BT Group plc
Q1 FY22 trading update

29 July 2021
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Philip Jansen
Chief Executive
### Q1 highlights

- **Results overall in line with our expectations**
- **Revenue down 3%:**
  - increased revenue in Consumer and Openreach, more than offset by:
  - ongoing legacy product declines in Enterprise
  - prior year divestments and more challenging than expected market conditions in Global’s markets
- **EBITDA up 3%:**
  - growth in Consumer, Enterprise and Openreach
- **Delivered strong cost control across the Group**
- **Strengthened our strategic partnership with Microsoft, underpinning over £1bn of revenue over the next seven years**
- **Covid-19 bounce-back in the UK**

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY22</th>
<th>Q1 FY21</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adjusted revenue</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>£5,070m</td>
<td>£5,250m</td>
<td>(3)%</td>
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<tr>
<td><strong>Adjusted EBITDA</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
<td>£1,866m</td>
<td>£1,813m</td>
<td>3%</td>
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<td><strong>Reported profit after tax</strong></td>
<td>£2m</td>
<td>£448m</td>
<td>(100)%</td>
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<td><strong>Capital expenditure excluding spectrum</strong></td>
<td>£1,011m</td>
<td>£927m</td>
<td>9%</td>
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<tr>
<td><strong>Normalised free cash flow</strong>&lt;sup&gt;3&lt;/sup&gt;</td>
<td>(£43)m</td>
<td>(£49)m</td>
<td>12%</td>
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</tbody>
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<sup>1</sup> Before specific items; <sup>2</sup> Before specific items, share of post tax profits/losses of associates and joint ventures and net non-interest related finance expense
<sup>3</sup> Free cash flow after net interest paid and payment of lease liabilities, before pension deficit payments (including the cash tax benefit of pension deficit payments) and specific items

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Firmly on track to deliver our outlook for this year and beyond
Customer facing units summary

### Revenue
- **1** down 3%
  - £m
  - Q1 FY21: 6,000
  - Q1 FY22: 5,500
  - Change: -5%

### EBITDA
- **2** up 3%
  - £m
  - Q1 FY21: 2,000
  - Q1 FY22: 2,150
  - Change: +7.5%

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1 Before specific items. Excludes Intra-group items and Other revenue;
2 Before specific items, share of post tax profits/losses of associates and joint ventures and net non-interest related finance expense. Excludes Other EBITDA
A clear path to growth

• FTTP¹:
  – 555 thousand premises passed in the quarter
  – increased our commercial rural build target to 6.2m
  – published a new long-term FTTP pricing offer for CPs²

• Mobile:
  – ranked as the UK’s number one network for the eighth year running by RootMetrics
  – over 4,500 square miles of new rural 4G coverage by 2025
  – growing our 5G network to cover half of the UK population by 2023, and over 90% of UK landmass by 2028

• A new 5G core network control system will launch by 2023, bringing together all of our digital networks
• Launched Hope United campaign using the power of football to tackle online hate
• Published our first Diversity and Inclusion report
• Reached an agreement with the CWU³, recognising the need for change

¹ Fibre-to-the-premises; ² Communications Provider; ³ Communications Workers Union; ⁴ Normalised free cash flow
Summary

• Results overall in line with our expectations
  – EBITDA growth in Consumer, Openreach and Enterprise
• Leading indicators across the business reflect the positive progress we’ve made:
  – Consumer’s churn levels stayed at near all-time-lows
  – Strong NPS\(^1\) performance across the Group
• Inflation-linked pricing across around two thirds of our revenue
• Continue to deliver our transformation plans
• Anticipate some recovery in Global’s markets through the second half of the year
• Making solid progress against our strategic agenda

Firmly on track to deliver our outlook for this year and beyond

\(^1\)Net Promoter Score