



BT Group plc H1 FY24 results

2 November 2023



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Accordingly, no assurance can be given that any particular expectation will be met and readers are cautioned not to place undue reliance on forward looking statements, which speak only at their respective dates. Additionally, forward looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority), the Company undertakes no obligation to publicly update or revise any forward looking statement, whether as a result of new information, future events or otherwise. Nothing in this announcement shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.





Philip Jansen
Chief Executive

H1 FY24 Highlights

Strong H1 financial and operating performance

Adjusted revenue and EBITDA growth

Accelerated transformation

Original £2.5bn gross annualised cost savings achieved

Cost to achieve £1.3bn

Confirmed FY24 outlook

Capital expenditure c.£5.0bn

NFCF towards top end
£1.0bn-£1.2bn

Interim dividend 2.31pps

Reaffirmed long term ambition

Consistent and predictable growth in revenue and EBITDA

At least £1.5bn NFCF expansion by FY31

H1 FY24 Results Highlights

	Q2 FY24		H1 FY24	
	£m	Change YoY % ¹	£m	Change YoY % ¹
Adjusted revenue ²	5,250	2	10,414	3
Adjusted EBITDA ²	2,061	3	4,094	4
Reported capex	-	-	2,321	(11)
Normalised free cash flow ³	-	-	456	nm
Dividend (pps)	-	-	2.31	flat

¹ On a proforma basis ² Before specific items; ³ After net interest paid and payment of lease liabilities, sale of contract asset cash flows and forward sale of redundant copper, before pension deficit payments (including the cash tax benefit of pension deficit payments) and specific items

H1 FY24 Summary of customer facing units

	Q2 FY24				H1 FY24			
	Adjusted Revenue		Adjusted EBITDA		Adjusted Revenue		Adjusted EBITDA	
	£m	Change YoY % ¹	£m	Change YoY % ¹	£m	Change YoY % ¹	£m	Change YoY % ¹
Consumer	2,480	3	674	2	4,903	3	1,347	4
Business	2,073	flat	420	(10)	4,100	1	806	(11)
Openreach	1,527	8	971	11	3,053	8	1,936	12
Other	3	(57)	(4)	33	8	(43)	5	(50)
Intra-group items	(833)	(10)	-	-	(1,650)	(9)	-	-
Total	5,250	2	2,061	3	10,414	3	4,094	4

¹ On a proforma basis

Strengthening our competitive position

Accelerating our growth strategy

- Openreach FTTP take up now 33%
- 350k retail FTTP connections in H1
- 1.3m retail 5G connections in H1
- Security revenue up 14% in H1
- BT Group Net Promoter Score up 1.8 points YoY

