Consumer business briefing
8th October 2020

Purpose
We connect for good

2030 Ambition
To be the world’s most trusted connector of people, devices and machines

Values
Personal, Simple, Brilliant

Strategy
1. Build the strongest foundations
2. Create standout customer experiences
3. Lead the way to a bright, sustainable future

Marc Allera - CEO
Forward-looking statement caution

This presentation contains certain forward-looking statements which are made in reliance on the safe harbour provisions of the US Private Securities Litigation Reform Act of 1995. These statements relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements include, without limitation, those concerning: the potential impact of Covid-19 on our people, operations, suppliers and customers; current and future years’ outlook; revenue and revenue trends; EBITDA and profitability; free cash flow; capital expenditure and costs; return on capital employed; return on investment; shareholder returns including dividends and share buyback; net debt; credit ratings; our group-wide transformation and restructuring programme, cost transformation plans and restructuring costs; investment in and roll out of our fibre network and its reach, innovations, increased speeds and speed availability; our broadband-based service and strategy; investment in and roll out of 5G; the investment in converged network; improvements to the customer experience and customer perceptions; our investment in TV, enhancing our TV service and BT Sport; the recovery plan, operating charge, regular cash contributions and interest expense for our defined benefit pension schemes; effective tax rate; growth opportunities in networked IT services, the pay-TV services market, broadband, artificial intelligence and mobility and future voice; growth of, and opportunities available in, the communications industry and BT’s positioning to take advantage of those opportunities; expectations regarding competition, market shares, prices and growth; expectations regarding the convergence of technologies; plans for the launch of new products and services; retail and marketing initiatives; network performance and quality; the impact of regulatory initiatives, decisions and outcomes on operations; BT’s possible or assumed future results of operations and/or those of its associates and joint ventures; investment plans; adequacy of capital; financing plans and refinancing requirements; demand for and access to broadband and the promotion of broadband by third-party service providers; improvements to the control environment; and those statements preceded by, followed by, or that include the words ‘aims’, ‘believes’, ‘expects’, ‘anticipates’, ‘intends’, ‘will’, ‘should’, ‘plans’, ‘strategy’, ‘future’, ‘likely’, ‘seeks’, ‘projects’, ‘estimates’ or similar expressions.

Although BT believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. Factors that could cause differences between actual results and those implied by the forward-looking statements include, but are not limited to: the duration and severity of Covid-19 impacts on our people, operations, suppliers and customers; failure to respond effectively to intensifying competition and technology developments; failure to address the lingering perception of slow pace and connectivity in broadband and mobile coverage, which continues to be raised at a UK parliamentary level; undermining of our strategy and investor confidence caused by an adversarial political environment; challenges presented by Covid-19 around network resilience, support for staff and customers, data sharing and cyber security defence; unfavourable regulatory changes; attacks on our infrastructure and assets by people inside BT or by external sources like hacktivists, criminals, terrorists or nation states; a failure in the supplier selection process or in the ongoing management of a third-party supplier in our supply chain, including failures arising as a result of Covid-19; risks relating to our BT transformation plan; failure to successfully manage our large, complex and high-value national and multinational customer contracts (including the Emergency Services Network and the Building Digital UK (BDUK) programme) and deliver the anticipated benefits; changes to our customers’ needs, budgets or strategies that adversely affect our ability to meet contractual commitments or realise expected revenues, profitability or cash generation; customer experiences that are not brand enhancing nor drive sustainable profitable revenue growth; pandemics, natural perils, network and system faults, malicious acts, supply chain failure, software changes or infrastructure outages that could cause disruptions or otherwise damage the continuity of end to end customer services including network connectivity, network performance, IT systems and service platforms; insufficient engagement from our people; adverse developments in respect of our defined benefit pension schemes; risks related to funding and liquidity, interest rates, foreign exchange, counterparties and tax; failures in the protection of the health, safety and wellbeing of our employees or members of the public or breaches of health and safety law and regulations; financial controls that may not prevent or detect fraud, financial misstatement or other financial loss; security breaches relating to our customers’ and employees’ data or breaches of data privacy laws; failure to recognise or promptly report wrongdoing by our people or those working for us or on our behalf (including a failure to comply with our internal policies and procedures or the laws to which we are subject); and the potential impacts of climate change on our business. BT undertakes no obligation to update any forward-looking statements whether written or oral that may be made from time to time, whether as a result of new information, future events or otherwise.
What we will cover today

