



BT Group

# A better BT for all of us

BT Group plc H1 FY26 results

# Forward looking statements caution

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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.

# Allison Kirkby

Chief Executive



# Delivering on our strategy in competitive markets

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**Solid UK performance** | Mitigating International and legacy declines

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**Clear network leadership** | In FTTP, 5G and secure networking

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**Openreach continues to break records** | Build and take-up accelerated

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**Consumer customer base grew** | Across broadband, mobile and TV

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**Business showing signs of stability** | With a robust pipeline

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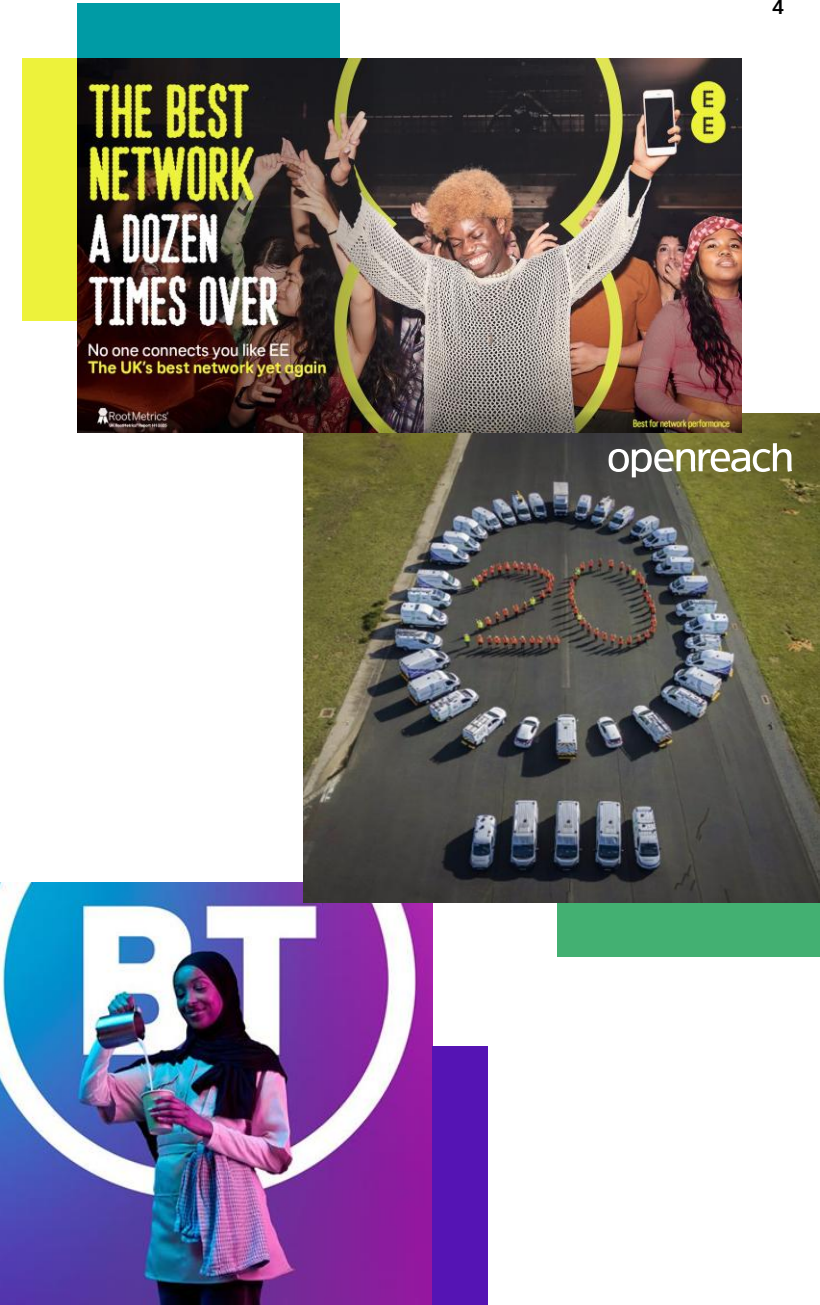
**Transformation ahead of plan** | Offsetting higher input costs, including NIC/NLW

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**Guidance reconfirmed** | Interim dividend up

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# Creating a better BT for all of us

