BT Enterprise

Business Briefing

23rd June 2021

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Agenda

1	Market Potential	**Ashish Gupta**, COO Macro environment, customer dynamic, market growth
2	Strong Competitive Position	**Ashish Gupta,** COO & **Howard Watson,** Group CTO Who we are, our assets, our market position
3	Strategy for Growth	**Rob Shuter**, CEO Our strategy, our priorities for pivoting to growth
4	Commercial Priorities	**Chris Sims**, **Pete Oliver**, **Dean Terry** & **Rob Shuter** How we accelerate and grow in each segment
5	Financial Plan	**Damien Maltarp**, CFO Our performance to date, our medium-term plan, our financial position
6	Q&A	

Enterprise overview

Customer numbers, BT revenue and estimated market share of addressable market

Revenue in each of our Customer segments

SoHo	SME	Corporate & Public Sector	BT Ireland	Wholesale
800k Customers	200k Customers	15k Customers	>1k Customers	>1k Customers
£0.5 bn 28% share*	£1.1 bn 26% share*	£2.1 bn 16% share*	£0.3 bn 9% share**	£1.5 bn 35% share***

Enterprise contributes 23% of BT Group EBITDA and 49% of the cash generated by the trading units

Source: 20/21 BT revenues based on 0-5/ 6-249 and 250 + employee split across SoHo, SME and CPS respectively
Market share based on 19/20 addressable market (see Appendix)
**BT Ireland share based on Ireland B2B domestic market. ***BT Wholesale share market based on fixed market segment.

From managing decline to pursuing growth in attractive markets

BT

Growing market, highly relevant services

Strong competitive position, unrivalled assets

Operational performance stabilising, controllable execution levers

Refined operating model, sharper segment and commercial focus

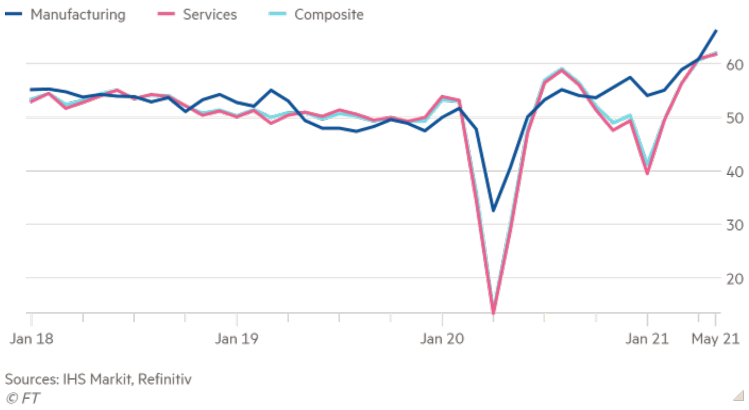
Clear strategy, return to growth

Market Potential

Macro environment is improving

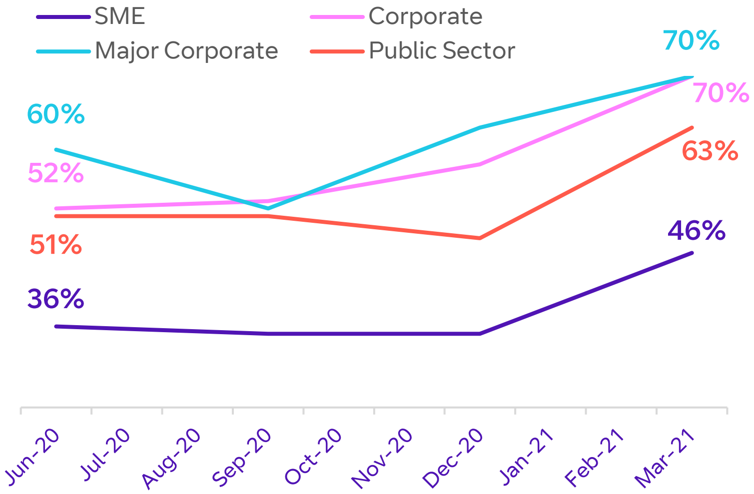
Market returning to growth

UK businesses report fastest growth in activity for more than two decades



- UK GDP growth range from 4.9% to 8.1%, Ireland +4.6% in 2021
- UK Inflation CPI forecast to grow 1.5% to 3.7%
- Increase of SME failure rate offset by spike in business creation (net increase of 11k businesses in 2020)

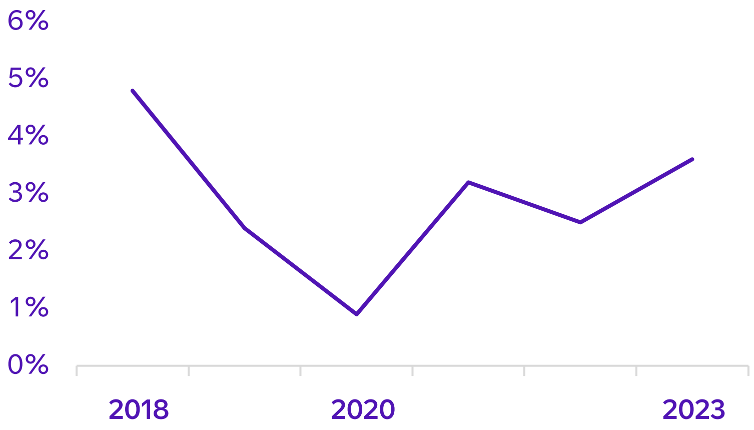
Business confidence on the rise



- The current environment has led to increased optimism across all groups
- SME confidence is improving, however, less than half of SMEs feel confident

Spend increasing in communications and IT

UK Total ICT spend forecast



- In line with ICT spend, core telecommunication spend is growing 1% to 2.5% in the 2020-23 period
- Customers migrating their services to the cloud is driving increased network, professional service and managed services spend

Source: Forecasts for the UK economy, HM Treasury, 23 forecasts averaged May 21 Ireland GDP forecast from EU Commission, May 21. Businesses increase from office of National Statistics, 2021.

Source: Yonder Consulting – BT Brand Tracker, All SMEs (712), Corporates (404), Major Corporates (202), Public Sector (252)

Source: IDC Worldwide Black Book, 2021, year on year growth rate in %

Communication services are more critical than ever

Technology is creating new opportunities and disruption

Customers are accelerating their digital transformation

Communication services are more critical than ever

Communication services are more critical than ever

BT

Technology is creating new opportunities and disruption	Customers are accelerating their digital transformation	Communication services are more critical than ever

+70% Decision makers indicate digital as preferred interaction*

Digital first & Cloud native

+21% Increase in IoT connections**

Multiplication of devices

+148% Increase in ransomware attacks***

Security & data risk

Workplace revolution: multiple devices and apps, hybrid working

Productivity & flexibility imperatives: flexible and resilient systems and processes, frontline digital transformation

Process optimisation, digitalisation and move to sustainable alternatives

Underlying need for ubiquitous, reliable connectivity and converged experiences

Need for higher bandwidth

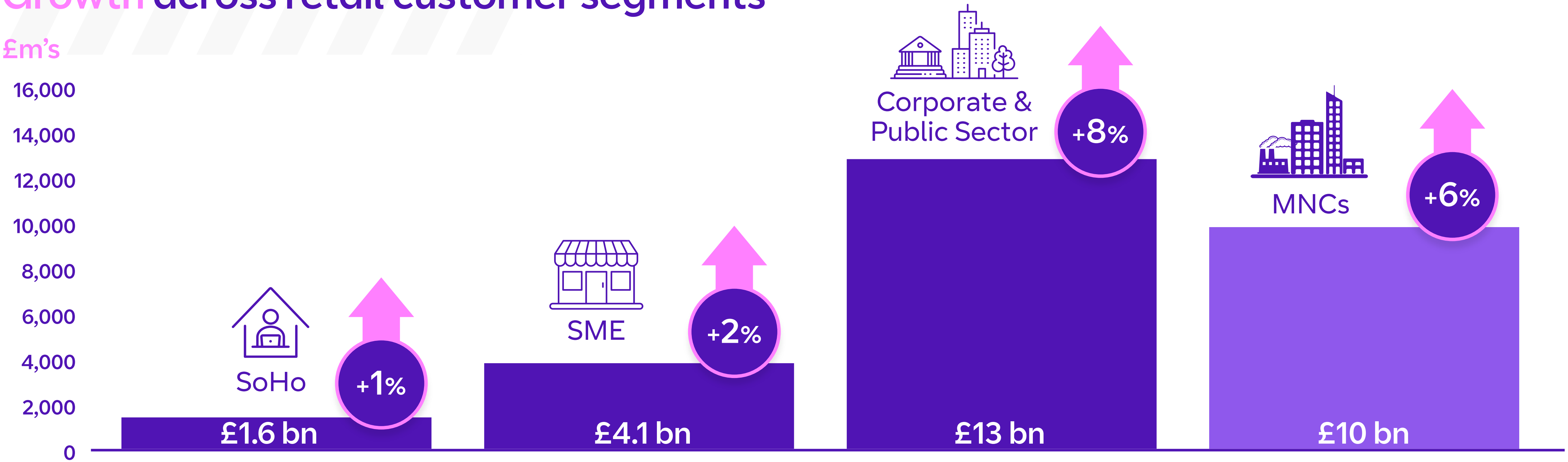
Investment in security and cloud to counter growing cyber security risk and increase flexibility

*McKinsey 2020 post COVID survey
** IoT connections forecast, ABI, UK based
*** McAfee, 2021

This is driving growth in UK B2B and wholesale markets

2021 market revenues by segment and CAGR 2021-26

Growth across retail customer segments



Wholesale £3.8 bn +2.5%

Fixed Wholesale

Mobile wholesale (incl. MVNO)

Backhaul

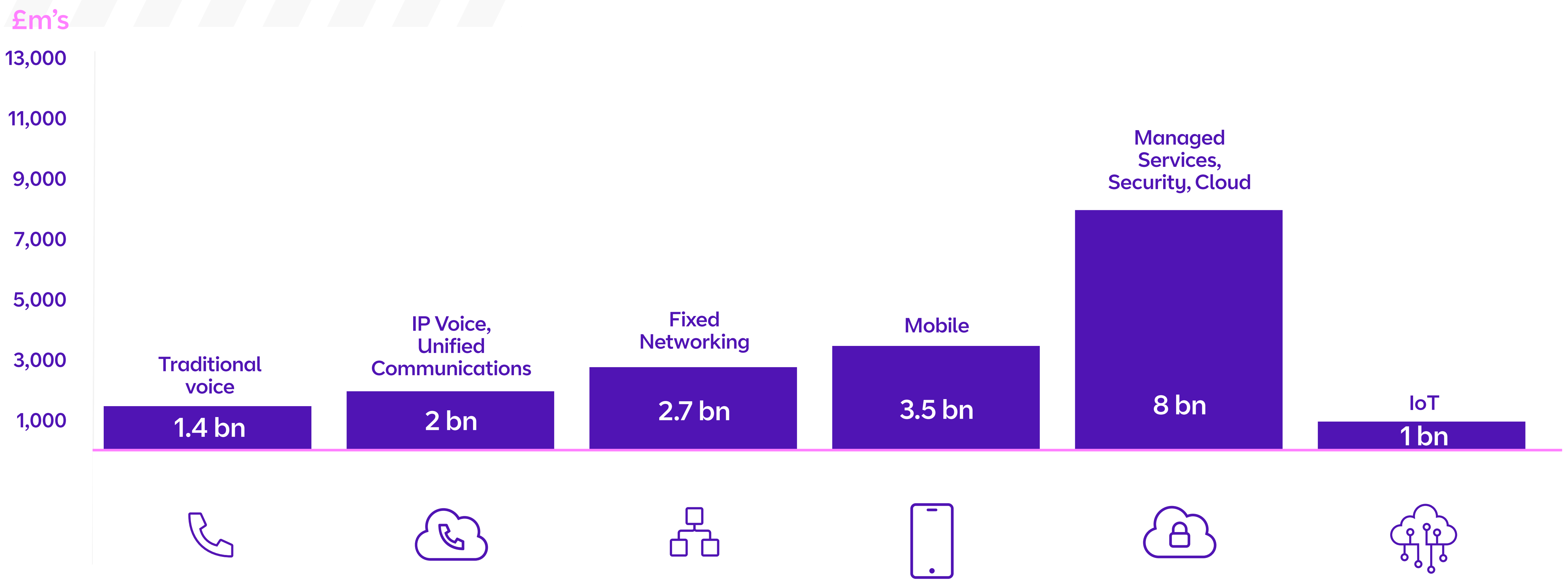
999 Services

Source: BT Data with inputs from IDC. CAGR from 2020/21 to 2025/26
View based on addressable markets. Total market value £30bn in the UK
MNCs market data estimated for UK MNCs and served in BT Global