1. Progress on 'loyalty gap', fairness, market pricing and new pricing mechanic
2. Fast improving brand and service platform
3. Our approach to growth through convergence
4. Distribution trends and digital opportunity ahead
5. New metrics to better understand Consumer performance
### The Consumer Division

**The UK’s largest fixed and mobile customer base**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>~8m Broadband customers</td>
<td>~14m PAYM mobile customers</td>
<td>&gt;50% Presence in UK households</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Feature</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best 4G and 5G network</td>
<td>Access to largest superfast and FTTP network</td>
</tr>
<tr>
<td>Nationwide multi-channel service</td>
<td>Unique platform for partnerships</td>
</tr>
<tr>
<td>Growing marketplace platform</td>
<td>Platform transactions</td>
</tr>
</tbody>
</table>

**Context**

The UK’s no.1 network seven years in row

No.1 for 5G

Welcome to Halo

<table>
<thead>
<tr>
<th>Platform transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
</tr>
<tr>
<td>2020 run rate</td>
</tr>
<tr>
<td>c.60%</td>
</tr>
</tbody>
</table>

UK’s no.1 network seven years in row

No.1 for 5G

Welcome to Halo

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<tr>
<td>2020 run rate</td>
</tr>
<tr>
<td>c.60%</td>
</tr>
</tbody>
</table>
We are 2 years into our integration journey

2016

EE becomes part of BT plc

Run as separate divisions

2018

Consumer division created

Dedicated teams

Sales
Marketing
Channels
Digital
Service
Finance
HR
Legal

2020

One integrated team

Consumer

People
Channels
Capabilities
Consumer Division financial performance

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>£10.1b</td>
<td>£10.3b</td>
<td>£10.6b</td>
<td>£10.4b</td>
</tr>
</tbody>
</table>

Directional impact

- Regulation & Covid

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>£2.3b</td>
<td>£2.4b</td>
<td>£2.6b</td>
<td>£2.4b</td>
</tr>
</tbody>
</table>

(1) EBITDA not restated for IFRS16 accounting policy change, group recharge methodology and ESN Transfer.
Mobile performance – successful integration of EE

**Consumer PAYM mobile base**
- FY17: c.13m
- FY20: c.14m
- Increase: +9%

**Consumer PAYM mobile revenue**
- FY17
- FY20
- Increase: +11%

**Consumer PAYM mobile gross margin**
- FY17
- FY20
- Increase: +12%

**EE First Choice Purchase Intent¹**
- Aug-2020
- 8% 13% 17% 20%

**EE brand NPS²**
- Aug-2016: -1
- Aug-2020: 20

#1 for Apple and Samsung

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¹ Hall & Partners Brand Tracker
² Customer Experience Insights Consumer Relationship NPS Survey
Broadband performance – BT turnaround in progress

**BT broadband net adds**

<table>
<thead>
<tr>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>21Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>-0.4m</td>
<td>-0.2m</td>
<td>0.0m</td>
<td>0.4m</td>
<td>0.2m</td>
<td>0.0m</td>
</tr>
</tbody>
</table>

**BT broadband monthly churn**

<table>
<thead>
<tr>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>21Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.8%</td>
<td>1.0%</td>
<td>1.2%</td>
<td>1.4%</td>
<td>1.6%</td>
<td></td>
</tr>
</tbody>
</table>

**FTTP base**

<table>
<thead>
<tr>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0m</td>
<td>0.2m</td>
<td>0.4m</td>
<td>0.6m</td>
<td></td>
</tr>
</tbody>
</table>

**BT brand NPS**

<table>
<thead>
<tr>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>-8</td>
<td>-4</td>
<td>0</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

**Ofcom complaints**

<table>
<thead>
<tr>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>10</td>
<td>30</td>
<td></td>
</tr>
</tbody>
</table>

**New brand identity**

[Image of new brand identity]

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(1) Customer Experience Insights Consumer Relationship NPS Survey
# Major progress on service transformation

