Digital at BT

Business briefing for investor community
11 March 2022

BT in numbers

Our customers

30m
Consumer customers, >50% UK households

1.2m
Enterprise customers

180+
Countries with Global operations

13m
Digital monthly average users

1.2bn
BT & EE app and web visits this financial year

+22
Brand NPS

BT Digital in numbers

Our people

3,400

BT people

13k

Subcon partners

80%

Outsourced work and not sufficient new skills inhouse

BT Digital in numbers

Our company

2.4k+

Apps, including:

259 customer systems
159 bill & pay apps
62 order managers

£1.2bn

Total digital budget

1.4x

Higher IT cost vs revenue ratio

29 PB

Petabytes of data (approx.) across the estate

Digital has a strategy that transforms BT

Who we are	Telco	Techco
What we sell	Connectivity products	Connectivity and digital solutions
What we focus on	Products	Products and Platforms
Our relationships	Transactional and infrequent	Personalised and omnichannel
Our differentiators	Our network	Our network + best digital and insight-led solutions
How we deliver	80% legacy systems	Customer-centric, AI-powered systems

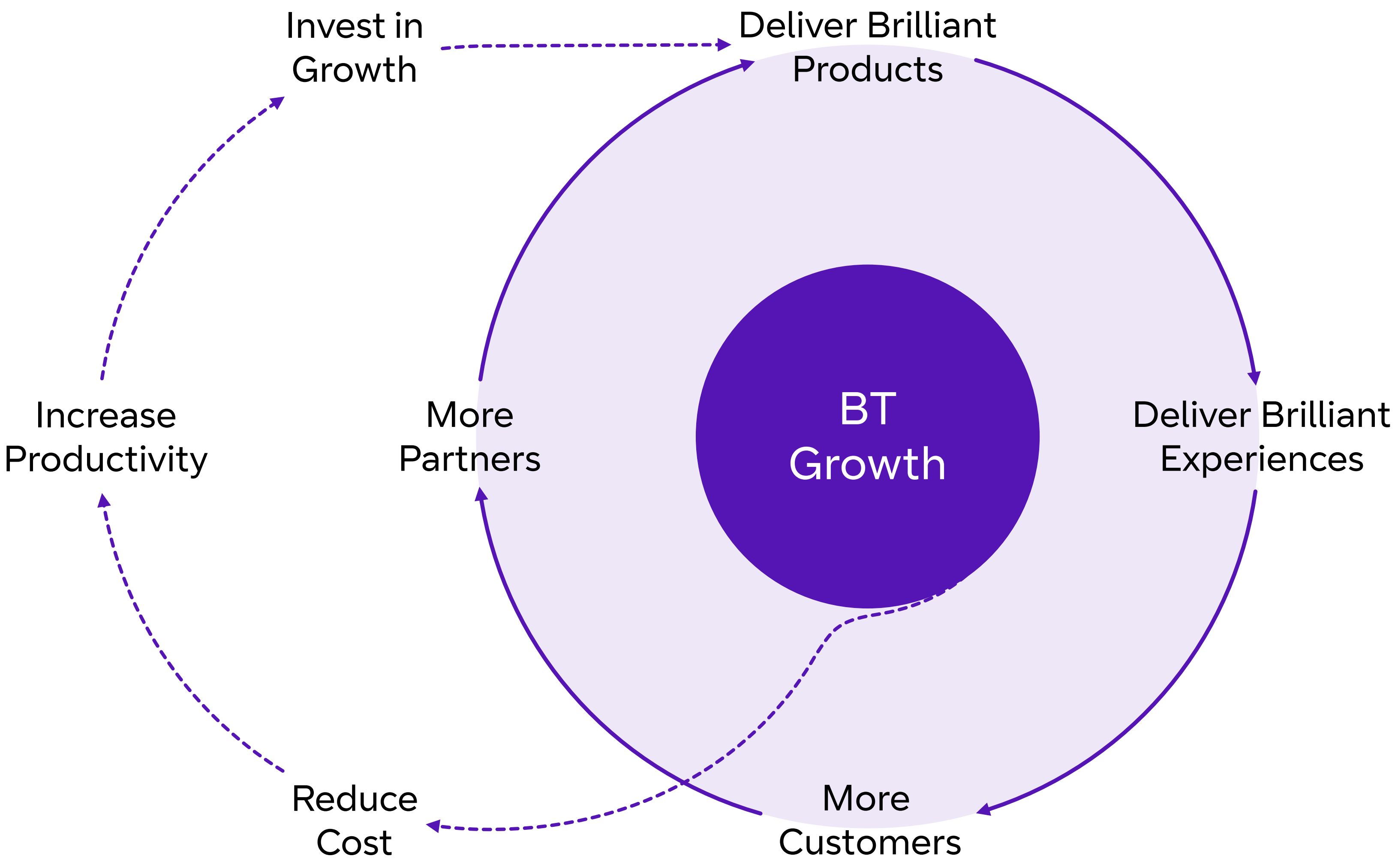
We connect for good

To accelerate BT

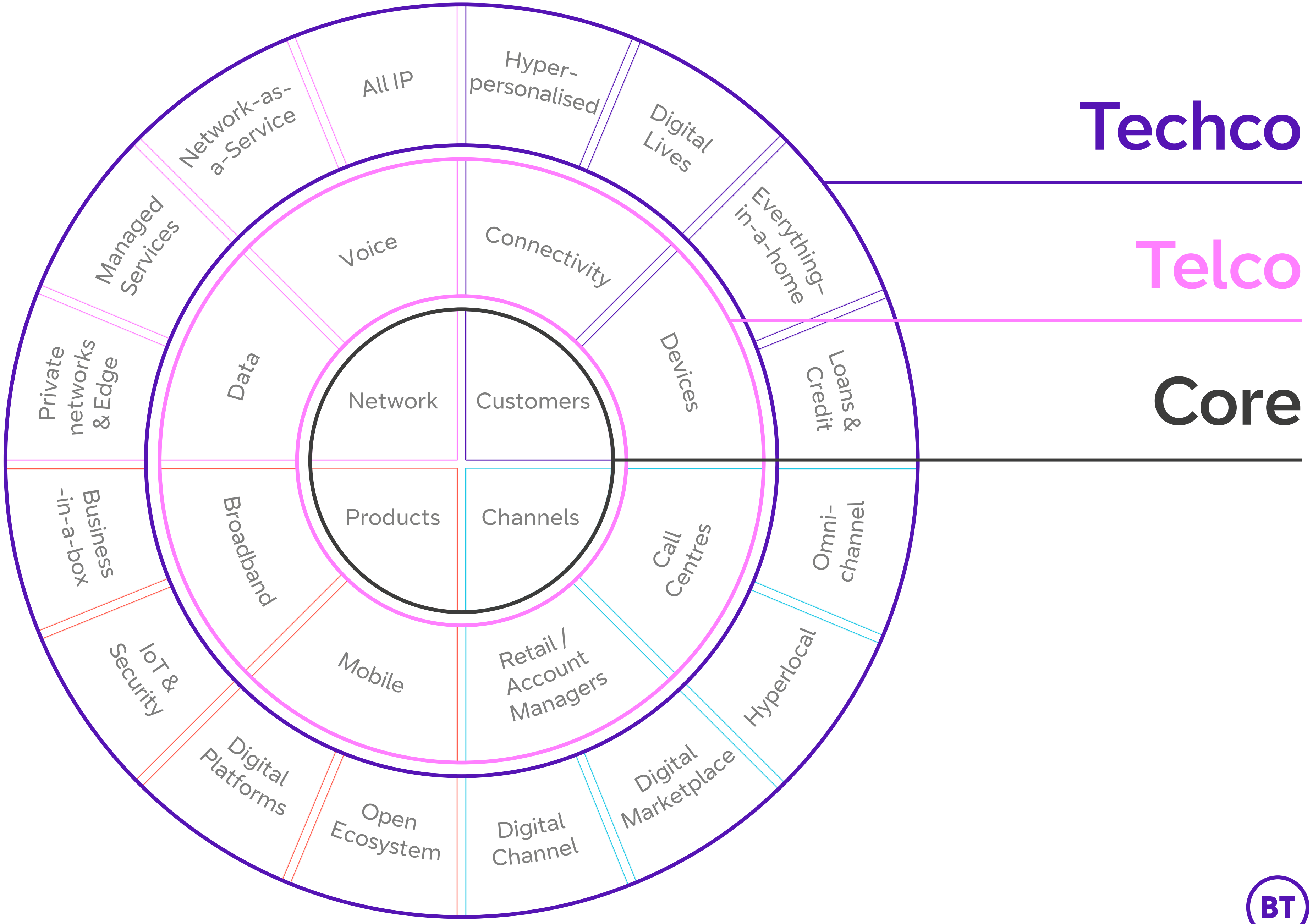
Our mission

To be fearless, customer-obsessed creators who amplify growth

BT Digital Transformation



BT Digital Strategy



Our strategy is built around five opportunities to help accelerate BT

01
Modernising BT and righting our cost model

02
Doubling Digital's productivity and transform our ways of working

03
Doubling our digital channel share

04
Delivering growth through Platform Thinking

05
Incubating new ideas in new sectors

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Customer

Colleague

Shareholders

£2bn

FY24 annual cost savings commitment

£1bn

Delivered to date, 18 months early. >50% of the balance is the Digital commitment

...with **more savings to come in FY25**

Modernising our legacy telco and fixing the cost model

Applications

From
2,400

to
<500

...cloud first where possible...