And growth in demand for communication solutions

Market value by category in 2021

Current value in our portfolio categories



Source: BT Data with inputs from IDC & Cavell

And growth in demand for communication solutions

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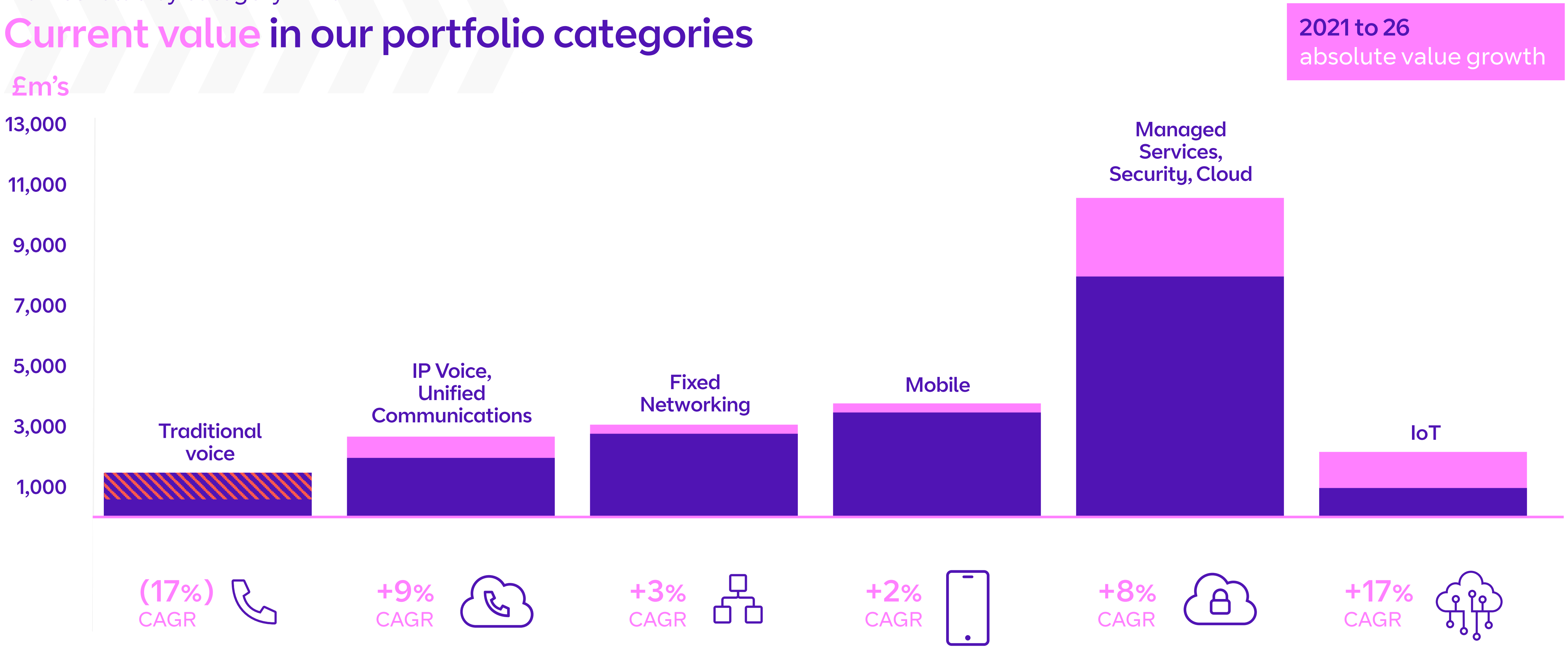

Source: BT Data with inputs from IDC

And growth in demand for communication solutions

Market value by category in 2021

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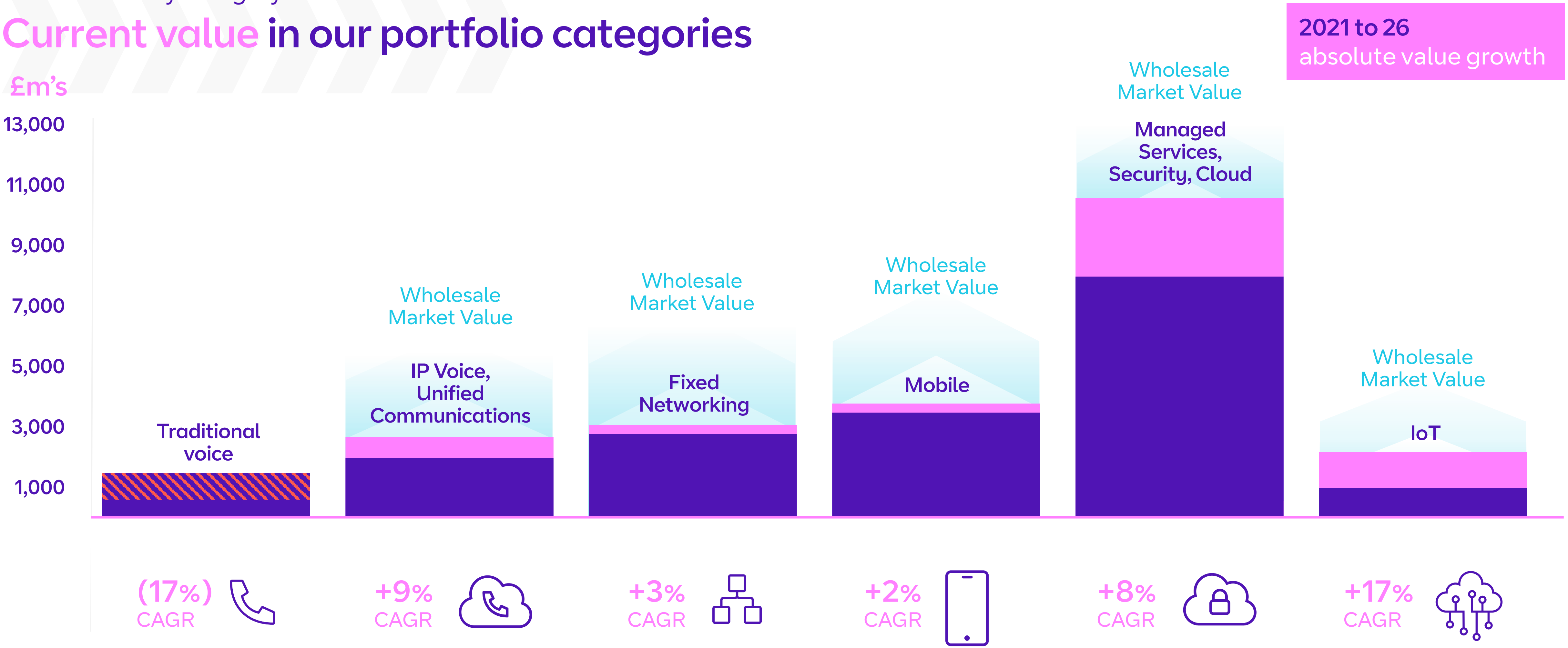


 Source: BT Data with inputs from IDC

Strong Competitive Position

Unmatched depth and reach in network infrastructure

Broad portfolio and leading investment plan

Strong brands and unparalleled distribution reach

Partner of choice

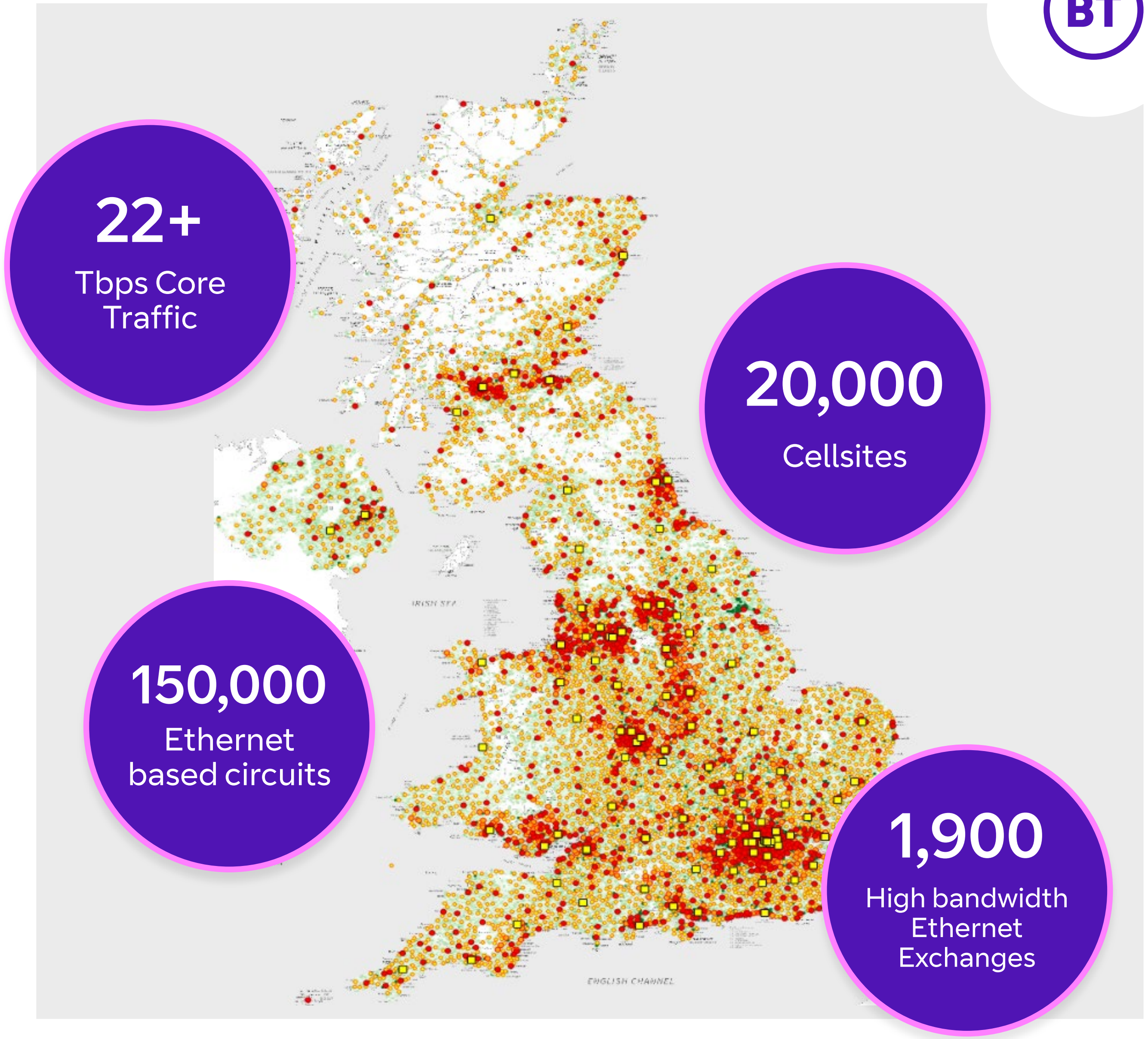
Wholesaler of choice

Enterprise is uniquely positioned

Unmatched depth and reach in network infrastructure

Scale of BT Group network

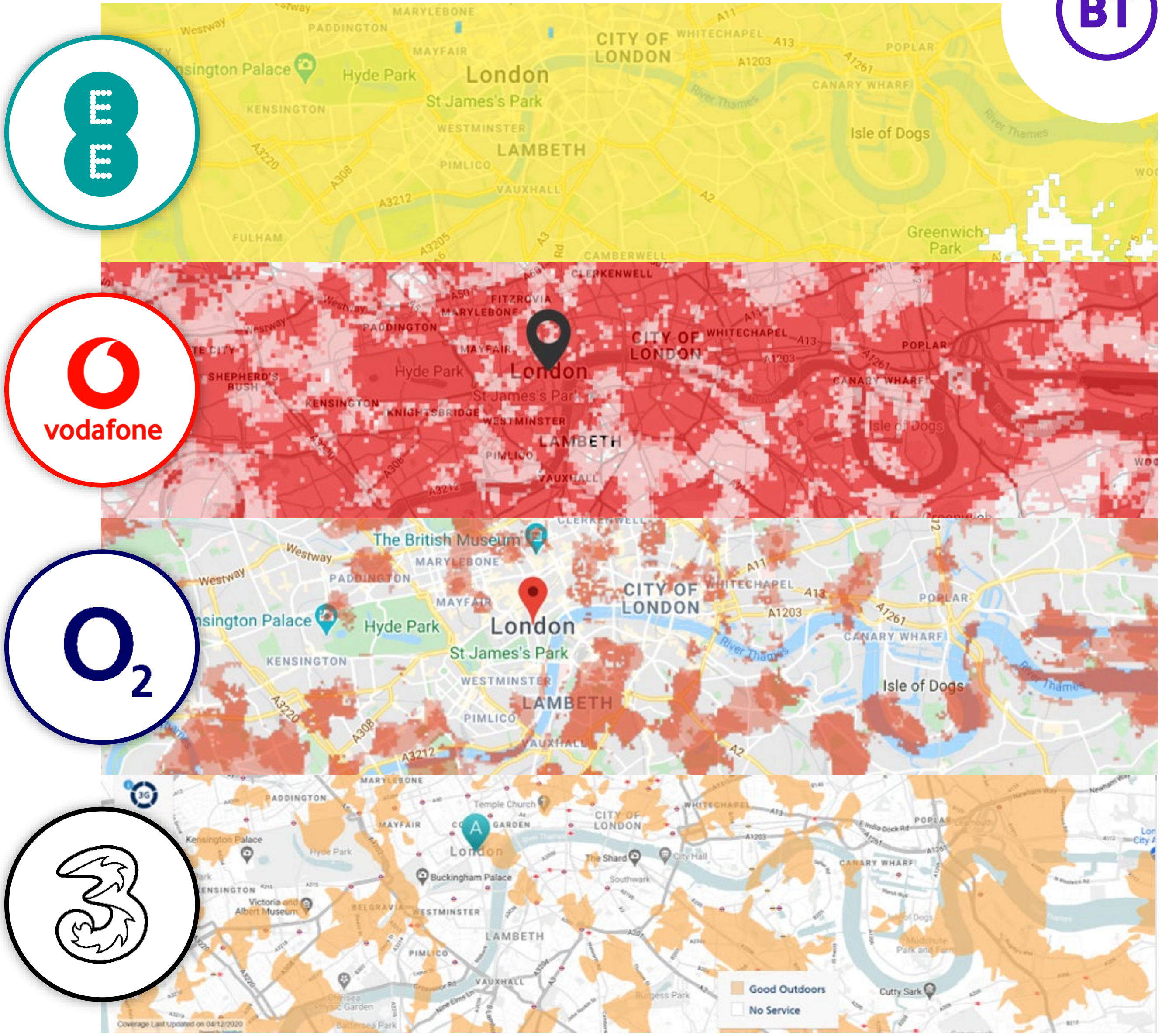
- Unique scale in the UK for benefit of BT and wholesale partners
- UK's largest core network
- Largest high bandwidth footprint up 10 Gbps access
- 4G Geographic coverage 85.56%. 2,500 sq. miles larger than nearest competitor
- 5G in 160 towns and cities



Unmatched depth and reach in network infrastructure

Mobile Leadership

- Highest quality 5G coverage
- Leading spectrum holding
- Best 4G network for 7 years in a row*
- 99% coverage of all mainland UK major and minor roads
- Customers perceive EE and BT as clear network leaders**



* Rootmetrics dashboard May 2021
** Yonder Consulting – BT Brand Tracker, who is the best provider for 5G, EE 35%, Vodafone 16%