## Retail
- **Nationwide Retail**
- **Products available**
- **Service capability in store**

## Contact Centre
- **UK service calls**
- **Broadband Ofcom complaints Q1**
- **Mobile Ofcom complaints Q1**

## In-home
- **In Home Services team**

<table>
<thead>
<tr>
<th></th>
<th>January 2018</th>
<th>October 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nationwide Retail</td>
<td>x</td>
<td>✔</td>
</tr>
<tr>
<td>Products available</td>
<td>x</td>
<td>All</td>
</tr>
<tr>
<td>Service capability in store</td>
<td>x</td>
<td>Limited</td>
</tr>
<tr>
<td>UK service calls</td>
<td>72%</td>
<td>100%</td>
</tr>
<tr>
<td>Broadband Ofcom complaints Q1</td>
<td>27</td>
<td>12</td>
</tr>
<tr>
<td>Mobile Ofcom complaints Q1</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>In Home Services team</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>BB &amp; TV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 (below average)</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BT</strong></td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td><strong>EE</strong></td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>
Continued improvement in customer experience and efficiency

**Ofcom complaints**
- **BT Broadband complaints**
  - 2018: 27
  - 2020: 8
  - Decrease: 70%
- **EE Mobile complaints**
  - 2018: 3
  - 2020: 1
  - Decrease: 67%

**NPS**
- **BT brand NPS**
  - 2015: -8
  - 2020: 1
- **EE brand NPS**
  - 2016: 0
  - 2020: 20

**Contact centre efficiency**
- **Customers per agent - Broadband**
  - 2019: BT
  - 2020: BT
  - 2020: EE
  - Increase: 12%
- **Customers per agent - Mobile**
  - 2019: BT
  - 2020: BT
  - 2020: EE
  - Increase: 50%

**EE brand NPS**
- 2019: -4
- 2020: +8%

**BT brand NPS**
- 2019: +42%
Progress on BT Sport profitability

Evolution of pricing strategy

<table>
<thead>
<tr>
<th>BT Sport price/ month</th>
<th>15/16</th>
<th>19/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>BT Sport app/ Sky with bb</td>
<td>£15</td>
<td>£25</td>
</tr>
<tr>
<td>BT Sport with TV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BT Sport monthly pass</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Base transition from free to paid

- BT Sport direct base
- BT Sport customers (%)

<table>
<thead>
<tr>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free</td>
<td>Paid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>55%</td>
<td>45%</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Expanded BT Sport distribution

<table>
<thead>
<tr>
<th>Revenue</th>
<th>15/16</th>
<th>19/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly pass</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New platforms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesale</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+65%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Maintaining cost discipline on rights

<table>
<thead>
<tr>
<th>BT Sport rights cost</th>
<th>17/18</th>
<th>20/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>+3%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Mobile network & 5G leadership with EE

Best for 5G, after 7 years of undisputed network leadership

EE has the best overall performance
UK RootScore results, RootMetrics, H1 2020

<table>
<thead>
<tr>
<th>1st</th>
<th>2nd</th>
<th>3rd</th>
<th>4th</th>
</tr>
</thead>
<tbody>
<tr>
<td>EE</td>
<td>Vodafone</td>
<td>O2</td>
<td>Three</td>
</tr>
</tbody>
</table>

Leading the UK on 5G rollout

5G LIVE IN 100 CITIES AND LARGE TOWNS

#5G locations\(^1\) by provider

<table>
<thead>
<tr>
<th>Provider</th>
<th># Locations</th>
</tr>
</thead>
<tbody>
<tr>
<td>EE</td>
<td>100</td>
</tr>
<tr>
<td>O2</td>
<td>75</td>
</tr>
<tr>
<td>3</td>
<td>68</td>
</tr>
<tr>
<td>Three</td>
<td>54</td>
</tr>
</tbody>
</table>

(1) Source: Competitor websites, as of 15th September
Strong portfolio to lead the 5G market

<table>
<thead>
<tr>
<th>Pricing approach</th>
<th>Innovative use cases</th>
<th>Expand into new categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ All handset plans 5G ready</td>
<td>5G FWA(^1)</td>
<td>Lenovo Yoga – 5G</td>
</tr>
<tr>
<td>✓ Retain premium on SIM: Smart plans 5G ready</td>
<td></td>
<td>Exclusive to EE</td>
</tr>
</tbody>
</table>

