



We connect for good

BT Group plc H1 FY25 results



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.

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Allison Kirkby

Chief Executive

Our strategic priorities



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



2 — Drive **Consumer** growth through converged solutions

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



4 — **Digitise**, automate and reskill to transform the cost base and improve productivity

5 — **Optimise** the business portfolio and capital allocation

Solid delivery against our priorities

1

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

- Record FTTP build
- FY25 build target raised, self funded by lower build cost
- Record fibre connections
- Market-leading take-up
- ARPU and NPS both grew

2

Drive **Consumer** growth through converged solutions

- Fibre base grew
- 5G base grew
- Converged base showing growth
- ARPU and NPS both grew

3

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

- Global carve out progressing well
- Radically simplifying
- NPS grew

4

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

- Legacy units reducing
- Costs reducing ahead of plan
- Productivity improving

5

Optimise the business portfolio and capital allocation

- EBITDA grew
- NCF grew
- Interim dividend grew

Simon Lowth

Chief Financial Officer

EBITDA and NFCF growth as strong cost control offsets weaker revenue

	H1 FY25		Q2 FY25	
	£m	Change YoY%	£m	Change YoY%
Adjusted revenue ¹	10,138	(3)	5,086	(3)
Adjusted EBITDA ²	4,132	1	2,071	flat
Reported capex	2,269	(2)	-	-
Normalised free cash flow ³	715	57	-	-
Dividend (pps) ⁴	2.40	4	-	-

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

Summary of customer facing units

	H1 FY25				Q2 FY25			
	Adjusted Revenue ¹		Adjusted EBITDA ²		Adjusted Revenue ¹		Adjusted EBITDA ²	
	£m	Change YoY %	£m	Change YoY %	£m	Change YoY % ³	£m	Change YoY %
Openreach	3,118	2	2,059	6	1,560	2	1,038	7
Consumer	4,836	(1)	1,330	(1)	2,437	(2)	671	-
Business	3,865	(6)	747	(7)	1,932	(7)	369	(12)
Other	5	n/m	(4)	n/m	2	(33)	(7)	(75)
Intra-group items	(1,686)	(2)	-	-	(845)	(1)	-	-
Total	10,138	(3)	4,132	1	5,086	(3)	2,071	-

1. Before specific items; 2. Before specific items, share of post tax profits/losses of associates and joint ventures and net finance expense

Allison Kirkby

Chief Executive

Openreach | Record FTTP build and take-up

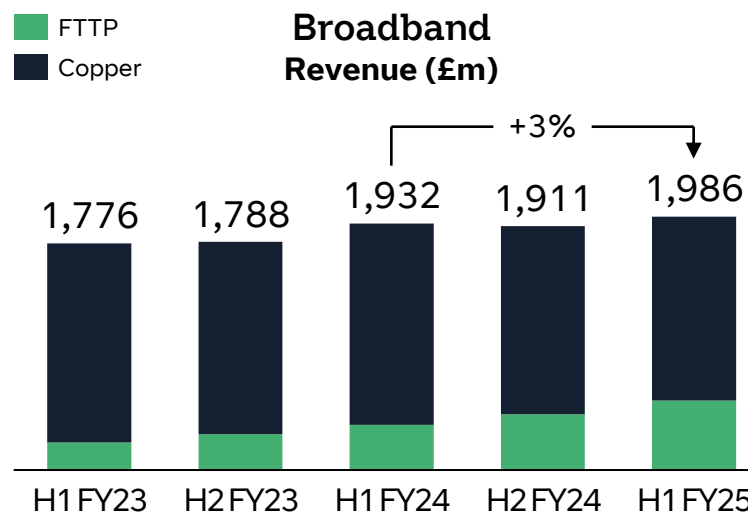
FTTP¹ footprint reached **16.0m** in October; Built to **2.1m** premises in H1

