



BT Group Investor Relations Bulletin

News and events during Q3 FY22

4 January 2022

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Upcoming events

- On 3 February, BT intends to publish its Q3 FY22 results
- On 7 February, BT will pay its FY22 interim dividend of 2.31p per share

BT Group – Update on BT's £1bn cost savings target

- On 1 November, following weekend press speculation, BT confirmed that it delivered on its £1bn of gross annualised cost savings 18 months ahead of the March 2023 target
- On 4 November, BT announced at its Q2 FY22 results that due to the early achievement of its £1bn of gross annualised cost savings, it will bring forward its FY25 target of £2bn to end FY24

BT Group – BT secured industry-first global partnership with OneWeb

- On 2 November, BT announced a landmark agreement with OneWeb for Low Earth Orbit (LEO) satellite network and connectivity services across BT Group. BT is currently testing how LEO technology integrates with its existing capabilities and on successful completion, live trials with customers will commence in early 2022

BT Group – New BT Headquarters - One Braham

- On 5 November, BT announced, effective 1 January 2022, that [BT Group and a number of its subsidiaries changed their registered office](#) to One Braham, London, E1 8EE from 81 Newgate Street, London, EC1A 7AJ
- On 11 November, [BT unveiled its new concept store at One Braham, London](#), designed to give customers an immersive experience with expert knowledge
- On 26 November, [BT opened One Braham, its new global headquarters in Aldgate London](#). The new headquarters houses around 3,500 colleagues and is one of the flagship locations within BT's Better Workplace Programme

BT Group – BT to take Competition Appeal Tribunal procedural ruling to Court of Appeal

- On 19 November, BT announced that it will continue to vigorously defend itself against the speculative claim of overcharging customers and is appealing against the preliminary ruling on a procedural matter of certification. Ofcom assessed the subject of the claim over three years ago with no finding of excessive pricing or breach of competition law more generally

BT Group – BT issued 1bn USD hybrid bonds

- On 23 November, BT issued 1bn USD in two equally sized hybrid bond tranches with first call dates of 5.25 years and 10 years. Average interest cost of 4.40%, with 4.225% on the 5.25 year bonds and 4.58% on the 10 year bonds
- On 23 December, to bring the spreads on the existing hybrid bonds in line with the new hybrid bond, a proposed 'change of control' provision was approved by bondholders

BT Group – BT launched new Manifesto

- On 1 December, BT launched its Manifesto, a business-wide plan to accelerate responsible, inclusive and sustainable growth over the next decade. The Manifesto sets the agenda for all future BT initiatives, ensuring all activity will help lead the way to a brighter, more sustainable future. The Manifesto details a number of commitments, including:
 - Responsible: Provide better access to new technology that earns trust and transforms lives
 - Expand BT Group's Responsible Tech Principles across the whole value chain, invest heavily in R&D for new technologies and launch a diverse digital talent movement
 - Inclusive: Help the future of tech to be inclusive and diverse
 - Help 25 million people improve digital skills by 2026, build FTTP to 25m premises by end 2026, increase EE's 5G network coverage to 90% of the UK by end 2028, 50% employee gender split by 2030 along with 25% from an ethnic minority group and 17% with a disability
 - Sustainable: Drive quicker progress towards a circular world with net zero emissions
 - Bring BT's net zero target forward to 2030 for its own emission and 2040 for its wider ecosystem, help customers avoid 60 million tonnes of CO2 by 2030, address the rising e-waste challenge by building towards a circular BT by 2030 and circular tech and telco ecosystem by 2040

BT Group – Altice UK's increased its voting interest from 12.1% to 18.0%

- On 14 December, Altice UK announced that it increased its interest in BT Group's share capital from 12.1% to 18.0%. The Board and management of BT Group will continue to operate the business in the interest of all shareholders and remains focussed on the successful execution of its strategy and building on recent performance momentum

BT Group – BT Pension Scheme application for judicial review granted

- On 22 December, the Trustees of the BT Pension Scheme, Ford Pension Scheme and Marks and Spencer Pension Scheme were informed that their application for a judicial review of the decision to replace RPI with CPIh from 2030 had been granted. The hearing is expected to take place in the summer of 2022

BT Group – Environmental, Social and Governance

- On 1 October, BT and Accenture published a report which found that the [tech sector was set to reduce its global carbon emissions by 40% by 2030 despite enormous growth in data traffic demand](#)
- On 21 October, [BT launched the UK's first mobile phone 'licence' to help prepare kids for life online](#), a free online programme known as PhoneSmart