\(^1\) Fixed Wireless Access
Global first for EE and Apple

Exclusive plans for iPhone

FULL WORKS PLAN FOR iPHONE

Music

tv+

Arcade

Upgrade anytime

Service pack

Multi-channel campaign
Leading in FTTP

FTTP as a platform for convergence growth

Nationwide multi channel distribution

FTTP base


0.00m 0.10m 0.20m 0.30m 0.40m 0.50m
Pricing, fairness & market competitiveness
Three key priorities for us to address

1. Market competitiveness
2. ‘Loyalty gap’
3. Fairness agenda
Increasing our market competitiveness – BT Broadband

<table>
<thead>
<tr>
<th>Speed</th>
<th>Price/month¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>36Mb</td>
<td>£27</td>
</tr>
<tr>
<td>50Mb</td>
<td>Variable</td>
</tr>
<tr>
<td>67Mb</td>
<td>£32</td>
</tr>
</tbody>
</table>

- Converged offers
- Keep connected promise
- Complete WiFi
- Flexible TV & Sport
- 4G WiFi on EE network

BT broadband net adds
Out of contract price gap

Copper customer migrations

No proposition to reward existing customers’ loyalty

Multiple price rises, at different times on different products
Reducing Out of Contract price increases

BT broadband out of contract price increase

- £13 in 2019
- £8 in 2020
- £5 by 2023-2025

Cap implemented

Average out of contract price increase
(2) Out of contract cap
### Migrated copper base, reduced price for non-eligible customers

<table>
<thead>
<tr>
<th>Copper customers upgraded to fibre and FTTP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Historic copper base</strong></td>
</tr>
<tr>
<td>- Eligible for fibre: c. 1.1m</td>
</tr>
<tr>
<td>- Not eligible for fibre: c. 650k</td>
</tr>
<tr>
<td><strong>Current copper base</strong></td>
</tr>
<tr>
<td>- Migrated to fibre: c. 450k</td>
</tr>
<tr>
<td>- No charge</td>
</tr>
<tr>
<td><strong>Copper customer price down</strong></td>
</tr>
<tr>
<td>- c. £35</td>
</tr>
<tr>
<td>- £30</td>
</tr>
</tbody>
</table>

(1) Non Halo customers
Rewarding loyal customers with Halo

1. Existing customers pay same or less than new
2. £0 out of contract price rise for Halo customers
3. Exclusive Halo benefits
   - Keep connected promise
   - Home tech experts
   - Double data on mobile

BT Halo customer base
- 2018: 1m
- 2019: 1m
- 2020: 2m
- Future: 3m
Significant progress reducing ‘loyalty gap’

BT Broadband loyalty gap

- £'00m
- -c.30%
- -c.50%

2018 2020 2023 Estimate

- Out of contract price cap
- Copper customers migrated
- Halo – loyalty mechanic
- Simpler pricing
## One simple price mechanic across all products and brands

<table>
<thead>
<tr>
<th>Base</th>
<th>Pricing mechanic</th>
<th>Frequency</th>
<th>Pricing mechanic</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>BT broadband</td>
<td>Ad hoc</td>
<td>Ad hoc</td>
<td>CPI</td>
<td>Annual</td>
</tr>
<tr>
<td>BT mobile</td>
<td>Ad hoc</td>
<td>Ad hoc</td>
<td>CPI</td>
<td>Annual</td>
</tr>
<tr>
<td>BT TV</td>
<td>Ad hoc</td>
<td>Ad hoc</td>
<td>CPI</td>
<td>Annual</td>
</tr>
<tr>
<td>BT Sport</td>
<td>Ad hoc</td>
<td>Ad hoc</td>
<td>CPI</td>
<td>Annual</td>
</tr>
<tr>
<td>EE broadband</td>
<td>Ad hoc</td>
<td>Ad hoc</td>
<td>CPI</td>
<td>Annual</td>
</tr>
<tr>
<td>EE mobile</td>
<td>RPI</td>
<td>Annual</td>
<td>RPI</td>
<td>Annual</td>
</tr>
<tr>
<td>Plusnet</td>
<td>Ad hoc</td>
<td>Ad hoc</td>
<td>CPI</td>
<td>Annual</td>
</tr>
</tbody>
</table>

Before:

- CPI +3.9%
- Ad hoc
- CPI
- Ad hoc
- CPI
- Ad hoc
- CPI
- Ad hoc
- CPI
- Ad hoc
- CPI
- Annual

From 1 September 2020:

- CPI +3.9%
- Annual
Growth of data on FTTP. Costs will rise and need recovering

**Fixed data growth (millions of PB)**

- Chart showing data growth from 2018 to 2020.

