

CREDIT OPINION

13 July 2026

Update



Send Your Feedback

Contacts

Luigi Bucci +44.20.7772.1961
VP-Ratings
luigi.bucci@moodys.com

Frederic Duranson +44.20.7772.1950
VP-Ratings
frederic.duranson@moodys.com

Alexandre Espitalier-
Noel +44.20.3314.2026
Ratings Associate
alexandre.espitalier-noel@moodys.com

Andrea Usai +44.20.7772.1101
Exec Dir-Ratings
andrea.usai@moodys.com

BT Group Plc

Update to credit analysis - Credit quality inflection point is approaching

Summary

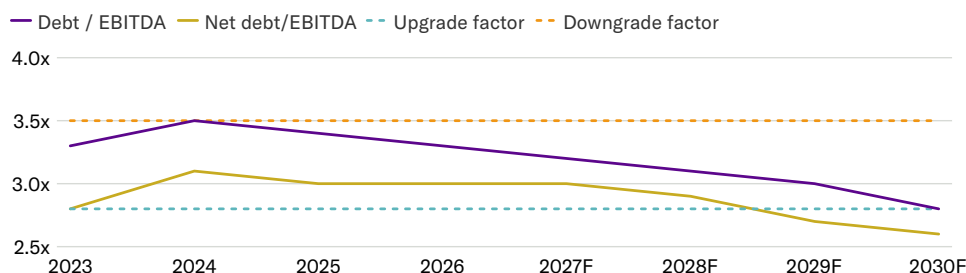
The Baa2 ratings of [British Telecommunications Limited](#) (wholly owned by [BT Group Plc](#) [BT]) and [EE Limited](#) (a subsidiary of British Telecommunications Limited) reflect the company's leading position as an integrated telecom operator in the UK market; strong cost saving capabilities, which support EBITDA growth despite ongoing revenue pressures; our expectation for improvement in free cash flow (FCF) generation after fiscal 2027, ending March, as full fibre capex declines materially; and public commitment to achieve credit metrics commensurate with a Baa1 rating.

BT's ratings also reflect the company's limited deleveraging prospects over the next two fiscal years, based on our forecasts; [strong competition in wholesale and retail broadband](#), leading to sustained line losses for Openreach; continued revenue pressure in the Business and International segments; and intrinsic volatility arising from the IAS 19 pension deficit.

Exhibit 1

We expect BT's leverage to gradually reduce

Moody's-adjusted debt/EBITDA and net debt/EBITDA evolution over fiscal 2023-2030F



All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. BT's fiscal year ends on 31 March, and '2026' refers to the period ended 31 March 2026. Moody's guidance on upgrade and downgrade factors are defined with reference to debt/EBITDA. Please refer to Exhibit 7 for the evolution of the company's pension deficit. Moody's forecasts are Moody's opinion and do not represent the views of the issuer. Forecasts including the International segment and excluding the potential effects of the transaction with Verizon.

Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Credit strengths

- » Reaffirmed commitment to Baa1 credit metrics, prioritising deleveraging over shareholder remuneration
- » Proven ability to reduce costs with a target of £3.7 billion by fiscal 2030
- » Strengthened business profile through accelerated full fibre rollout

Credit challenges

- » Broadband losses will remain high
- » Limited revenue growth prospects
- » Uncertainties around the evolution of the alternative network operators (altnets) sector in the UK

Rating outlook

The stable rating outlook reflects our expectation of a gradual improvement in BT's credit metrics, driven by a steep reduction in capex, alongside a moderate improvement in EBITDA and debt repayments. Revenue growth is likely to remain subdued, with EBITDA growth supported by cost-saving initiatives. Moody's-adjusted leverage will gradually decline to below 3x, while retained cash flow (RCF)/net debt will remain well above 22%.

Factors that could lead to an upgrade

We could upgrade BT's ratings if its:

- » underlying operating performance and cash flow generation improve substantially, with growing revenue and stronger key performance indicator trends resulting in a sustained EBITDA growth trajectory, coupled with visibility into capex requirements
- » Moody's-adjusted RCF/net debt remains above 22% on a sustained basis
- » Moody's-adjusted debt/EBITDA falls below 2.8x on a sustained basis

Factors that could lead to a downgrade

We could downgrade BT's ratings if its:

- » operating performance weakens, compared with our current expectation, or the risks arising from the pension deficit significantly increase as a result of a widening in the deficit
- » Moody's-adjusted RCF/net debt remains below 18% on a sustained basis
- » Moody's-adjusted debt/EBITDA exceeds 3.5x on a sustained basis

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2

BT Group Plc

(in \$ billions)	2023*	2024	2025	2026	2027F	2028F	2029F
Revenue	24.9	26.1	26.0	26.3	25.7	25.6	25.6
Debt / EBITDA	3.3x	3.5x	3.4x	3.3x	3.2x	3.1x	3.0x
Net Debt / EBITDA	2.8x	3.1x	3.0x	3.0x	3.0x	2.9x	2.7x
RCF / Net Debt	27.8%	24.9%	25.7%	26.0%	24.6%	26.3%	26.7%
(EBITDA - CAPEX) / Interest Expense	1.6x	1.6x	1.5x	1.6x	2.2x	2.7x	2.7x

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. BT's fiscal year ends on 31 March, and '2026' refers to the period ended 31 March 2026. Moody's forecasts are Moody's opinion and do not represent the views of the issuer. Forecasts including the International segment and excluding the potential effects of the transaction with Verizon. Please refer to the GBP revenue figures in Exhibit 15.

Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Profile

BT Group plc (BT) is a leading UK telecommunications and network operator, serving more than 30 million retail consumer and business connections across the UK and internationally. Its principal activities include the provision of broadband, mobile, TV and connectivity services, as well as digital solutions for consumer, business and public sector customers. BT also operates wholesale network infrastructure serving other communications providers. For multinational customers, BT provides networking, security and managed services.

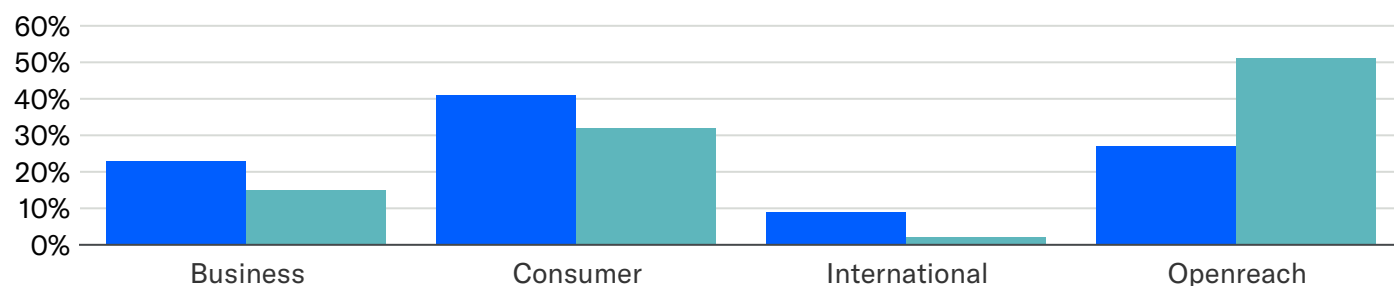
BT currently consists of four customer-facing units: Consumer, Business, International and Openreach (see Exhibit 3). In fiscal 2026, BT generated revenue and company-adjusted EBITDA of £19.7 billion and £8.2 billion, respectively.

Exhibit 3

Openreach represents approximately 50% of BT's EBITDA

Breakdown of revenue and company-adjusted EBITDA by business unit over fiscal 2026

■ Revenue ■ EBITDA



All figures are before specific items. Revenue share computed before other revenue and the elimination of internal revenue.

Source: Company data

Recent developments

JV with Verizon

On 29 June, BT and [Verizon Communications Inc.](#) (Baa1 stable) announced an agreement to combine their respective international enterprise operations into a 50:50 joint venture (JV). The new entity will serve more than 3,000 customers across over 180 countries, with approximately \$4 billion in combined annual revenue. As part of the agreement, Verizon will make a \$625 million equalisation payment to BT. The two companies expect to complete the transaction in 2027 subject to regulatory approvals and other customary closing conditions.

The transaction is modestly credit positive for BT because it sharpens its focus on its core UK market and removes a low-margin, structurally declining business from the consolidation perimeter. The sharper focus on the UK reinforces the strategy pursued under the current management team.

Forecasts across the report, unless noted, still include the International segment and exclude the effects of the proposed transaction.

Detailed credit considerations

Large scale and strong position in the UK telecom market

BT benefits from its position as the largest integrated communications service provider in the UK. As shown in Exhibit 4, in broadband, BT has an estimated 30% share of the UK market, followed by Sky Limited (part of [Comcast Corporation](#) [A3 on review for downgrade], 20%); [VMED O2 UK Holdings Limited](#) (VMED O2 [B1 negative], the 50:50 joint venture between Liberty Global Limited and [Telefonica S.A.](#) [Baa3 stable], 19%); and TalkTalk Telecom Group Limited (TalkTalk, 6%).

BT is also one of the leading mobile operators in the UK, with a share of around 27% in postpaid. After the successful combination of the UK assets of [Vodafone Group Plc](#) (Baa2 stable, 20%) and [CK Hutchison Group Telecom Holdings Limited](#) ([CKHGT, Baa1 stable], 14%), VodafoneThree is now the market leader in postpaid with a share of 31%. VMED O2 follows with a share of 23%.

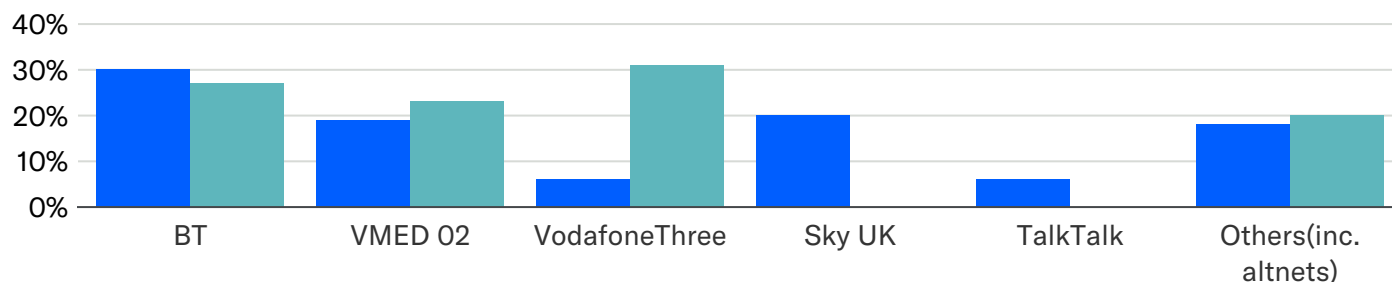
After years of market share losses, particularly in broadband, BT showed signs of stabilization across both its postpaid mobile and broadband segments over 2025. This aligns with the company's stated objective of returning its customer base to growth.