Record FTTP connections; Base **5.5m**

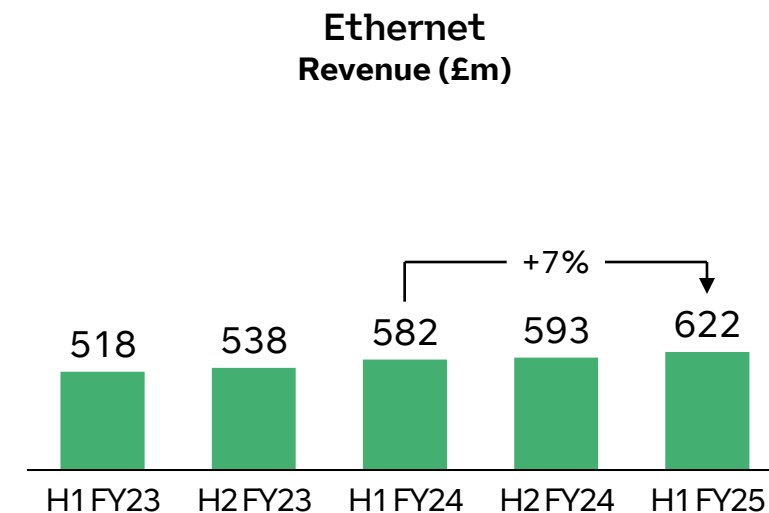
Market-leading take-up of **35%**

Repair volumes reduced by 0.3m to **2.8m**

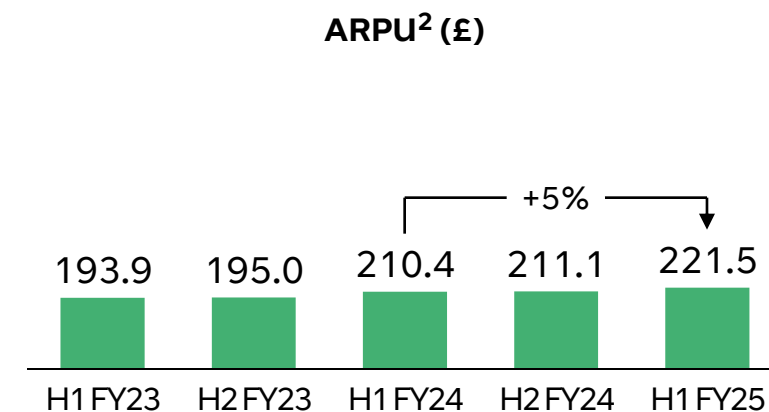
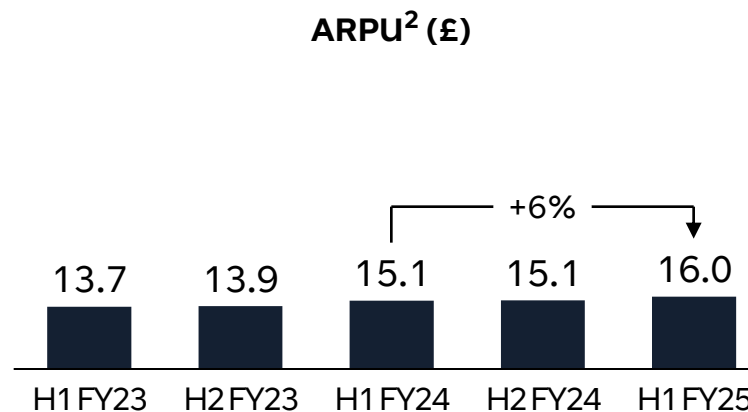
Strong NPS up **4.3pts** YoY



Base (k)				
21,535	21,457	21,202	20,966	20,589



Base (k)				
383	394	404	410	415



Consumer | Foundations laid for H2 return to growth

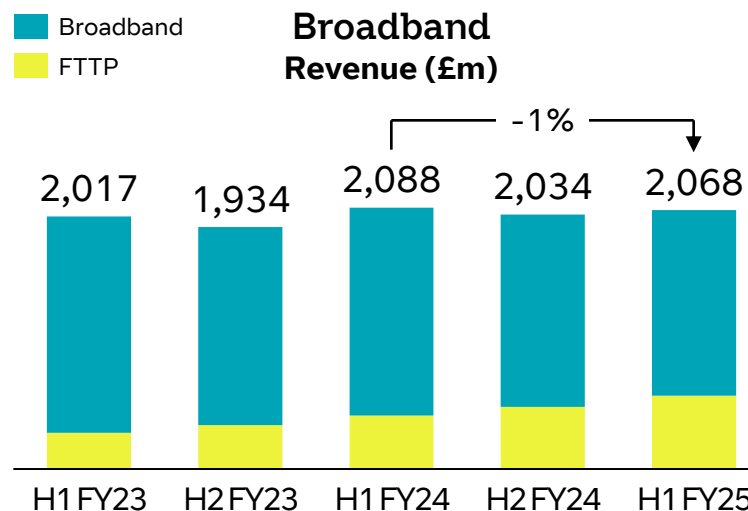
FTTP connections up **33%**; FTTP base **2.8m**