**Fixed data usage (average GB per household)**

- Chart comparing FTTP and FTTC usage.

**Monthly fixed data cost\(^1\)/ customer (£)**

- Chart showing cost from 2017 to 2025 with CAGR: 5%.

**Fixed data traffic\(^2\) by player (%)**

- Bar chart showing the distribution of traffic among top players.

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(1) Includes CapEx
(2) Peak time usage on 30th June 2020
Winning in Convergence
Convergence will create value for our customers and for BT

We have a strong brand portfolio and an opportunity to drive more value

UK total households

- **6m** BT/EE broadband only households (incl. landline only)
- **3m** BT/EE broadband and mobile households
- **5m** BT/EE mobile only households
- **13m** Homes with no relationship with Consumer brands
- **1m** Plusnet households

Base taking broadband and mobile (%)

- **15%** in 2016
- **21%** in 2020 (+40%)

Winning in Convergence
Leading propositions and capabilities to win in convergence

Halo

Best of Both

Capabilities to execute convergence

Data

Channels

Systems

Digital
We have built important capabilities to unlock convergence

<table>
<thead>
<tr>
<th>Product Catalogue</th>
<th>2018</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual</strong></td>
<td><img src="BT.png" alt="BT" /> <img src="EE.png" alt="EE" /></td>
<td><img src="Best.png" alt="BT" /> <img src="Best.png" alt="EE" /></td>
</tr>
<tr>
<td><strong>Multiple systems</strong></td>
<td><img src="BT.png" alt="BT" /> <img src="EE.png" alt="EE" /></td>
<td><img src="BT.png" alt="BT" /> <img src="EE.png" alt="EE" /></td>
</tr>
<tr>
<td><strong>Separate systems</strong></td>
<td><img src="BT.png" alt="BT" /> <img src="EE.png" alt="EE" /></td>
<td><img src="BT.png" alt="BT" /> <img src="EE.png" alt="EE" /></td>
</tr>
<tr>
<td><strong>Separate identities</strong></td>
<td><img src="BT.png" alt="BT" /> <img src="EE.png" alt="EE" /></td>
<td><img src="BT.png" alt="BT" /> <img src="EE.png" alt="EE" /></td>
</tr>
<tr>
<td><strong>Separate interfaces</strong></td>
<td><img src="BT.png" alt="BT" /> <img src="EE.png" alt="EE" /></td>
<td><img src="BT.png" alt="BT" /> <img src="EE.png" alt="EE" /></td>
</tr>
<tr>
<td><strong>Single brand only</strong></td>
<td><img src="BT.png" alt="BT" /> <img src="EE.png" alt="EE" /></td>
<td><img src="BT.png" alt="BT" /> <img src="EE.png" alt="EE" /></td>
</tr>
</tbody>
</table>

| CRM | **Best of Both** | ![BT](Best.png) ![EE](EE.png) |
| **PEGA decisioning tool across brands** | ![BT](BT.png) ![EE](EE.png) |
| **Discounts across bills** | ![BT](BT.png) ![EE](EE.png) |
| **BT & EE accounts linked** | ![BT](BT.png) ![EE](EE.png) |
| **Both brands visible to agents** | ![BT](BT.png) ![EE](EE.png) |
| **Brands x-sell capability** | ![BT](BT.png) ![EE](EE.png) |
Mobile, Entertainment, Gaming and Smart Home are key opportunities
## Halo – Driving convergence in the BT base

### BT Halo
Connecting the UK like never before

<table>
<thead>
<tr>
<th>Year</th>
<th>Halo base</th>
<th>Non-Halo base</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2.3</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>2.3m</td>
<td>1.7</td>
</tr>
</tbody>
</table>