Exhibit 4

BT is the number one operator in the UK's broadband

UK's retail broadband and mobile postpaid subscriber market shares as of December 2025

■ Broadband ■ Postpaid



TalkTalk figures refer to consumer direct. BT's numbers as of March 2026. TalkTalk as of February 2026.

Sources: Ofcom, company data and Moody's Ratings

Fibre rollout close to achieve initial target; Openreach customer losses to remain high

BT continues to target FFTP rollout to 25 million premises by December 2026, or around 74% of UK households, before a further increase to 30 million premises by fiscal 2028-2030. Coverage as of March 2026 stood at 23 million premises. After increasing its build rate to nearly 5 million premises in fiscal 2026, we expect the overall rollout to slow to 3 million in fiscal 2027 and 1 million thereafter, as the initial target is achieved.

Openreach's take-up of full fibre services, across both BT's own divisions and third-party internet service providers (ISPs), stands at around 38%, up from 34% in fiscal 2025, although still low compared with the European average. The company targets an increase in take-up to 45%-55% by fiscal 2028-2030. Overall Openreach take-up levels will start to improve more meaningfully once the rollout slows from fiscal 2027. Openreach's take-up also compares favourably with altnets, which currently average around 18%.

Accelerated fibre build by operators led to a substantial increase in full fibre coverage to approximately 85% as of July 2026, according to third-party estimates¹, up from a year earlier (July 2025: 79%). Although the UK historically lagged most of the largest economies in the

Europe in terms of full fibre penetration, the country is now well above European average levels. However, the fibre rollout by multiple operators has led to an inevitable increase in overbuild to around 40% of UK households, which is likely to increase further.

[We continue to expect intense competition in the UK market in 2026 and 2027](#), driven by altnets' focus on increasing take-up rates through aggressive offers and promotions at the expense of more established operators. This will remain credit negative for the sector, either by delaying improvement for stronger operators as they seek to counter rivals, or by driving further deterioration for weaker ones.

Against this backdrop, we estimate that Openreach's customer losses will remain elevated at around 800,000 in fiscal 2027, broadly stable versus fiscal 2026. We forecast that the annual number will normalise to around 2.5%/3% of the overall broadband base thereafter (around 500,000 lines per year), as the full fibre rollout approaches the initial target of 25 million premises. For BT, altnet competition has historically been focused on the retail market, although the company now indicates that customer losses to retail altnets are declining. Risks are, however, becoming more visible in the wholesale market, [particularly in the context of the Sky/CityFibre partnership announced in 2024](#).

FCF inflection point in fiscal 2027, with full improvement in fiscal 2028

We forecast capex to decline to around £4.5 billion in fiscal 2027 from £5.2 billion in fiscal 2026. Capital spending should decrease further to around £4.1 billion in fiscal 2028 once the company reaches its target of covering 25 million UK premises with fibre. We assume that the gap between cash and reported capex will widen in fiscal 2027 because of capital creditors and BDUK grants before narrowing in fiscal 2028. The ongoing reduction in capex will support an inflection point in FCF in fiscal 2027, with a more pronounced improvement expected in fiscal 2028.

We also forecast that cash flow will be reduced by around £350 million in exceptional costs in fiscal 2027 and £250 million in fiscal 2028, largely because of restructuring costs. Other key factors in BT's cash flow profile during this period include increasing interest payments compared with fiscal 2026 as well as the sale of handsets receivables and the potential monetization of copper (refer to Exhibit 14 in the appendix for an overview of BT's historical and projected cash flow).

In terms of shareholder distributions, we forecast that dividends will increase gradually. While BT could have announced a material step-up in shareholder returns on the back of the FCF improvement post fiscal 2027, it has instead chosen to prioritise debt reduction to achieve Baa1 credit metrics. Although the company has targeted a Baa1 rating through the cycle for some time, we view its recently reiterated commitment positively, given that the FCF inflection point is now drawing closer.

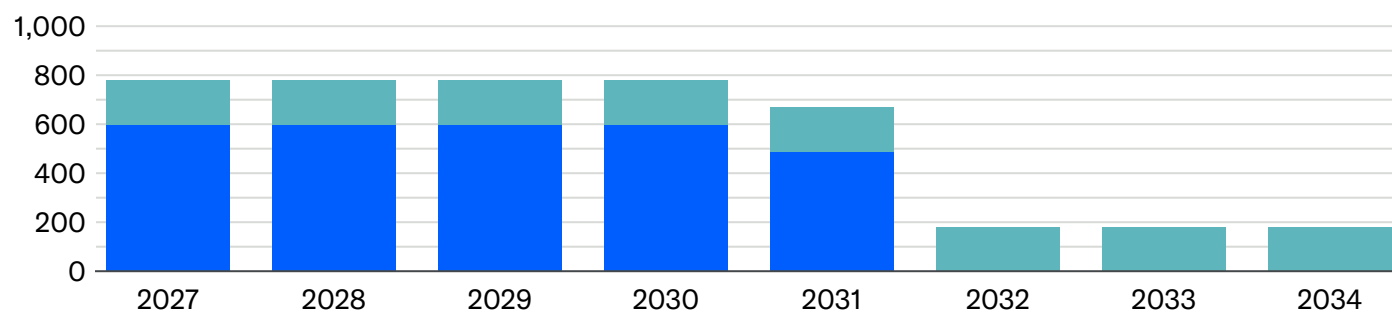
Overall cash flow generation will also remain constrained by pension deficit repayments (see Exhibit 5). We expect the outcome of the next triennial funding valuation, effective as of 30 June 2026, to be disclosed by late 2026 or early 2027.