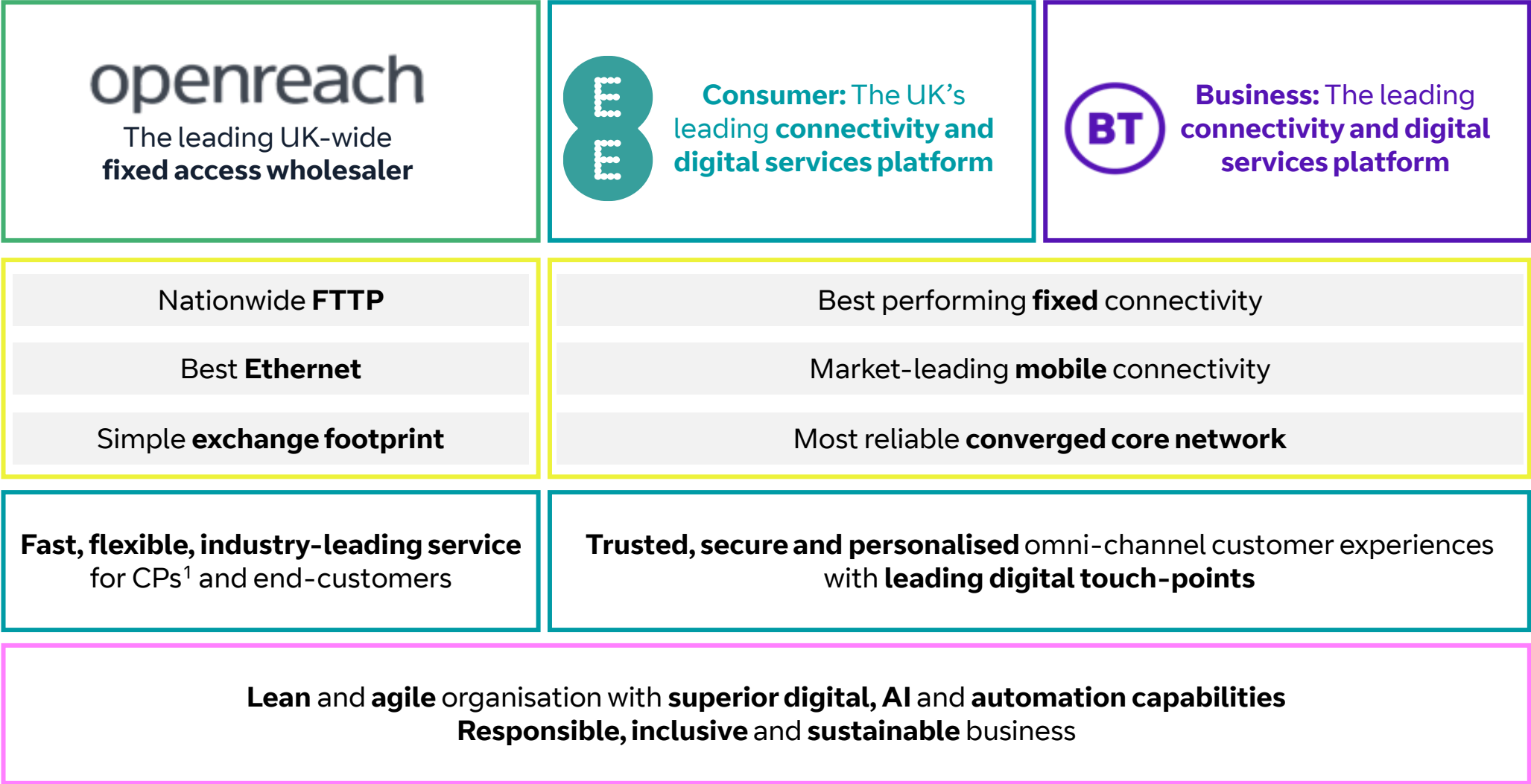
Investing in networks and digitalisation

- FTTP footprint now 12m premises; work in progress 6m premises
- Record Q2 FTTP build 860k premises
- Q3 FTTP build targeting >900k premises
- Openreach FTTP base now 4m
- 72% 5G UK population coverage

Increasing focus on simplification and cost efficiency

- £2.5bn gross annualised cost savings; cost to achieve £1.3bn
- New EE single ID platform
- Global Fabric to support secure multi-cloud access

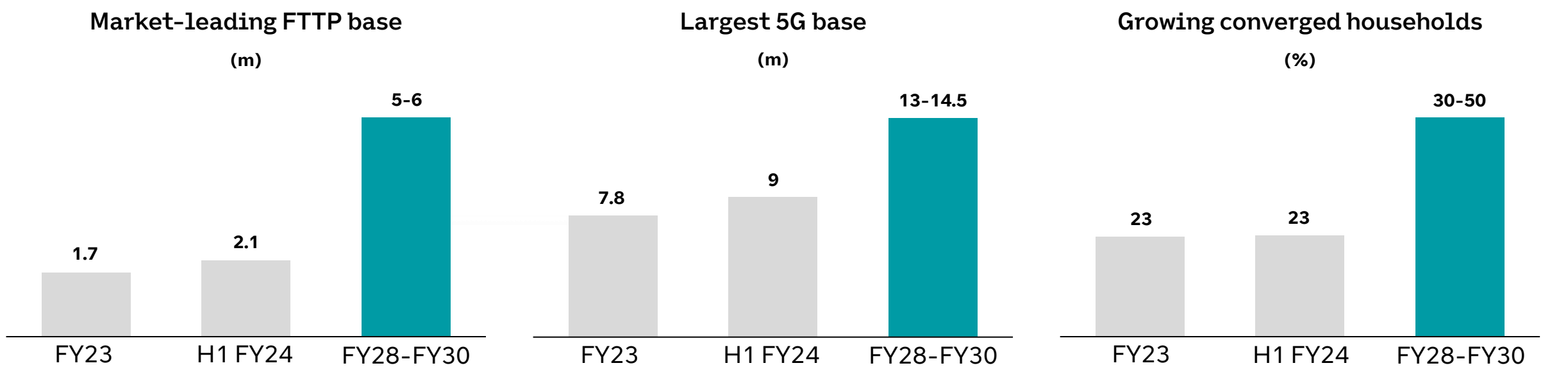
BT Group of the future – we connect for good