Why we're here

**We connect for good**

Who we'll become

The **UK's most trusted connector** of people, business and society

How we'll succeed

**Build**

the best, most trusted  
digital networks

**Connect**

customers so they thrive,  
as we grow, in a digital world

**Accelerate**

our modernisation to restore  
leadership in everything we do

Delivering for all

Most satisfied and loyal  
**customers**

Most engaged and  
empowered **colleagues**

Positively impacting  
the **country**

Generating superior  
returns for our **owners**

Our financial commitments FY26-30

**UK Service revenue  
growth from FY27**

**EBITDA growth  
ahead of revenue**

**NFCF CAGR ~20%  
to £3bn**

# Strategy progress in H1 FY26

## Build

the best, most trusted  
digital networks

## Connect

customers so they thrive,  
as we grow, in a digital world

## Accelerate

our modernisation to restore  
leadership in everything we do

**New record FTTP<sup>1</sup> build** | A further 2.2m premises passed, footprint now >20.3m

**Best mobile network** | 12<sup>th</sup> year in a row with RootMetrics

**Expanding 5G+ at pace** | Coverage up from 43%<sup>2</sup> to 66%, with FY30 ambition of 99%

**Landmark satellite agreement** | With Starlink, increasing broadband choice for 'hard to reach'

**New record FTTP take-up** | 1.1m connected, base now >7.6m, equivalent to 38% take-up

**Winning customers** | Consumer grew broadband, mobile and TV customers; FTTP share at 45%<sup>3</sup>

**Improved customer service** | Group NPS up to 30.5pts; Convergence up to 25.9%

**Robust Business order pipeline** | Secure networking contract wins in CPS

**Transformation ahead of plan** | £1.2bn savings achieved<sup>4</sup>, offsetting costs including NIC/NLW<sup>5</sup>

**Sharpened UK focus** | Targeted disposals agreed or completed; Business stabilising

**International** | Plans advanced to streamline footprint and simplify product portfolio

**Trusted & Resilient** | PSTN migrations ongoing; Leadership in safety with Safer SIMs

1. Fibre to the premises; 2. At the end of FY25; 3. Of the broadband base; 4. In first 18 months of the current £3bn programme; 5. National insurance contributions / National living wage

# Building the best, most trusted networks

## Record FTTP build and take-up

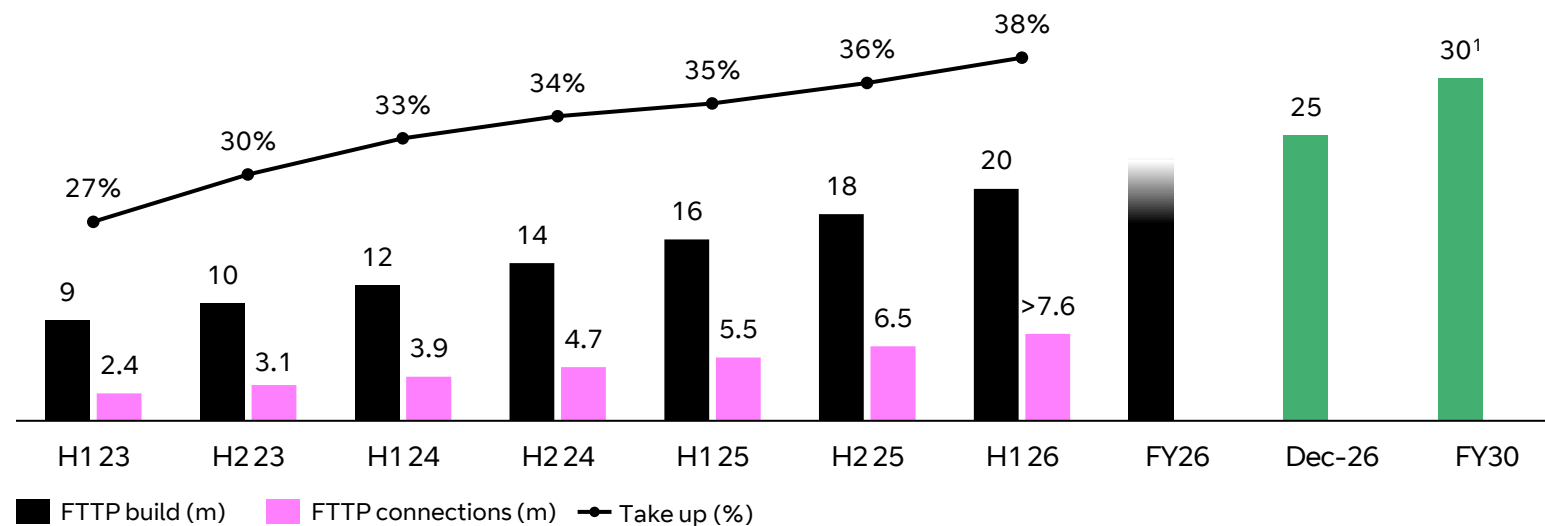
- Largest national FTTP footprint
- Accelerating towards our 'up to 5m' build for FY26
- Building within cost targets: Cost to pass £250-350; Cost to connect c.£300