Exhibit 5

Deficit repayments will continue to constrain BT's cash flow generation

Overview of BT's pension deficit payments for fiscal 2027-34 (in £ millions)

■ Payments to BTPS ■ ABF payments



Source: Company data

We estimate that BT's Moody's-adjusted RCF/net debt will be around 25%-26% over fiscal 2027 and 2028 (fiscal 2026: 26.0%). Our forecasts are broadly driven by flat funds from operations (FFO) versus fiscal 2026, with lower exceptional items largely offset by rising interest costs.

Limited revenue growth prospects amid Openreach slowdown and ongoing Business weakness

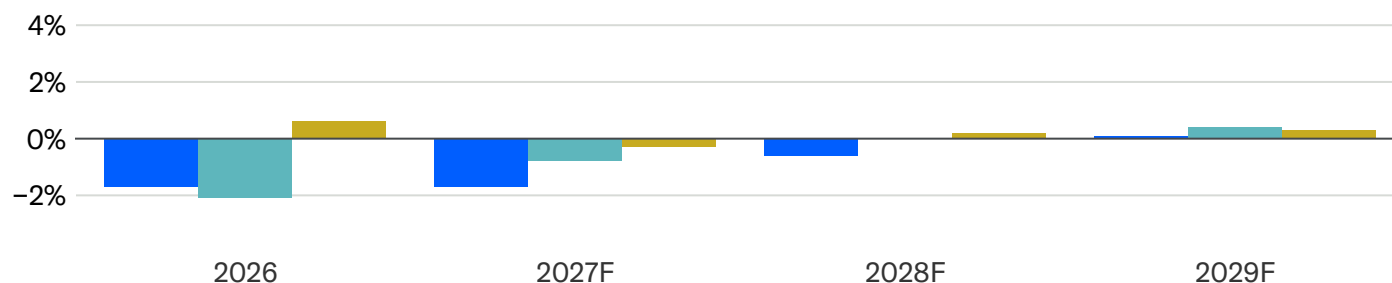
We forecast revenue growth of around minus 2% in fiscal 2027, driven by contraction in revenue across all segments (see Exhibit 6). In fiscal 2028, we expect an improvement in revenue decline given an improvement in the rate of decline of the Business and International segments and broadly flat results in Consumer and Openreach (Exhibit 6). Pending regulatory approval of the JV with Verizon, our forecasts still include the impact of the International business. Excluding its impact, BT's revenues would be broadly stable in both fiscal 2027 and fiscal 2028.

Exhibit 6

Openreach's revenue growth trajectory is likely to be broadly flat

Overview of revenue growth by business unit fiscal 2026-29F

■ Business ■ Consumer ■ Openreach



Moody's forecasts are Moody's opinion and do not represent the views of the issuer. International segment excluded from the exhibit (2026: -15.4%; 2027: -12.0%; 2028: -5.8%; 2029: -2.9%).

Sources: Company data and Moody's Ratings forecasts

We forecast negative revenue growth in the Consumer segment in fiscal 2027 before broadly flat levels in fiscal 2028. Although the unit will continue to benefit from an improved mix through the full fibre rollout and contracted price increases, this will be more than offset in fiscal 2027 by continued pressure on handset sales, as consumers keep their devices for longer, competition and the persistent gap between front-book and back-book pricing after years of inflation-linked increases. Our assumption of a lower drag from pricing and handsets should drive a broadly stable result in fiscal 2028.

In the Openreach segment, we forecast revenue growth to slow further in fiscal 2027 to -0.3%, from 0.5% in fiscal 2026 and 1.2% in fiscal 2025, driven by lower price increases and rising customer losses. Fiscal 2028 should show a slightly more positive picture, on the back of lower customer losses. With the fibre rollout decelerating and Openreach focusing on cost savings, the unit's growth profile points to broad stability in our view in spite of ongoing competitive pressure from altnets.

In the Business segment, structural challenges — including exposure to legacy connectivity products and sustained competition — will persist, with revenue growth unlikely to stabilise before fiscal 2029-30. That said, the revenue trajectory should gradually improve over time.

EBITDA to grow modestly because of cost savings; ongoing reduction in restructuring charges to support Moody's-adjusted EBITDA

We forecast that BT's company-adjusted EBITDA will remain broadly stable in fiscal 2027 at around £8.2 billion-£8.3 billion, as ongoing cost savings largely offset top-line pressures. An improving revenue trajectory and further cost reductions should then support EBITDA growth of around 1% in fiscal 2028, when cost-saving benefits will become more visible as the fibre rollout decelerates significantly from December 2026.

