



BT Group Investor Relations Bulletin

News and events during Q2 FY22

1 October 2021

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New member of the Investor Relations team

- On 20 September, Hayley Morgan (Hayley.Morgan@bt.com) joined the BT Investor Relations team as IR Manager. Hayley joins Investor Relations from BT's Commercial & Bid team, prior to which she worked in various roles at EY in New Zealand

Upcoming events

- On 4 November, BT intends to publish its H1 FY22 results
- On 18 November, BT intends to host its Openreach Business Briefing

BT Group – BT Board and Executive Committee changes

- On 17 August, [BT announced that Adam Crozier will succeed Jan du Plessis as our Chairman](#). Adam will join the Board as an independent non-executive director and Chairman Designate with effect from 1 November 2021 and will become Chairman with effect from 1 December 2021 when Jan will retire from the Board
 - Adam is currently Chairman of Whitbread plc, ASOS plc, Kantar Group Limited, as well as a non-executive director of Sony Corporation
 - On taking up the chairmanship of BT, Adam will step down as Chairman of ASOS plc on 29 November 2021 and will not put himself forward for re-election at their upcoming annual general meeting. He will also step down as a non-executive director of Sony Corporation with effect from 31 December 2021

BT Group – BT reaches agreement with Communications Workers Union

- On 8 July, BT reached an agreement with the Communications Workers Union on how BT will continue with its modernisation plans over the coming years. The agreement covers three areas:
 - Pay: BT committed to implement a pay increase for team members in the UK to be awarded next year
 - Better Workplace Programme: BT agreed to look at the timing and location of some of the sites it is proposing to close to minimise the impact on people
 - Redundancy: BT committed to consider steps to avoid compulsory redundancy where it reasonably can. This will be achieved through broader use of voluntary redundancy programmes and through retraining and reskilling employees

BT Group – BT hosts its Annual General Meeting

- On 15 July, BT hosted its 2021 Annual General Meeting. All resolutions were passed

BT Group – FTSE UK Index Series – Quarterly Review September 2021

- On 1 September, FTSE Russell announced quarterly changes to the FTSE UK Index series, with changes applied from 20 September. For BT this includes a free-float adjustment following Altice's purchase of a 12.1% holding, reflecting fewer shares available in the market

BT Group – Environmental, Social, Governance

- On 20 September, [BT announced plans to accelerate its net zero targets](#), bringing forward its net zero targets from 2045 to 2030 for operational emissions and 2040 for supply chain
- On 21 September, [BT announced the launch of the BT Big Sofa Summit](#), encouraging people to get talking about climate change, providing expert-led tools and resources for renters, homeowners, those still living at home and small businesses

Regulation – Ofcom publishes statement on Openreach's existing geographic pricing

- On 2 July, Ofcom published a statement granting geographic pricing freedom on existing Openreach FTTP deals until the offer periods end

Regulation – Ofcom publishes consultation on annual license fees for 2100 MHz spectrum

- On 14 July, Ofcom published a consultation on annual license fees for 2100 MHz spectrum. The overall impact of these proposals would be to set BT's total 2100 MHz annual fee at £25.6m pa increasing annually with CPI

Regulation – Ofcom suspends its investigation into BT's compliance with the broadband USO

- On 16 July, Ofcom suspended its investigation into BT's compliance with its broadband Universal Service Obligation (USO). This followed agreement from BT to use Ofcom's approach to calculating excess cost quotes, where excess costs are not significantly above £3,400. BT also agreed to refund affected customers and re-issue quotes it has previously provided

Regulation – Ofcom publishes its quarterly telecoms and pay TV complaints

- On 6 September, Ofcom published its Q1 2021 telecoms and pay-TV complaints data:
 - The BT brand was again below the industry average for broadband and landline complaints and above average for pay-TV
 - The EE brand was lowest for broadband and landline complaints and the lowest of the big providers for mobile complaints

Regulation – Ofcom announces new 'One Touch Switch' process for changing broadband provider

- On 28 September, Ofcom announced the planned launch of its One Touch Switch process from April 2023. The process will allow customers to switch network platforms by only contacting their new provider

Consumer – BT updates statement on Class Action claim from Mishcon de Reya

- On 27 September, the Competition Appeal Tribunal certified the application for a collective proceedings order in relation to the allegation that BT abused its dominant position by excessively pricing standalone fixed voice services. This is a procedural step that does not consider liability
 - BT will continue to vigorously defend itself against the claim of overcharging pre-existing customers
 - Ofcom considered the subject three years ago – there was no finding of excessive pricing or breach of competition law more generally
 - BT's Social tariff, pandemic response and leadership in Customer Fairness demonstrate BT's commitment to Connect for Good