5G connections up **17%**; 5G base **10.5m**

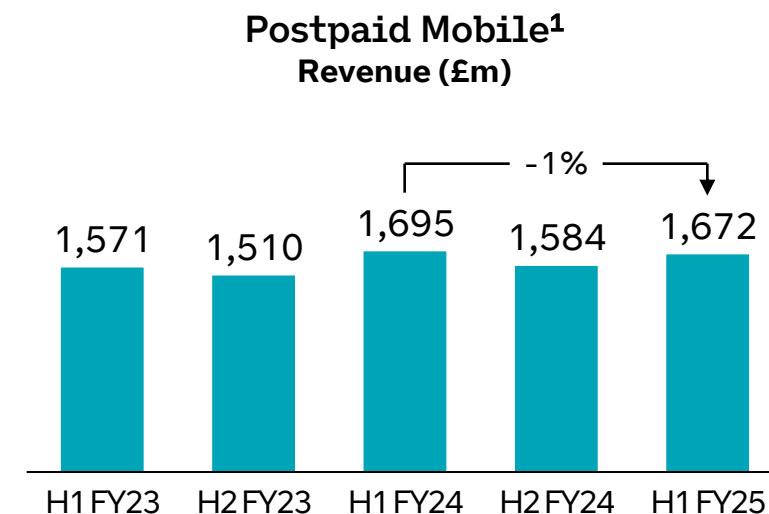
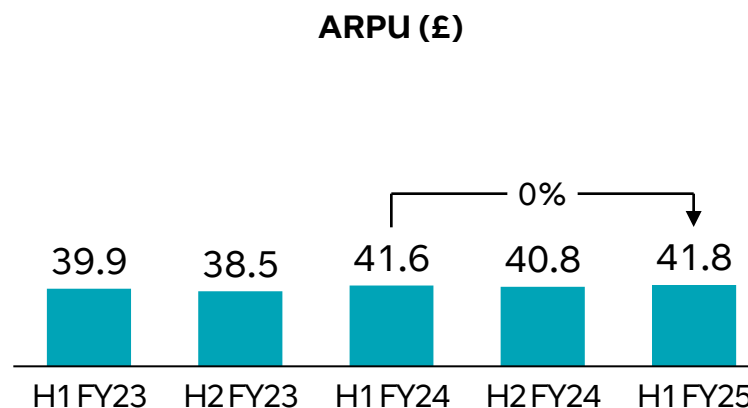
ARPU growth in both broadband and mobile