## Clear leadership in 5G and now 5G+

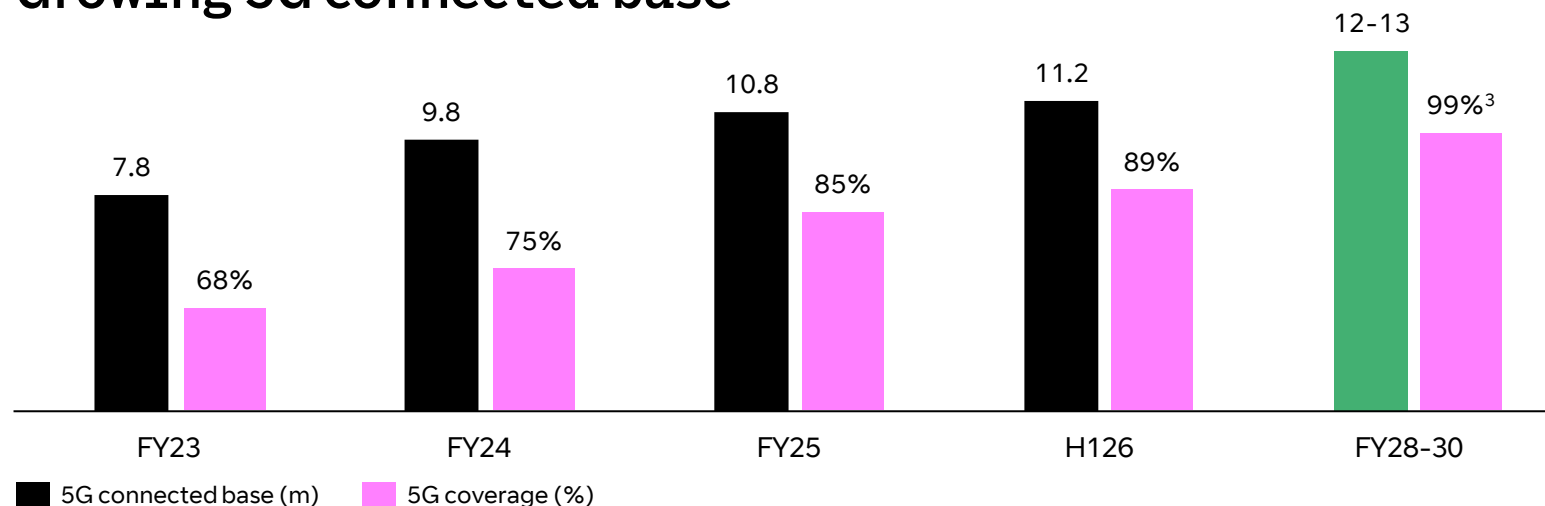
- "Best Network" for 12th year in a row
- 5G+ coverage up 23pp to 66%, with ambition of 99% in FY30

1. Ambition to achieve 30m FTTP build by FY30
2. Consumer connections
3. Goal to achieve 99%

## The only nationwide FTTP network



## Growing 5G connected base<sup>2</sup>



# Openreach | Build and take-up accelerated; Continued EBITDA growth

## Record build and take-up

- FTTP footprint now reaches >20.3m premises, with >2.2m built in H1
- FTTP connections now >7.6m, equivalent to 38% take-up

## Actions to counter increased competition

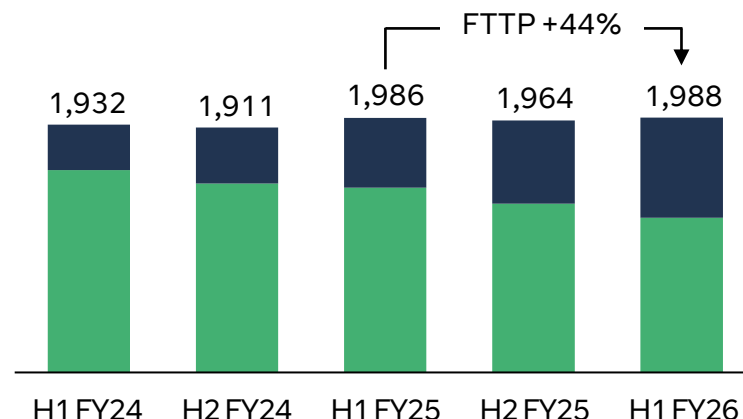
- Faster build: 'up to 5m' target in FY26
- New commercial offers
- Pressure from wholesale losses largely offset by lower retail losses

## Excellent operational efficiency

- Repair volumes down 13% YoY
- Headcount down 11% YoY

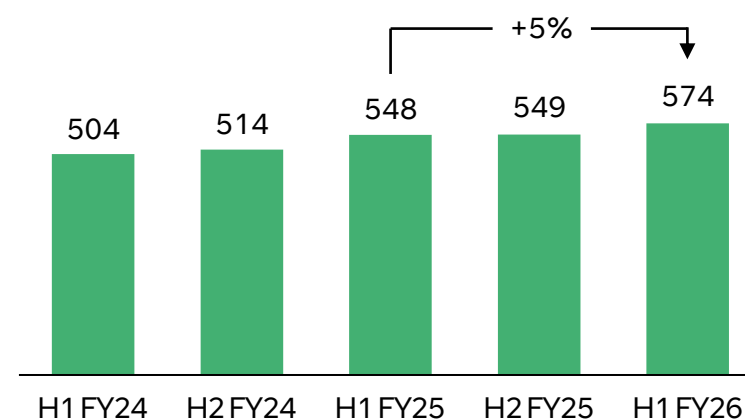
■ Copper ■ FTTP

## Broadband Revenue (£m)



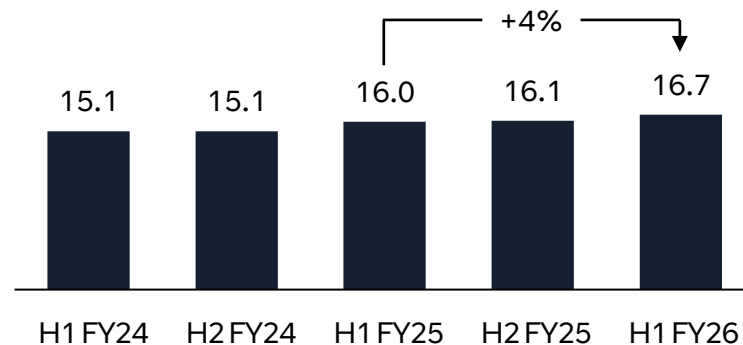
Base (k)				
21,162	20,926	20,549	20,099	19,688