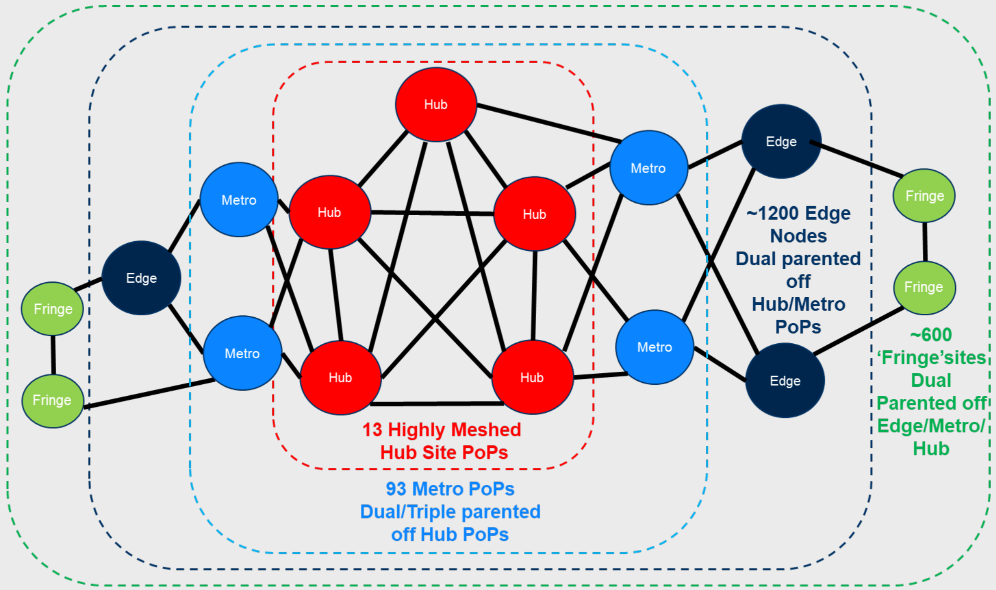
Source: coverage trackers from EE and competitors

Unmatched depth and reach in network infrastructure

Reliable and secure network

- Core network performance
  - Highly Resilient architecture
  - Better than 99.999% core availability
- ESN investment
  - Power resilience: batteries & generators
  - Backhaul diversity
  - Temporary sites and rapid response vehicles (RRVs)
  - 99.74% availability road coverage

Resilient topology and dual redundant architecture

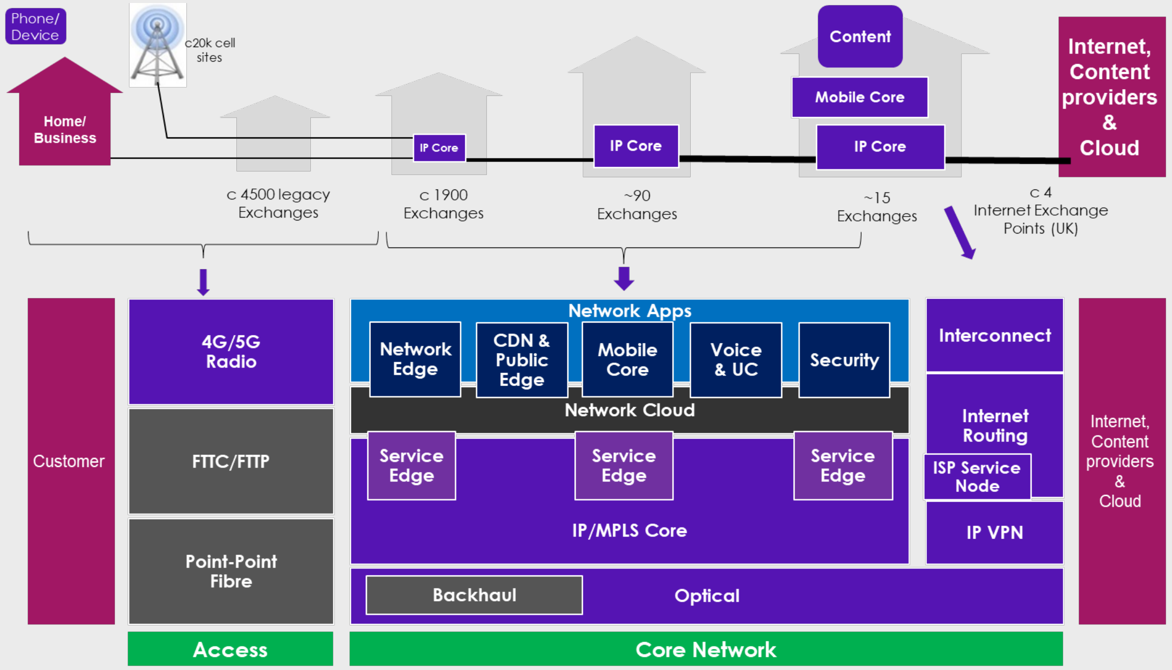


1,900 High bandwidth Ethernet Exchanges

Unmatched depth and reach in network infrastructure

Leading investment in future platforms

- Mobile “Leapfrog” plan
  - 5G on every site
  - Up to 3x as much spectrum after upgrade
  - Nationwide 700 MHz 5G deployment
  - Enabling NB – IoT* and e-MTC**
- Future proofed Core network
  - Network cloud platform
  - Edge cloud - Private, Public & On-premise
  - Content networks (Media/Broadcast)



*Narrow Band Internet of Things. ** Enhanced Machine Type Communication

Broadest portfolio and leading investment plan

	SoHo SME CPS Wholesale
Traditional & IP Voice	Unrivalled expertise in moving customers from traditional voice to IP services
Unified Communications	Strongest line-up of partners
Mobile	Full suite of mobile products on an award winning network
Fixed & Networking	From market leading broadband through to dedicated wide-area networking for our largest customers
Security, Cloud & IOT	Enabling digital transformation for all sizes of customers, from business applications through to dedicated industry-specific solutions
Managed Services	From Expert Set-up for our small customers through to fully managed services for our largest corporates and public sector

Moving customers to IP with the most customer-focused portfolio

Combining our fixed and mobile assets to give customers the best experiences

The best range of services to help our customers be more productive, more secure and more efficient

All managed by the best experts

The Competition

IP centric players

Mobile centric players

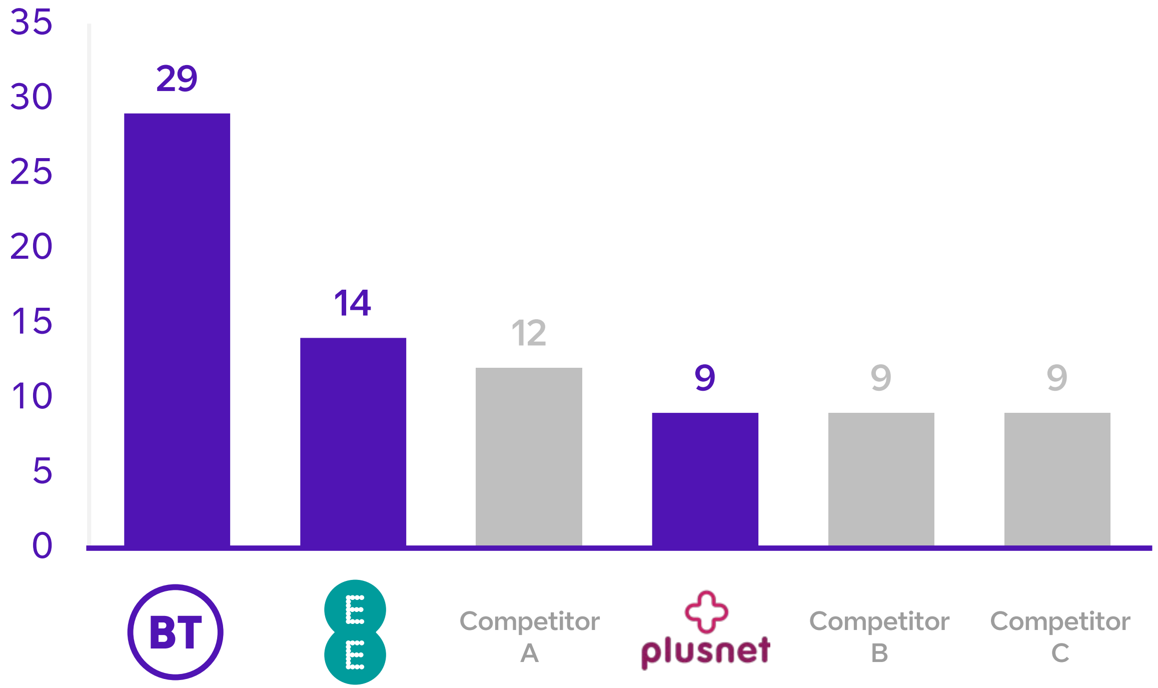
Local IT Resellers & SIs

Leading investment plan: £4.9 bn Group, £0.5 bn Enterprise

Strong brands and unparalleled distribution reach

Best business brands to attract demand

First Choice Consideration
for all business customers



Strongest distribution reach to convert demand in sales

550+
Retail Points

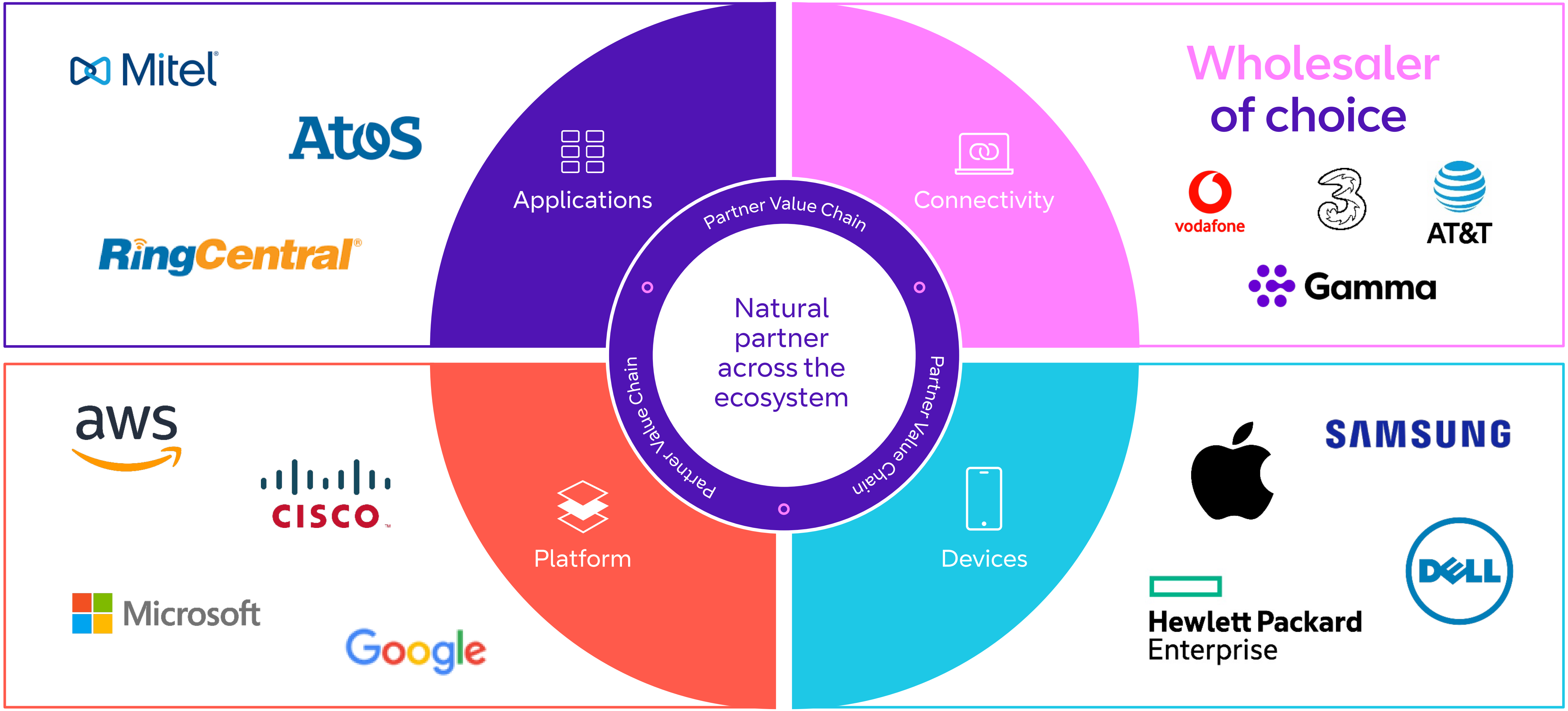
3,000+
Call Centre service agents

1,000+
Field service agents

Presence in **all UK nations**

Source: BT Enterprise Brand and Comms Tracker – Yonder – May 2021, 1,570 respondents

UK Partner of choice



Wholesaler of choice

Wholesale's role is to **maximise value for BT Group** by driving scale through broader reach

Fixed	Mobile Network Operator	Mobile Virtual Network Operator
Connectivity, voice, equipment and professional services to Tier 1 operators and smaller resellers	Backhaul and small cell solutions sold directly to mobile operators to support roll out of 4G and 5G	Mobile Virtual Network solutions into B2C, B2B and M2M
We support more than **1,000 service providers**	We help underpin **all the UK MNOs** with critical national infrastructure	We underpin **30 UK MVNOs**
Market share 30-40%	Market share 30% - 50%	Market share 20-30%

Connectivity

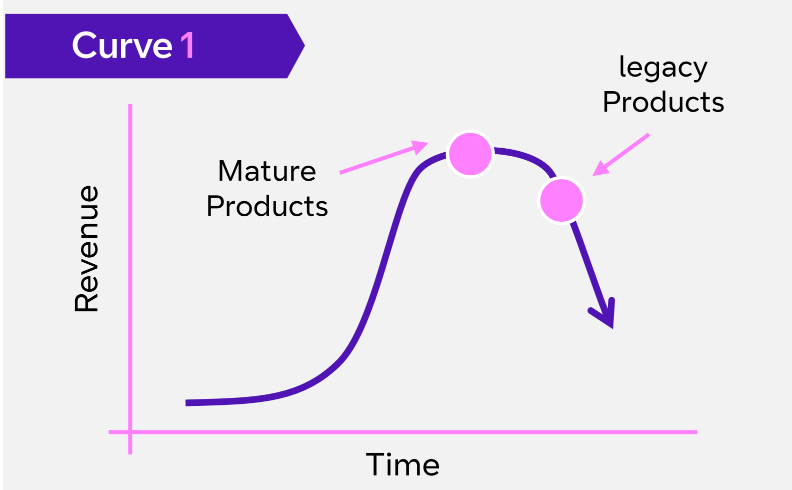
Enabling the whole UK connectivity and digital ecosystem

