Forward looking statements caution

Certain information included in this announcement is forward looking and involves risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied by forward looking statements. Forward looking statements cover all matters which are not historical facts and include, without limitation, projections relating to results of operations and financial conditions and the Company’s plans and objectives for future operations. Forward looking statements can be identified by the use of forward looking terminology, including terms such as ‘believes’, ‘estimates’, ‘anticipates’, ‘expects’, ‘forecasts’, ‘intends’, ‘plans’, ‘projects’, ‘goal’, ‘target’, ‘aim’, ‘may’, ‘will’, ‘would’, ‘could’ or ‘should’ or, in each case, their negative or other variations or comparable terminology. Forward looking statements in this announcement are not guarantees of future performance. All forward looking statements in this announcement are based upon information known to the Company on the date of this announcement.

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.
H1 FY24 Highlights

Strong H1 financial and operating performance

Adjusted revenue and EBITDA growth

Original £2.5bn gross annualised cost savings achieved
Cost to achieve £1.3bn

Accelerated transformation

Capital expenditure c.£5.0bn
NFCF towards top end £1.0bn-£1.2bn
Interim dividend 2.31pps

Confirmed FY24 outlook

Reaffirmed long term ambition

Consistent and predictable growth in revenue and EBITDA
At least £1.5bn NFCF expansion by FY31
## H1 FY24 Results Highlights

<table>
<thead>
<tr>
<th></th>
<th>Q2 FY24 (£m)</th>
<th>Change YoY %</th>
<th>H1 FY24 (£m)</th>
<th>Change YoY %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted revenue</td>
<td>5,250</td>
<td>2</td>
<td>10,414</td>
<td>3</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>2,061</td>
<td>3</td>
<td>4,094</td>
<td>4</td>
</tr>
<tr>
<td>Reported capex</td>
<td>-</td>
<td>-</td>
<td>2,321</td>
<td>(11)</td>
</tr>
<tr>
<td>Normalised free cash flow</td>
<td>-</td>
<td>-</td>
<td>456</td>
<td>nm</td>
</tr>
<tr>
<td>Dividend (pps)</td>
<td>-</td>
<td>-</td>
<td>2.31</td>
<td>flat</td>
</tr>
</tbody>
</table>

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

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

### H1 FY24

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

<table>
<thead>
<tr>
<th>Networks</th>
<th>Consumer: The UK’s leading connectivity and digital services platform</th>
<th>Business: The leading connectivity and digital services platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nationwide FTTP</td>
<td>Best performing <strong>fixed</strong> connectivity</td>
<td>Business: The leading connectivity and digital services platform</td>
</tr>
<tr>
<td>Best Ethernet</td>
<td>Market-leading mobile connectivity</td>
<td></td>
</tr>
<tr>
<td>Simple exchange footprint</td>
<td>Most reliable converged core network</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Customer</th>
<th>Fast, flexible, industry-leading service for CPs(^1) and end-customers</th>
<th>Trusted, secure and personalised omni-channel customer experiences with leading digital touch-points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td>Lean and agile organisation with superior digital, AI and automation capabilities</td>
<td>Responsible, inclusive and sustainable business</td>
</tr>
</tbody>
</table>

\(^1\) Communications providers
### Key growth drivers

- Drive FTTP and 5G penetration
- Drive convergence take up
- Deliver best in class customer experience
- Price fairly and transparently

### Market-leading FTTP base

<table>
<thead>
<tr>
<th></th>
<th>FY23</th>
<th>H1 FY24</th>
<th>FY28-FY30</th>
</tr>
</thead>
<tbody>
<tr>
<td>(m)</td>
<td>1.7</td>
<td>2.1</td>
<td>5-6</td>
</tr>
</tbody>
</table>

### Largest 5G base

<table>
<thead>
<tr>
<th></th>
<th>FY23</th>
<th>H1 FY24</th>
<th>FY28-FY30</th>
</tr>
</thead>
<tbody>
<tr>
<td>(m)</td>
<td>7.8</td>
<td>9</td>
<td>13-14.5</td>
</tr>
</tbody>
</table>

### Growing converged households

<table>
<thead>
<tr>
<th></th>
<th>FY23</th>
<th>H1 FY24</th>
<th>FY28-FY30</th>
</tr>
</thead>
<tbody>
<tr>
<td>(%)</td>
<td>23</td>
<td>23</td>
<td>30-50</td>
</tr>
</tbody>
</table>

---

**Leading UK-wide connectivity and digital services platform**

- Low churn
- Stable share
- High NPS
- New digital platform
- Leading multi-channel sales and services

Drive Consumer growth through converged propositions and services
Capitalise on Business’s unrivalled assets to restore growth

**Key growth drivers**

<table>
<thead>
<tr>
<th>Expand customer base</th>
<th>Drive adoption of next gen connectivity</th>
<th>Grow value-added solutions and bundles</th>
<th>Simplify and digitise customer journeys</th>
</tr>
</thead>
</table>

