



BT Group Investor Relations Bulletin

News and events during Q1 2021/22

1 July 2021

Contents

Upcoming events	1
BT Group – BT Board and Executive Committee changes.....	1
BT Group – BT Board and Executive Committee share purchases.....	1
BT Group – Environmental, Social, Governance	2
BT Group – BT and the Communications Workers Union (CWU) agree a moratorium	2
BT Group – BT concludes triennial pension valuation	2
BT Group – Altice acquires 12.1% stake in BT.....	2
Government – Consultation to support the Telecommunications Infrastructure Act.....	2
Regulation – Ofcom publishes its quarterly telecoms and pay TV complaints	2
Consumer – BT extends partnership with, and invests in, Enjoy Technology.....	2
Consumer – BT confirms it is in discussions about the future of BT Sport	3
Consumer – English Premier League extends rights for existing holders.....	3
Consumer – BT updates statement on Class Action claim from Mishcon de Reya	3
Consumer – BT launches social tariff for broadband	3
Consumer/Enterprise – Mobile network.....	3
Enterprise – BT strengthens support for small businesses in the UK	4
Enterprise – BT launches next generation street hubs.....	4
Enterprise – BT launches new SoHo unit to focus on micro-businesses.....	4
Enterprise – BT hosts its Enterprise Business Briefing	4
Global – BT to be exclusive reseller for Arqit's quantum cybersecurity platform	4
Global – BT completes the sale of selected businesses in Italy.....	4
Openreach – CEBR publishes report on the benefits of a nationwide fibre network	4
Openreach – Openreach campaign to support PSTN switch-off.....	4
Openreach – Openreach extends copper stop-sell to a further 77 exchanges	5
Openreach – Openreach increases and accelerates FTTP build and explores JV structure	5
Openreach – Openreach increases its rural FTTP target to 6.2m premises	5
Openreach – BT provides new Openreach capex pro forma historical disclosures	5
Openreach – BT signs MoU with OneWeb.....	5
Networks – BT trials new optical fibre	5
Other news.....	6

Upcoming events

- On 15 July, [BT intends to hold its 2021 Annual General Meeting](#)
- On 29 July, BT intends to publish its Q1 trading update

BT Group – BT Board and Executive Committee changes

- On 10 May, [BT announced that non-executive director Mike Inglis has decided not to put himself forward for re-election at the 2021 AGM](#), having served on the Board for almost six years. BT also announced that non-executive director Sara Weller will become a member of the BT Compliance Committee, with immediate effect

BT Group – BT Board and Executive Committee share purchases

- On 17 May, [BT Chief Executive Philip Jansen purchased 1.25m shares at 163pps](#)
- On 17 May, [BT non-executive director Sara Weller purchased 30k shares at 164pps](#)
- On 19 May, [BT Enterprise CEO Rob Shuter purchased c.588k shares at 170pps](#)

BT Group – Environmental, Social, Governance

- On 28 April, [BT announced it had connected 70 grassroots football clubs across the UK with free broadband and digital skills training, with a plan to connect 100 by the end of summer](#)
- On 6 May, [BT announced that its Skills for Tomorrow campaign had reached its goal of helping 10m people across the UK improve their digital skills five years ahead of target](#). BT extended its target to reach 25m people by the end of March 2026
- On 27 May, [BT published its 2021 Annual Report](#)
- On 27 May, [BT published its 2021 Digital Impact and Sustainability report](#)
- On 18 June, [BT expanded its Care Home Companions programme to over 300 UK care homes](#)
- On 21 June, [BT published its 2020/21 Diversity and Inclusion report](#). In the report BT set 2030 diversity targets including: 50% gender; 25% ethnicity; and 17% disability

BT Group – BT and the Communications Workers Union (CWU) agree a moratorium

- On 12 May, the CWU agreed to pause the ballot for industrial action, and BT agreed to suspend any actions that could result in potential Team Member redundancies while the two parties continue to aim for a negotiated agreement
- As at the end of Q1 2021/22, BT and the CWU remain in constructive negotiations and the moratorium continues