### Connections per household

<table>
<thead>
<tr>
<th></th>
<th>Halo base</th>
<th>Non-Halo base</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.3</td>
<td>1.7</td>
</tr>
</tbody>
</table>

### Monthly ARPU

<table>
<thead>
<tr>
<th></th>
<th>Halo base</th>
<th>Non-Halo base</th>
</tr>
</thead>
<tbody>
<tr>
<td>+15%</td>
<td>33</td>
<td>9</td>
</tr>
</tbody>
</table>

### Product NPS

<table>
<thead>
<tr>
<th></th>
<th>Halo base</th>
<th>Non-Halo base</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>33</td>
<td>9</td>
</tr>
</tbody>
</table>

### Halo Customer benefits

- **Keep connected promise** – 4G WiFi using EE network
- **Home Tech Expert visits**
- **Double data on mobile**
- **No out of contract price rise**
- **Existing customers’ pricing same or better than new**

### Halo 3+ Coming soon...

---

(1) Customer Experience Insights Consumer Relationship NPS Survey
Customer insights driving Best of Both

**Brand metrics**

- **Broadband**
  - Awareness: BT Broadband > EE broadband
  - Consideration: BT Broadband > EE broadband
  - **FCPI**

- **Mobile**
  - Awareness: EE Mobile > BT Mobile
  - Consideration: EE Mobile > BT Mobile
  - **FCPI**

**Greater appeal amongst high value customers**

- Cost-saving is secondary to brand appeal
- c.1/3 of customers see appeal
- Prefer ‘specialist brands’
- Convenience of one contract & one bill: ‘nice to have’

**Growth opportunity to gain mobile revenue share through EE**

- **PAYM mobile ARPU by household size**
- Opportunity to cross sell growing categories into households

---

(1) First choice purchase intent
Best of Both shows positive and encouraging results

**BT broadband sales in retail and EE telesales**

<table>
<thead>
<tr>
<th>EE</th>
<th>EE + BT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+ c.30-40%</td>
</tr>
</tbody>
</table>

**EE mobile sales in BT telesales**

<table>
<thead>
<tr>
<th>BT</th>
<th>BT + EE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+ c.30%</td>
</tr>
</tbody>
</table>

**Innovation customers can access on other brand**

- Home tech experts
- Exclusive content
- Complete Wi-Fi
- Largest network
- Smart watch & Apple family plan
- Best Network
- Partners
- Insurance
- Service packs, data gifting & swappable benefits
More choice and better experience for our TV customers

2 years ago
Lack of key pay-TV content

Today
Flexible BT TV

Future
Converged viewing experience

- Seamless TV in and out of the home
- Device evolution
- Multi room capability
- Elevating partner content
- One personalised subscription
- Evolution of sport and entertainment
Leading propositions and capabilities to win in convergence

We have a significant opportunity...

- 6m BT/EE broadband only households (incl. landline only)
- 3m BT/EE broadband and mobile households
- 13m Homes with no relationship with Consumer brands
- 5m BT/EE mobile only households
- 1m ‘Planet households

We have strong brands and propositions

Welcome to Halo

... and we have built the capabilities to execute

- Data
- Channels
- Systems
- Digital
Business transformation: Digital, channels and cost base
Direct and Digital shift in our channels

Total BT/ EE/ Plusnet sales & upgrades

FY 19/20
- Direct c.90%
- Indirect c.10%

Average weekly retail sales

Pre-lockdown: Mobile, Broadband
Post-lockdown: Mobile, Broadband
+7%

PAYM retail sales and upgrades

Pre-lockdown vs. post-lockdown
Urban stores: 2%
Suburban stores: 9%

Average weekly digital sales

Pre-lockdown: Mobile, Broadband
Lockdown: Mobile, Broadband
Post-lockdown: Mobile, Broadband
+21%
+9%

Average weekly digital upgrades

Pre-lockdown: Mobile, Broadband
Lockdown: Mobile, Broadband
Post-lockdown: Mobile, Broadband
+106%
-11%

YoY increase in visits to MyBT and MyEE

Pre-lockdown: 1%
Lockdown: 12%
Post-lockdown: 40%

Note: Lockdown - Retail Closed, post-lockdown - Retail Open
Mobile distribution evolving to drive convergence