## Ethernet Revenue (£m)

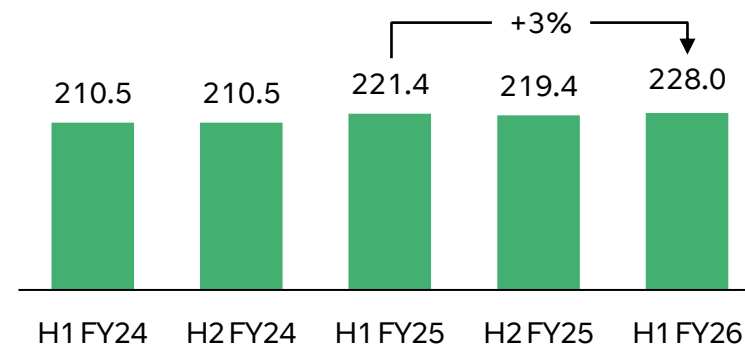


Base (k)				
404	410	415	419	420

## ARPU<sup>1</sup> (£)



## ARPU<sup>1</sup> (£)



1. Excluding connections and other



# Consumer | Winning customers in a competitive market

## Commercial momentum

- Service revenue stable ex legacy voice
- Broadband, mobile & TV bases growing
- Leveraging all brands – EE, BT, and Plusnet
- Convergence +2.8pp YoY to 25.9%
- NPS stable/up for all brands<sup>1</sup>; Churn stable

## ARPU management

- Competing carefully to protect customer base and premium to market
- Navigating the impact of past price rises
- Upselling: FTTP base now at 3.7m (45% of base); 5G growth +7%

## Cost headwinds will dissipate

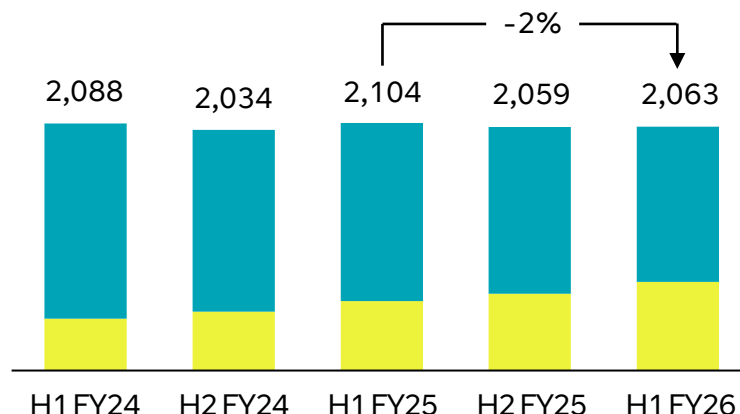
- Impact from NIC / NLW rises
- Drag from accelerated voice transition ahead of Jan-27 PSTN closure