BT Group – BT concludes triennial pension valuation

- On 13 May, BT concluded negotiations on the June 2020 triennial pension valuation with the BT Pension Scheme Trustee, agreeing a deficit of £(7.98)bn as at 30 June 2020
 - £2bn of this deficit will be met through an Asset Backed Funding arrangement backed by a loan note from EE Limited. This arrangement will provide £180m pa capital and interest payments to 2034, but only if the Scheme remains in deficit
 - BT also agreed a mechanism by which it can reclaim funding if the scheme is in surplus at 30 June 2034, and to protect the BT Pension Scheme BT has also agreed to pay additional contributions of up to £200m pa into the scheme should the deficit widen by more than £1bn
- On 17 May, Moody's wrote that it found the agreement marginally credit positive, and Fitch wrote that it found the agreement broadly credit neutral

BT Group – Altice acquires 12.1% stake in BT

- On 10 June, [Altice UK announced it had acquired 1.2bn shares in BT, representing 12.1% of BT's issued share capital](#). Altice UK confirmed that it does not intend to make an offer for BT. This is a statement to which Rule 2.8 of the Takeover Code (the "Code") applies.
- Altice announced it made this investment as it believes that BT has a compelling opportunity to deliver against the Government's policy to substantially expand access to a full-fibre, gigabit-capable broadband network throughout the UK
- On 10 June, [BT responded that it welcomes all investors who recognise the long-term value of BT and the important role it plays in the UK](#)

Government – Consultation to support the Telecommunications Infrastructure Act

- On 9 June, the Government published a new consultation to help set the terms and code for implementation of the new Telecommunications Infrastructure (Leasehold Property) Act 2021, which aims to make it quicker and cheaper for gigabit broadband ISPs to access big buildings (e.g. apartment blocks) when landlords fail to respond. The consultation is open for responses until 4 August 2021

Regulation – Ofcom publishes its quarterly telecoms and pay TV complaints

- On 30 April, Ofcom published its Q4 2020 telecoms and pay-TV complaints data:
 - The BT brand was below the average for broadband and landline complaints
 - The EE brand was lowest of the big providers for broadband complaints and lowest for landline complaints

Consumer – BT extends partnership with, and invests in, Enjoy Technology

- On 1 April, BT extended its partnership with Enjoy Technology to 2025, and also made an investment in the "Commerce at Home" company

Consumer – BT confirms it is in discussions about the future of BT Sport

- On 29 April, BT confirmed it was in early discussions with a number of strategic partners, to explore ways to generate investment, strengthen its sports business, and help take it to the next stage in its growth
- BT added that the discussions are confidential and may or may not lead to an outcome

Consumer – English Premier League extends rights for existing holders

- On 13 May, the English Premier League agreed, subject to Government approval, a proposal to conclude a three-year renewal of the League's UK live and non-live broadcast agreements with Sky Sports, BT Sport, Amazon Prime Video and BBC Sport
- [BT welcomed the Premier League's in principle agreement for a three-year renewal of its current broadcast agreement](#), which means, subject to terms, that until 2025 BT Sport will continue to show 52 exclusively live Premier League games per season

Consumer – BT updates statement on Class Action claim from Mishcon de Reya

- On 24 June, The Competition Appeals Tribunal started its consideration on whether the class action claim from Mischon de Reya, in which BT is accused of overcharging pre-existing customers, can go ahead. BT also updated its statement on the action with the key points being that:
 - BT intends to vigorously defend itself against the claim of overcharging pre-existing customers
 - Ofcom considered the subject three years ago – there was no finding of excessive pricing or breach of competition law more generally
 - BT's Social tariff, pandemic response and leadership in Customer Fairness demonstrate BT's commitment to Connect for Good

Consumer – BT launches social tariff for broadband

- On 29 June, BT launched its new low-cost fibre package "Home Essentials" to help 4.6m low income families with half-price fibre broadband and calls
- The package is exclusive to customers on Universal Credit and a range of other means-tested benefits, and offers fibre broadband and calls starting from £15 pm