80%
Legacy applications

<30%
By 2027

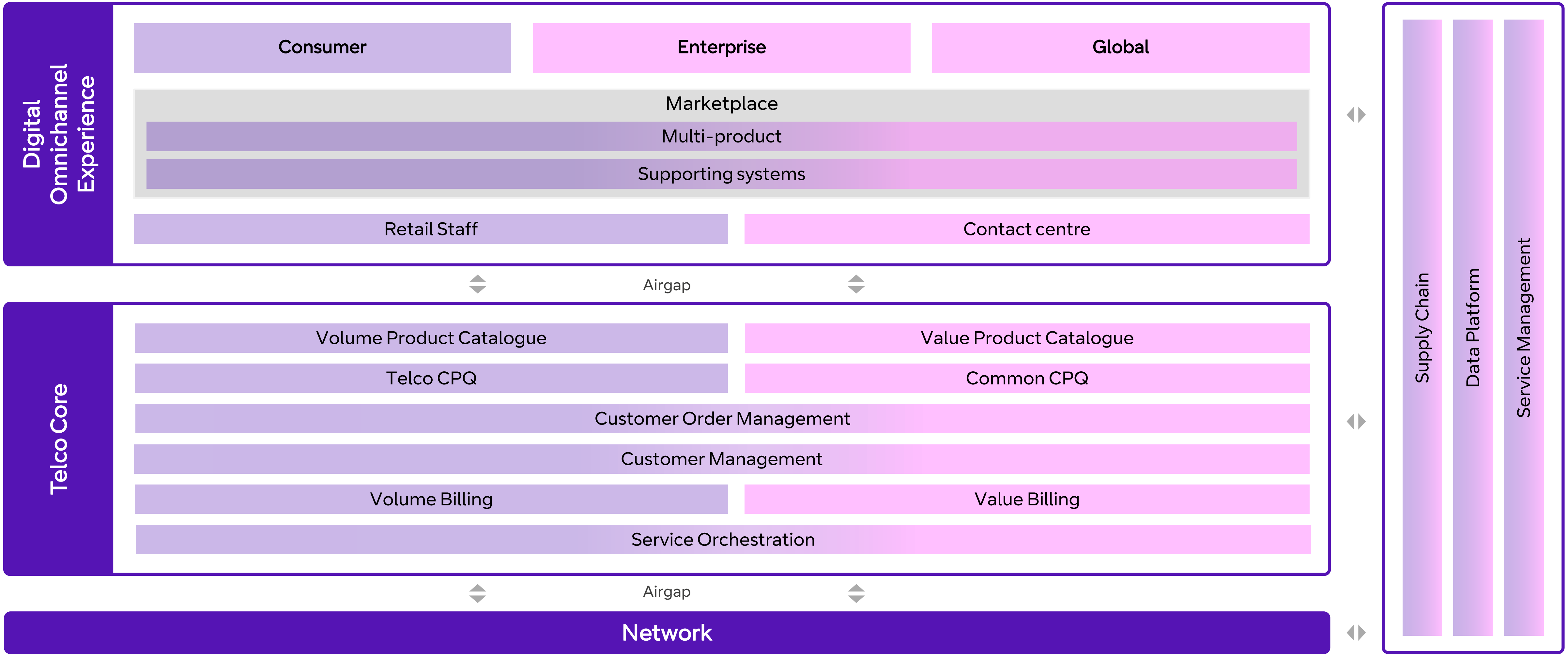
£600m
Cost of legacy

£300m
By 2025

58
Telco stacks

14
By 2025

Building an industry-leading architecture



A new model for process & product simplification

Modular products

&

AI driven processes

Customer centric design

AI and data-led decisioning

Ultra-simplified processes & journeys

Simple product catalog

Real-time

Fully agile

Delivering AI led Operations by 2025

From people, time
and cost intensive to…

Fully AI driven service operations

40%

Reduction in mean time to resolution

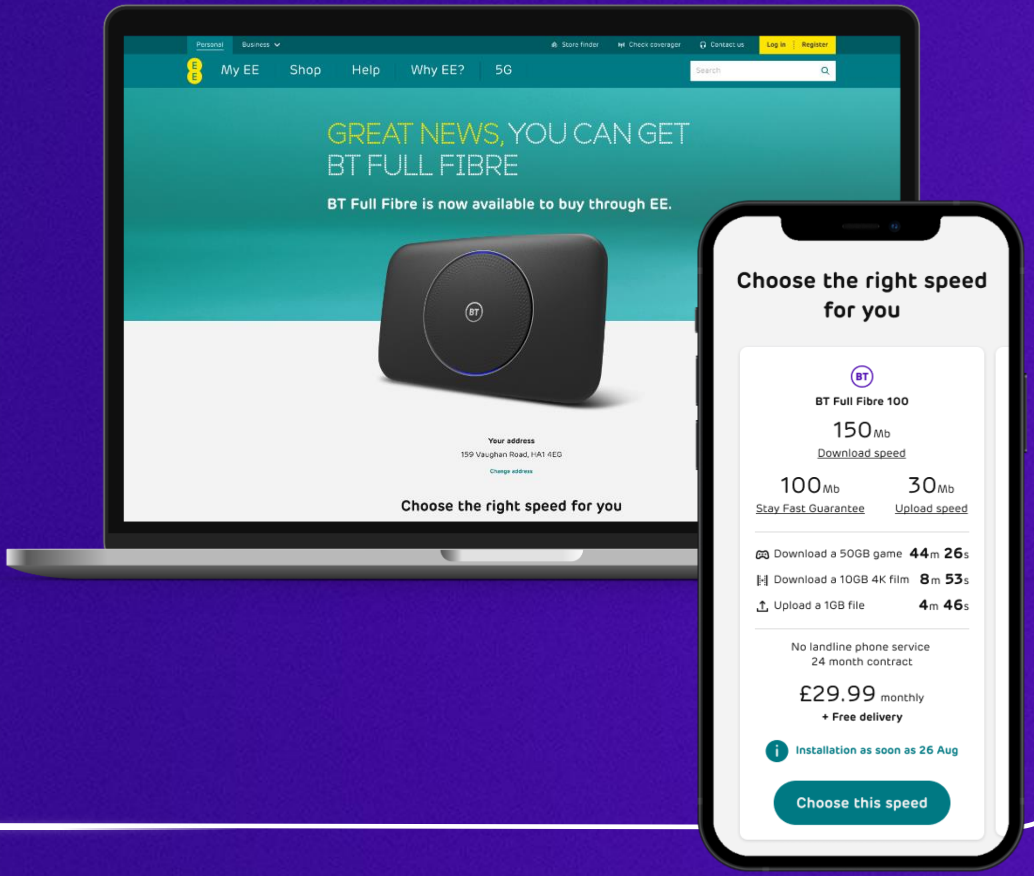
30%

Reduction in ticket volumes

£100m

In internal value

Consumer: Future Telco live today



70%
Fewer pages to buy

65%
Zero touch journeys from initial trials

90 days
Cycle time to release vs many months

2 mins
Time to complete the buy journey

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Mark Murphy

Director of HR, Digital

Enhancing our in-house digital brain

BT Digital people

Significant insourcing programme

5%
Working on strategic tech today

>65%
Working on strategic tech by 2025

80%
Sub-cons today

<50%
Sub-cons by 2027

48%
Product and tech doers today

>65%
Product and tech doers by 2025

Forging a new path for digital talent into BT

Access to a new UK talent pool as well as an equity stake in a high potential start-up