¹ Communications providers

Drive Consumer growth through converged propositions and services

Key growth drivers	Drive FTTP and 5G penetration	Drive convergence take up	Deliver best in class customer experience	Price fairly and transparently
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Low churn
Stable share



High NPS



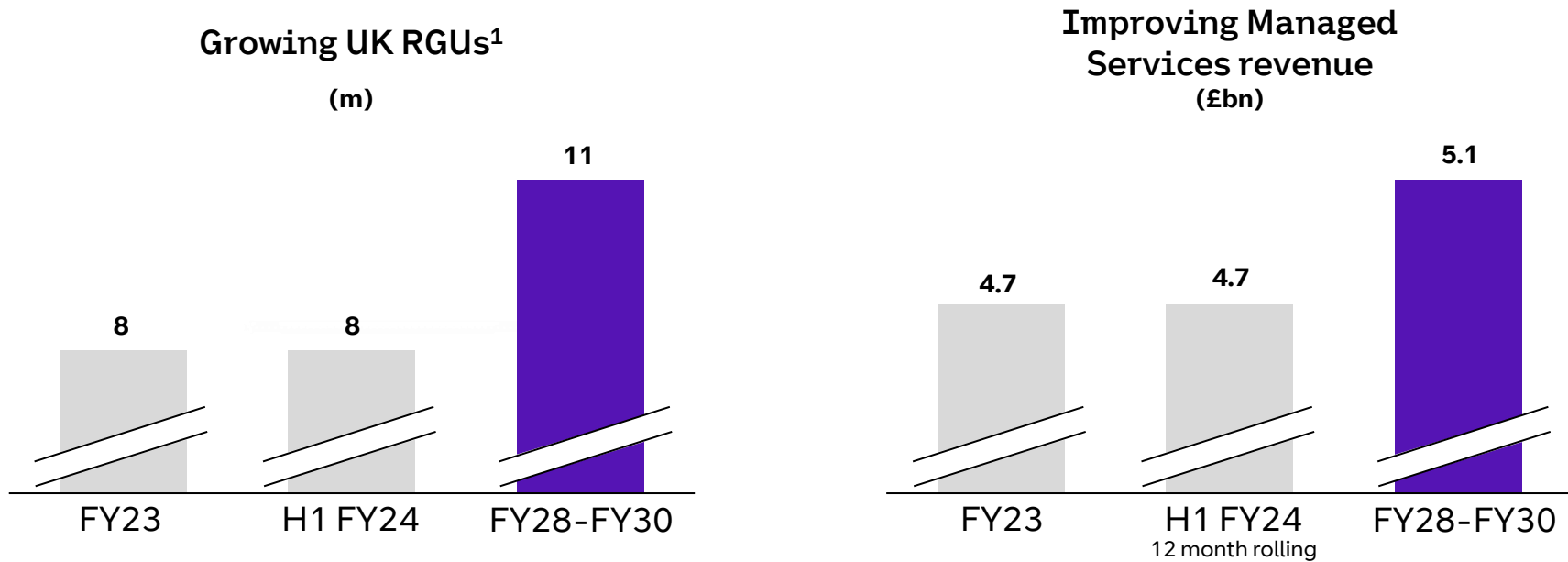
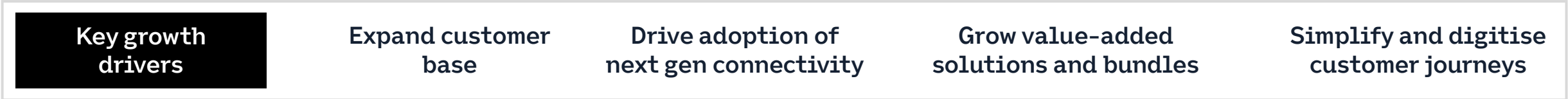
New digital platform