Convergence **23.1%**

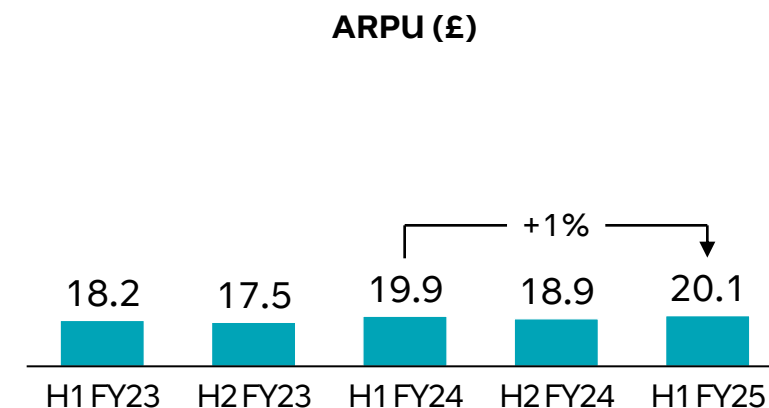
Strong NPS up **4.2pts** YoY



Base (k)				
8,395	8,373	8,347	8,283	8,234



Base (k)				
14,448	14,307	14,093	13,859	13,875



1. Postpaid includes Plusnet mobile, discontinued in FY24. FY23 base of ~400k

Business | Tough trading conditions, especially non-UK

Weak trading in Global and Portfolio

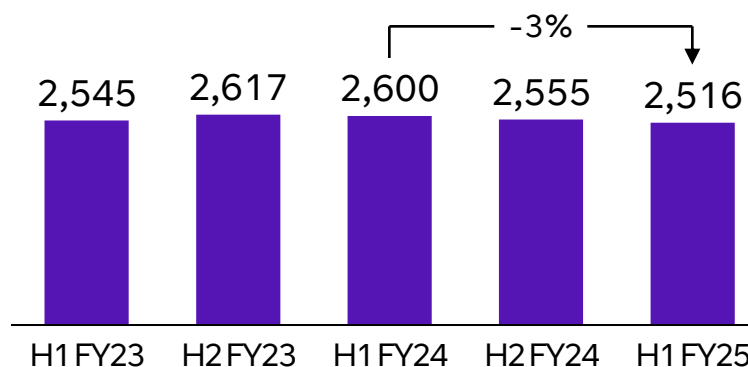
UK SMB and CPS revenue broadly stable
at **-1%**

FTTP connections up **57%**; 5G
connections up **86%**

Product portfolio rationalisation, down
14% YoY

NPS improving, **up 1.0pts YoY**

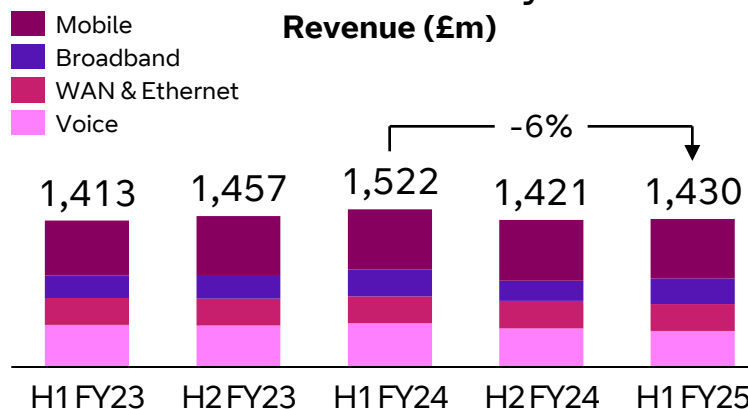
UK Revenue¹
Revenue (£m)



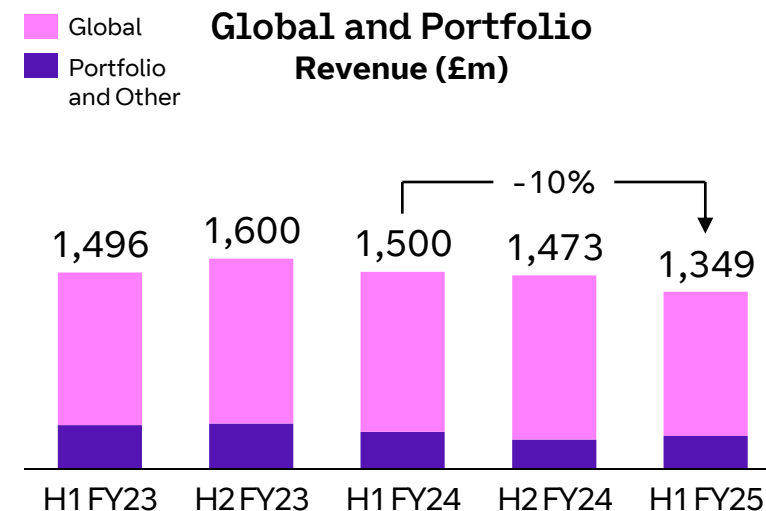
UK Revenue Generating Units (k)

7,899	7,815	7,759	7,667	7,593
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UK Connectivity
Revenue (£m)