BT

Flexible, fast access to the best software talent

Distributed

Retention >85%

(vs 45% industry average)

Find them → **Recruit them** → **Qualify them** → **Onboard them** → **Manage them** → **Pay them**

Over and over, and over again – in different time zones, languages, currencies and infrastructures

Digital Talent

Freelance careers without the downsides

Attracting the best Digital Talent

Customer-obsessed

Disruptive mindset

Digital experience

Strategic thinkers

Highly diverse talent

ebay monzo Canon PUSH DOCTOR

airtel Zendesk Google QUANTUMBLACK A MCKINSEY COMPANY vodafone

BT

Embedding a new culture in the new organisation

Eight principles that flow through everything we do

The Digital Way

01
I am fearless

02
Customer obsessed

03
Win with tech

04
Build, measure, learn

05
Fast-mover advantage

06
Exist for each other

07
BT is mine

08
I am an ally

Baking in continuous digital learning

Building a BT Digital one stop learner experience platform

101 Digital for everyone

- Digital Basics
- Digital Transformation Journey
- Digital Workplace

201 Developing role-specific capabilities for current, maturing technologies to help people perform day to day

301 Building capabilities that leverage opportunities from emerging tech, keeping us ahead

Win with tech

Train our people

Attract & retain talent

Accelerate growth

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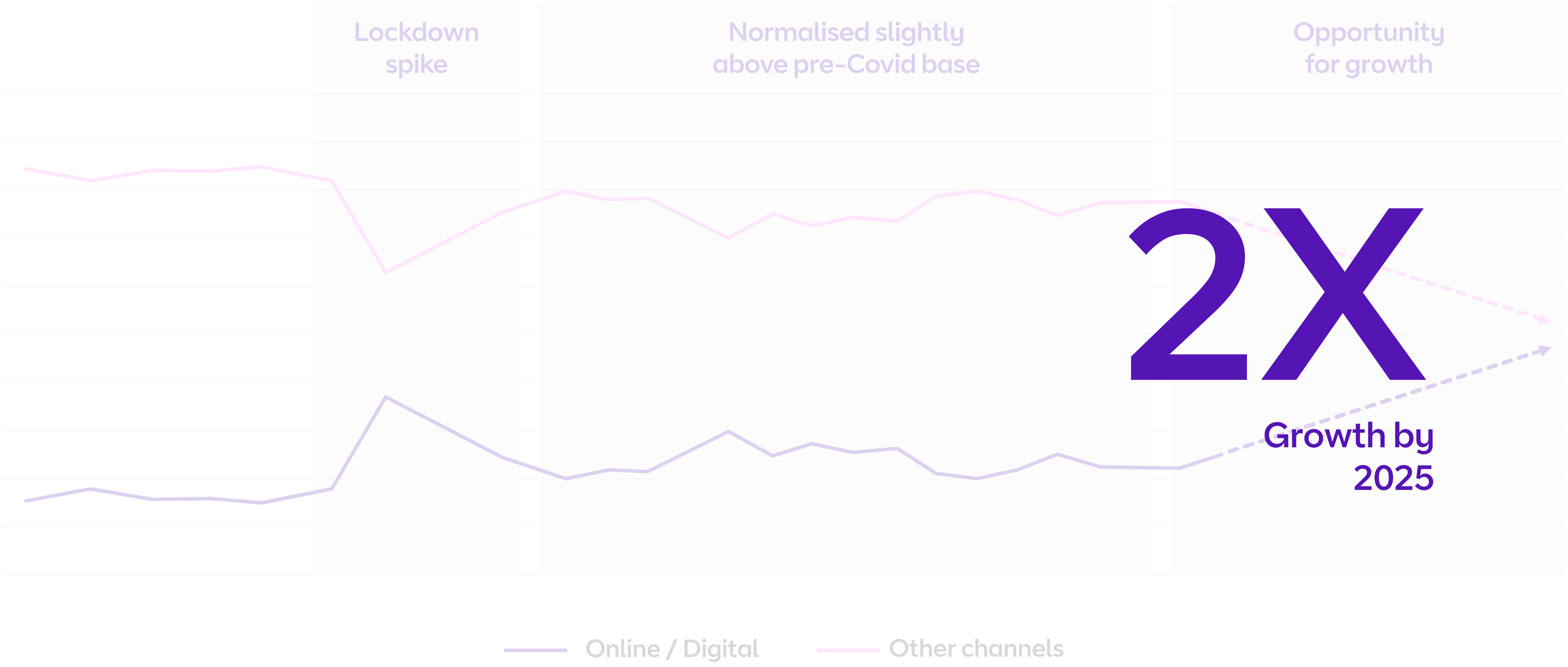
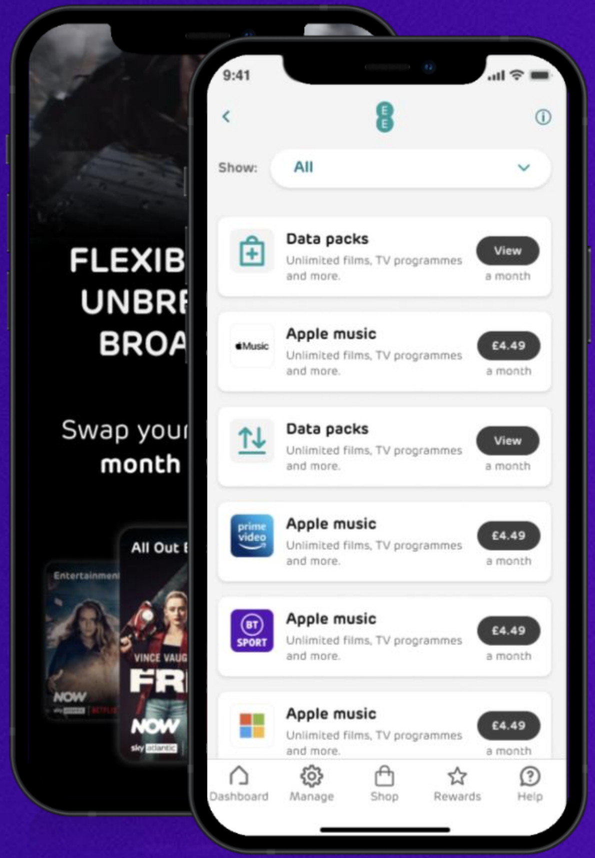
Kevin Lee