Consumer/Enterprise – Mobile network

- On 8 April, [BT announced it had switched on 5G in 35 new locations](#), bringing the total to 160 UK towns and cities. In addition, BT announced that EE is set to achieve one million active 5G customers in April
- On 27 April, [BT finalised its new 5G spectrum holdings following the conclusion of the assignment stage of Ofcom's auction](#). BT also announced it would start to launch some of the new spectrum into the 5G network immediately
- On 17 May, [BT announced it has built nearly 70 new 4G mobile sites](#), with hundreds more planned, to improve coverage along London's key commuter rail routes as workers start returning to the office
- On 2 June, [Nokia announced that BT is deploying Nokia's Self-Organising Network software solution](#) to enhance network reliability and service in its 4G and 5G networks, as part of a new vendor deal
- On 4 June, [BT upgraded a number of mobile sites in several coastal towns and cities to improve mobile network capacity ahead of an expected bumper staycation summer](#)
- On 24 June, EE confirmed it will be introducing a new flat fee of £2 a day for customers wishing to roam across 47 European destinations. This will apply only to new and upgrading customers signing up to EE from 7 July 2021 and will support investment into our UK based customer service and leading UK network
 - Customers travelling abroad for longer will be able to use a 30-day Roam Abroad pass. Essential plan customers will be able to take the Pass for £10, while Smart or Full Works plans customers are able to include the same Pass as part of their plan

Enterprise – BT strengthens support for small businesses in the UK

- On 5 May, [BT partnered with Cisco to enhance team collaboration for small businesses with BT Cloud Voice with Cisco Webex](#)
- On 10 May, [BT partnered with Google to equip the UK's small businesses with new digital skills and build upon their existing mentoring programmes](#). BT also achieved its goal of reaching almost 300k small businesses and their employees via its Skills for Tomorrow programme

Enterprise – BT launches next generation street hubs

- On 3 June, BT announced the launch of its next generation street hubs, which provide free Wi-Fi connectivity, boost 4G and 5G mobile coverage, and also bring environmental monitoring to the UK's streets. The new hubs will start rolling out across cities throughout the UK later this year

Enterprise – BT launches new SoHo¹ unit to focus on micro-businesses

- On 7 June, [BT announced the launch of a new business unit within Enterprise which will serve the millions of UK SoHos](#). BT also announced the launch of the UK's first 'unbreakable' Wi-Fi for micro-businesses - which delivers guaranteed coverage across the workplace, full fibre speeds of up to 900Mbps and free tech expert support
- On 9 June, and as part of its SoHo unit launch, BT announced it is tripling broadband speeds for more than [5,900 micro-businesses in Manchester](#), and [8,500 micro-businesses in Birmingham](#)

Enterprise – BT hosts its Enterprise Business Briefing

- On 23 June, BT hosted its Enterprise Business Briefing. The key message from the briefing was that Enterprise is well positioned to return to growth given it has:
 - Highly relevant services in a growing market
 - A strong competitive position with unrivalled assets
 - Its operational performance is stabilising with controllable execution levers
 - A refined operating model with sharper segment and commercial focus
 - A clear strategy to return to growth

Global – BT to be exclusive reseller for Arqit's quantum cybersecurity platform

- On 29 April, Arqit, a British quantum cybersecurity firm, announced BT will be the exclusive reseller of its platform in Britain, which was developed over four years in collaboration with the Government

Global – BT completes the sale of selected businesses in Italy

- On 30 June, BT completed the sale of selected business units in Italy serving public administration and Small & Medium Enterprises to Telecom Italia

Openreach – CEBR publishes report on the benefits of a nationwide fibre network

- On 28 April, the Centre for Economics and Business Research released a report commissioned by Openreach that explores the benefits of a nationwide fibre network across the UK:
 - A £59bn boost to productivity by 2025
 - 1m extra people enter the workforce by 2025, resulting in a £25bn boost to productivity
 - Up to 2m more people working from home, enabling 0.5m people to move to rural areas
 - 700k tonnes of carbon saved from reduced commuting