Regulation – Ofcom published statement on technical conditions of mobile licences in the 800MHz band

- On 27 October, Ofcom published changes to licences in the 800MHz band to enable mobile network operators to improve their network coverage and increase capacity

Regulation – Ofcom published statement on approach to high costs with broadband USO¹

- On 11 November, Ofcom published a statement outlining the approach for excess costs under the broadband USO
 - When the excess cost per premises is more than £5k, BT should inform customers and gain agreement before delivering the connection
 - There is no change when the excess cost per premises is less than £5k
- On 29 November, [Ofcom closed its investigation into BT's compliance with the broadband USO rules](#), stating it is satisfied that BT have implemented the changes necessary for compliance

Regulation – Ofcom published its quarterly telecoms and pay TV complaints

- On 16 November, Ofcom published its Q2 2021 telecoms and pay-TV complaints data:
 - The BT brand was again below the industry average for broadband and landline complaints but above average for pay-TV
 - The EE brand was lowest for broadband and landline complaints and the lowest of the big providers for mobile complaints

Regulation – Ofcom published a review of the impact of end-of-contract notifications and pricing commitments

- On 30 November, Ofcom issued a review of the impact of end-of-contract notifications finding that customers had secured better deals as a result. Ofcom found that the number of out-of-contract broadband customers decreased by 5% or 1.3 million between September 2019 and September 2020. The average proportion of out-of-contract broadband customers for BT was 28% vs. the average of all operators of 35%

Regulation – Ofcom published a statement on annual license fees for 2100 MHz spectrum

- On 13 December, Ofcom published a statement on annual licence fees for the 2100MHz spectrum, deciding to:
 - Set an annual licence fee of £0.561m per MHz for paired 2100 MHz spectrum and
 - Consult further on the unpaired 2100MHz spectrum
- The overall impact to BT is a 2100 MHz annual licence fee for paired spectrum at £23.2m, increasing annually with CPI

¹ Universal service obligation

Consumer – Consumer CEO Marc Allera called for a review of net neutrality rules

- On 2 December, BT's Consumer CEO Marc Allera published an article on the need to review net neutrality rules after BT saw its highest traffic peak of 25.5Tbps flowing over its network due to midweek Premier League fixtures, a 12% increase on its previous peak last December

Consumer/Enterprise – Mobile network

- On 22 October, [BT's EE announced that it has a new anti-spam filter that helps prevent malicious phishing and scam SMSs](#), with more than 42 million texts blocked since July 2021
- On 27 October, [BT's EE announced the addition of Microsoft 365 Personal to its range of Smart benefits](#)
- On 28 October, [BT completed the rollout of 4G in Glasgow's subway stations](#)
- On 28 October, [BT's EE announced that it has switched on indoor 5G at more than 50 sites across the UK](#)
- On 10 December, [BT's EE latest brand campaign made history by landing a plane powered by new EE full fibre home broadband](#)
- On 14 December, [BT's EE wins the umlaut connect Mobile Benchmark in the UK for the seventh year](#)
- On 15 December, [BT announced it will upgrade 4G in more than 2,000 areas by 2024](#) to improve rural connectivity across the UK
- On 21 December, [BT announced it will join the BAI Communication network to provide 4G and 5G-ready mobile connectivity services across the London Underground](#)

Enterprise – BT Enterprise Managed Services awarded with CMMI appraisal

- On 28 October, BT announced that it has been appraised at maturity Level 3 of ISACA's Capability Maturity Model Integration (CMMI) for its Enterprise Managed Services offering. BT is the only organisation in the UK to successfully publish an appraisal at this level

Enterprise – BT announced new Clinical Board to aid company's Healthcare ambitions

- On 21 December, BT announced the creation of a Clinical Advisory Board, to drive the growth of new connected healthcare solutions which will drive better outcomes for the NHS and patients. Eight NHS clinicians will join the Clinical Advisory Board from January

Enterprise – BT launched a new digital advertising platform to help businesses grow online

- On 28 October, BT launched a new digital advertising platform to help businesses better promote their goods and services online. BT's Digital Marketing Hub gives businesses the tools to create, publish and measure their digital advertising across Google, Facebook and Instagram from a single platform

Global – BT launches new security platform, Eagle-i

- On 14 October, BT launched a cyber defence programme Eagle-i which predicts and prevents cyber attacks. Eagle-i builds on BT's recent security investment in Safe Security and partner ecosystem to address issues such as increased malware traffic
- On 12 November, [BT announced that it has developed an epidemiology-based cybersecurity prototype 'Inflame'](#), a tool that helps enterprises to automatically detect and respond to cyber-attacks before they compromise a network. Inflame is a key component of the Eagle-I platform