Chief Digital Officer, Consumer

BT Consumer sales % split – Digital vs Others



App builds use Flutter for speed, efficiency and improved customer experience



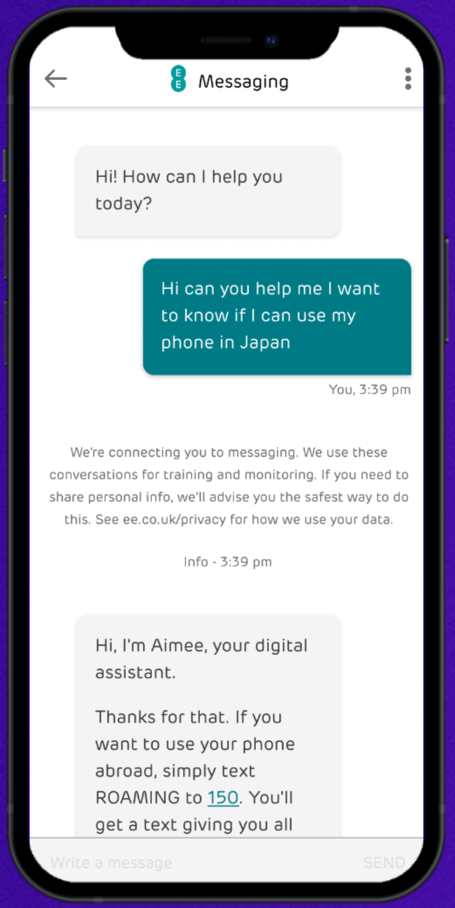
1
App developed for iOS, Android & Web

50x
Faster load speed

20
Concurrent squads focused on parallel feature development

100%
iOS & Android feature parity

Improving Digital Customer Experience with AIMEE



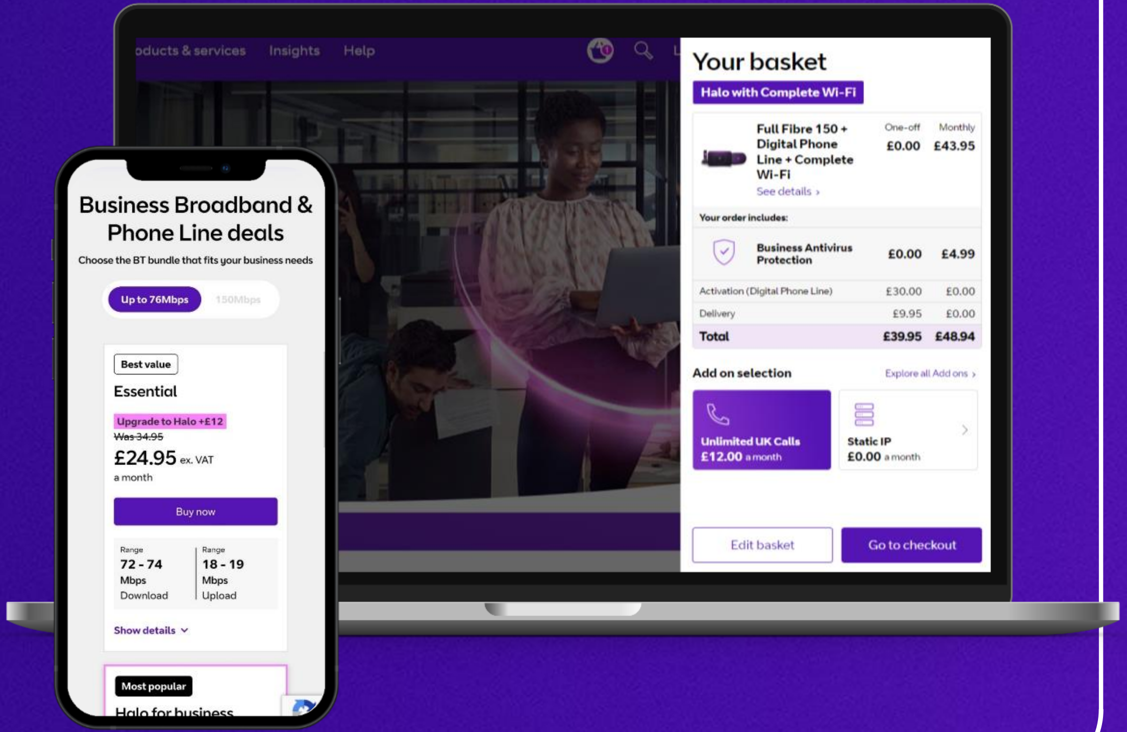
1.5m
Transcripts used to train AIMEE