Openreach – Openreach campaign to support PSTN² switch-off

- On 28 April, [Openreach launched its "Call Waiting List" campaign to raise awareness among UK businesses of its plans to withdraw PSTN services by December 2025](#), and replace them with IP alternatives
- On 30 June, [Openreach called on UK businesses to start planning for life without the analogue phone network](#), by conducting an audit of their systems and devices

¹ Small office / Home office

² Public Switched Telephone Network

Openreach – Openreach extends copper stop-sell to a further 77 exchanges

- On 29 April, Openreach announced a further 77 exchanges will undergo copper stop-sell from April 2022, taking the total to 297 exchanges covering c.2.9m premises

Openreach – Openreach increases and accelerates FTTP³ build and explores JV⁴ structure

- On 13 May, Openreach announced it is increasing and accelerating its FTTP build to 25m premises by the end of December 2026. The previous target was 20m premises by the mid-to late-2020s
- BT has the capacity to fund this additional build entirely from internal resources while continuing to stand by its other priorities, including investing in 5G and its modernisation programme, committing to a minimum credit rating of BBB flat, supporting the BT Pension Scheme and reinstating its dividend in the current financial year at 7.7 pence per share
- BT believes it could deliver further shareholder value by funding the additional 5m premises through a joint venture with external parties and is exploring joint venture structures over the first half of the current financial year

Openreach – Openreach increases its rural FTTP target to 6.2m premises

- On 28 May, Openreach increased its commercial rural FTTP target from 3m premises to 6.2m premises. These 6.2m premises form part of Openreach's 25m FTTP target
- The build costs for these 6.2m premises fall within BT Group's publicly stated range of £300-400 per premises passed, on average and excluding connection costs

Openreach – BT provides new Openreach capex pro forma historical disclosures

- On 10 June, BT published pro forma historical disclosures for Openreach. The disclosures are designed to improve visibility of capital allocation across the networks that underpin Openreach's products: WLR⁵, LLU⁶, FTTC⁷, Gfast (including single order variants); FTTP; and Ethernet

Openreach – BT signs MoU with OneWeb

- On 27 June, OneWeb, a Low Earth Orbit satellite provider announced it had signed a memorandum of understanding with BT to explore the provision of improved digital communication services to some of the hardest to reach parts of the UK

Networks – BT trials new optical fibre

- On 1 June, BT started trials of a new type of optical fibre - hollow core fibre - at Adastral Park, Ipswich, in a collaborative project with Lumenicity, a Southampton University spin out company, and Open Radio Access Network (O-RAN) mobile vendor Mavenir
- The fibre will be used to test a variety of use cases, including potential benefits for 5G networks and ultra-secure communications, like Quantum Key Distribution

³ Fibre-to-the-premises

⁴ Joint Venture

⁵ Wholesale line rental

⁶ Local loop unbundling

⁷ Fibre-to-the-cabinet

Other news

- On 7 April, [BT announced its stores would remain open for longer to meet pent up demand](#)
- On 13 April, [Hyperbat, BT & others partner to deliver world first 5G virtual 3D engineering model](#)
- On 20 April, [BT announced EE will sell new iPad Pro 5G and iPhone 12 5G from 30 April](#)
- On 26 April, [BT was awarded a contract with Avant Homes to support its digital transformation](#)
- On 28 April, [BT announced multi-million pound refurbishment of its Belfast office](#)
- On 29 April, [BT announced a contract with Orica to support its digital transformation](#)
- On 30 April, [BT announced Xbox Game Pass Ultimate add-on for EE Android customers](#)
- On 5 May, [BT launched Innovate 21 competition to identify new experiences in sport broadcast](#)
- On 11 May, [BT announced investment in its new landmark Dundee office](#)
- On 4 June, [BT unveiled BT TV Box Pro with 4K HDR, Dolby Atmos and 600 hours of recordings](#)

BT Group Investor Relations
+44 (0)20 7356 4909
ir@bt.com
www.bt.com/ir
[@BTGroup](#)