FY 2016/17
EE Mobile PAYM Voice

Today
EE Mobile PAYM Voice

Increasing ROI, driving convergence and improving loyalty

- **ROI**
  - Indirect: 1.3%
  - Direct: 0.9%

- **Uptake of additional lines**
  - Indirect: +16 pts
  - Direct: 2.5x

- **EE PAYM churn rate**
  - Indirect: 1.3%
  - Direct: 0.9%
We will grow our digital share and optimise other channels

### Growth in Digital Share

<table>
<thead>
<tr>
<th>Digital Channel Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
</tr>
<tr>
<td>2025</td>
</tr>
</tbody>
</table>

- 2 - 3x

### OpEx Savings

<table>
<thead>
<tr>
<th>OpEx Efficiencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
</tr>
<tr>
<td>2025</td>
</tr>
</tbody>
</table>

- £1 - 200m

### Optimising Contact Centre Activity

### Optimising Retail Footprint
New external metrics
Our external metrics are expanding further in line with our strategy

**Current Metrics**
- Fixed Revenue
- Fixed ARPU
- Fixed Churn
- RGU
- Superfast % of base
- Ultrafast % of base

**New Metrics**
- Fixed Revenue
- Fixed ARPU
- Broadband Revenue (excluding Solus)
- Broadband ARPU (excluding Solus)
- Fixed Churn (excluding interbrand)
- Broadband Churn (excluding Solus and interbrand)
- RGU
- Fixed Mobile Convergence (% Households which have both a Mobile and Broadband product)
- Superfast % of base
- Ultrafast % of base
- FTTP base
- 5G ready base
New metrics focused on core broadband business not legacy

**Churn**

- **Fixed (incl. Interbrand)**
  - Q1 FY20: 1.1%
  - Q2 FY20: 1.1%
  - Q3 FY20: 1.1%
  - Q4 FY20: 1.2%
- **Fixed (excl. Interbrand)**
  - Q1 FY20: 1.2%
  - Q2 FY20: 1.2%
  - Q3 FY20: 1.2%
  - Q4 FY20: 1.3%
- **Broadband (excl. Interbrand)**
  - Q1 FY20: 1.2%
  - Q2 FY20: 1.3%
  - Q3 FY20: 1.3%
  - Q4 FY20: 1.3%

**Covid impact**
- 0.9%
- 1.0%

**ARPU**

- **Fixed**
  - Q1 FY20: £37.9
  - Q2 FY20: £38.5
  - Q3 FY20: £38.2
  - Q4 FY20: £38.1
  - Q1 FY21: £38.8

- **Broadband**
  - Q1 FY20: £40.7
  - Q2 FY20: £41.4
  - Q3 FY20: £41.0
  - Q4 FY20: £40.8

**New external metrics**
Increased convergence across the Consumer base

Base taking broadband and mobile (%)

- 15% in 2016
- 21% in 2020

\[+40\%\]

Fixed Mobile Convergence\(^1\) (%)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY20</td>
<td>20.2</td>
</tr>
<tr>
<td>Q2 FY20</td>
<td>20.7</td>
</tr>
<tr>
<td>Q3 FY20</td>
<td>20.9</td>
</tr>
<tr>
<td>Q4 FY20</td>
<td>21.0</td>
</tr>
<tr>
<td>Q1 FY21</td>
<td>21.2</td>
</tr>
</tbody>
</table>

\(^1\) % of Consumer Households which have both a Broadband and Mobile product
Growth in our strategic bases

FTTP Broadband Base

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>324k</td>
<td>512k</td>
</tr>
<tr>
<td>Q2</td>
<td>373k</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>430k</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>484k</td>
<td></td>
</tr>
</tbody>
</table>

5G Ready Base

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td></td>
<td>374k</td>
</tr>
<tr>
<td>Q2</td>
<td>2k</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>15k</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>27k</td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td>53k</td>
<td></td>
</tr>
</tbody>
</table>
Summary of what we covered today

1. Progress on ‘loyalty gap’, fairness, market pricing and new pricing mechanic
2. Fast improving brand and service platform
3. Our approach to growth through convergence
4. Distribution trends and digital opportunity ahead
5. New metrics to better understand Consumer performance