On a Moody's-adjusted basis, the evolution of EBITDA will be moderately different. This is due to specific items that are generally treated as expenses in our Moody's-adjusted calculations. We currently expect specific items to amount to around £300 million in fiscal 2027 and £250 million in fiscal 2028. Our expectation of a reduction in specific items between fiscal 2026 and fiscal 2027/2028 will support an improvement in BT's Moody's-adjusted EBITDA over the period.

BT targets annualised cost savings of £3.7 billion by fiscal 2030, with a cost-to-achieve of £1.4 billion. Both targets were recently raised from £3 billion and £1 billion, respectively, as the company identified additional scope for cost reductions.

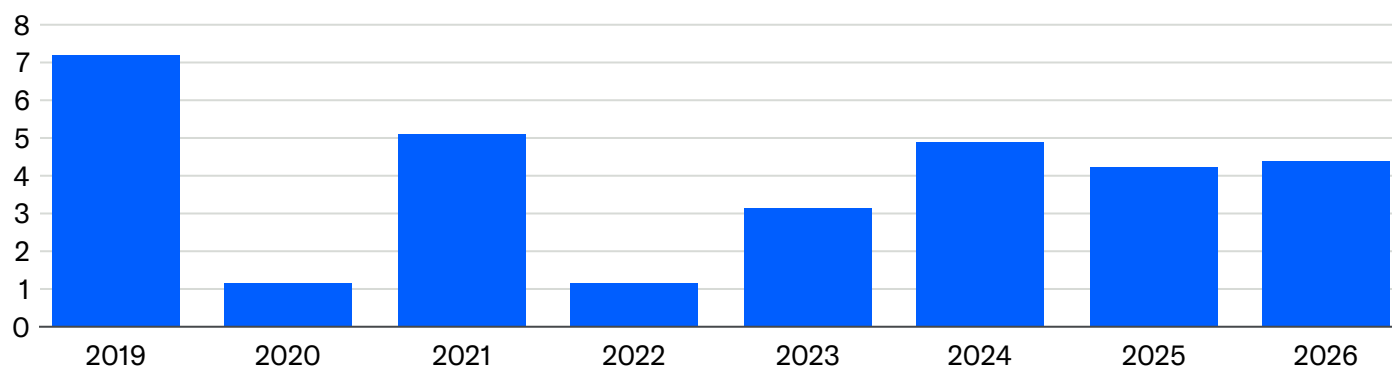
Leverage will decline, but improvement will be gradual

BT's Moody's-adjusted debt/EBITDA was 3.3x in fiscal 2026 (see Exhibit 13 in the appendix), compared with 3.4x in fiscal 2025. The modest improvement was driven by higher Moody's-adjusted EBITDA, reflecting lower exceptional charges that we expense, as well as a reduction in lease liabilities. The pension deficit increased slightly (Exhibit 7) because of updated mortality and inflation assumptions and weaker-than-expected asset returns, partly offset by scheduled pension contributions during the year.

Exhibit 7

BT's IAS 19 pension deficit slightly increased in fiscal 2026

Evolution of BT's pension deficit over fiscal 2019-26 (in £ billions)



Source: Company data

We forecast BT's Moody's-adjusted leverage to decline gradually to 3.2x and 3.1x in fiscal 2027 and 2028, respectively, largely supported by a continued improvement in Moody's-adjusted EBITDA. While BT could begin reducing debt as early as fiscal 2028, reflecting excess cash flow generation following a decline in capital investment, we assume debt reduction will not commence until fiscal 2029 because the company typically refinances debt well ahead of maturity. As a result, we forecast only limited deleveraging in fiscal 2027 and 2028.

Our forecasts assume an IAS 19 pension deficit of £4.2 billion, consistent with March 2026 levels. However, our leverage estimates could decrease if the deficit declines in line with BT's ongoing pension contributions. As part of the latest triennial funding valuation, [BT announced that its actuarial deficit as of June 2023 was £3.7 billion and that it is on track to be eliminated by June 2030 through annual contributions](#). However, overall funding and accounting deficits levels remain subject to volatility.

BT's leverage continues to benefit from the use of hybrid notes. [Hybrid instruments qualify for 50% equity treatment, for the purpose of calculating Moody's-adjusted ratios](#). Next hybrid bond callable is due in November 2026 and already prefunded in 2025.

BT has maintained a sizeable cash balance, supported by short-term investments, over the last three years, which has partly mitigated the impact of its high gross leverage. Its Moody's-adjusted net debt/EBITDA was 3.0x in fiscal 2026, 0.2x lower than on a gross debt basis. For the purpose of our modelling, we model short-term investments to maintain a cash balance of around £300 million broadly aligned to fiscal 2025 and 2026 levels.

ESG considerations

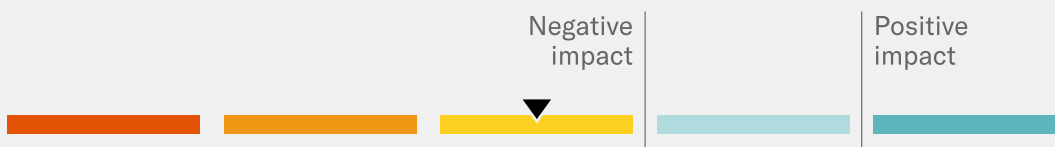
BT Group Plc's ESG credit impact score is CIS-3

Exhibit 8

ESG credit impact score

CIS-3

Score



ESG considerations have a limited impact on the current rating, with potential for greater negative impact over time.