Leading multi-channel sales and services

Leading UK-wide connectivity and digital services platform

Capitalise on Business's unrivalled assets to restore growth



Low churn



High NPS



Leading converged base



Growth in security revenue to exceed market

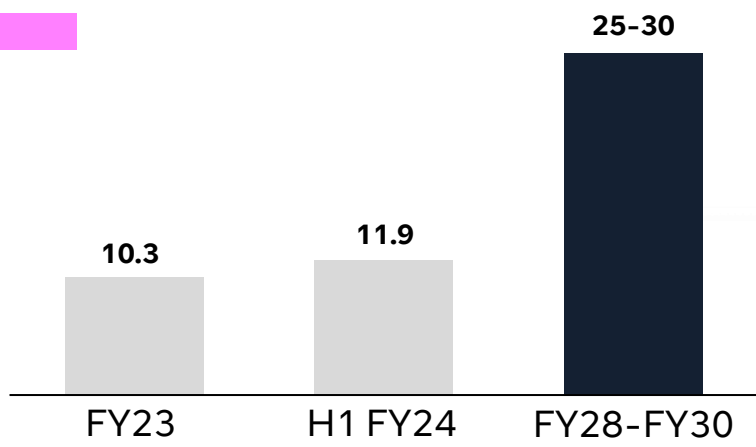
Leading connectivity and digital services platform for UK enterprises and MNCs²

¹ Revenue generating customer units; ² Multinational companies

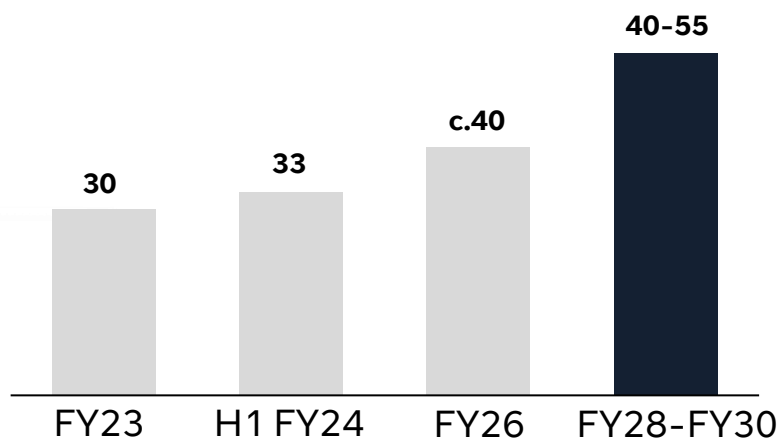
Deliver Openreach growth and strong returns on FTTP

Key growth drivers	Build FTTP at pace	Migrate customers to FTTP at pace	Deliver great service	Price fairly and transparently
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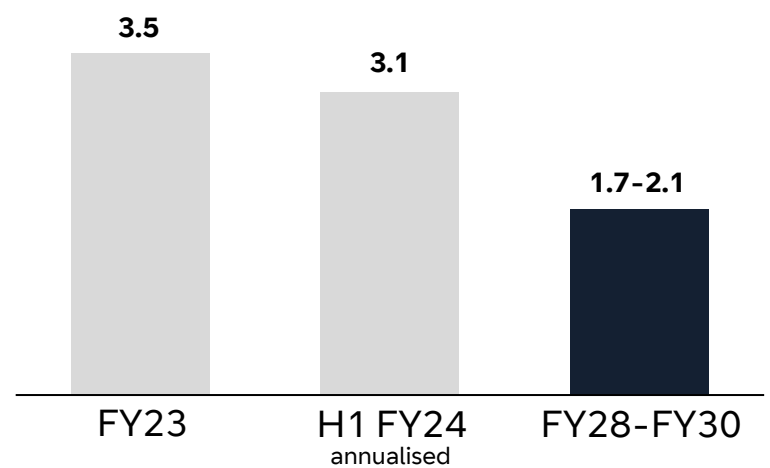
Passing 25m-30m premises with FTTP
(m)