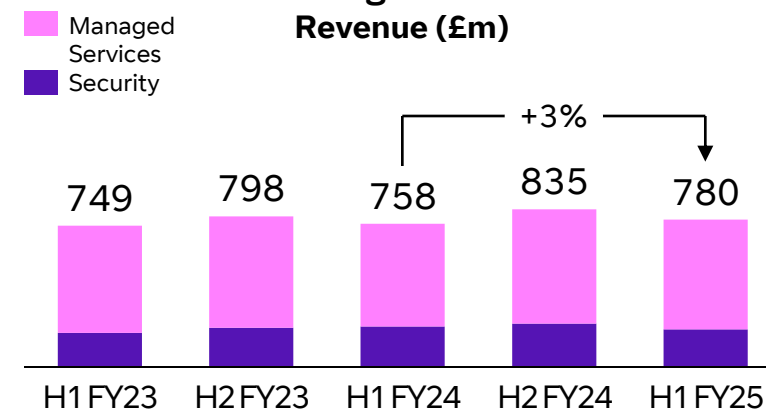
Global and Portfolio
Revenue (£m)



Units on legacy networks (k)²

2,723	2,470	2,184	1,512	1,317
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UK Managed Services
Revenue (£m)



1. Business revenue excluding Global and Portfolio; 2. Relates to ten networks planned for decommissioning

Transformation | Solid progress, ahead of plan

Gross annualised cost savings of **£433m** YTD

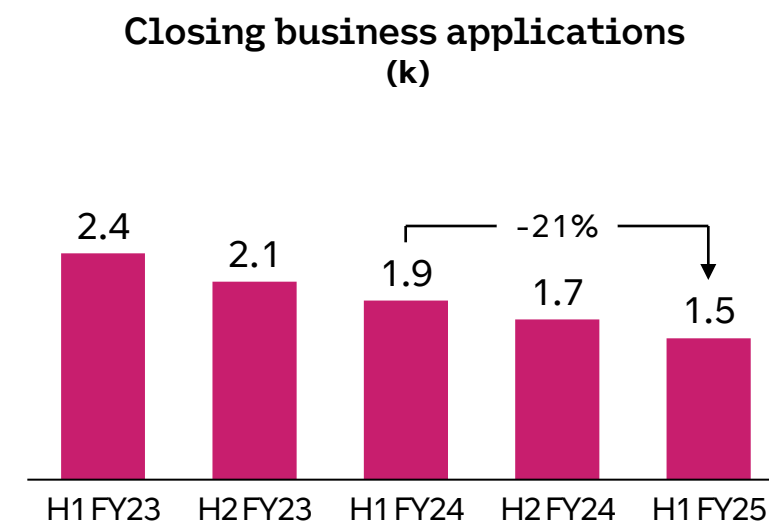
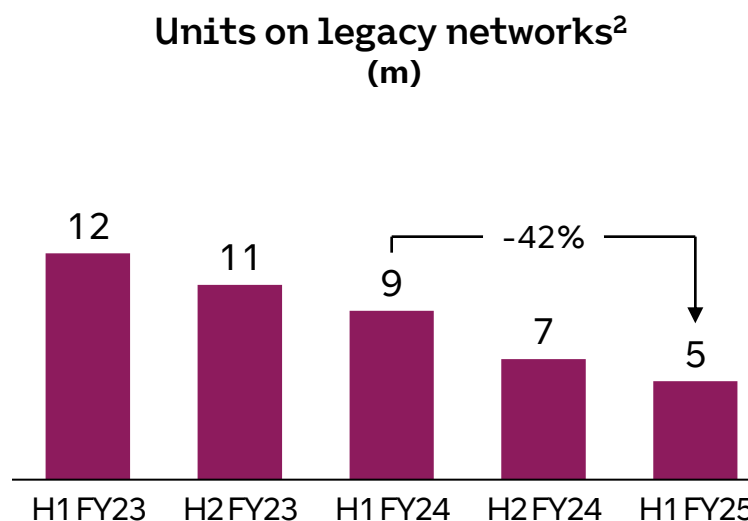
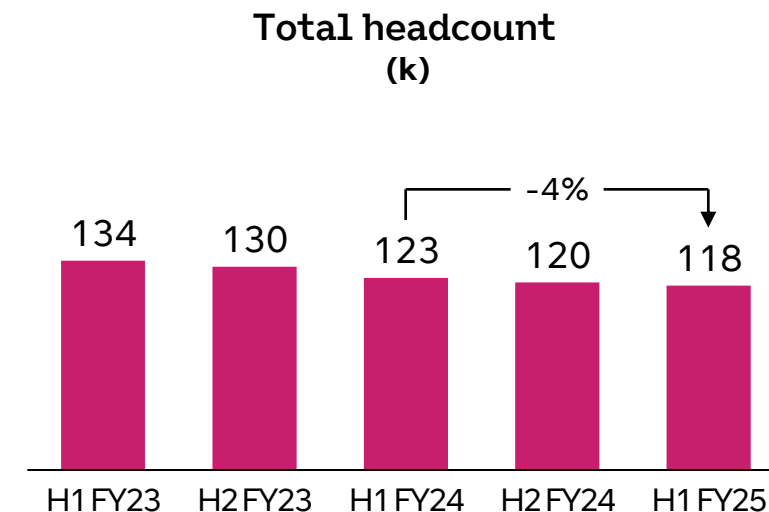
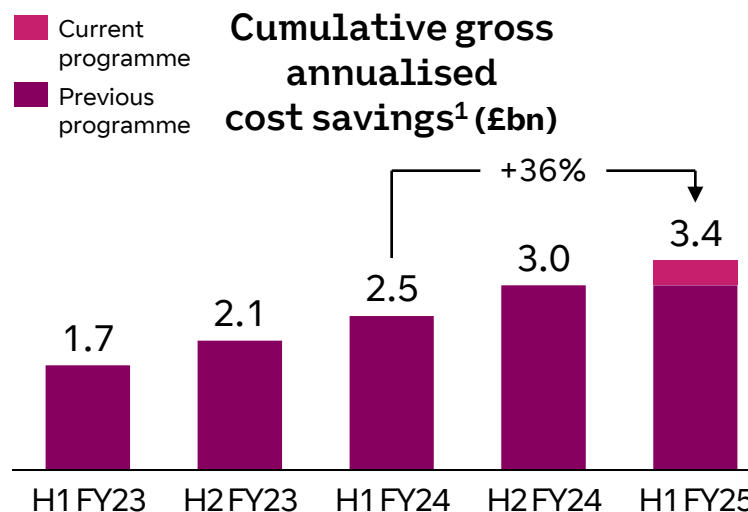
Openreach savings from lower build cost, faults and headcount