Source: Moody's Ratings

ESG scores and narratives are aligned with those of British Telecommunications Limited. BT's **CIS-3** indicates that ESG considerations have a limited impact on the current rating. This reflects social challenges, including industry-wide exposure to customer data security and privacy, as well as moderate governance risks stemming from the company's historically high shareholder remuneration in the context of pressure on cash flows and a persistently high pension deficit. This risk is, however, mitigated by BT's strengthened commitment to achieving Baa1 credit metrics at the expense of shareholder remuneration from fiscal 2027 onwards. Bharti Global is currently the largest shareholder in BT, with a 24.5% stake acquired from Altice UK.

Exhibit 9

ESG issuer profile scores



Source: Moody's Ratings

Environmental

ESG scores and narratives are aligned with those of British Telecommunications Limited. BT's exposure to environmental risks is neutral-to-low and is in line with the overall industry. The environmental risk score of **E-2** reflects BT's limited exposure to physical climate risks because of its concentration of operations in the UK. As part of its carbon transition policy, BT has committed to becoming a net zero carbon emission business by fiscal 2031 and a net zero business across its full value chain by fiscal 2041.

Social

ESG scores and narratives are aligned with those of British Telecommunications Limited. BT's **S-3** score reflects industrywide exposure to data privacy and security risks as the company holds significant information on its large subscriber base. Other social risks include exposure to changing demographic and societal trends, which contribute to the structural decline of legacy voice and connectivity services; and exposure to well-entrenched labour unions, which nevertheless acknowledge the company's ongoing transformation plan.

Governance

ESG scores and narratives are aligned with those of British Telecommunications Limited. BT's **G-3** score largely reflects our view that the company has historically maintained a high shareholder distribution policy, with dividend and pension deficit payments not covered by cash flow generation. The resulting shortfall has been financed through additional financial debt in recent years. However, the overall picture will improve materially from fiscal 2028 onwards, driven by a reduction in capex as the initial fibre rollout target

is achieved. This risk is increasingly offset by BT's commitment to deleverage and achieve credit metrics commensurate with a Baa1 rating, ahead of shareholder remuneration, which could otherwise increase substantially from fiscal 2028. Deutsche Telekom AG (A3 stable) and Bharti Global are strategic investors in BT, holding stakes of around 12% and 24.5%, respectively.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity analysis

BT's liquidity is strong, and it is supported by a cash and current investment balance of £1.8 billion as of March 2026 and an undrawn committed revolving credit facility of £2.1 billion. The facility matures in January 2031, with the option to extend for one further year and does not contain adverse change clauses or financial covenants.

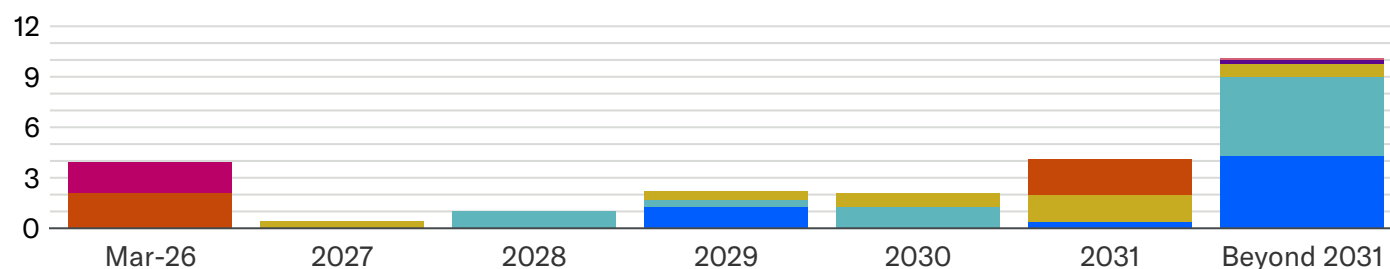
The large cash balance includes pre-funding of contributions payable to the BT Pension Scheme, and short-term maturities and cash collateral received from financial counterparties against certain in-the-money derivative positions. BT has a long-dated debt maturity profile, with £0.4 billion and £1.0 billion coming due over the remainder of fiscal 2027 and fiscal 2028, respectively (Exhibit 10).

Exhibit 10

BT has debt maturities of £0.4 billion and £1.0 billion over the remainder of fiscal 2027 and fiscal 2028

BT's debt maturity profile as of 31 March 2026 (in £ billions)

■ GBP debt ■ EUR debt swapped to GBP ■ USD debt swapped to GBP ■ JPY debt swapped to GBP
■ NOK debt swapped to GBP ■ Undrawn RCF ■ Cash & cash equivalents



Source: Company data

Methodology and scorecard

The current and forward-looking scorecard-indicated outcome for BT is Baa3, one notch lower than the actual rating assigned of Baa2.

Exhibit 11

BT Group Plc

Telecommunications Service Provider Industry Scorecard *		Current Mar 2026	Moody's 12-18 Month Forward View **	
	Measure	Score	Measure	Score
Factor 1: Scale (10%)				
a) Revenue (USD Billion)	26.3	A	25.6 - 25.7	A
Factor 2: Business Profile (25%)				
a) Competitive Position	Baa	Baa	Baa	Baa
b) Market Share	Baa	Baa	Baa	Baa
Factor 3: Profitability And Efficiency (10%)				
a) Revenue and Margin Sustainability	Baa	Baa	Baa	Baa
Factor 4: Leverage And Coverage (40%)				
a) Debt / EBITDA	3.3x	Ba	3.1x - 3.2x	Ba
b) RCF / Net Debt	26.0%	Ba	24.6% - 26.3%	Ba
c) (EBITDA - CAPEX) / Interest Expense	1.6x	B	2.2x - 2.7x	Ba
Factor 5: Financial Policy (15%)				
a) Financial Policy	Baa	Baa	Baa	Baa
Ratings				
a) Scorecard-Indicated Outcome		Baa3		Baa3
b) Actual Rating Assigned				Baa2

*All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. **Moody's forecasts are Moody's opinion and do not represent the views of the issuer (as applicable).