Accelerating FTTP take up
(%)



Reducing repair volumes
(m)



Excellent service levels

High NPS

ARPU growth driven by indexation and mix

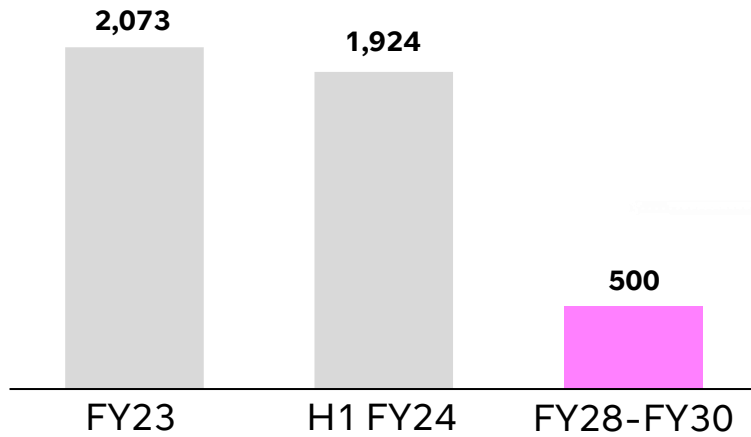
Best in class provision/repair

Leading UK-wide fixed digital access wholesaler

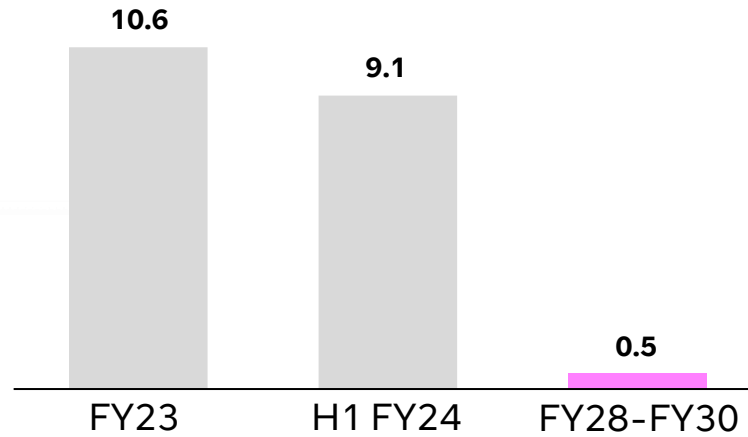
Digitise, automate and reskill to transform our cost base and improve productivity

Key growth drivers	Simplify product portfolio	Digitise and automate customer journeys	Shut down legacy IT and move to strategic digital tech	Migrate customers onto our strategic products and networks
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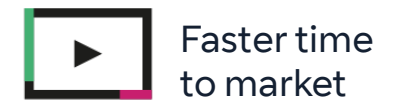
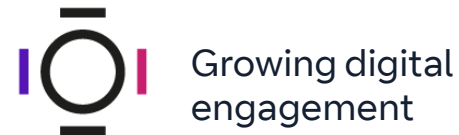
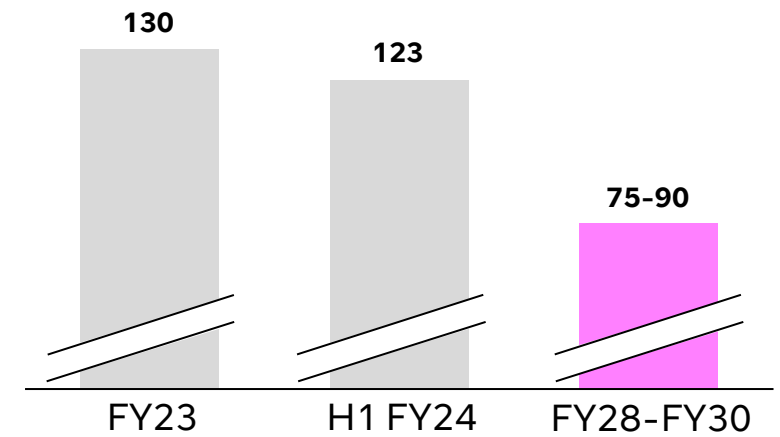
Closing business applications



