



Digital at BT

Business briefing for investor community

11 March 2022

BT in numbers

Our customers



30m

Consumer customers,
>50% UK households

1.2m

Enterprise customers

180+

Countries with
Global operations

13m

Digital monthly
average users

1.2bn

BT & EE app and web
visits this financial year

+22

Brand NPS

BT Digital in numbers

Our people



3,400

BT people

13k

Subcon partners

80%

Outsourced work and not sufficient new skills inhouse



2.4k+

Apps, including:

259 customer systems

159 bill & pay apps

62 order managers

£1.2bn

Total digital budget

1.4x

Higher IT cost
vs revenue ratio

29 PB

Petabytes of data
(approx.) across
the estate

Digital has a strategy that transforms BT

Who we are

Telco



Techco

What we sell

Connectivity products



Connectivity and digital solutions

What we focus on

Products



Products and Platforms

Our relationships

Transactional and infrequent



Personalised and omnichannel

Our differentiators

Our network



Our network + best digital and insight-led solutions

How we deliver

80% legacy systems



Customer-centric, AI-powered systems

**We
connect
for good**

Digital's purpose

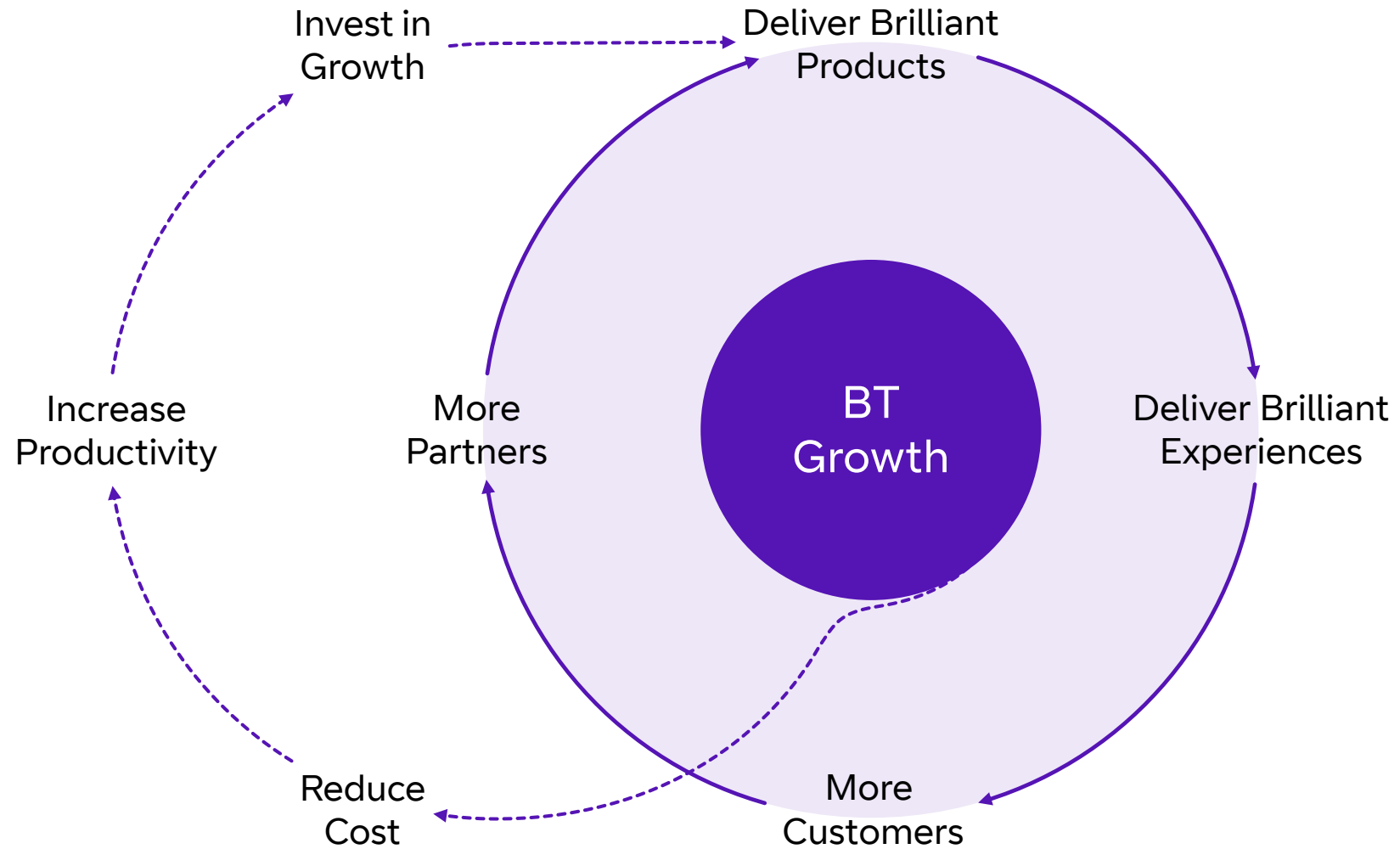
To accelerate BT

Our mission

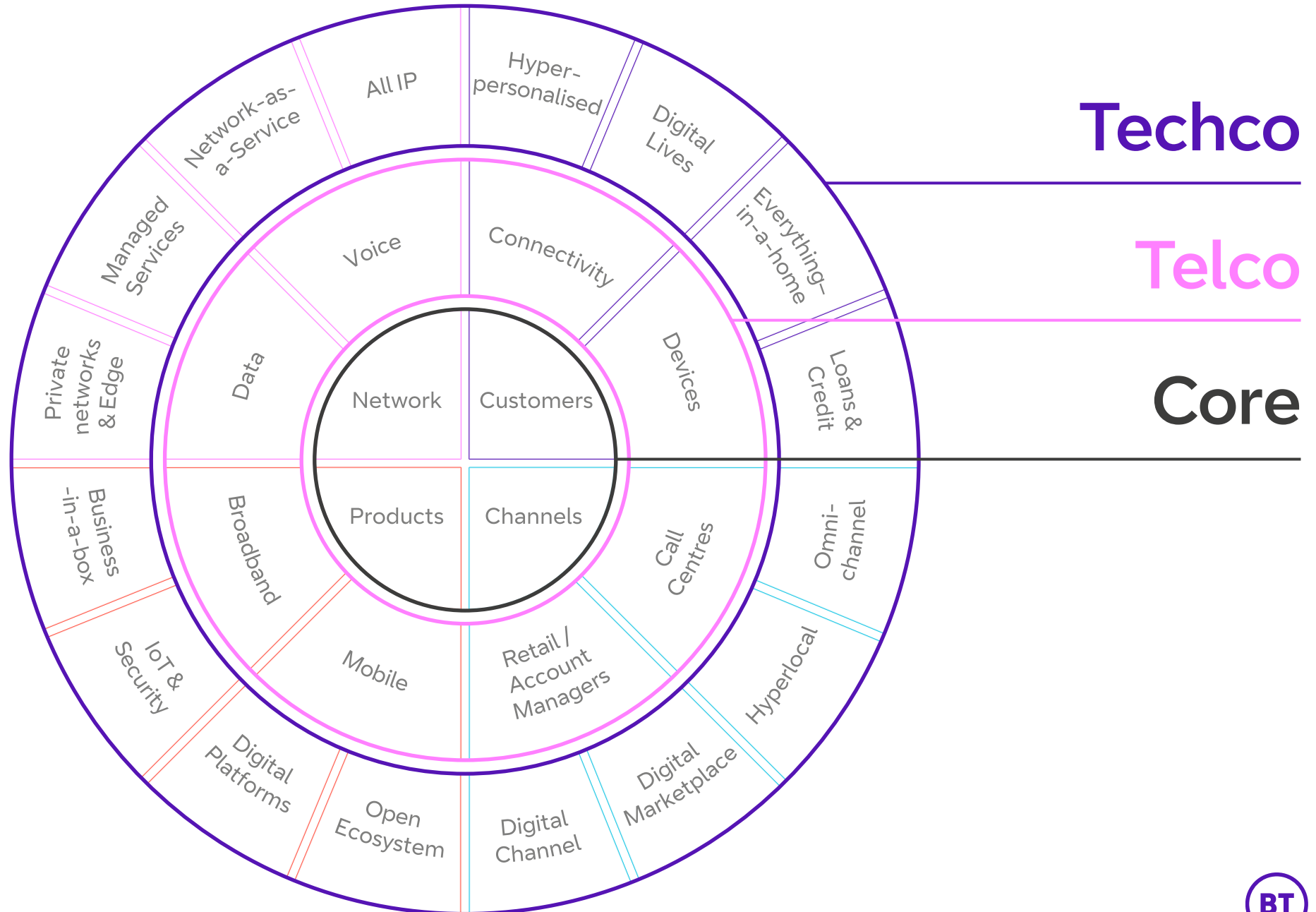
To be fearless,
customer-obsessed
creators who
amplify growth