Sources: Moody's Financial Metrics™ and Moody's Projections

Appendix

Exhibit 12

Peer comparison

BT Group Plc

	BT Group Plc			Deutsche Telekom AG			Orange			Vodafone Group Plc			Telefonica S.A.		
	Baa2 Stable			A3 Stable			Baa1 Stable			Baa2 Stable			Baa3 Stable		
(in \$ millions)	FY Mar-24	FY Mar-25	FY Mar-26	FY Dec-23	FY Dec-24	FY Dec-25	FY Dec-23	FY Dec-24	FY Dec-25	FY Mar-24	FY Mar-25	FY Mar-26	FY Dec-23	FY Dec-24	FY Dec-25
Revenue	26,140	25,974	26,340	121,083	125,262	134,606	42,907	43,561	45,663	39,827	40,211	46,907	43,961	38,596	39,699
Debt / EBITDA	3.5x	3.4x	3.3x	3.5x	3.0x	2.9x	3.7x	3.4x	3.9x	3.7x	3.4x	3.3x	4.4x	3.6x	5.2x
Net Debt / EBITDA	3.1x	3.0x	3.0x	3.3x	2.8x	2.8x	3.1x	2.5x	2.6x	3.1x	2.3x	2.5x	3.8x	3.0x	4.5x
RCF / Net Debt	24.9%	25.7%	26.0%	24.0%	24.8%	25.8%	24.6%	27.9%	22.7%	27.1%	35.3%	33.1%	17.6%	18.2%	7.0%
(EBITDA - CAPEX) / Interest Expense	1.6x	1.5x	1.6x	3.0x	4.2x	3.9x	2.5x	3.3x	2.8x	2.0x	2.7x	2.4x	1.5x	3.3x	0.9x

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.

Source: Moody's Financial Metrics™

Exhibit 13

BT's Moody's-adjusted leverage was 3.3x as of March 2026

BT's Moody's-adjusted debt/EBITDA reconciliation fiscal 2023-26

	2023	2024	2025	2026
As reported EBITDA	7,437	7,612	7,425	7,772
Add-back: Specific Items	491	488	784	458
Company-adjusted EBITDA	7,928	8,100	8,209	8,230
Pension expense	36	29	16	18
Equity accounted income	(59)	(21)	(8)	8
Interest income	63	181	153	94
Other non operating items	20	(57)	(69)	(191)
Exceptionals considered recurring	(334)	(488)	(739)	(420)
Moody's-adjusted EBITDA	7,654	7,744	7,562	7,739
As reported debt	23,880	23,481	23,333	22,720
Pensions	3,064	4,790	4,068	4,189
Hybrid Securities	(628)	(970)	(1,278)	(1,275)
Fair value debt adjustment	(819)	(512)	(288)	(444)
Other	-	-	-	-
Moody's-adjusted debt	25,497	26,790	25,835	25,190
Moody's-adjusted Debt/EBITDA	3.3x	3.5x	3.4x	3.3x

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.

Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Exhibit 14

Cash flow will improve substantially after fiscal 2027 for BT

BT's cash flow over fiscal 2024-30F

	2024	2025	2026	2027F	2028F	2030F
Normalised FCF	1,280	1,598	1,508	2,043	2,382	2,741
Specific items	(439)	(498)	(415)	(350)	(250)	(200)
Dividends	(759)	(788)	(807)	(823)	(839)	(873)
Cash flows relating to BDUK demand deposit account	(75)	(19)	-	(100)	(50)	-
Prepayment for forward sale of copper	(105)	-	(99)	-	-	-
Others	(264)	(164)	(107)	20	120	20
Moody's-adjusted FCF	(362)	129	80	790	1,363	1,688
Pension deficit payments	(823)	(803)	(790)	(780)	(780)	(780)
Settlement of minimum guarantee liability with sports JV	(211)	(187)	(191)	-	-	-
Moody's-adjusted FCF post pension deficit and sports JV payments	(1,396)	(861)	(901)	10	583	908

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. Moody's forecasts are Moody's opinion and do not represent the views of the issuer. Settlement of minimum guarantee liability with sports JV assumed to be offset by cash inflow from sport JV in fiscal 2027.