Openreach – Openreach published additional 79 exchange locations for copper stop sell

- On 19 October, Openreach informed its CPs² of the 12-month notification period for copper stop sell to be activated in 79 additional exchange locations bringing the total to 455 locations

Openreach – Openreach launched 'FTTP³ on Demand near network' commercial trial

- On 1 November, Openreach informed its CPs that it is launching a 'FTTP on Demand (FOD) near network' trial for 6 months commencing 1 December 2021. CPs will be charged a fixed price of:
 - £1,625 where a splitter exists, but a connectorised block terminal needs to be built

² Communications provider

³ Fibre-to-the-premises

- £2,650 where a new splitter and connectorised block terminal needs to be built

Openreach – Openreach launched a consultation on Exchange Exit Pilot

- On 12 November, Openreach launched a consultation on an exchange closure trial which will involve five pilot closures to identify the operational enablers, processes and notification periods required to facilitate the wider-scale programme

Openreach – Openreach announced it has passed 6m premises with FTTP

- On 17 November, Openreach announced that six million homes and businesses can place an order for FTTP. Openreach also announced the addition of a further 170 locations, covering 1.5m premises, to its FTTP build plan

Openreach – Openreach hosted business briefing

- On 18 November, Openreach hosted a business briefing at its Judd Street headquarters featuring Openreach CEO Clive Selley and other members of his leadership team. Key messages from the business briefing included:
 - The majority of Openreach's customer base is on VDSL, which meets the needs of most customers today
 - Openreach is building FTTP at an unrivalled pace and cost and will have FTTP almost everywhere in the UK by December 2026
 - Openreach is selling and provisioning in higher volumes of FTTP every week. The FTTP Equinox deal will drive rapid adoption
 - Openreach is transforming, simplifying and taking cost out – FTTP will super-charge cost reductions
 - Openreach will continue to command the strongest FTTP economics, as it is ahead on people and skills and technical innovations

Openreach – Openreach notified CPs of price increases

- On 23 December, Openreach confirmed pricing applicable from 1 April 2022 including:
 - An increase of 4.0% to MPF Rental
 - An increase of 5.6% to SMPF Rental
 - An increase of 7.9% to WLR Rental
 - An increase of 3.9% to FTTC 40/10 Rental
 - An increase of 4.0% to FTTP 40/10 Rental where FTTC 40/10 Rental is not available
 - An increase of 3.9% to SOGEA 40/10 Rental

Digital & Networks – BT and Toshiba to build world's first commercial quantum-secured metro network

- On 5 October, BT and Toshiba announced that the two companies will build and trial the world's first commercially available quantum-secured metro. The network will connect sites in London and will provide data services secured using Quantum Key Distribution and Post-Quantum Cryptography

Digital & Networks – BT and University of Suffolk opened £10m DigiTech Centre

- On 8 October, BT officially opened the new DigiTech Centre located at BT's Adastral Park in Suffolk. The research and engineering facility is a joint project between the University of Suffolk and BT and will provide digital skills for people looking to pursue careers in information and communications technology

Digital & Networks – BT opened UK's first telecoms robotics test lab to speed infrastructure rollout

- On 7 November, BT announced the opening of a 5,000+ sq.ft. robotics research facility at BT's Adastral Park in Suffolk, which aims to place the UK at forefront of robotics development for telecoms and civil engineering

Other news

- On 8 October, [Openreach presented with two awards at the Global Fleet Champions Awards](#)
- On 18 October, [BT partnered with Google, Levi Roots and Liz Earle to offer 1-to-1 mentoring for small businesses](#)
- On 19 October, [BT's EE announced that the Google Pixel 6 and Pixel 6 Pro are available to pre-order](#)
- On 12 November, [BT TV announced the inclusion of Netflix in its flexible TV packages](#)
- On 18 November, [BT's EE announced two new Xbox gaming bundles for pay monthly customers](#)
- On 25 November, [BT unveiled the first Street Hub 2.0 in Scotland](#), located in Glasgow
- On 8 December, [BT unveiled the first Street Hub 2.0 unit in Nottingham](#)
- On 8 December, [Openreach opened a new engineer training centre in Newport, Wales](#)
- On 15 December, [BT announced 150 new jobs and a second multi-million pound contact centre in Newcastle](#)
- On 16 December, BT published an article on [Aptitude, Attitude, Ambition: Empowering women to be the technology leaders of the future](#)

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