Consumer/Enterprise – Mobile network

- On 6 July, [BT launched its "Stay Connected" pay monthly mobile plans](#), which ensure that all EE pay monthly customers are always connected at no extra cost even if their monthly high-speed data allowance runs out
- On 14 July, [BT announced its long-term mobile network plans](#) which include:
 - 90% 5G UK geographic coverage by 2028
 - 4,500 square miles of new rural 4G coverage by 2025
 - Retiring legacy 3G services by 2023
- On 22 July, [RootMetrics named BT's EE network as the UK's best mobile network for the eighth year running](#)
- On 5 August, a [new report and testing by RootMetrics named EE's 5G network as delivering the best experience of any operator](#)
- On 11 August, [BT announced the launch of new Netflix Smart benefit and Full Works Plan for Android devices](#)
- On 17 August, [BT announced new simplified pay as you go packs](#), which include EE's biggest ever data and minutes allowances including 100GB with data rollover included
- On 18 August, BT announced the [extension of its Stay Connected service and Netflix Smart benefit with the launch of a new range of connected device plans](#)
- On 17 September, [BT's EE announced it will offer of the latest iPhone 13 and iPad products](#), with orders starting on the September 17 and availability from September 24
- On 23 September, [BT announced its partnership with Oracle to accelerate the delivery of new 5G services](#)

Enterprise – BT trials IoT solution with Associated British Ports

- On 5 July, BT announced it is working with Associated British Ports (ABP) to trial the next generation of Internet of Things and sensor technology to speed up the movement and processing of cargo goods and digitise the Port of Ipswich's logistics and operations processes
- On 28 September, [BT announced it successfully completed an automated drone trial at the Port of Southampton](#)

Enterprise – BT announces first neutral host customer win in the UK

- On 8 July, BT announced its first neutral host customer win in the UK. Under the deal BT will partner with Bruntwood SciTech to provide an open access solution to Cheshire's Alderley Park. The partnership includes a vision for 5G as part of a future roadmap

Enterprise – BT launches new Managed Security Service to protect UK firms

- On 5 August, BT launched its new Managed Security Service, to help UK businesses and the public sector better protect themselves from the escalating number and sophistication of cyber threats. The new service is delivered by a dedicated BT security team backed by products and services from providers such as CrowdStrike, Palo Alto and IBM

Enterprise – BT steps up small business support by gifting up to £7.5m of street advertising space

- On 16 September, BT announced it is donating up to £7.5m of street advertising space, as part of its roll-out of new Street Hub 2.0 units
- BT is aiming to roll out around 300 of its new Street Hub 2.0 units across the UK over the next 12 months

Enterprise – BT launches new suite of digital solutions for channel partners

- On 14 September, BT Wholesale announced the launch of digital voice and broadband solutions for channel partners' small business customers. WHC¹ Express delivers a digital phone line ahead of PSTN² being retired in 2025 and Broadband One offers full fibre speeds up to 1Gbps

Enterprise/Global – BT announces strategic partnership with Microsoft

- On 29 July, BT announced a strategic partnership with Microsoft to accelerate innovation across enterprise voice, cyber security, and industry-focussed services in sectors from digital manufacturing to health
- The partnership is valued at over £1bn revenue over seven years and spread across Enterprise and Global. The partnership enables the following:
 - BT to offer its own branded global managed voice services directly through Microsoft Teams – the number of users on BT's managed Microsoft Teams collaboration service has almost doubled over the past 12 months
 - BT to build on its existing cyber security portfolio with the design and launch of a new generation of managed security services
 - BT and Microsoft to work together on further enhancing their sustainability credentials within their supply chains
- On 27 September, BT announced the launch of a new BT-branded global managed voice service, with the [availability of Operator Connect for Microsoft Teams](#)

Global – BT makes strategic investment into Safe Security

- On 21 July, BT announced a strategic investment into Safe Security, a leader in cyber risk quantification, reflecting its increased focus on security
- As part of this investment, BT will be granted exclusive rights to use and sell SAFE to businesses and public sector bodies in the UK, and will incorporate the platform within its wider global portfolio

Global – BT launches Cisco ThousandEyes managed service

- On 21 September, BT announced a new managed service based on Cisco ThousandEyes end-to-end network monitoring. It will help multinationals boost the user experience of their corporate applications and digital services