BT Digital Transformation



BT Digital Strategy



Our strategy is built around five opportunities to help accelerate BT

01

Modernising
BT and
righting our
cost model

02

Doubling
Digital's
productivity
and transform
our ways
of working

03

Doubling
our digital
channel share

04

Delivering
growth
through
Platform
Thinking

05

Incubating
new ideas in
new sectors

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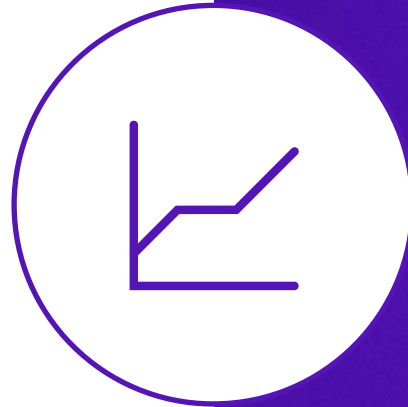
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Incubating
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new sectors

Customer

Colleague

Shareholders



£2bn

FY24 annual cost savings commitment

£1bn

Delivered to date, 18 months early.
>50% of the balance is the Digital
commitment

...with more savings to come in FY25

Modernising our legacy telco and fixing the cost model

Applications

From

2,400

to

<500

...cloud first where possible...

80%

Legacy applications

<30%

By 2027

£600m

Cost of legacy

£300m

By 2025

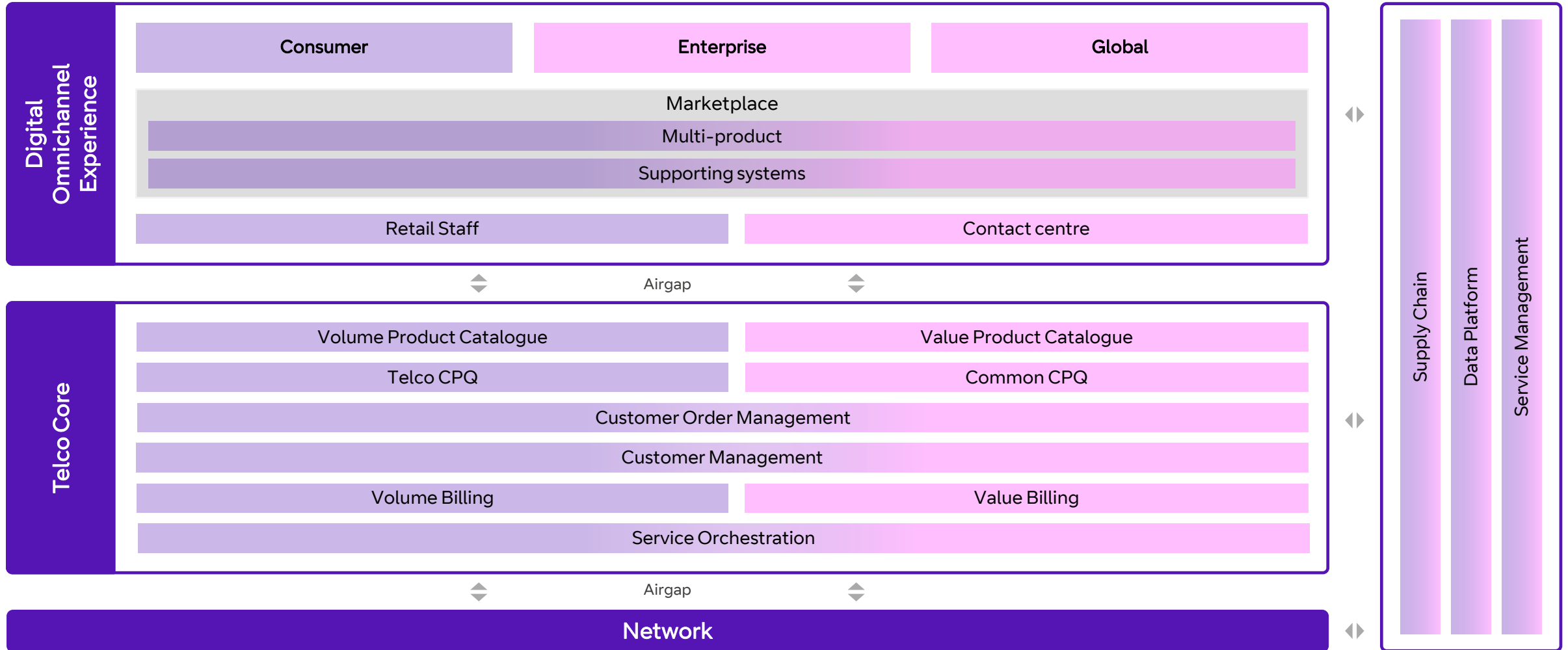
58

Telco stacks

14

By 2025

Building an industry-leading architecture



A new model for process & product simplification

**Modular
products**

&

**AI driven
processes**

**Customer centric
design**

**AI and data-led
decisioning**

**Ultra-simplified
processes & journeys**

**Simple product
catalog**

Real-time

Fully agile

Delivering AI led Operations by 2025

From people, time
and cost intensive to...