Sources: Company data, Moody's Financial Metrics™ and Moody's Ratings forecasts

Exhibit 15

Overview of select historical and forecast Moody's-adjusted financial data
BT Group Plc

(in £ millions)	2023	2024	2025	2026	2027F	2028F	2029F
INCOME STATEMENT							
Revenue	20,681	20,797	20,358	19,654	19,211	19,087	19,099
EBITDA	7,654	7,744	7,562	7,739	8,036	8,176	8,276
Company-adjusted EBITDA	7,928	8,100	8,209	8,230	8,258	8,347	8,448
Interest expense	1,008	1,230	1,261	1,169	1,278	1,278	1,378
BALANCE SHEET							
Cash & Cash Equivalents	3,917	2,766	2,830	1,830	1,840	2,283	2,043
o/w ST Investments*	3,548	2,366	2,631	1,482	1,532	1,982	1,732
Total Debt	25,497	26,790	25,835	25,190	26,066	25,674	24,649
o/w Pension Deficit	3,064	4,790	4,068	4,189	4,189	4,189	4,189
Net Debt	21,580	24,024	23,005	23,360	24,226	23,391	22,606
CASH FLOW							
Funds from Operations (FFO)	6,758	6,752	6,705	6,869	6,793	6,983	6,883
Working Capital & Other	306	(638)	(112)	(82)	0	0	(100)
Cash Flow From Operations (CFO)	7,064	6,114	6,593	6,787	6,793	6,983	6,783
Capital Expenditures (excl. lease repayments)	(5,307)	(4,969)	(4,937)	(5,169)	(4,500)	(4,100)	(3,900)
Lease Repayments	(727)	(748)	(739)	(731)	(680)	(680)	(680)
Dividends	(751)	(759)	(788)	(807)	(823)	(839)	(856)
Retained Cash Flow (RCF)	6,007	5,993	5,917	6,062	5,970	6,143	6,027
RCF / Debt	23.6%	22.4%	22.9%	24.1%	22.9%	23.9%	24.5%
RCF / Net Debt	27.8%	24.9%	25.7%	26.0%	24.6%	26.3%	26.7%
Free Cash Flow (FCF)	279	(362)	129	80	790	1,363	1,347
Normalised FCF	1,328	1,280	1,598	1,508	2,043	2,382	2,433
FCF / Debt	1.1%	-1.4%	0.5%	0.3%	3.0%	5.3%	5.5%
PROFITABILITY							
% Change in Sales (YoY)	0.6%	1.7%	-2.1%	-3.5%	-2.3%	-0.6%	0.1%
% Change in EBITDA (YoY)	0.9%	1.2%	-2.4%	2.3%	3.8%	1.7%	1.2%
EBITDA Margin %	37.0%	37.2%	37.1%	39.4%	41.8%	42.8%	43.3%
INTEREST COVERAGE							
(EBITDA - CAPEX) / Interest Expense	1.6x	1.6x	1.5x	1.6x	2.2x	2.7x	2.7x
EBITDA / Interest Expense	7.6x	6.3x	6.0x	6.6x	6.3x	6.4x	6.0x
LEVERAGE							
Debt / EBITDA	3.3x	3.5x	3.4x	3.3x	3.2x	3.1x	3.0x
Net Debt / EBITDA	2.8x	3.1x	3.0x	3.0x	3.0x	2.9x	2.7x

All data based on adjusted financial data, unless noted, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. Moody's forecasts are Moody's opinion and do not represent the views of the issuer. Short-term investment figures have been modelled to keep cash balance in the £300 million range. Change in sales (year over year) for the financial years that ended March 2023 and March 2024 are pro forma for the deconsolidation of BT Sports from September 2022. Pro forma revenue and company-adjusted EBITDA in 2023 were £20,431 million and £7,999 million, respectively.

Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Ratings

Exhibit 16

Category	Moody's Rating
BRITISH TELECOMMUNICATIONS LIMITED	
Outlook	Stable
Issuer Rating	Baa2
Sr Unsec Bank Credit Facility -Dom Curr	Baa2
Senior Unsecured	Baa2
Bkd Subordinate	Ba1
ST Issuer Rating	P-2
BT FINANCE PLC	
Outlook	Stable
Bkd Senior Unsecured	Baa2
Bkd Subordinate MTN	(P)Ba1
EE LIMITED	
Outlook	Stable
Issuer Rating -Dom Curr	Baa2

Source: Moody's Ratings

Endnotes

¹ According to thinkbroadband, full fibre penetration reached 85% at the beginning of July 2026.

© 2026 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE LEGAL, COMPLIANCE, INVESTMENT, FINANCIAL OR OTHER PROFESSIONAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating or assessment is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating or assessment process or in preparing its Materials.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating or assessment assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and all MCO entities that issue ratings under the "Moody's Ratings" brand name ("Moody's Ratings"), also maintain policies and procedures to address the independence of Moody's Ratings' credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at ir.moody.com under the heading "Investor Relations — Corporate Governance — Charter and Governance Documents - Director and Shareholder Affiliation Policy."

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V., I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., Moody's Local PA Clasificadora de Riesgo S.A., Moody's Local CR Clasificadora de Riesgo S.A., Moody's Local ES S.A. de CV Clasificadora de Riesgo, Moody's Local RD Sociedad Clasificadora de Riesgo S.R.L. and Moody's Local GT S.A. (collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions and Net Zero Assessments (as defined in Moody's Ratings Rating Symbols and Definitions): Please note that neither a Second Party Opinion ("SPO") nor a Net Zero Assessment ("NZA") is a "credit rating". The issuance of SPOs and NZAs is not a regulated activity in many jurisdictions, including Singapore.

EU: In the European Union, each of Moody's Deutschland GmbH and Moody's France SAS provide services as an external reviewer in accordance with the applicable requirements of the EU Green Bond Regulation. JAPAN: In Japan, development and provision of SPOs and NZAs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used

within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

REPORT NUMBER 1487057