1. In the first half

2. Includes Plusnet mobile, discontinued in FY24

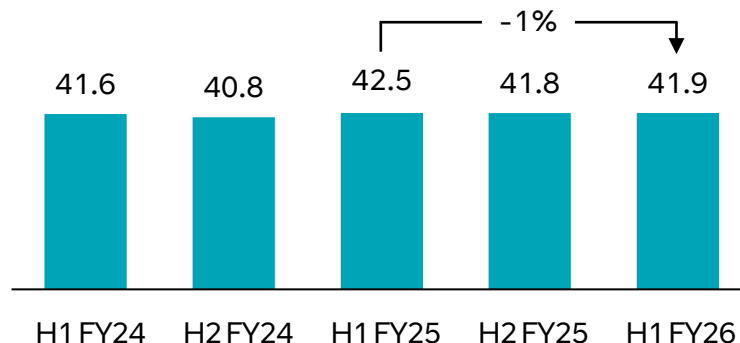
■ Broadband ■ FTTP

### Broadband Revenue (£m)

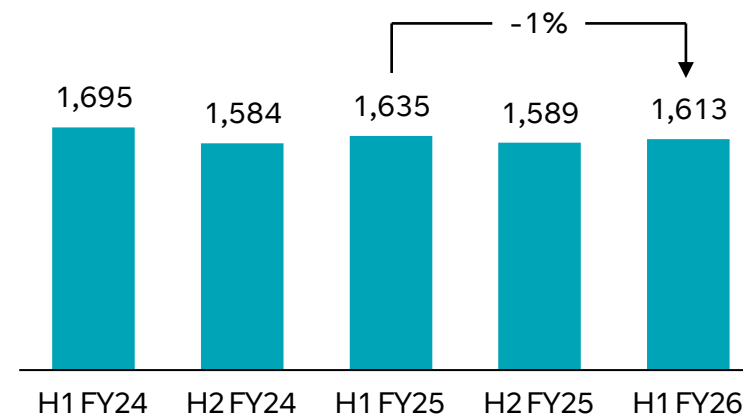


Base (k)				
8,347	8,283	8,234	8,198	8,210

### ARPU (£)

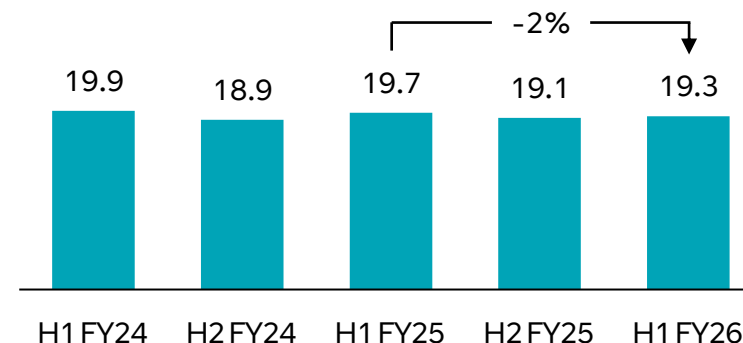


### Postpaid Mobile<sup>2</sup> Revenue (£m)



Base (k)				
14,093	13,859	13,875	13,863	13,924

### ARPU (£)



# Business | Showing signs of stability, as transformation steps up

## UK is stabilising

- Positive impact from dedicated leadership
- Revenue and EBITDA stabilising ex voice headwind
- Underlying connectivity revenue flat YoY
- Robust CPS pipeline, including in industrials sector
- FTTP connections up 42%, 5G up 33%

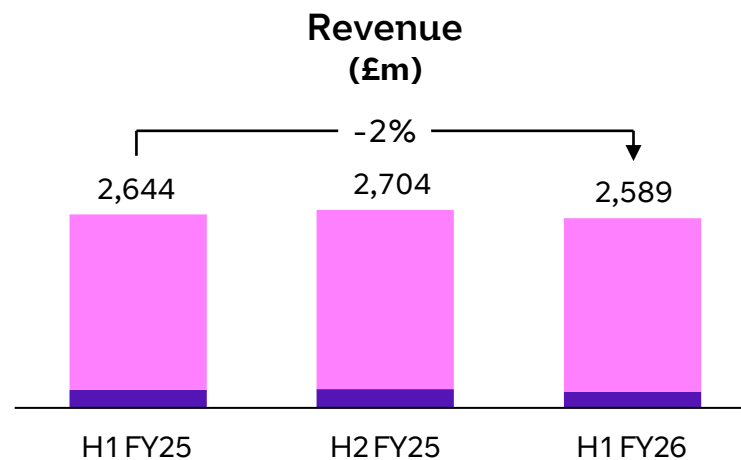
## Transformation driving efficiency

- NPS improving, up 1.9 pts<sup>1</sup>
- Units on legacy networks reduced 38%
- Simplified the product portfolio down to 193, and on track to reduce to 150 by FY30
- Strengthened multi-year operating plan is driving clarity and transformation step up

1. vs. FY25

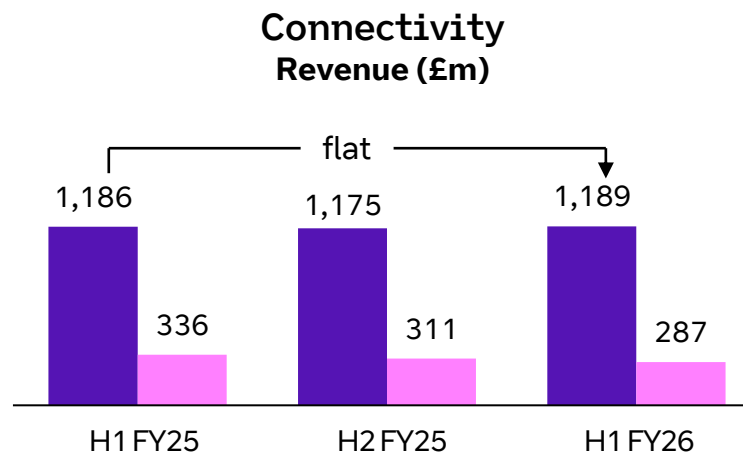
2. Relates to the networks planned for decommissioning

Service revenue Equipment revenue



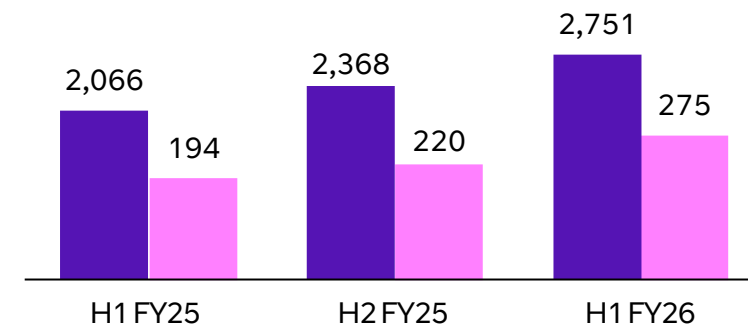
UK Revenue Generating Units (k)		
7,823	7,751	7,665

Ex voice Voice



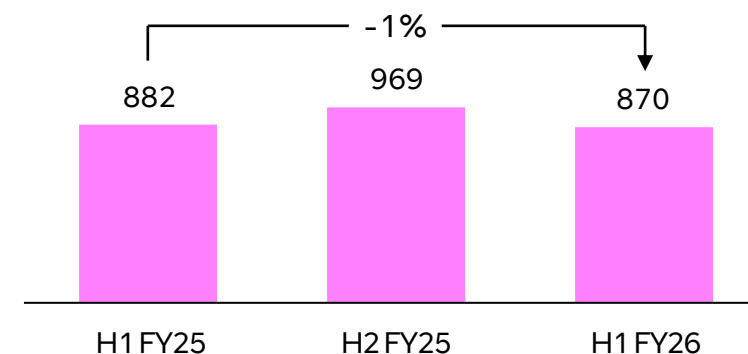
FTTP 5G

## Growing FTTP and 5G connections (k)



Units on legacy networks (k) <sup>1</sup>		
1,317	1,076	822

## Managed Services Revenue (£m)



# Transformation | Solid progress, ahead of plan

## £3bn programme delivering ahead of plan

- £247m annualised cost savings YTD, taking cumulative benefits to £1.2bn<sup>1</sup>
- Potential to unlock further gains through AI in customer care, personalised marketing, and corporate functions