¹ Wholesale Hosted Communications

² Public Switched Telephone Network

Openreach – Openreach announces special offer for CPs³ to drive FTTP⁴ adoption

- On 1 July, Openreach announced a long term pricing offer for its wholesale CP customers to provide price certainty on its FTTP technology to help drive widespread adoption of ultrafast, ultra-reliable full fibre broadband. The offer is open for participation between 1 October 2021 and 30 March 2022. The following set of principles underpin the offer:
 - Commitment: CPs who purchase from Openreach commit to using FTTP wherever its available
 - Pricing certainty: For up to 10 years in return for 'stop-sell' commitment
 - Simplicity: Single national rental price
 - Competitive prices: CPs can tailor offers across a range of speed tiers with further rebates for higher bandwidths. Pricing for the lowest speed tier is set by Ofcom
- On 6 August, [Ofcom published a consultation on Openreach's Equinix FTTP pricing](#), and declared the provisional view is that it will not take action at this time
- On 30 September, [Ofcom published a statement on Openreach's FTTP offer confirming it is not taking action at this time](#)

Openreach – Openreach publishes additional 86 exchange locations for copper stop sell

- On 2 August, Openreach informed its CPs of the 12 month notification period for copper stop sell to be activated in 86 additional exchange locations bringing the total to 379 locations

Openreach – Openreach gives advanced notice of pricing special offer to CPs on FTTC⁵

- On 20 August, Openreach announced a 2 years' advance notice of a pricing special offer on GEA-FTTC/SOGEA⁶ and Gfast/SOGfast⁷ for a five-month period commencing 21 August 2023 to provide pricing certainty once the existing volume pricing discount offer ends

Openreach – Openreach increases prices for leased line circuits used to aggregate FTTP

- On 26 August, Openreach announced price changes for leased line circuits, covering Ethernet and Optical products, where they are used to aggregate FTTP to multiple premises. Price changes are effective from 1 December 2021. The annual rental increases are:
 - EAD⁸ 1000 all variants - £560
 - EAD 10000 all variants - £5,530
 - OSA⁹ and OSEA¹⁰ all bearer variants - £11,060
 - Street Access 1Gb - £560

Openreach – Openreach to waive connection fees for low-income households

- On 7 September, Openreach announced its 'Connect the Unconnected' offer, waiving superfast broadband connection fees for any customers who aren't currently connected and receive Universal Credit with no other earnings

Networks – BT conducts world's first trial of quantum-secure communications

- On 13 September, BT announced it reached a new milestone in the development of quantum-secure communications by conducting the world's first trial of Quantum Key Distribution (QKD), a method of ultra-secure communications, over hollow fibre cable
- Trials started over the summer at Adastral Park, Ipswich, in a collaborative project with Lumenity, a Southampton University spin out company

³ Communications Provider

⁴ Fibre-to-the-premises

⁵ Fibre-to-the-cabinet

⁶ Single Order Generic Ethernet Access

⁷ Single Order Gfast

⁸ Ethernet Access Direct

⁹ Optimal Spectrum Access

¹⁰ Optimal Spectrum Extended Access

Other news

- On 1 July, [BT announced the results of its Smarter Living Challenge](#), which highlighted steps to sustainable living in the UK
- On 7 July, [BT announced the return of live coverage of the FA Disability Cup on BT Sport](#), as part of BT's partnership with the FA to support all levels of the game
- On 9 July, [BT announced the zero-rating of data across its EE mobile network on Sunday so football fans can watch the England v Italy final](#)
- On 9 July, [BT announced a partnership with Home-Start, helping it reach disadvantaged families](#)
- On 26 July, [BT launched Full Cover and Damage Cover with unique AppleCare Services for iPhone](#)
- On 10 August, [BT's Hope United and the UEFA Foundation for Children join forces in Belfast to help stamp out online abuse and discrimination](#)
- On 4 August, [BT announced completion of the multi-million-pound Doncaster centre refurb and the creation of 350 jobs](#)
- On 5 August, [BT announced the launch of UK's first hybrid 5G powered club night](#), EE x Beatport Presents Parallel in Liverpool and Manchester
- On 15 September, [BT announced it will recruit around 1,000 new people at its flagship Birmingham office](#), the regional hub for the Midlands
- On 23 September, [BT announced the opening of a new multi-million-pound office in Warrington and creation of 150 jobs](#)

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