

## A message from our Chairman

# A YEAR OF PROGRESS



Over the past year, we have continued to make strong progress against a clear strategy, strengthening our leadership, investing for the long term, and delivering for customers, colleagues, shareholders and the country in a demanding and highly competitive environment.

**Adam Crozier/Chairman**

### Another year of strategic progress

This year, BT has continued to make solid progress against a clear strategy, in a demanding and highly competitive environment, reflected in continued investor confidence. We are investing for the long term, strengthening our leadership, and delivering for customers, colleagues and owners – while continuing to play a vital role for the country.

The Board is encouraged by the clarity of the strategy, the momentum of transformation, and the focus on delivery.

### Creating long-term value

BT is investing more in UK digital infrastructure than any other business. Between 2020 and 2030, we expect to invest more than £40bn in the country, supporting jobs, productivity and long term economic growth.

Looking ahead, we are reiterating our expectation of a cash flow inflection to around £2bn in FY27, rising to around £3bn by the end of the decade. Delivering this improvement in cash flow is central to our long term value creation plans and underpins confidence in BT's future.

Reflecting the year's delivery, the Board has proposed an increased full-year dividend of 8.32 pence per share. This reflects our continued confidence in the business and our commitment to balancing investment for long-term growth with returns to shareholders.

The Board also monitors shareholder returns closely. Our priority remains to improve returns over time through consistent execution, stronger customer outcomes and growing, sustainable cash generation. We are seeing this reflected in our share price performance this year.

### Connecting for good

Our purpose, to connect for good, is central to how BT operates and how the Board considers long term value. It reflects BT's role in supporting national resilience, helping to close the digital divide, embedding sustainability into the business and maintaining trust in the networks people rely on every day.

As we become the UK's most trusted connector, we play an important role in enabling people to access digital services confidently and safely, with plans to reach more people and businesses by the end of the decade.

BT also continued to make progress on its climate transition plan – cutting operational emissions, electrifying our fleet, managing Scope 3 emissions and working towards a circular economy. This is strengthening our resilience and reducing our environmental impact.

### Successful stakeholder relationships

We continue to engage closely with government on the role our networks play in supporting economic growth, productivity and inclusion across the UK. Our investment is enabled by the greater fiscal and regulatory certainty provided over the past year – including the 2025 Budget, the Mobile Market Review and Statement of Strategic Priorities. BT welcomed the Chancellor's support of our plans to build fibre to 30 million premises and 5G+ to 99% of the population.

We're proud to lead the industry on pricing fairness, transparency, clarity, and value, and we're calling for the whole industry to do the same. This year we signed the Government's Pricing Charter in support of this.

We also led the way on fraud prevention, protecting customers from emerging threats and signing the Second Telecoms Sector Fraud Charter.

And as we support all customers to move away from outdated networks, we signed the Fixed Telecoms Modernisation Safeguards and Ceasing Charter – working to ensure we are following the right safeguarding principles for this national upgrade.

We maintain an open and transparent relationship with the regulator. Ofcom's work, including its Telecoms Access Review, provides important clarity for the sector. The Board remains focused on ensuring BT operates fairly, responsibly and in the best interests of customers.

Beyond this, BT is proud to work with customers, partners, suppliers and communities across the country every day. Whether it's supporting businesses large and small, working with technology partners, or helping people build digital skills, BT continues to play a unique role in the UK's digital economy.

### Board changes

Strong governance underpins effective delivery of strategy. The Board has worked closely with Allison Kirkby and the *Executive Committee* during the year to ensure BT has the leadership, skills and focus needed for the next phase of delivery.

We welcomed representation from our major shareholder, with Sunil Bharti Mittal and Gopal Vittal appointed to the Board as Non-Independent, Non-Executive Directors.

The Board continues to benefit from a balanced mix of skills, experience and perspectives, including strong female representation. We remain focused on effective oversight, clear accountability and supporting management to deliver the strategy at pace.

### A focus on the future

The year ahead is about accelerating delivery. The strategy is clear, the leadership team is in place, and execution will be critical in a highly competitive market.

We look forward to welcoming Patricia Cobian in the summer, when she joins BT as Chief Financial Officer and a member of the *Executive Committee*, succeeding Simon Lowth, who leaves behind a significant legacy of leadership and contribution to BT.

We will continue to evolve how the Board supports delivery of the strategy. This will include new Board working groups focused on workforce and technology transformation, reflecting how critical both are to future execution and long term competitiveness.

In line with this evolution, oversight of responsible business delivery will move from a standalone committee to being embedded into the Board's regular reviews of strategy and performance. This will govern our progress against an expanded digital inclusion goal, to reach 30 million people and businesses with digital skills, tools and support by 2030.

From FY27, we intend to update BT's dividend policy to show our commitment towards increasing returns to shareholders and to reflect the increasing cash flows we expect BT to generate in the coming years. The Board has adopted a new policy to grow the dividend per share by a low to mid single-digit percentage each year in FY27 and onwards until we reach metrics consistent with a BBB+ credit rating. Beyond that point, we'll make residual cash flow available to support enhanced shareholder distributions. This approach provides greater clarity for shareholders while meeting commitments to the pension fund, maintaining a strong balance sheet and preserving flexibility to invest for long-term growth.

Finally, on behalf of the Board, I would like to thank all our people across BT for their hard work and commitment during the year. BT's progress depends on their skill, service and determination, and we are grateful for the way colleagues continue to deliver through significant change.

Despite a challenging external environment, the Board looks ahead with confidence. BT has a vital role to play for the UK and, with the assets, strategy and momentum we have built, we remain focused on delivering for customers, shareholders and the country, as we create a better BT for the future.

**Adam Crozier**  
Chairman  
20 May 2026