B2B: Business to Business | **B2C:** Business to Consumer | **M2M:** Machine to Machine | **MNO:** Mobile Network Operator | **MVNO:** Mobile Virtual Network Operator

Strategy for Growth

Exploit the opportunities created by the market evolution

Mature/Legacy ‘waning’ markets

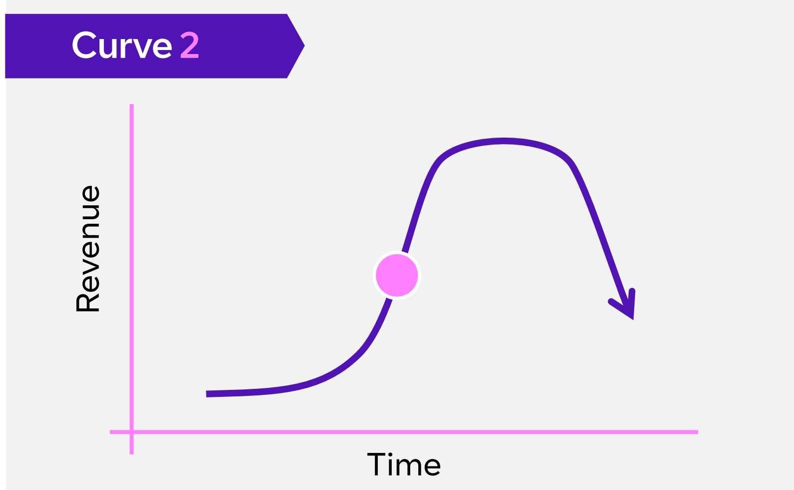


Core connectivity products of yesterday / today, established within a market (mature) or in decline (legacy). Based on old copper / physical technology

Example Products:

PSTN, Ethernet, Landlines, PAYM, MVNO, 4G

Next gen ‘waxing’ markets

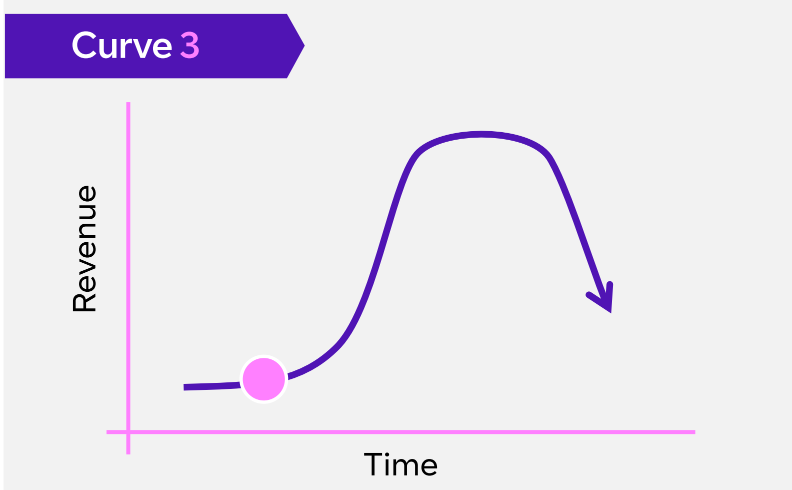


Core connectivity products of tomorrow, launched to supersede existing products. Based on digital / software-based technology

Example Products:

Ultrafast broadband (FTTP), SD-WAN, Hybrid & Private Cloud, 5G

New vertical ‘nascent’ markets



Adjacent markets beyond connectivity, typically digital/data enabled businesses meeting new customer needs not directly linked to connectivity

Example Products:

Edge, 5G & IoT Industry solutions, Drones, Security Threat Management

Pivot to growth

- Refine operating model, sharper segment and commercial focus
- Complete portfolio for next generation services
- Improve inflow market shares
- Accelerate simplification & digitalisation to improve customer experience and efficiency
- Focused investment in high-growth adjacencies

Refine operating model, sharper segment and commercial focus

SoHo	SME	Corporate & Public Sector	Wholesale
800k Customers	200k Customers	15k Customers	>1k Customers

SME	Corporate & Public Sector	Wholesale
Pete Oliver	**Dean Terry**	**Alex Tempest**
Indirect		
0-100 Employees	100+ Employees	

Refine operating model, sharper segment and commercial focus

BT

SoHo	SME	Corporate & Public Sector	Wholesale	
800k Customers	200k Customers	15k Customers	>1k Customers	
SoHo	SME	Corporate & Public Sector	Wholesale	Division X
Chris Sims	Pete Oliver	Dean Terry	Alex Tempest	TBC Solution selling Solution development
0-5 Employees	6-249 Employees	250+ Employees		

Refine operating model, sharper segment and commercial focus

SoHo	SME	Corporate & Public Sector	Wholesale
800k Customers	200k Customers	15k Customers	>1k Customers

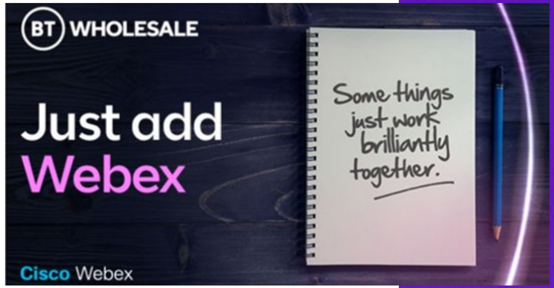
SoHo	SME	Corporate & Public Sector	Wholesale	Division X
Chris Sims	Pete Oliver	Dean Terry	Alex Tempest	TBC
	Indirect	BT Ireland ESN		Solution selling Solution development
0-5 Employees	6-249 Employees	250+ Employees		

Key: = Changes in 2021

Complete portfolio for next generation services

Best Full Fibre & Mobile convergence

- Market leading Halo for Business converged proposition now with 500 & 900 Full Fibre speeds
- Full fibre regional offers in key cities
- Exclusive Full Fibre offers for EE customers



Industry leading portfolio in VoIP

- Leading collaboration tools integrated with every IP proposition including Cisco Webex in SME and Wholesale
- Key partnerships with Microsoft, Ring Central, Cisco and Mitel
- Focus on customer migration experience to help customers realise the benefits of moving from legacy voice to IP and UC

Intelligent Connectivity Solutions

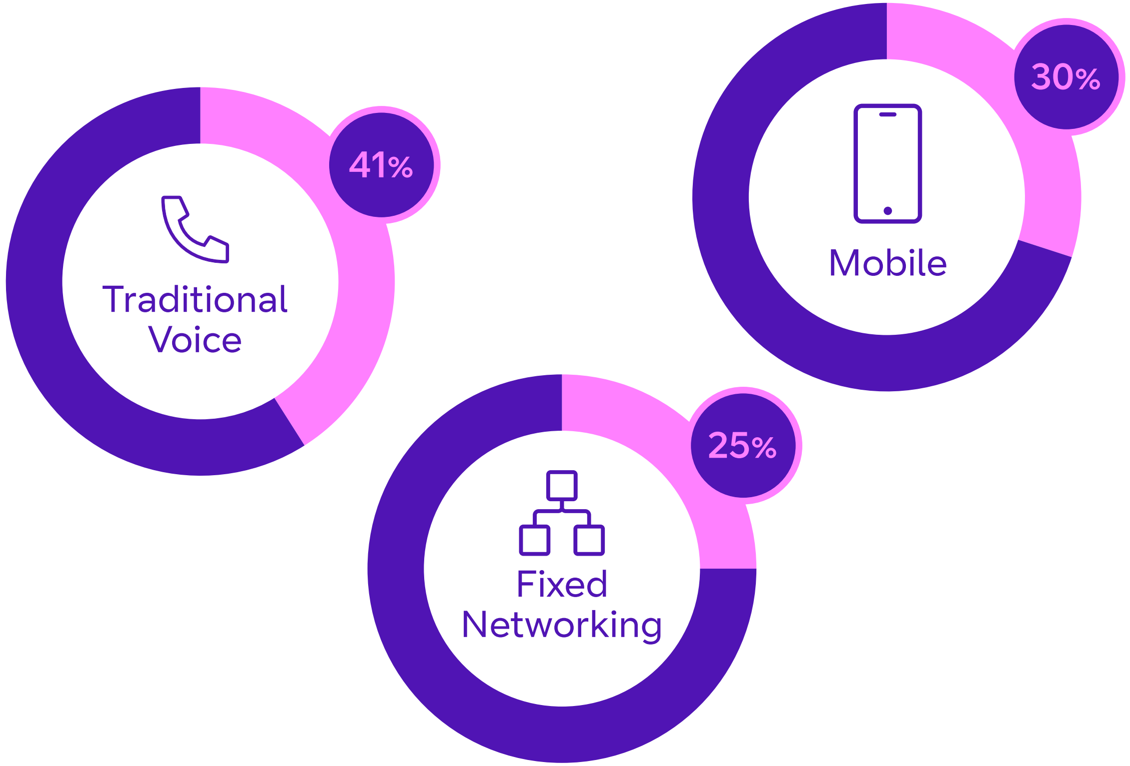
- Campus coverage solutions LAN, WAN, SD-WAN, Edge, 5G
- Targeted approach in Health
- Smart places plan for Central Government

Improve inflow market shares

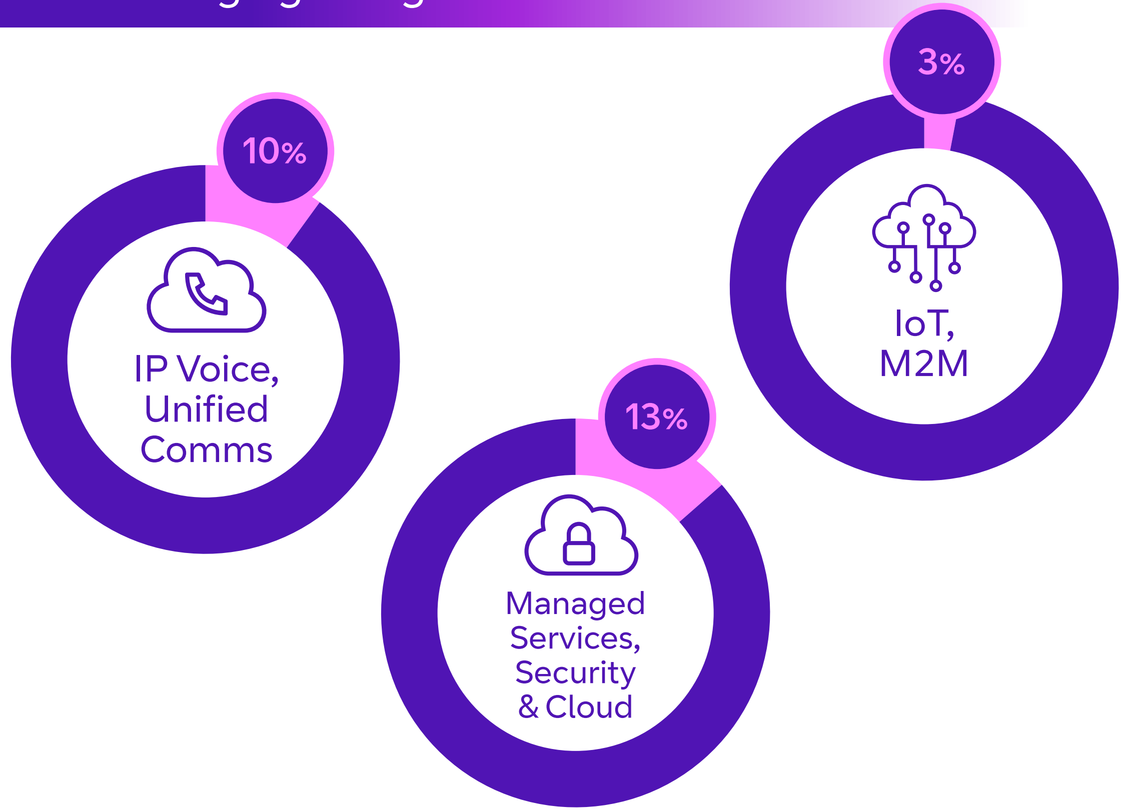
BT revenues and estimated market shares of addressable market per category

Market Share from our key portfolio categories

High share in large mature markets



Room for growth in next generation and emerging categories



Source: BT shares calculated based on BT data and BT revenues for 19/20

Accelerate our simplification and digitalisation agenda

Transform Enterprise to be easier to do business with and deliver market leading customer experience

From: <10% Digital (Total Share of Business Currently)			To: +30% Digital (Total Share of Business 2025)
Agent-led sales	digitalisation	> Digital and automated high volume journeys > Digital deal and sales tool > Digital converged bundling and marketplace *Recent improvements:* - *time to onboard partners reduced by 70%* - *new bid process delivering +13pts win rate*	Digital 1st end to end journeys
Low digital adoption at 10%	Product simplification	> Product rationalisation > Move to repeatable, modular solutions *Recent improvements:* - *reduced number of product variants*	70% base digitally engaged
100's products and 1000's of variants, many stacks	Systems & IT	> System rationalisation and decommissioning > Process automation *Recent improvements:* - *reduced lead time by a third for major tech changes* - *automated mobile order journeys*	Less products and variants on fewer stacks
Low NPS			Market leading NPS
High cost base			Lower cost base

Division X

Focused investment in high growth adjacencies

Solution Selling

Belfast Harbour

5G Private networks

Edge

IoT

Focused Investments

Media & Broadcast

Redcare

Street & Directory Solutions

Key Verticals

NHS University Hospitals Birmingham NHS Foundation Trust

Health

Transport & Logistics

Commercial Priorities

SoHo

Chris
Sims

SME

Pete
Oliver

CPS

Dean
Terry

Wholesale

Rob
Shuter


SoHo
Chris Sims
BT

SoHo
Key opportunities for growth

1 SoHo ARPUs are strong, but many small businesses take consumer contracts

2 We can increase sales in key channels

3 We have opportunities in adjacencies

No of employees	Broadband on consumer contract	Mobile on consumer contract
0	70%	67%
1-9	31%	46%