60%
Customer queries understood

100%
Of Android users can see AIMEE

60
NPS

Enterprise SME: Improved broadband acquisition journeys



53%
Conversion increase

£15
Average order value increase

18%
Orders from customers wanting extra lines

3.1ppt
Increase in digital channel share

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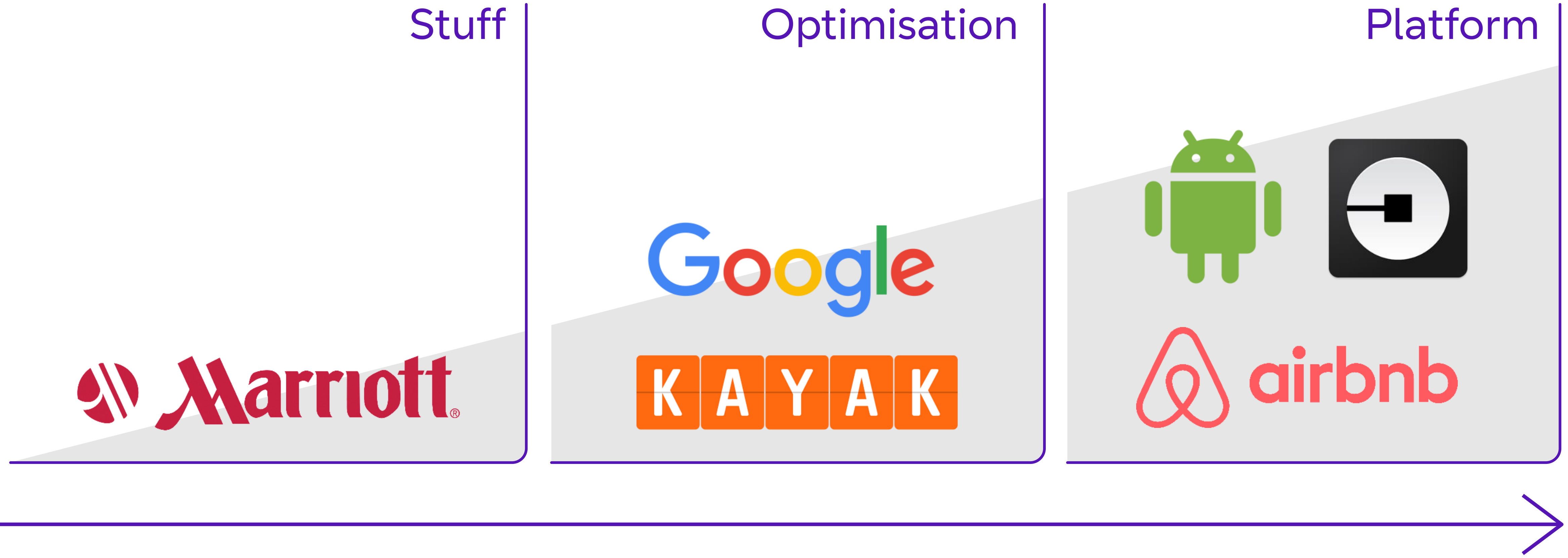
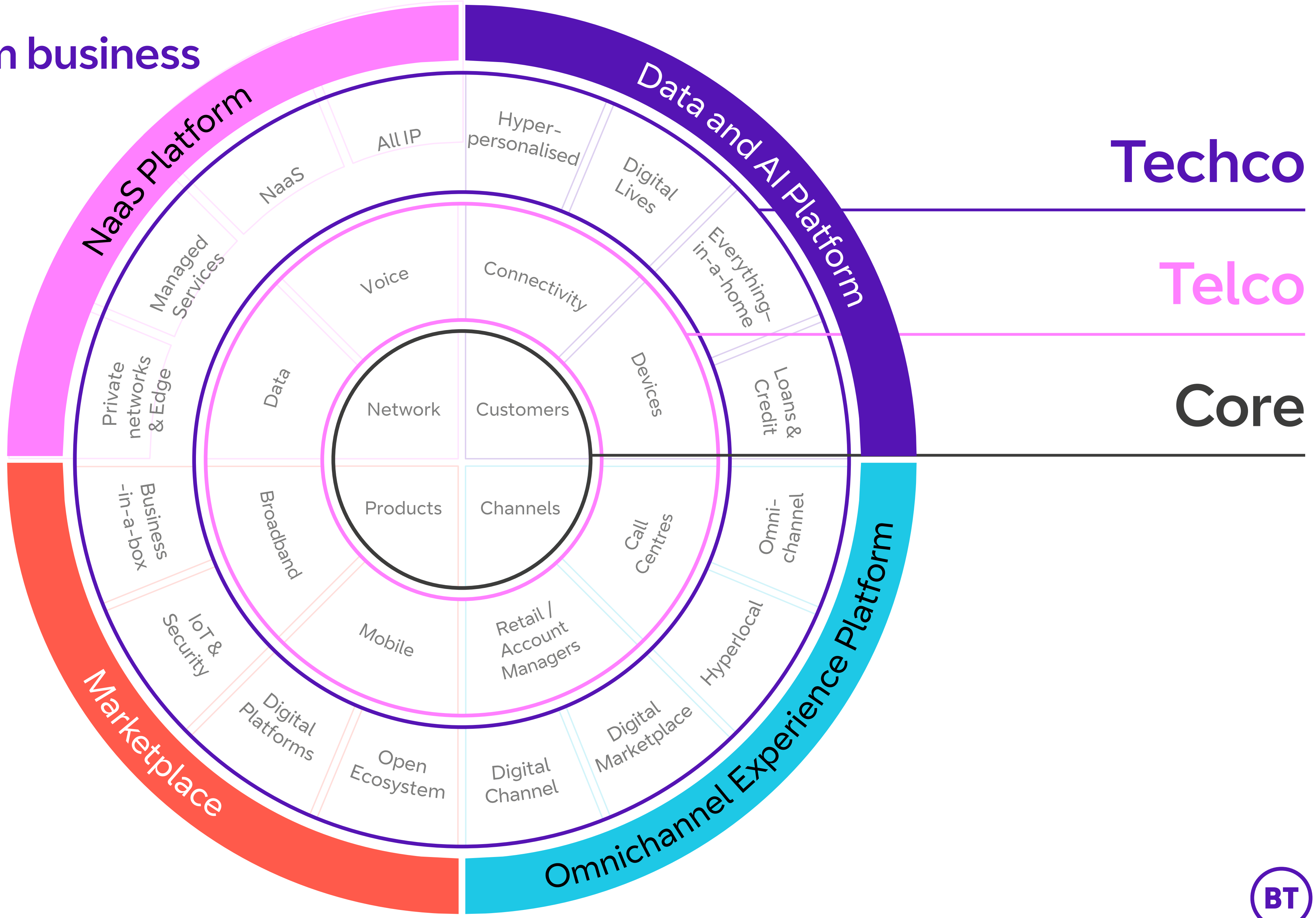
Moving from “stuff” to Platform Thinking at BT