## Achievements in H1

- TLR down 6%; energy use down 5% YoY
- Strong contribution from decommissioning of legacy networks and improved digital efficiency
- Plans advanced to reshape International

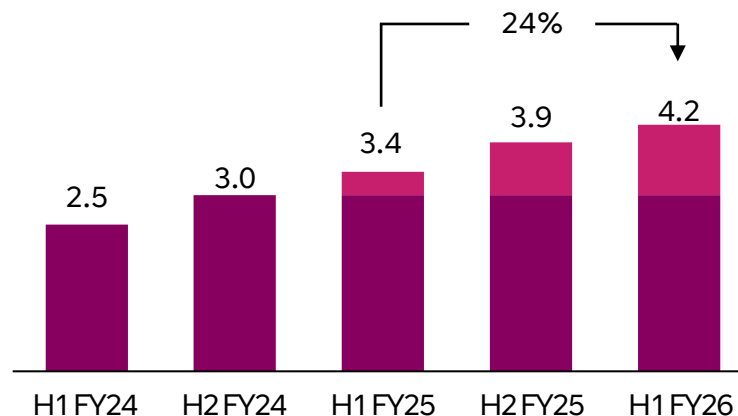
1. In the past 18 months

2. Since April 2020

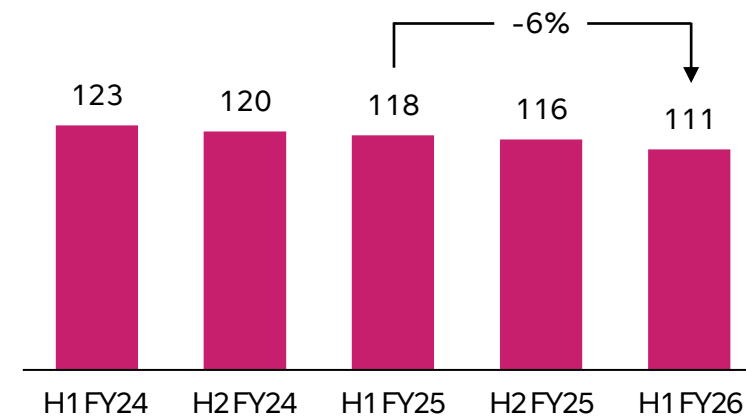
3. Relates to the networks planned for decommissioning

■ Current programme ■ Previous programme

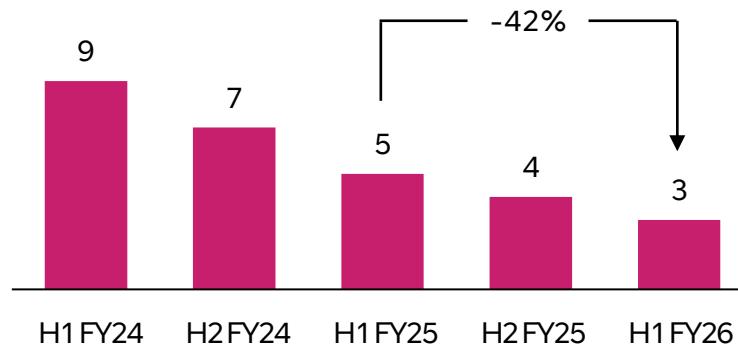
Cumulative gross annualised  
cost savings<sup>2</sup> (£bn)



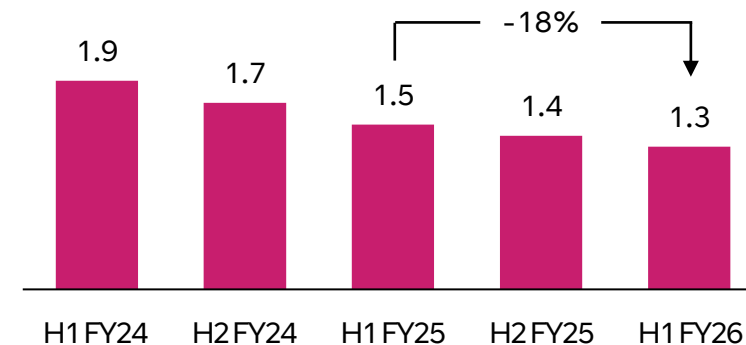
Total headcount  
(k)



Units on legacy networks<sup>3</sup>  
(m)



Closing business applications  
(k)



