance**

Reported capital expenditure was £5,286m (FY21: £4,216m). This was primarily driven by investment in spectrum of £479m, and increased full fibre and mobile network investment.

Return On Capital Employed (ROCE)

%

**Definition**

ROCE is adjusted earnings before interest and tax as a percentage of equity, debt and debt-like liabilities excluding balances associated with tax and management of financial risk. For a full definition and a reconciliation to the nearest IFRS measure see [page 210](#).

Link to strategy**Performance**

ROCE for the year was 8.7% (FY21: 8.6%). The increase was mainly attributable to a higher return for the period driven by increased operating profit, partly offset by an increase in capital employed attributable to our continued investment in full fibre.