**Growing UK RGUs**

- FY23: 8
- H1 FY24: 8
- FY28-FY30: 11

**Improving Managed Services revenue**

- FY23: 4.7
- H1 FY24: 4.7
- FY28-FY30: 5.1

*1 Revenue generating customer units; 2 Multinational companies*

**Leading connectivity and digital services platform for UK enterprises and MNCs**

- Low churn
- High NPS
- Leading converged base
- Growth in security revenue to exceed market

**10 month rolling**

**Leadership**

- BT
- MNCs

**Forecast**

- FY23
- H1 FY24
- FY28-FY30

**Performance**

- FY23
- H1 FY24
## Key growth drivers

<table>
<thead>
<tr>
<th>Build FTTP at pace</th>
<th>Migrate customers to FTTP at pace</th>
<th>Deliver great service</th>
<th>Price fairly and transparently</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passing 25m-30m premises with FTTP (m)</td>
<td>Accelerating FTTP take up (%)</td>
<td>Reducing repair volumes (m)</td>
<td></td>
</tr>
<tr>
<td>FY23: 10.3</td>
<td>FY23: 30</td>
<td>FY23: 3.5</td>
<td>FY23: 1.7-2.1</td>
</tr>
<tr>
<td>H1 FY24: 11.9</td>
<td>H1 FY24: 33</td>
<td>H1 FY24: 3.1</td>
<td></td>
</tr>
<tr>
<td>FY26: 30</td>
<td>FY26: 33</td>
<td>FY26: 40-55</td>
<td>FY26: 1.7-2.1</td>
</tr>
</tbody>
</table>

### Key Drivers
- **Excellent service levels**
- **High NPS**
- **ARPU growth driven by indexation and mix**
- **Best in class provision/repair**

## Leading UK-wide fixed digital access wholesaler

Deliver Openreach growth and strong returns on FTTP
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

Closing business applications

- FY23: 2,073
- H1 FY24: 1,924
- FY28-FY30: 500

Migrating units off legacy networks

- FY23: 10.6
- H1 FY24: 9.1
- FY28-FY30: 0.5

Reducing total headcount

- FY23: 130
- H1 FY24: 123
- FY28-FY30: 75-90

Growing digital engagement

Reskilled colleagues

Faster time to market

Lean, agile and inclusive organisation with market-leading capabilities and deep automation
## Strategic metrics – much done, much more to do

<table>
<thead>
<tr>
<th>Category</th>
<th>FY19</th>
<th>FY23</th>
<th>H1 FY24</th>
<th>FY28-FY30</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Openreach FTTP premises passed</strong></td>
<td>1.2m</td>
<td>10.3m</td>
<td>11.9m</td>
<td>25m-30m</td>
</tr>
<tr>
<td><strong>Openreach FTTP take up</strong></td>
<td>25%</td>
<td>30%</td>
<td>33%</td>
<td>40-55%</td>
</tr>
<tr>
<td><strong>5G UK population coverage</strong></td>
<td>0%</td>
<td>68.1%</td>
<td>71.8%</td>
<td>&gt;98%</td>
</tr>
<tr>
<td><strong>Retail FTTP take up</strong></td>
<td>284k</td>
<td>1.8m</td>
<td>2.2m</td>
<td>6.5m-8.5m</td>
</tr>
<tr>
<td><strong>5G connections</strong></td>
<td>0m</td>
<td>8.6m</td>
<td>9.9m</td>
<td>13.0m-14.5m</td>
</tr>
<tr>
<td><strong>Convergence households</strong></td>
<td>23%</td>
<td>23%</td>
<td>23%</td>
<td>30-50%</td>
</tr>
<tr>
<td><strong>Group NPS</strong></td>
<td>+11.7</td>
<td>+22.1</td>
<td>+22.7</td>
<td>+30.0-35.0</td>
</tr>
<tr>
<td><strong>Units on legacy networks</strong></td>
<td>&gt;16m²</td>
<td>10.6m</td>
<td>9.1m</td>
<td>&lt;500k</td>
</tr>
<tr>
<td><strong>Total headcount</strong></td>
<td>130k³</td>
<td>130k</td>
<td>123k</td>
<td>75k-90k</td>
</tr>
</tbody>
</table>

---

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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Confirmed FY24 outlook

- Adjusted revenue and EBITDA growth
- Capital expenditure c.£5.0bn
- NFCF towards top end of £1.0bn-£1.2bn
- Interim dividend 2.31pps

- £1.4bn FY31 NFCF
- £1.0bn NFCF towards top end of £1.0bn-£1.2bn
- £0.5bn Uplift from increased revenue and cost savings, net of tax
- £2.5bn Cost savings from an all-IP, all-FTTP network
- £1.0bn Capex reduction post peak FTTP build
- £1.0bn FY22 NFCF
- Openreach FTTP take up now 33%
- 350k retail FTTP Connections in H1
- 1.3m retail 5G connections in H1
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- Accelerating our growth strategy
- Investing in networks and digitalisation
- Increasing focus on simplification and cost efficiency
- Confirmed FY24 outlook
## Strategic metrics – definitions

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