# Transformation | Plans advanced to reshape International

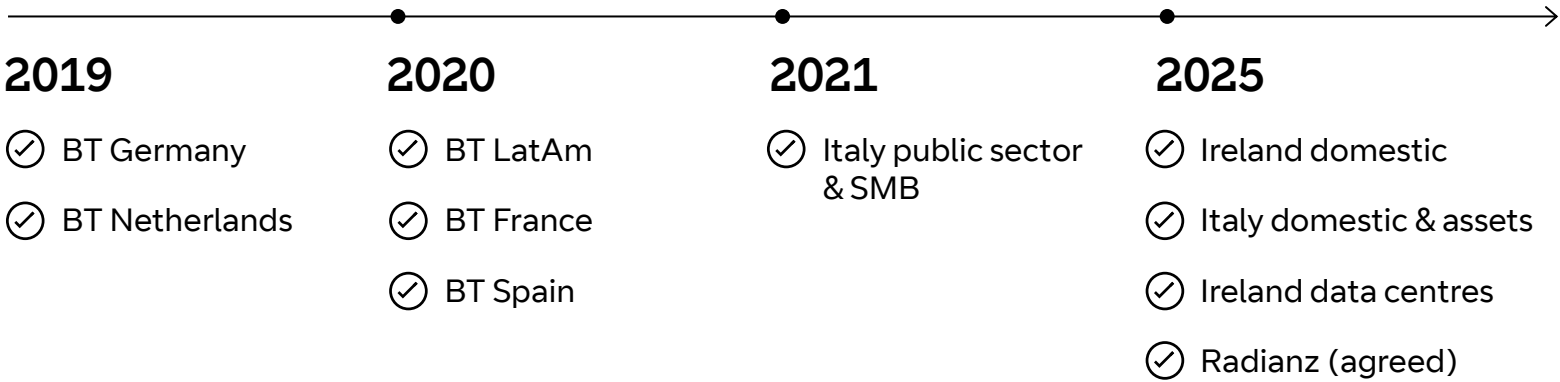
Reshaping International will further simplify BT

Greater strategic focus following the carve-out

Clearer plans to streamline footprint and products

Restructuring benefits will restore EBITDA growth, and remove dilutive impact of Unit on Group NCF

## Agreed or completed our targeted international disposals during FY26<sup>1</sup>



## Repositioning for value and optionality

More focussed, asset light model, enabled by **Global Fabric**

Refocusing the **product portfolio** and rationalising our organisational footprint

EBITDA growth path secured as part of our £3bn transformation – plans for a return to EBITDA **growth in FY27**



1. List of businesses from which significant divestments have been made since 2019

# Simon Lowth

Chief Financial Officer



# Financial performance in line with our plan

**Adjusted revenue** dragged by International, legacy voice and lower handsets

**UK Service revenue** - 1%, after c£100m legacy voice drag

**Adjusted EBITDA** flat, up £19m ex International

**Normalised free cash flow** in line with plan given higher capex and tax credit in previous year

**Dividend** up 2%, in line with our progressive dividend policy

	H1 FY26	H1 FY25	Change
	£m	£m	YoY%
Adjusted revenue <sup>1</sup>	9,806	10,138	(3)
UK Service revenue <sup>1</sup>	7,726	7,827	(1)
Adjusted EBITDA <sup>2</sup>	4,126	4,132	-
Reported capex <sup>3</sup>	2,442	2,269	8
Normalised free cash flow <sup>4</sup>	408	715	(43)
Dividend (pps) <sup>5</sup>	2.45	2.40	2

1. Before specific items; 2. Before specific items, share of post tax profits/losses of associates and joint ventures and net finance expense; 3. Excluding spectrum payments; 4. 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; 5. Pence per share

# Summary of customer facing units in H1 FY26

**Openreach** EBITDA growth ahead of revenue with ongoing cost transformation

**Consumer** pressure on handset market and some price pressure offset by cost transformation; impact of NIC/NLW and legacy voice transition

**Business** stabilising, legacy voice a low single digit drag to revenue and EBITDA

**International** competitive pressure; around half of revenue decline from agreed or completed divestments, and FX

	H1 FY26			
	Adjusted revenue		Adjusted EBITDA	
	£m	Change YoY %	£m	Change YoY %
Openreach	3,131	-	2,148	4
Consumer	4,684	(3)	1,274	(4)
<i>Service revenue</i>	3,932	(1)	-	-
Business	2,589	(2)	647	(1)
<i>Service revenue</i>	2,370	(1)	-	-
International	1,110	(9)	66	(27)
Other	6	n.m.	(9)	n.m.
Intra-group items	(1,714)	2	-	-
<b>Total</b>	<b>9,806</b>	<b>(3)</b>	<b>4,126</b>	<b>-</b>
<b>UK Service revenue</b>	<b>7,726</b>	<b>(1)</b>	<b>-</b>	<b>-</b>

# Allison Kirkby

Chief Executive

# Outlook | All metrics reconfirmed

	FY26	End of decade
Adjusted revenue	~£20bn	Sustained growth from FY27
UK Service revenue	£15.3bn-15.6bn	Sustained growth from FY27
Adjusted EBITDA	£8.2bn-8.3bn	Consistent and predictable growth ahead of revenue enhanced by cost transformation
Reported capex	£5.0bn	Reduces by >£1bn post FY26 level
Normalised free cash flow	~£1.5bn	~£2.0bn in FY27 ~£3.0bn by end of decade
Dividend	Progressive	Progressive

# Delivering on our strategy in competitive markets

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**Solid UK performance** | Mitigating International and legacy declines

