

## Portfolio of strong brands



## UK's leading provider of fixed and mobile telecommunications and related secure digital products, solutions and services

- 92% superfast coverage; 13.1m ultrafast premises
- Voted best mobile network by RootMetrics for the 19<sup>th</sup> time
- Able to serve customers in 180 countries

## Five clear priorities to drive sustainable growth

Drive **Consumer** growth through **converged propositions** and **services**

Capitalise on **Business's unrivalled assets** to restore growth

Deliver **Openreach growth** and **strong returns on FTTP**

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

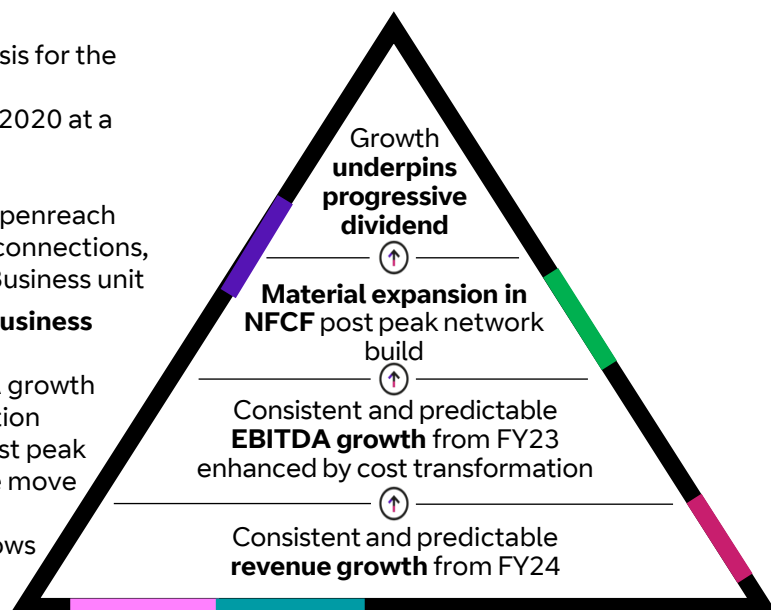
**Optimise** our **business portfolio** and **capital allocation**

### In FY23 BT Group delivered

- Revenue and EBITDA growth on a pro forma<sup>3</sup> basis for the first time in six years
- £2.1bn gross annualised cost savings since April 2020 at a cost of £1.1bn
- Full year dividend of 7.70 pence per share
- Strong operational momentum including 30% Openreach FTTP<sup>1</sup> take-up, 50% growth in Consumer FTTP connections, 68% 5G population coverage and formation of Business unit

### Looking forward, BT Group will become a leaner business with a brighter future and will deliver

- Consistent and predictable revenue and EBITDA growth driven by CPI linked pricing and cost transformation
- Material expansion of NCF<sup>2</sup> by at least £1bn post peak network build and £0.5bn from lower costs as we move towards an all-IP and all-FTTP network
- Progressive dividend policy that maintains or grows the dividend each year



## Key financial measures and outlook<sup>3</sup>

Full year to 31 March	FY22	FY23	FY24 outlook
Adjusted revenue <sup>4</sup>	£20,306m	£20,431m	Growth on a pro forma basis
Adjusted EBITDA <sup>4</sup>	£7,782m	£7,999m	Growth on a pro forma basis
Cash capital expenditure	£(4,829)m	£(5,307)m	£(5.0)-(5.1)bn <sup>5</sup>
Normalised free cash flow	£1,392m	£1,328m	£1.0bn - £1.2bn
Dividend	7.70pps <sup>6</sup>	7.70pps	Progressive
Net financial (debt)/cash	£(12.2)bn	£(13.5)bn	-
Pension deficit <sup>7</sup>	£(1.1)bn	£(3.1)bn	-

### Long term credit ratings | Moody's Baa2 | S&P BBB | Fitch BBB | Target rating: BBB+

<sup>1</sup> Fibre-to-the-premises | <sup>2</sup> Normalised free cash flow | <sup>3</sup> Pro forma numbers reflect the formation of Sports Joint Venture between BT Sport and Eurosport UK | <sup>4</sup> Before specific items | <sup>5</sup> Outlook is for Reported capital expenditure | <sup>6</sup> Pence per share | <sup>7</sup> IAS 19 Gross Pension deficit

Q4 FY23	Adjusted revenue	Adjusted EBITDA	KPIs <sup>1</sup>	Customers	Products
<b>Consumer</b>	£2,306m	£659m	Broadband churn: 1.1% Postpaid mobile churn: 1.1%	UK consumers	Lines, mobile, broadband, TV
<b>Enterprise</b>	£1,270m	£384m	External broadband lines: 1.3m Mobile customers: 4.0m	Communications Providers, Corporates, SoHo/SME and Public Sector	Broadband, Ethernet, voice, mobile, ventures services, networking, IT services
<b>Global</b>	£854m	£147m	Growth product revenue as a proportion of total revenue: 36%	Global MNCs <sup>2</sup>	Managed network IT services
<b>Openreach</b>	£1,420m	£879m	FTTP deployment: 10.3m premises FTTP connections: 3.1m	Communications Providers	Fibre and copper broadband, Ethernet



## BT Group of the future – we connect for good

**openreach**  
The leading UK-wide **fixed access wholesaler**

**EE** **Consumer: The UK's leading connectivity and digital services platform**

**BT** **Business: The leading connectivity and digital services platform**

### Networks

Nationwide **FTTP**  
Best **Ethernet**  
Simple **exchange footprint**

Best performing **fixed** connectivity  
Market-leading **mobile** connectivity  
Most reliable **converged core network**

### Customer

**Fast, flexible, industry-leading service** for CPs and end-customers

**Trusted, secure and personalised** omni-channel customer experiences with **leading digital touch-points**

### Efficiency

**Lean and agile** organisation with **superior digital, AI and automation capabilities**  
**Responsible, inclusive and sustainable** business

		Actuals		Future BT Group
		FY19	FY23	FY28-FY30
<b>Networks</b>	Openreach FTTP premises passed	1.2m	10.3m	25m-30m
	Openreach FTTP take up	25%	30%	40-55%
	5G UK population coverage	0%	68.1%	>98%
<b>Customer</b>	Retail FTTP take up <sup>3</sup>	284k	1.8m	6.5m-8.5m
	5G connections <sup>3</sup>	0m	8.6m	13.0m-14.5m
	Convergence households	23%	23%	30-50%
	Group NPS	+11.7	+22.1	+30.0-35.0
<b>Efficiency</b>	Units on legacy networks	>16m <sup>4</sup>	10.6m	<500k
	Total headcount	130k <sup>5</sup>	130k	75k-90k

<sup>1</sup> Selected KPIs | <sup>2</sup> Multinational corporations | <sup>3</sup> Consumer Business connections | <sup>4</sup> Formal tracking began in FY20 with a baseline of 16.2m | <sup>5</sup> Formal tracking of subcontractors began after FY19