- Business ARPU c.£5-£10 above consumer ARPU
- Focus on differentiated offerings for home-based businesses and business premises

Source: BT quantitative surveys

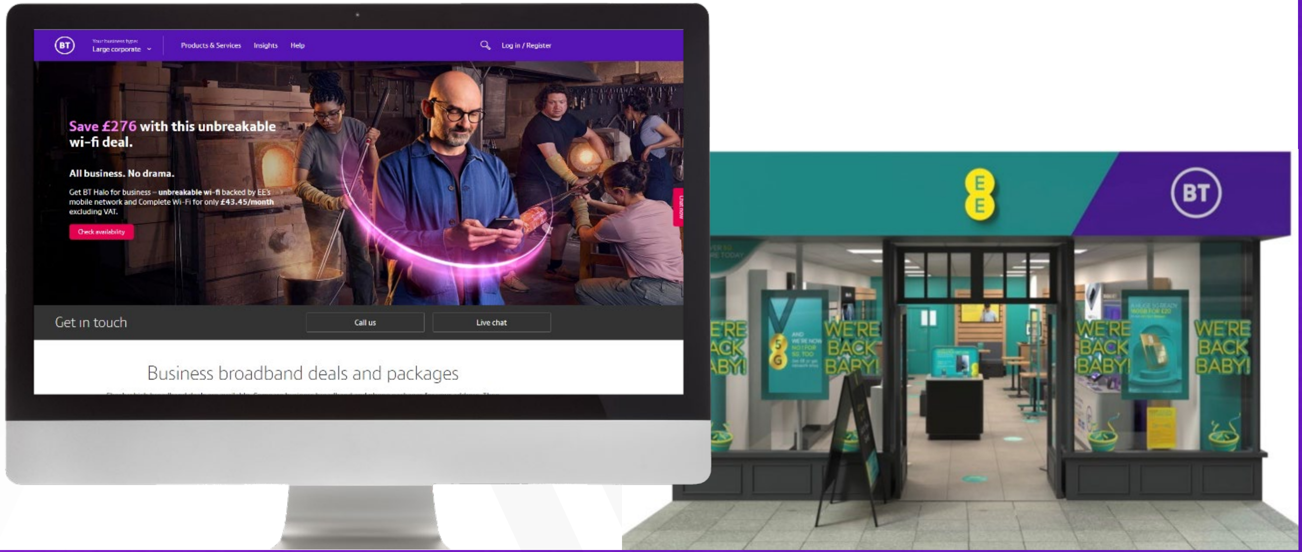
SoHo
Key opportunities for growth

1 SoHo ARPUs are strong, but many small businesses take consumer contracts

2 **We can increase sales in key channels**

3 We have opportunities in adjacencies

- Growing digital by investing in self-service journeys
- More retail business consultants in stores



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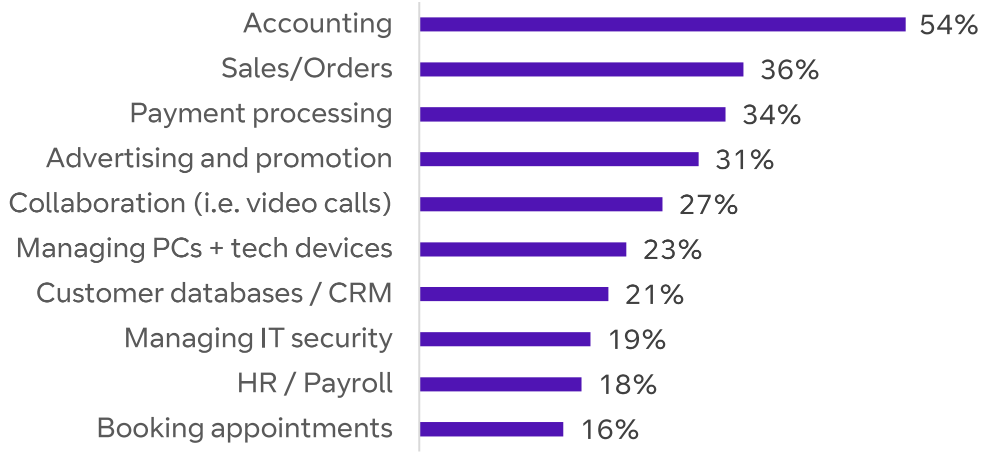
Usage of business tools by SoHos



- SoHos increasingly more dependent on cloud-based business technology
- BT can provide additional features and richer service to support this growing dependence

Source: : BT quantitative research 2020

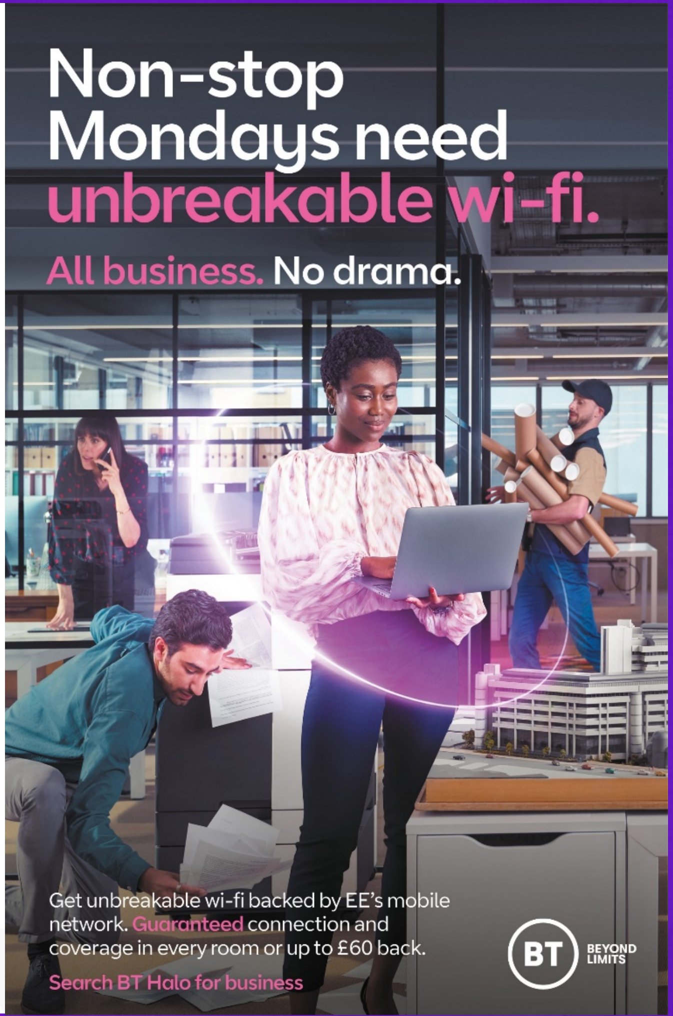
SoHo
Priorities to win

1 Broaden our proposition to SoHos

2 Maximise Return on BT and EE Brand

3 Grow value in the mobile base

- Halo for Business is a market leading converged solution
- Returning our broadband business to growth, driving take-up of FTTP



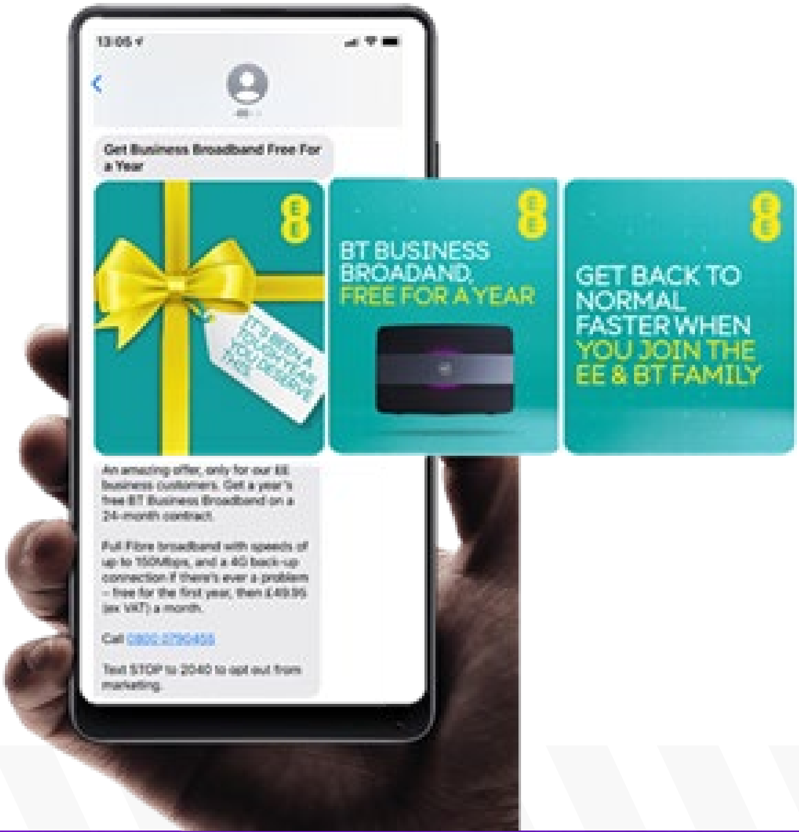
SoHo
Priorities to win

1 Broaden our proposition to SoHos

2 **Maximise Return on BT and EE Brand**

3 Grow value in the mobile base

- Less than 20% of customers take both fixed and mobile from us – focused cross-sell under way
- Investing in tools and incentives to better manage the base



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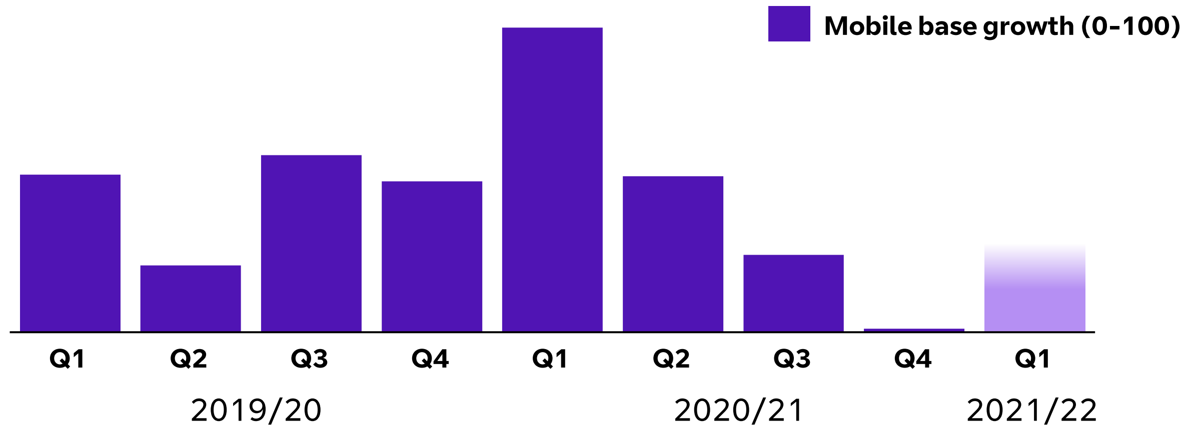


- 0-100 mobile base has grown, despite the pandemic
- Driving success through device relationships, best network, compelling propositions, and careful base management

Source: BT Commercial data, 2021

SME

Pete Oliver

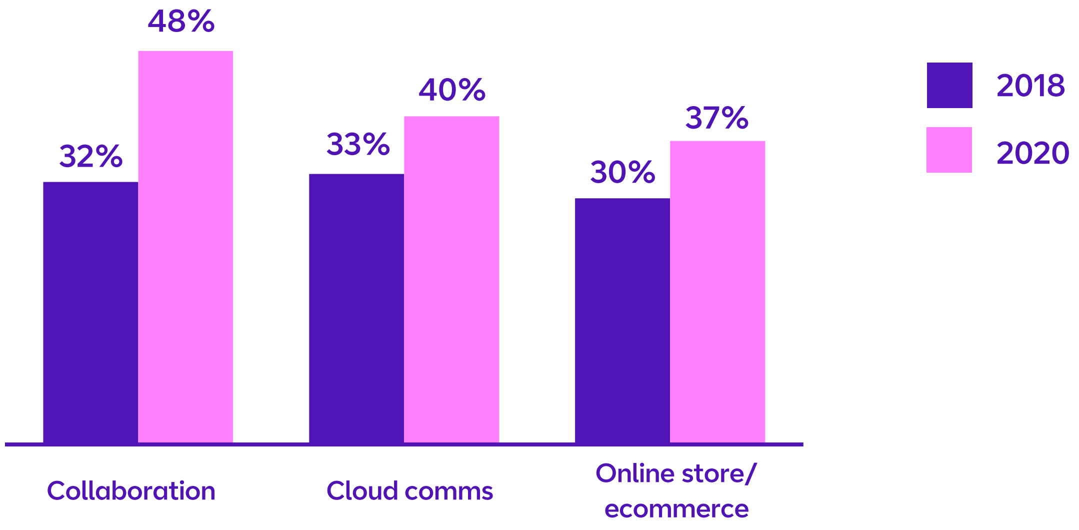
SME

Key opportunities for growth

1 SME is an attractive, growing market with rapidly changing needs

2 The market is fragmented with many small players

3 Our share in the 100-250 sub-segment is particularly low



- Rapid move to more digital and flexible ways of working
- Customers building out digital infrastructure for websites, payments and online marketing

% of SMEs using software in Europe.
Source: Omdia Digitalizing European SMEs in the time of pandemic. Dec 2020