Migrating units off legacy networks (m)



Reducing total headcount (k)



Lean, agile and inclusive organisation with market-leading capabilities and deep automation

Strategic metrics – much done, much more to do

		Actuals			Future BT Group
		FY19	FY23	H1 FY24	FY28-FY30
Networks	Openreach FTTP premises passed	1.2m	10.3m	11.9m	25m-30m
	Openreach FTTP take up	25%	30%	33%	40-55%
	5G UK population coverage	0%	68.1%	71.8%	>98%
Customer	Retail FTTP take up ¹	284k	1.8m	2.2m	6.5m-8.5m
	5G connections ¹	0m	8.6m	9.9m	13.0m-14.5m
	Convergence households	23%	23%	23%	30-50%
	Group NPS	+11.7	+22.1	+22.7	+30.0-35.0
Efficiency	Units on legacy networks	>16m ²	10.6m	9.1m	<500k
	Total headcount	130k ³	130k	123k	75k-90k

¹ Consumer and Business retail connections; ² Formal tracking began in FY20 with a baseline of 16.2m; ³ Formal tracking of subcontractors began after FY19

Summary | much done, much more to do

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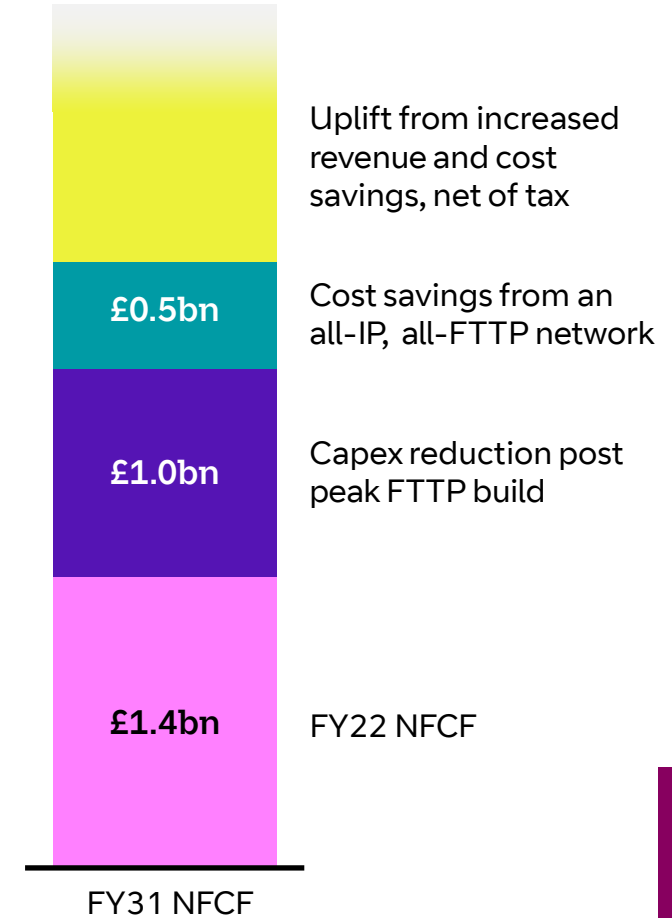
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Strategic metrics – definitions

	metric	Definition
Network	Openreach FTTP premises passed	Total Openreach premises passed
	Openreach FTTP take up	% Openreach FTTP take up - Openreach connections as proportion of Openreach premises passed
	5G UK population coverage	Population coverage of 5G network based on postcode
Customer	Retail FTTP take up	Consumer and Business retail customers on FTTP
	5G connections	Consumer and Business retail 5G customers (SIM + Handset or SIMO)
	Convergence households	% of total Consumer households (excl. solus voice) that have either EE or BT broadband and PAYM mobile
	Group NPS	BT Group net promoter score
Efficiency	Units on legacy networks	Number of unique users or circuits run over legacy networks
	Total headcount	Total number of full-time equivalent employees plus implied (derived from cost) subcontractors