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**Clear network leadership** | In FTTP, 5G and secure networking

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**Openreach continues to break records** | Build and take-up accelerated

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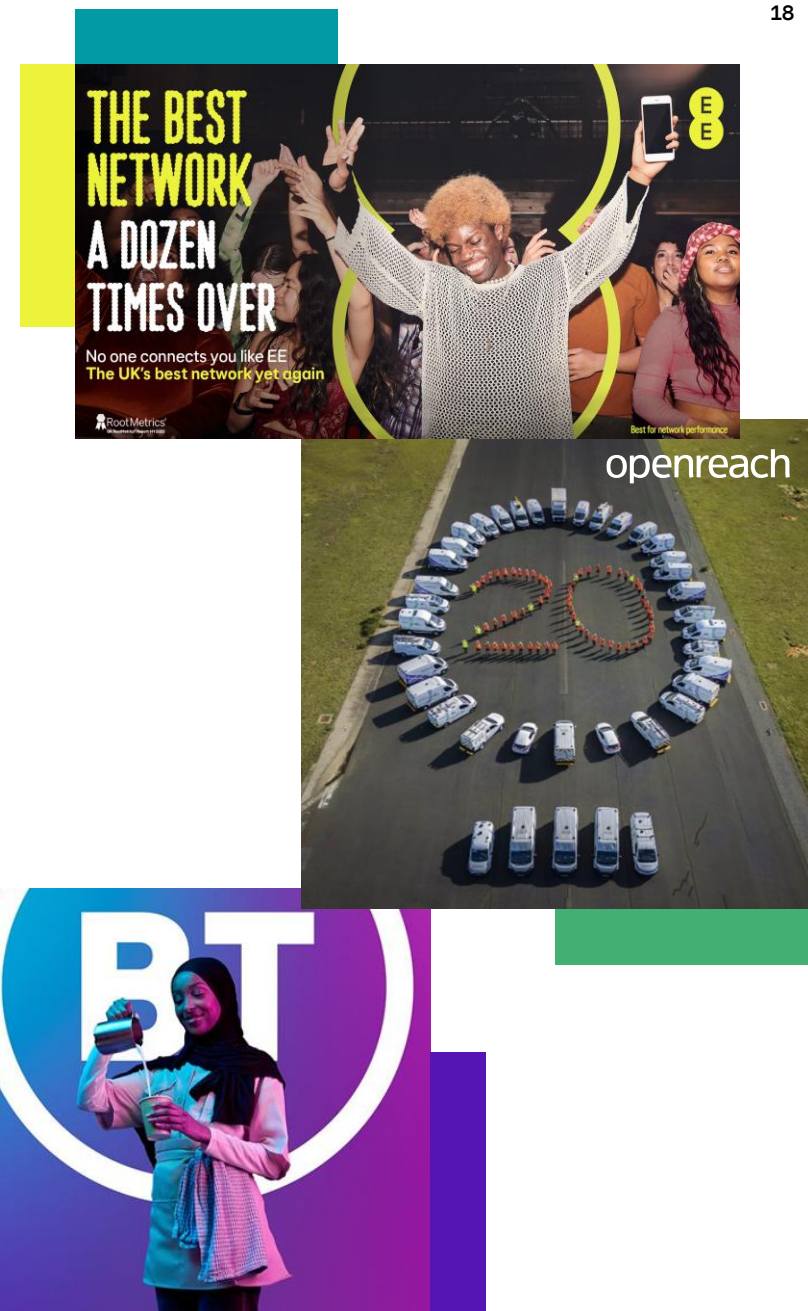
**Transformation ahead of plan** | Offsetting higher input costs, including NIC/NLW

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# Appendix

## Q2 FY26 Customer Facing Units results

Q2 FY26				
	Adjusted Revenue		Adjusted EBITDA	
	£m	Change YoY %	£m	Change YoY %
Openreach	1,565	-	1,080	4
Consumer	2,352	(3)	638	(5)
<i>Service revenue</i>	1,970	(1)	-	-
Business	1,302	(2)	324	(1)
<i>Service revenue</i>	1,187	(1)	-	-
UK Service Revenue	3,863	(1)	-	-
International	568	(6)	45	5
Other	3	n.m.	(11)	n.m.
Intra-group items	(863)	2	-	-
<b>Total</b>	<b>4,927</b>	<b>(3)</b>	<b>2,076</b>	<b>-</b>

# Strategic KPIs

## Build

the best, most trusted digital networks

## Connect

customers so they thrive, as we grow, in a digital world

## Accelerate

our modernisation to restore leadership in everything we do

	Actuals		Future BT Group
	FY25	H1 FY26	FY28-FY30
Openreach FTTP premises passed	18.1m	20.3m	25m-30m
Openreach FTTP take-up	36%	38%	40-55%
5G UK population coverage	85%	89%	99%
Retail FTTP take-up	3.4m	4.0m	6.5m-8.5m
5G connections	13.2	13.9m	13.0-14.5
Convergence households	24.6%	25.9%	30-50%
Group NPS	+29.5	+30.5	+30.0-35.0
Units on legacy networks	4.2m	3.1m	<500k
Total headcount	116k	111k	75k-90k
Number of Business products	203	193	150
Number of applications	1,400	1,256	500

Note: Retail FTTP and 5G are combined Consumer and Business connections