SME

Key opportunities for growth

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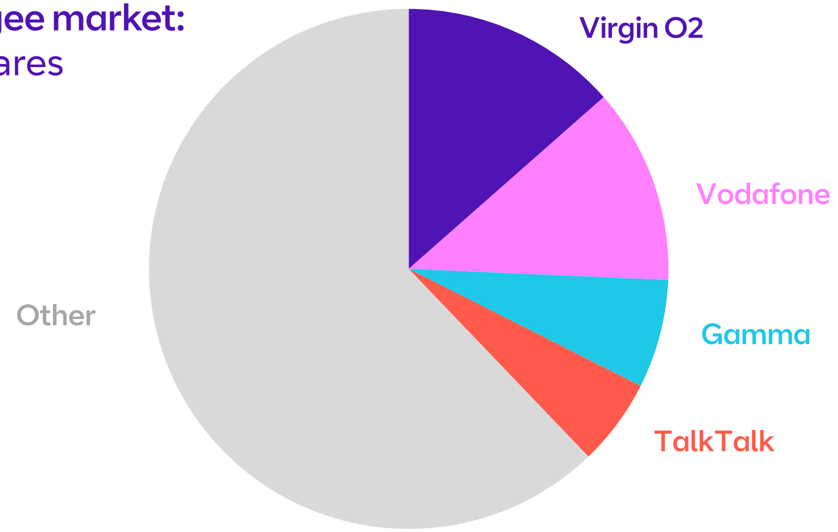
10-100 employee market:
competitor shares
excluding BT



- The most fragmented sub segment is 10-100 employees with many small players
- Smaller players have gaps in product offering and limited sales coverage

Source: BT estimates built on IDC market size data

SME

Key opportunities for growth

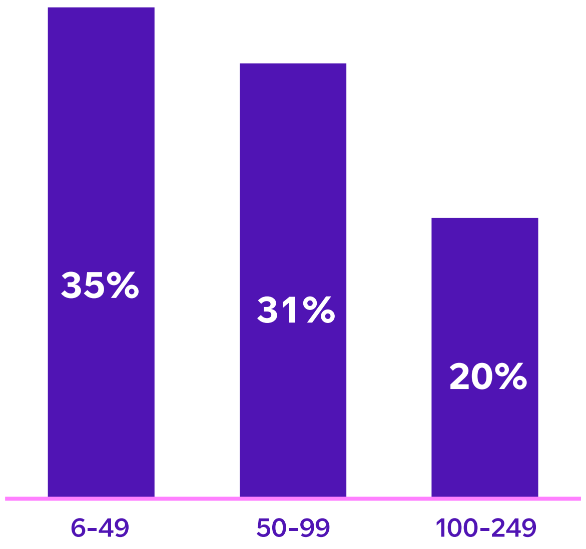
1 SME is an attractive, growing market with rapidly changing needs

2 The market is fragmented with many small players

3 Our share in the 100-250 sub-segment is particularly low

Estimated market share

- Our market share is smaller for larger SMEs with more to spend
- We are growing sales headcount and improving propositions for this segment



Source: BT estimates built on IDC market size data

SME
Priorities to win

1 Invest in the best product foundations

2 Create differentiated solutions

3 Enhance our sales coverage

- Networking: most comprehensive, 10GB+ dedicated circuits to multi-site broadband backed up by 4G
- IP Voice: expert migration experience, integrated digital phone, video, collaboration, and call centre
- Mobile: best network, flexibility to add new employees, finance devices and share data

SME
Priorities to win

1 Invest in the best product foundations

2 **Create differentiated solutions**

3 Enhance our sales coverage

- Moving from selling products to selling flexible solutions combining BT's wide portfolio with integrated service
- For schools, offers from connectivity to security to voice

SME
Priorities to win

1 Invest in the best product foundations

2 Create differentiated solutions

3 Enhance our sales coverage

- Best sales coverage across the **whole of the UK**
- Creating a seamlessly integrated sales model with best-in-class application of sales tools

CPS

Dean Terry

CPS

Key opportunities for growth

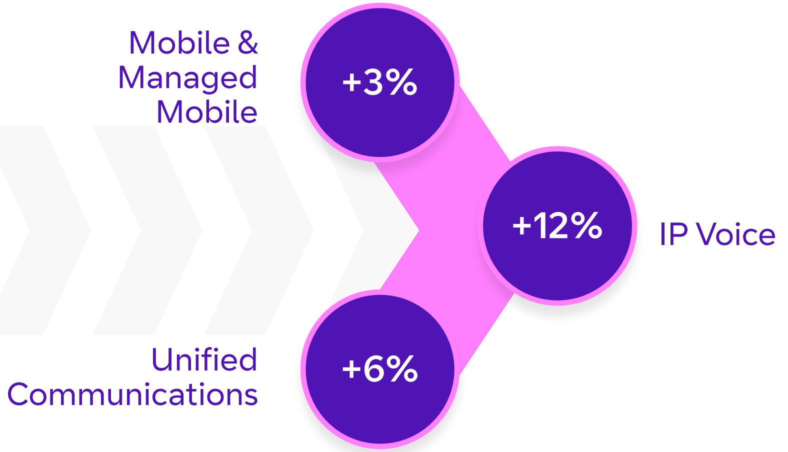
1 Core telco leadership provides the opportunity to grow

2 Managed services support organisations to digitally revolutionise at pace

3 Security is front of mind for all our customers

Key categories growing in core communications in CPS markets

(CAGR 2020/21 - 2024/25)



- Opportunity in mobile in public and private sectors
- IP Voice and UC market growing strongly with potential to grow share

Source: BT Data with inputs from IDC

CPS
Key opportunities for growth

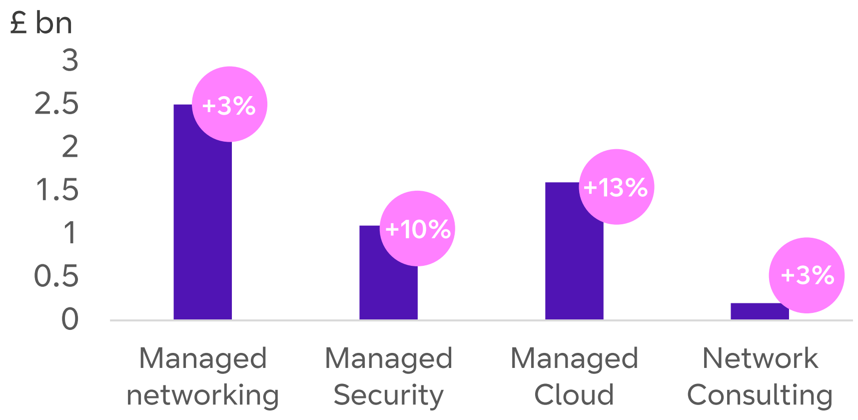
1 Core telco leadership provides the opportunity to grow

2 Managed services support organisations to digitally revolutionise at pace

3 Security is front of mind for all our customers

Significant demand for managed services

(2026 market value and CAGR 2020/21 - 2024/25 by categories)



- Customers' buying behaviours changing towards flexible, pay as you consume, digital models
- Demand in managed networking, cloud, managed security, managed mobility

Source: BT Data with inputs from IDC

CPS

Key opportunities for growth

1 Core telco leadership provides the opportunity to grow

2 Managed services support organisations to digitally revolutionise at pace

3 Security is front of mind for all our customers

Needs from providers for business 250+ employees*

#1 Reliability
Our organisation needs to function at all times, and we rely on our telecoms

31%

#2 Protection
Need a provider that can help us protect our business

30%

#3 Flexibility
A supplier who can be flexible when our needs change

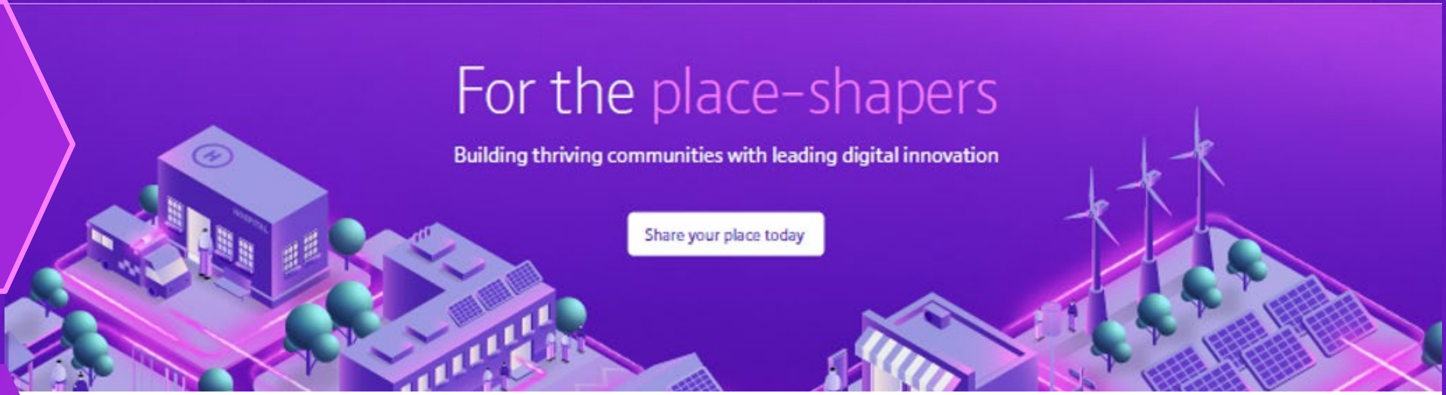
26%

- Pandemic accelerated move to cloud, creating opportunities in networking, security and hybrid cloud
- Total security market growing at 6% per year **

Source: *BT Qualitative research, B2B Usage and attitude
** CAGR 2020/21-2024/25 based on BT data built on IDC (see Appendix)

CPS
Our priorities to win

1 Grow share in core telecommunications



2 Leverage our existing position to innovate into adjacent markets

- Lead in mobile, 5G and managed mobility
- Be the partner of choice for the journey to IP
- Maximise our fibre roll-out to increase local reach

3 Continue investing into our sales model

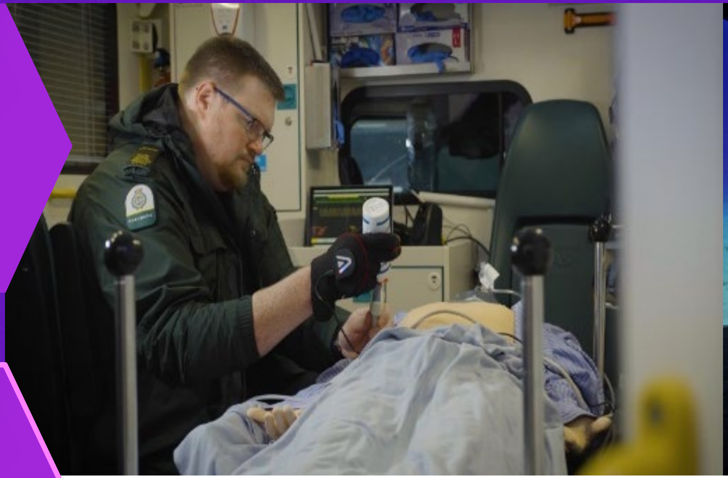
CPS

Our priorities to win

1 Grow share in core telecommunications

2 Leverage our existing position to innovate into adjacent markets

3 Continue investing into our sales model



- Achieve #1 position in security by attaching security to our existing products and services
- 5G, Edge and private network to drive customers' business outcomes
- Doubling down on health

CPS

Our priorities to win

1 Grow share in core telecommunications

2 Leverage our existing position to innovate into adjacent markets

3 Continue investing into our sales model

+50% pipeline

+15pts win rate

- Focus on our top accounts through “CPS One” programme
- Central Government business development plan
- Investment in new Consulting Practice

Wholesale

Rob Shuter

Wholesale
Key opportunities for growth

1 MVNO and M2M market reset

2 All IP and digital transformation driving value in fixed market

3 5G and technology innovation driving significant MNO growth

Future Growth Opportunities

5G

M2M / IoT

Business Mobile

- New growth opportunities in business market
- M2M demand driven by emerging IoT market

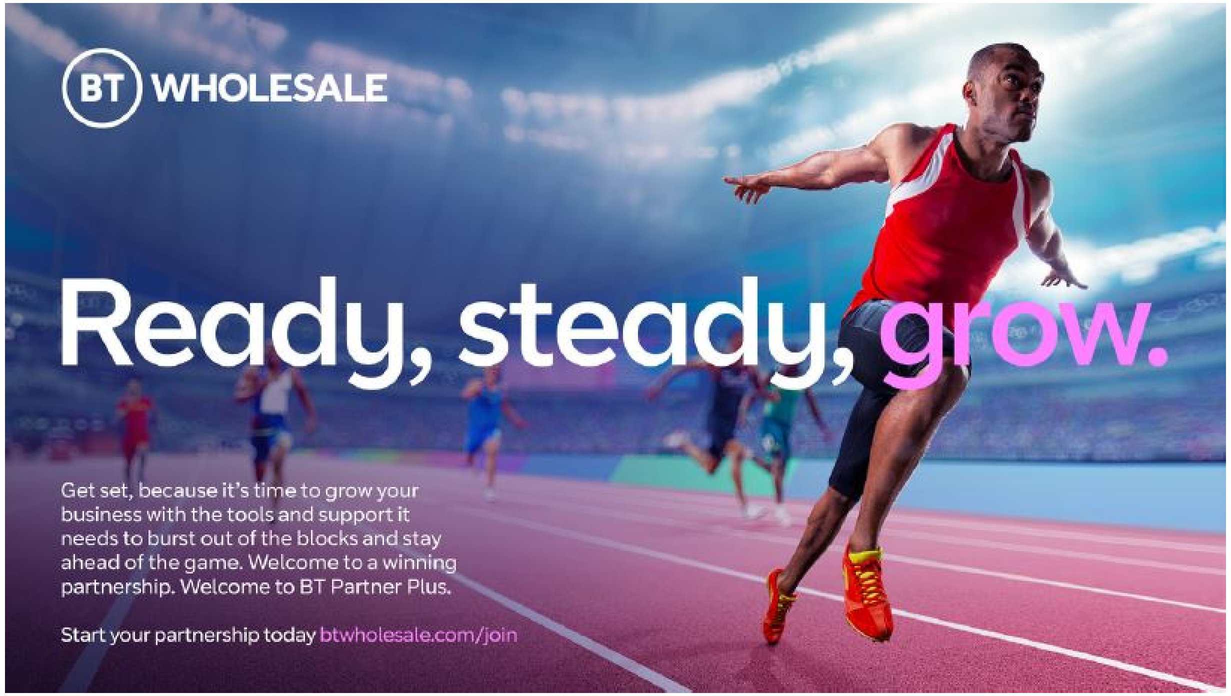
Wholesale

Key opportunities for growth

1 MVNO and M2M market reset

2 All IP and digital transformation driving value in fixed market

3 5G and technology innovation driving significant MNO growth



- All IP convergence is becoming #1 priority for partners
- Increasing demand for Full Fibre