Energy savings from network decommissioning

Digital savings from fewer business applications

Service savings from GenAI/Chatbot

1. Since April 2020; Previous £3bn programme ended H2 FY24; 2. Relates to ten networks planned for decommissioning



Outlook | FY25 revenue revised, all other metrics reaffirmed

	FY25	End of decade
Adjusted revenue ¹	Down 1-2%	Sustained growth
Adjusted EBITDA ²	~£8.2bn	Consistent and predictable growth ahead of revenue enhanced by cost transformation
Reported capex ³	<£4.8bn	<£4.8bn to FY26, then reduces by ~£1bn post peak FTTP build
Normalised free cash flow ⁴	~£1.5bn	~£2.0bn in FY27 ~£3.0bn by end of decade
Dividend	Progressive	Progressive

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.

Fully focussed on creating value

Sharpened focus on becoming **the UK's most trusted connector**



Investment into **next generation digital infrastructure** continues

Peak investment has now **passed** driving a **significant cashflow inflection**



Disciplined approach to capital allocation will enable growth for all - our customers, the country and our owners

Strategic enablers driving future growth

Networks

	Actuals		Future BT Group
	FY24	H1 FY25	FY28-FY30
Openreach FTTP premises passed	13.8m	15.9m	25m-30m
Openreach FTTP take up	34%	35%	40-55%
5G UK population coverage	75%	80%	>98%

Customer

Retail FTTP take up ¹	2.6m	3.0m	6.5m-8.5m
5G connections ¹	11.1m	12.5m	13.0m-14.5m
Convergence households	23%	23%	30-50%
Group NPS	+24.0	+25.6	+30.0-35.0

Efficiency

Units on legacy networks	6.5m	5.3m	<500k
Total headcount	120k	118k	75k-90k