Building a Platform business



Data & AI Platform - Driving over £500m in value

Cloud acceleration –
% of critical BT data migrated

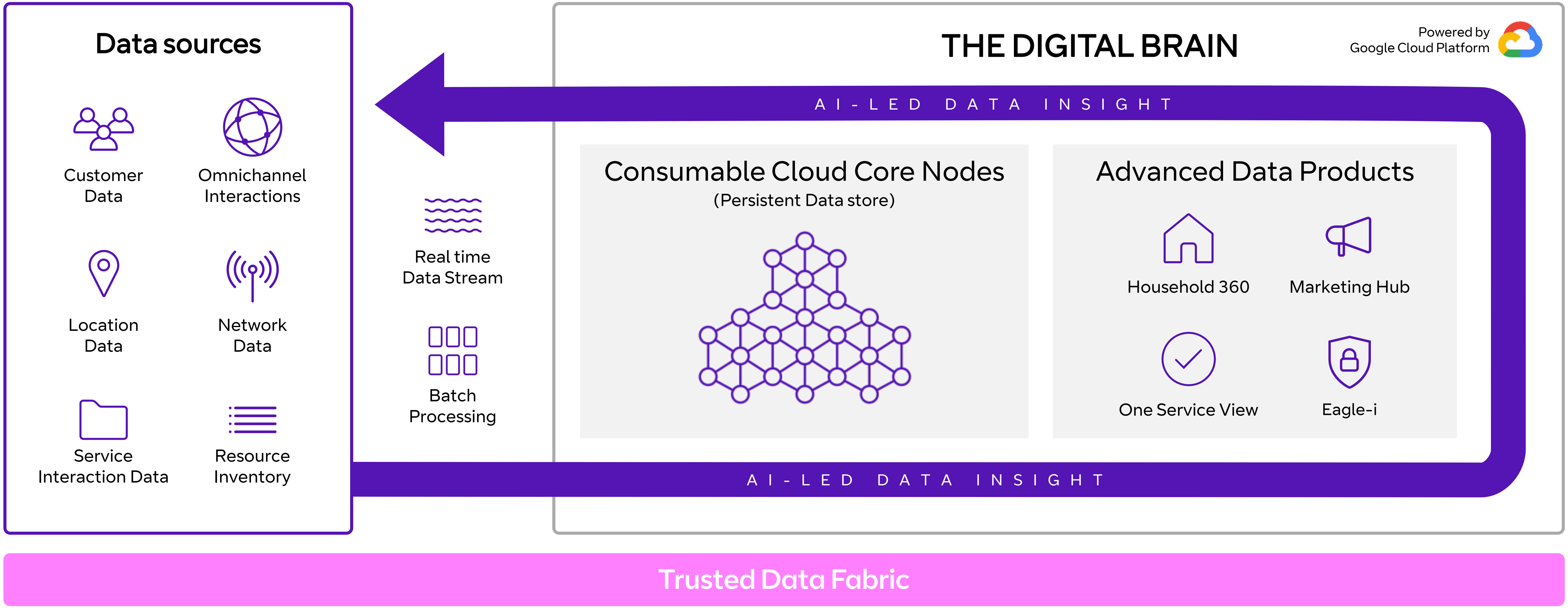
From
3%
to
60%
By 2023

>£500m
Internal value within five years

21
Legacy platforms decommissioned

BT

Data & AI Platform - Underpinning an AI-first BT



Data & AI Platform - Unpacking the opportunity

Multiple use cases in process for internal and external **value creation**

£34m

Revenue opportunity in 98k premises identified for FTTP sales for Openreach

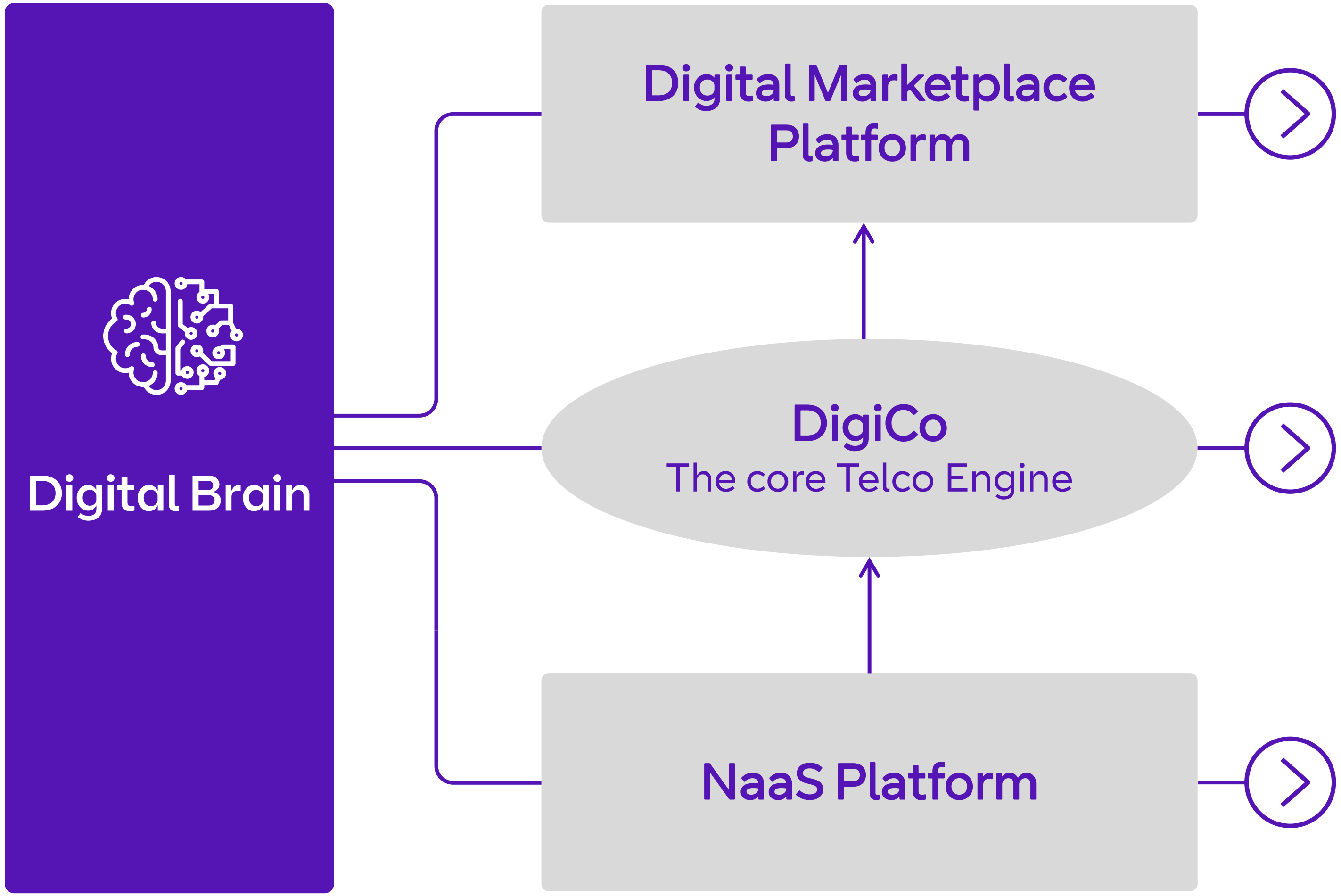
£88m

Saved in fibre build planning for Enterprise customers for Openreach over next five years

£37m

EBITDA uplift over 5 years in Global propensity modelling

BT Global – Starting to bring the Platforms to life



The experience

Allows customers, partners and resellers to BUY and USE our 3rd party services at ease

The core engine

DigiCo will **orchestrate** and **integrate** infrastructure and OTT

Our infrastructure

Our **Next-Gen Core NaaS** directly peers and co-locates with SaaS, cloud and collaboration platforms – delivered securely

Our new Marketplace powers Eagle-i

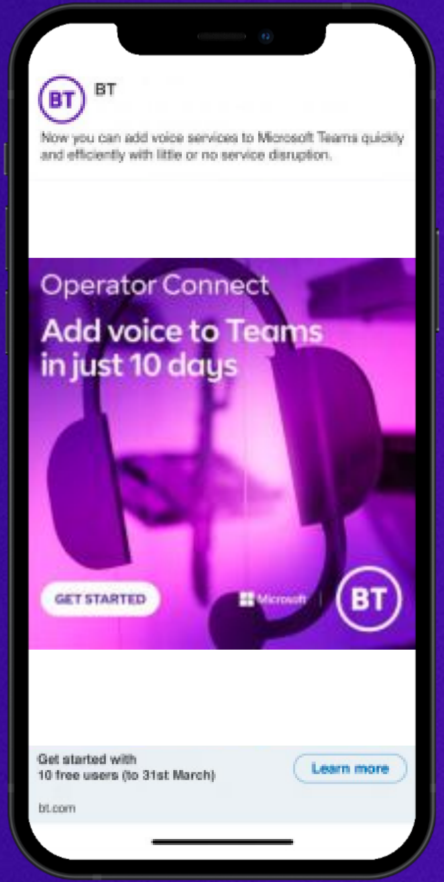
Leader
IDC Worldwide Managed Security services

195,000
Attacks a month stopped

Two
Products – endpoint & firewall detection & remediation

173bn
Events monitored per day

Our new Marketplace powers MS Operator Connect



Microsoft

Strategic partnership

90

Time to Market for new products in Global Marketplace

£247m

Total number of quotes on the Global Marketplace

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Meet Digital Incubation – home of new sector digital innovation

What we do	**Create** start-ups	**Amplify** start-ups	**Invest** in start-ups

Why?

To create new experiences and new businesses in key verticals

Healthtech	Data & AI
Drones	Product Factory

Our Aim

is to deliver

£200m

in prospects by 2027

BT

To accelerate BT

01	02	03	04	05
Modernising BT and righting our cost model	Doubling Digital's productivity and transform our ways of working	Doubling our digital channel share	Delivering growth through Platform Thinking	Incubating new ideas in new sectors
Eliminate 70% of legacy by 2027	Enhancing our digital brain within BT	2X by 2025	Contributing our share to BT's consistent revenue and EBITDA growth	Delivering £200m in prospects

BT

Q&A

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