Wholesale

Key opportunities for growth

1 MVNO and M2M market reset

2 All IP and digital transformation driving value in fixed market

3 5G and technology innovation driving significant MNO growth

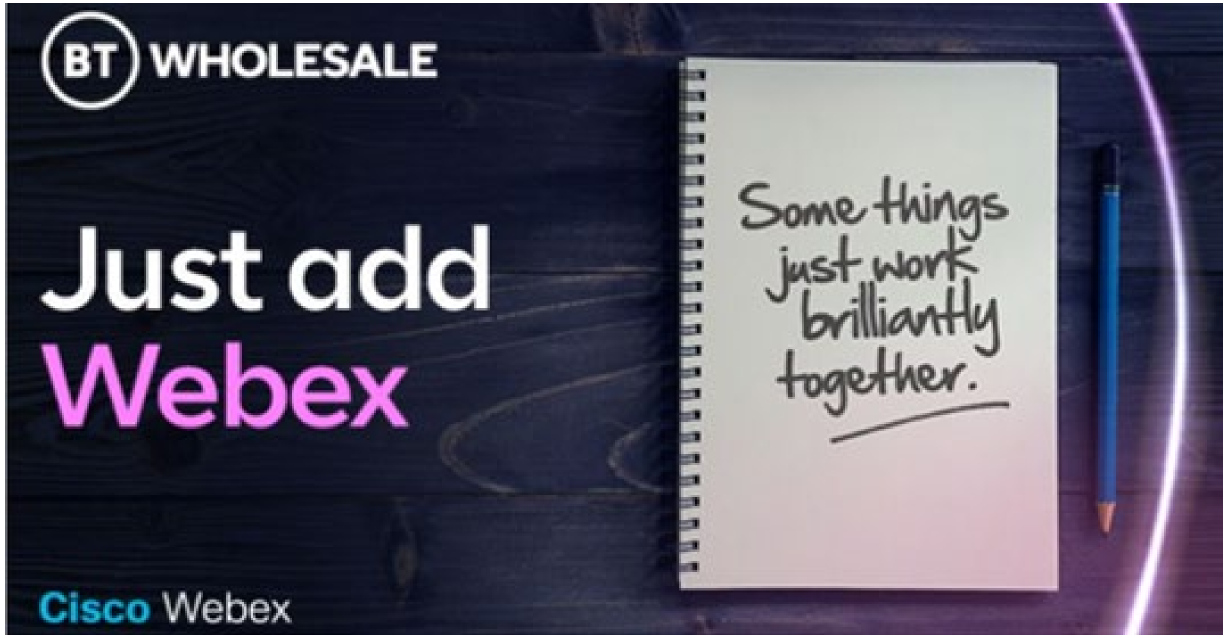
- 5G continues to drive significant investment
- Ultra-low latency services driving new partnerships

Wholesale
Our priorities to win

1 Converged offers to maximise value

2 Digital Partner programme

3 Investment to future proof our portfolio



- Bundle solutions of core products packaged together
- Webex launch with appeal to a broader base

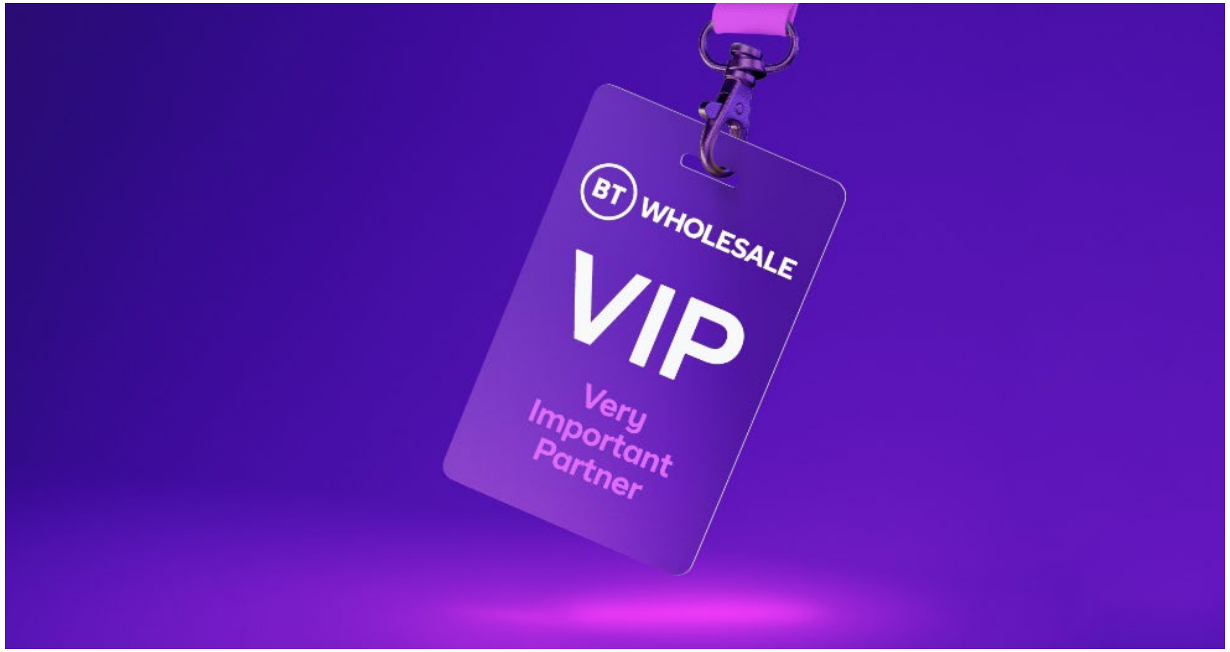
Wholesale

Our priorities to win

1 Converged offers to maximise value

2 Digital Partner programme

3 Investment to future proof our portfolio



- New partner programme for wholesale customers
- End to end digital zero-touch customer journey

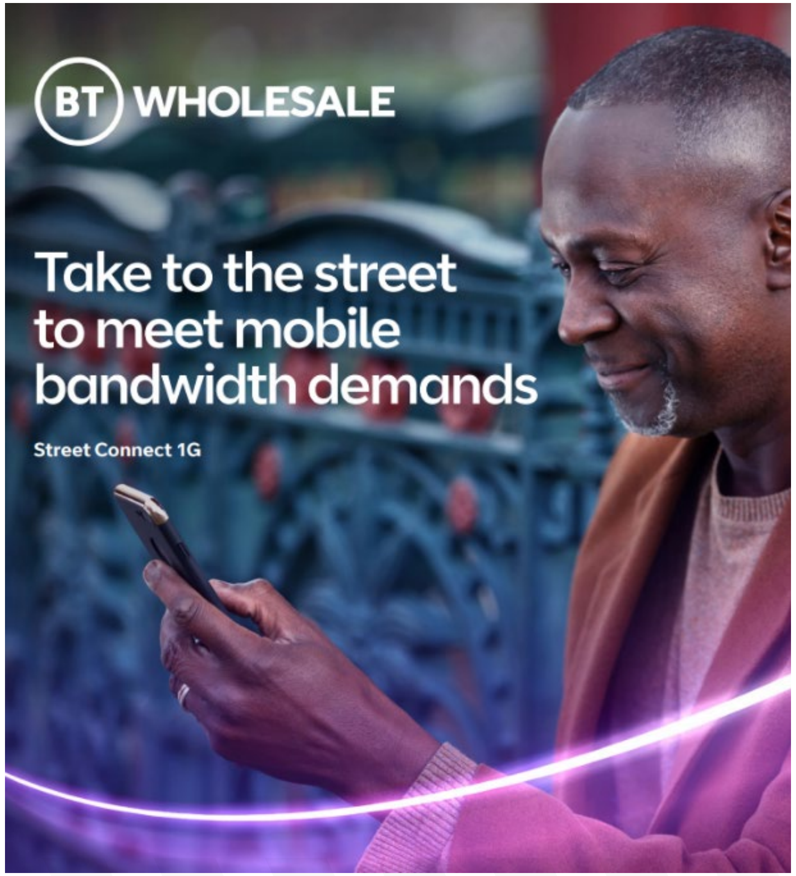
Wholesale
Our priorities to win

1 Converged offers to maximise value

2 Digital Partner programme

3 Investment to future proof our portfolio

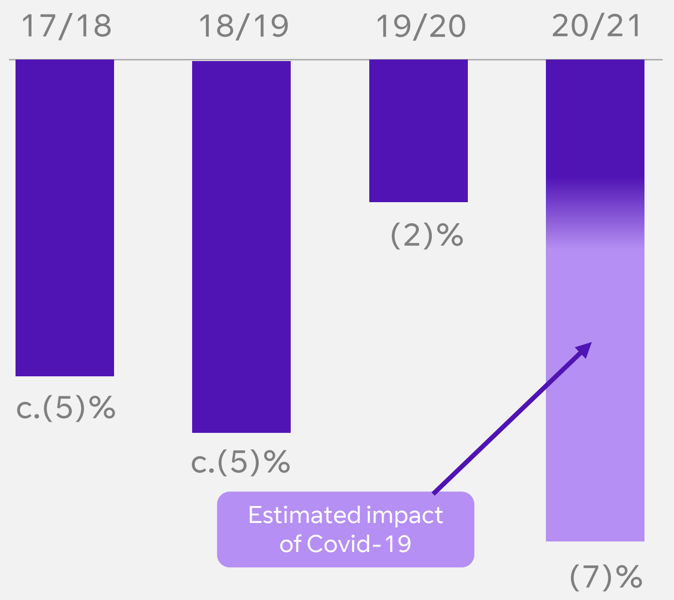
- Continue to enable the roll-out of 5G
- Launch leading Edge commercial and partnerships



Financial Plan

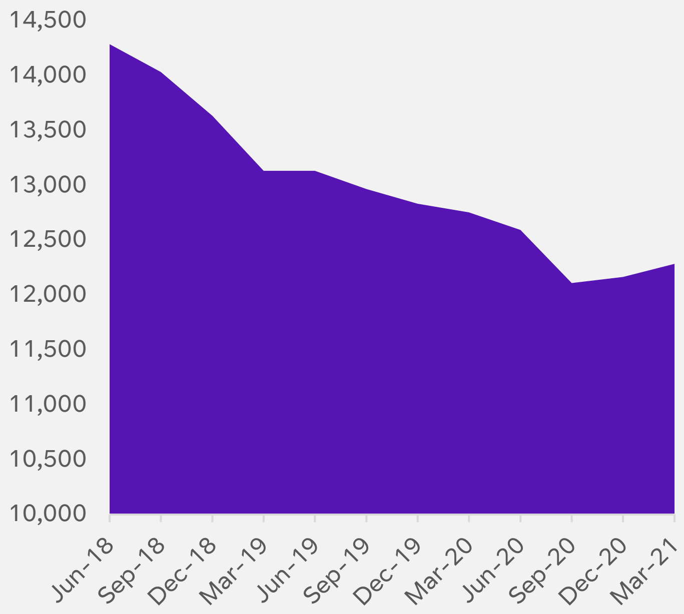
Looking back:
in the last few years we have seen our underlying EBITDA trend improve helped by cost reduction and a moderating revenue decline (excl. Covid-19)

1 The underlying Enterprise revenue decline has been improving, but 20/21 was hit by Covid-19



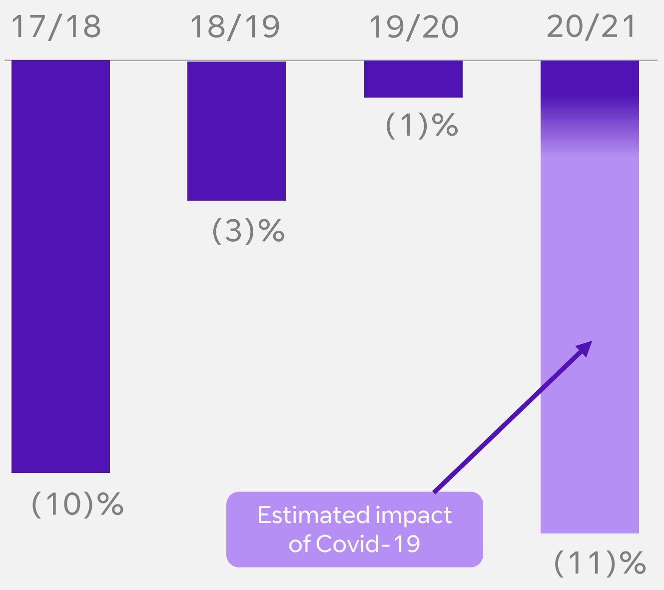
Adjusted for impact of M&A

2 We have focused on simplifying our business and reducing our costs. Our headcount has reduced by 2000 FTE through planned transformation



FTE plus Agency and subcontractors

3 Cost reduction has helped improve our underlying EBITDA trend. We estimate EBITDA would have declined 1% in 20/21 ex-Covid-19

