

## **BT Group plc Annual Report 2023 introduction video panel. Discussion hosted by Ed Petter with Adam Crozier, Philip Jansen, Harmeen Mehta, Athalie Williams**

### **Ed Petter, Corporate Affairs Director**

Welcome one and all to this video to summarise the Annual Report.

Philip, let's start with you. You look back at the year that's just gone. EBITDA and revenue growth for actually the first time in six years, which, given the macroeconomic backdrop was pretty impressive, but how do you feel about progress made and where next?

### **Philip Jansen, Chief Executive**

Look, I think it's a huge milestone, the fact that we've grown revenue and EBITDA for the first time in six years, as you say, and with lots of headwinds that we've navigated, which I'm very pleased about. I think it's down to two things.

Firstly, dedication, commitment of our people. All our teams around the the globe, working for BT, for our customers, have been outstanding.

And secondly, you know, we've got a strategy. We've got a plan and it's working. And so, you know, we're investing at an all time high in the networks of the future, investing in technology, Harmeen will talk about it in a minute, like we've never done before to create the networks of the future. But also the IT and technology capability of the future for our customers and for our colleagues.

So I think it's a good moment. Lots done. Much more to do.

But I think, you know, this is my fifth year, fifth Annual Report. I think it's fair to say that the, you know, BT's stronger. It's better. It's got brighter prospects definitely. But there's lots more to do.

### **Ed Petter, Corporate Affairs Director**

Very good. And Harmeen, Philip mentioned there the transformation of the business, the role you're playing leading the digital transformation.

Just give us your perspective on the progress made in the last 12 months and what's left to get on with.

### **Harmeen Mehta**

I think the last 12 months, there's a lot of momentum we've gathered, especially around the modernisation of BT and shutting down the legacy. Last year alone we've shut down almost now 15% of our legacy. That's far more than we've done in a decade.

So it's great progress. But we've got a really big road ahead of us, a lot more to do.

And this is a big transformation. It's a transformation of technology but also of people, of processes. We are simplifying everything. How we do things for ourselves.

How we do things for our customers. From customer journeys to our product portfolio. Every single aspect that touches our lives, colleagues lives, as well as the lives of our customers. So it is a very big agenda.

But there is only one way forward, and we've just got to get on with it, and do it with pace as well. It's about bringing efficiency as much as it's about building for, you know, propositions and platforms for growth, for the future. Doing both.

**Ed Petter, Corporate Affairs Director**

And Athalie. Thank you Harmeem.

And Athalie, Harmeem's just talked there about this big modernisation agenda that we've got in the company. And we've talked a little bit in the Annual Report about the sort of future shape and size of the business.

Just give us your perspective on what that will look like.

**Athalie Williams, Chief Human Resources Officer**

Yeah, sure. I think we're going to be a higher margin and high tech business.

And if I think about you know the road ahead to the end of this decade, we're going to rely on a smaller workforce, and that's going to bring a material drop in our cost base. But we're going to get there because we will have done the heavy lifting on our full fibre rollout.

We will have closed our, you know, resource hungry legacy networks. And we're going to be really, you know, doing some exciting work in the digital and tech solution space. And with that is going to come a transition of our workforce skills so that we take the workforce we've got today, and we set them up, you know, ready for the work of tomorrow.

And so when I think about the new BT, we are going to be a leaner company with a brighter future. And we're going to get there by doubling down on our five strategic priorities.

**Ed Petter, Corporate Affairs Director**

Thank you very much.

And Adam, just to conclude with you as the Chair of the company, reflecting on the last year, but also particularly looking ahead with a sort of five to five plus years sort of horizon,

How are you feeling about the sort of prospects of the company?

**Adam Crozier, Chairman**

So I think as Philip said, I think we've made some real progress on the transformation itself, and I think it's starting to come through in the results, which is terrific.

I think all our stakeholders, including shareholders, are starting to see the value creation coming through. But it's a long term plan.

But as everyone has said and I guess it's a common theme, we have a lot of work still to do. There's no easy fixes to this.

But the good thing is, I haven't met anyone in the entire time I've been here who doesn't believe that we don't have the right strategy. We know what we need to do. We just need to execute it.

And we need to keep executing it every day, every month and every year for quite a number of years.

But we're making good progress on that. So we should be pleased about that, but recognise the work still to be done.

And it's all down to the people who work for BT. As Philip said across this country and every other one, you know, we really appreciate all their help and support. We couldn't do it without the effort that's going in, so thank you to everyone.

**Ed Petter, Corporate Affairs Director**

And thank you to all of you.