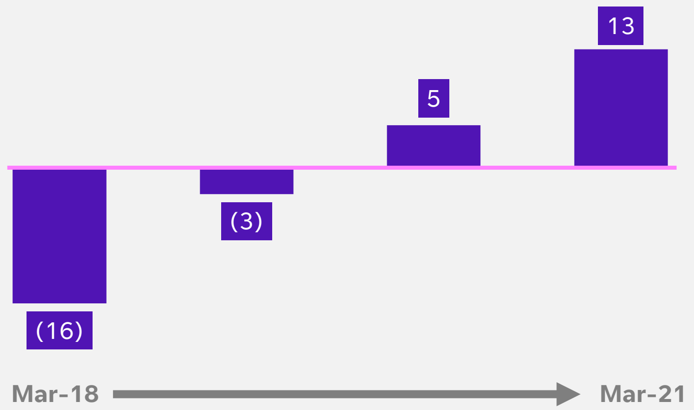


Adjusted for impact of M&A

Looking back:
we have made good progress towards building a platform for growth

1

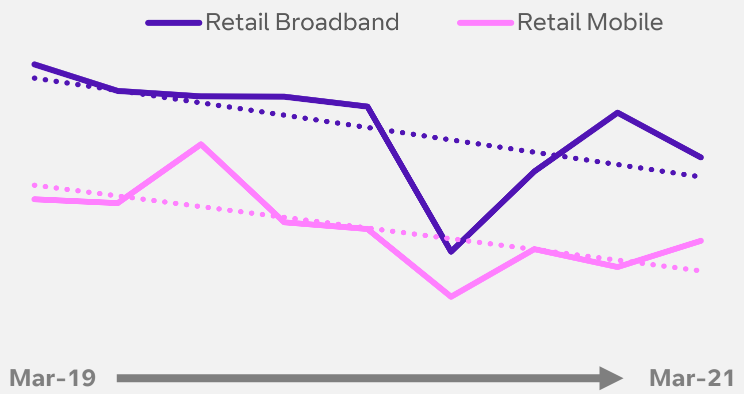
Customer experience has improved…



Blended Enterprise NPS

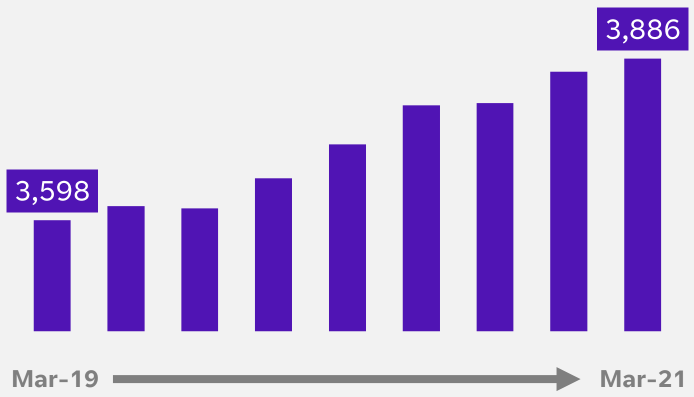
2

…which has contributed to an improvement in churn



3

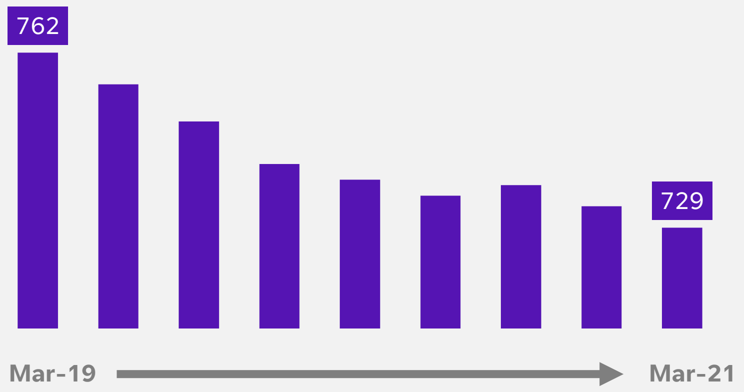
We have grown key customer bases…



Retail mobile subs ('000)

4

…while slowing the decline in others



Retail broadband lines ('000)

Looking forward:
our focus is on pivoting the business to revenue growth

BT

We have five priorities to support revenue growth over our medium-term plan…

Pivot to Growth

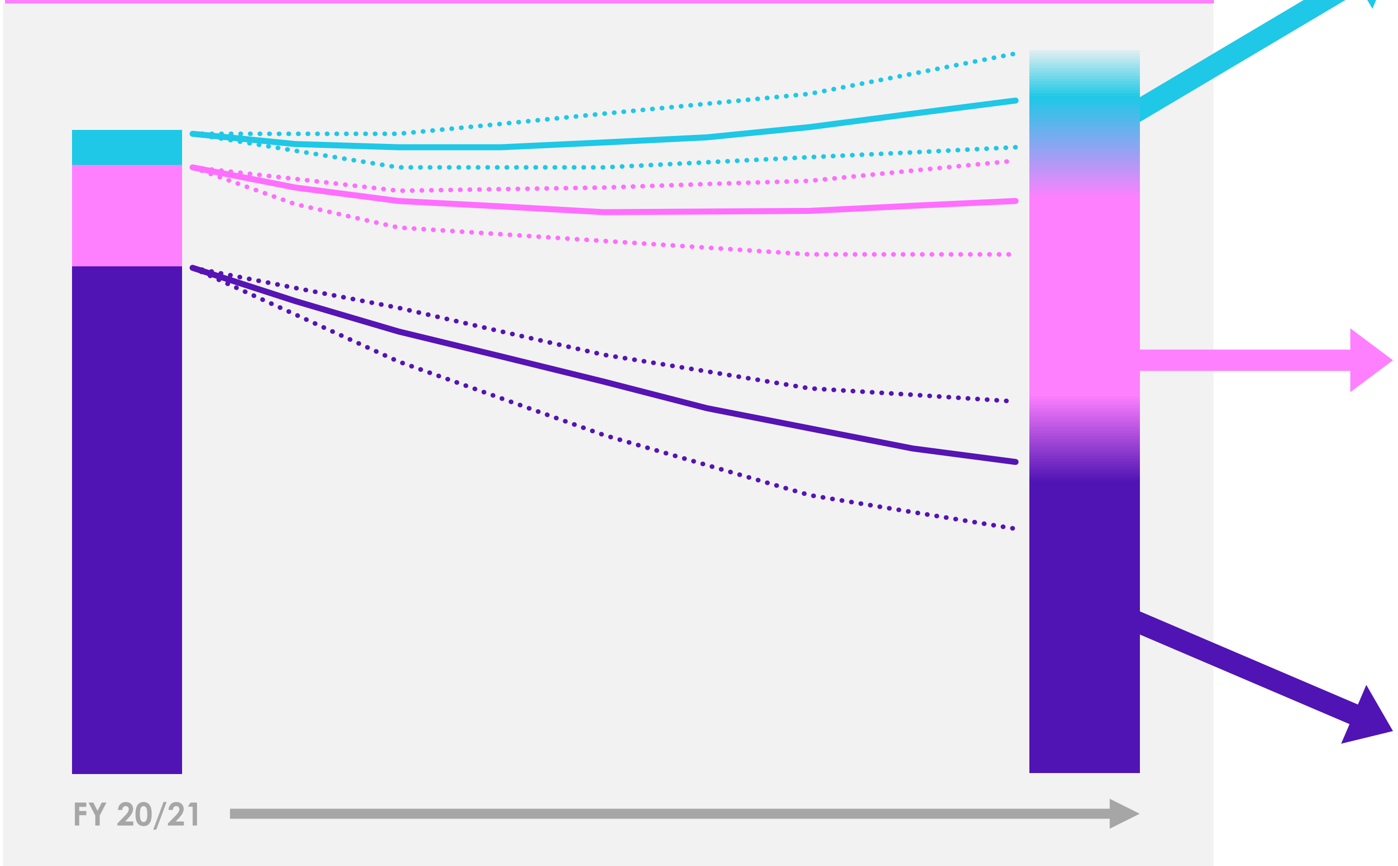
- Refine operating model, sharper segment and commercial focus
- Complete portfolio for next generation services
- Improve inflow market shares
- Simplification & digitalisation to improve customer experience
- Focused investment in high-growth adjacencies

…while navigating through some shorter-term challenges

- Loss of Virgin Mobile MVNO
- Traditional line & call decline
- Price pressure in networking & mobile

Our revenue profile will change over the coming years, with overall growth coming from Next Gen and New Verticals

Revenue profile over the medium-term



3 New vertical 'nascent' markets

- 5G Campus networks, Edge computing, IoT, Health, Security
- Will supplement growth in our Next Gen markets to support overall revenue growth for Enterprise

2 Next Gen 'waxing' markets

- Mainly new generations of existing products such as VoIP, fibre broadband and 5G mobile
- Expected to grow at least in lock-step with the decline in Mature/Legacy
- Focus on growing share in these markets

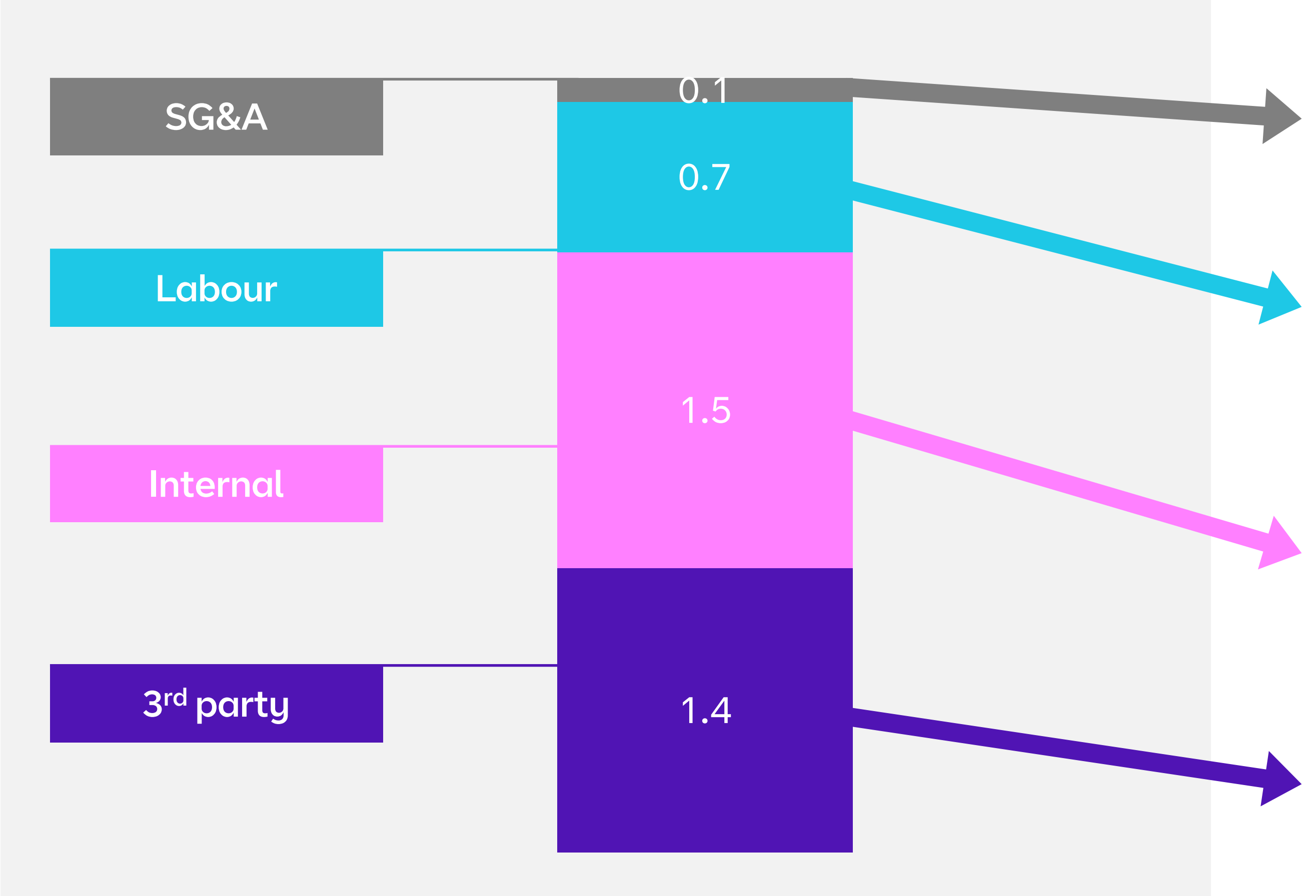
1 Mature/Legacy 'waning' markets

- Mature and legacy products such as PSTN, copper landlines/broadband, Ethernet, MVNO, 4G
- Will decline over time as customers move to Next Gen versions

A changing revenue mix is likely to impact EBITDA margins; we are focused on cost reduction and our Simplification and digitalisation programmes to counter this

BT

Enterprise cost base (20/21 - £bn)



Examples of cost and transformation initiatives

SG&A
- Covid-19 has shown we can operate with lower travel costs
- Tighter management of IT costs and platforms; fewer IT/billing systems

Labour Costs
- Sales - Digitise sales journeys; more online / self-serve sales
- Customer Service - fewer systems and fewer manual processes (e.g. Robotics Process Automation)
- Support functions - Offshoring of some activities

Internal Costs
- Optimising selection of Openreach products (drive best value for customer and Enterprise)
- Better timing alignment between incurring Openreach costs and earning revenue on ceases and new services

Third Party
- Expanded supplier/partnership team to make sure rebates fully earned and drive more effective supplier negotiation
- Creation of BT Sourced; better use of external procurement platforms such as Suplari and Fairmarkit
- Rationalisation of long tail of suppliers

Our medium-term plan

Pivot the business to revenue growth

Cost reduction to protect EBITDA margins and invest in sales

Short-term capex increase to invest in new growth areas, digitalisation & simplification

Long-term sustainable cash flow growth

BT Enterprise

Business Briefing

23rd June 2021

From managing decline to pursuing growth in attractive markets

BT

Growing market, highly relevant services

Strong competitive position, unrivalled assets

Operational performance stabilising, controllable execution levers

Refined operating model, sharper segment and commercial focus

Clear strategy, return to growth

BT Enterprise

Business Briefing

23rd June 2021

Appendix

Market growth forecasted £4.8 bn, 6% CAGR 2020/21 to 2024/25

BT

		RETAIL		WHOLESALE	
		MARKET VALUE 2021	CAGR	MARKET VALUE 2021	CAGR
SEGMENTS	**SoHo** (0-5 employees)	£ 1.6 bn	+1%	**WHOLESALE** £3.8bn market (+2.5% CAGR) (+backhaul + 999 Services)	
	SME (6-249 employees)	£ 4.1 bn	+2%		
	CPS* (250+ employees)	£ 13 bn	+8%		
MARKET CATEGORIES	Traditional voice	£ 1.4 bn	-17%	£ 0.6 bn	-14%
	IP Voice & Unified Communications	£2.0 bn	+9%	£1.2 bn	+9%
	Fixed etworking	£ 2.7 bn	+3%	£ 1.5 bn	+1%
	Mobile & B2B MVNO	£ 3.5 bn	+2%	£ 0.5 bn	+6%
	Managed Services, Security, Cloud	£ 8 bn	+8%	£ 1.4 bn	+12%
	IoT	£ 1 bn	+17%	£ 0.5 bn	+30%

Source: BT Data with inputs from IDC. CAGR from 2020/21 to 2024/25

* Excluding Global, BT Republic of Ireland