**Fully AI
driven service
operations**

40%

Reduction in mean
time to resolution

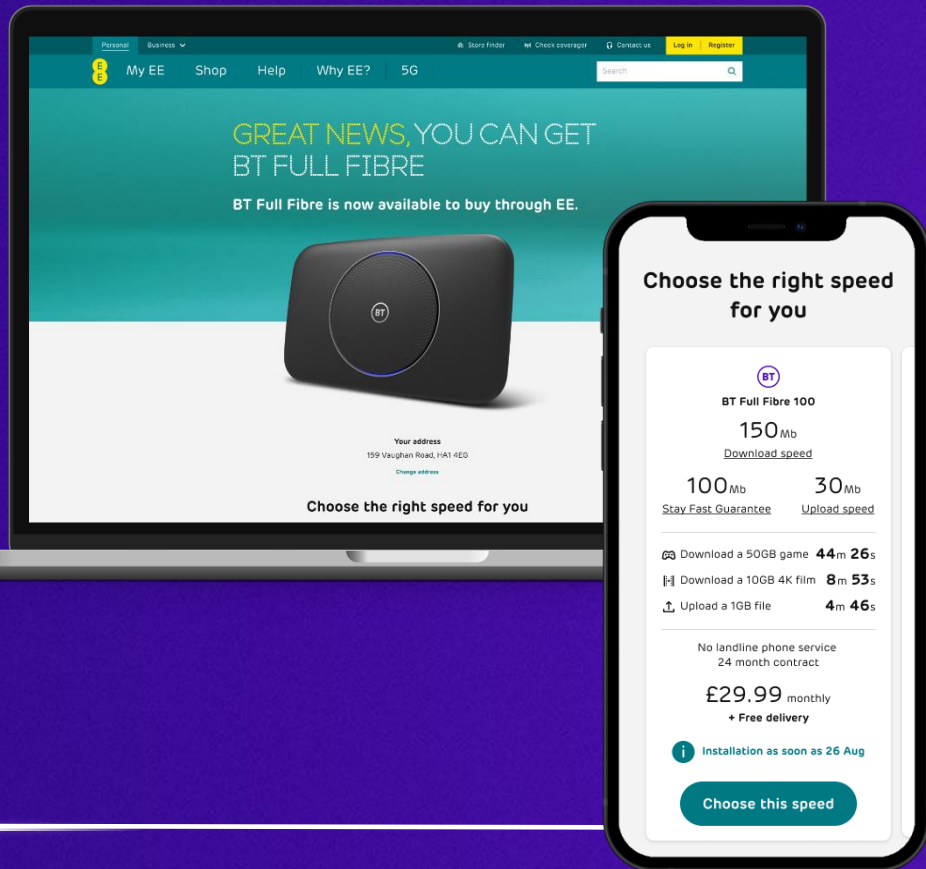
30%

Reduction in
ticket volumes

£100m

In internal value

Consumer: Future Telco live today



70%

Fewer pages to buy

65%

Zero touch journeys from initial trials

90 days

Cycle time to release vs many months

2 mins

Time to complete the buy journey

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Mark Murphy

Director of HR, Digital

Enhancing our in-house digital brain

BT Digital people

Significant insourcing programme

5%

Working on strategic tech today

>65%

Working on strategic tech by 2025

80%

Sub-cons today

<50%

Sub-cons by 2027

48%

Product and tech doers today

>65%

Product and tech doers by 2025

Forging a new path for digital talent into BT

Access to a new UK talent pool as well as an equity stake in a high potential start-up



Flexible,
fast access
to the best
software talent



Retention >85%

(vs 45% industry average)

Find them

Recruit them

Qualify them

Over and over, **and over** again –
in different time zones, languages,
currencies and infrastructures

Pay them

Manage them

Onboard them

Digital
Talent

Freelance
careers
without the
downsides

Attracting the best Digital Talent

Customer-obsessed

Disruptive mindset

Digital experience

Strategic thinkers

Highly diverse talent



Embedding a new culture in the new organisation

Eight principles that flow through everything we do

The Digital Way

01
I am
fearless

02
Customer
obsessed

03
Win
with tech

04
Build,
measure,
learn

05
Fast-mover
advantage

06
Exist for
each other

07
BT is
mine

08
I am
an ally

Baking in continuous digital learning

Building a BT Digital one stop learner experience platform

101 Digital for everyone

- Digital Basics
- Digital Transformation Journey
- Digital Workplace

201 Developing role-specific capabilities for current, maturing technologies to help people perform day to day

301 Building capabilities that leverage opportunities from emerging tech, keeping us ahead



Win with tech

Train our people

Attract & retain talent

Accelerate growth

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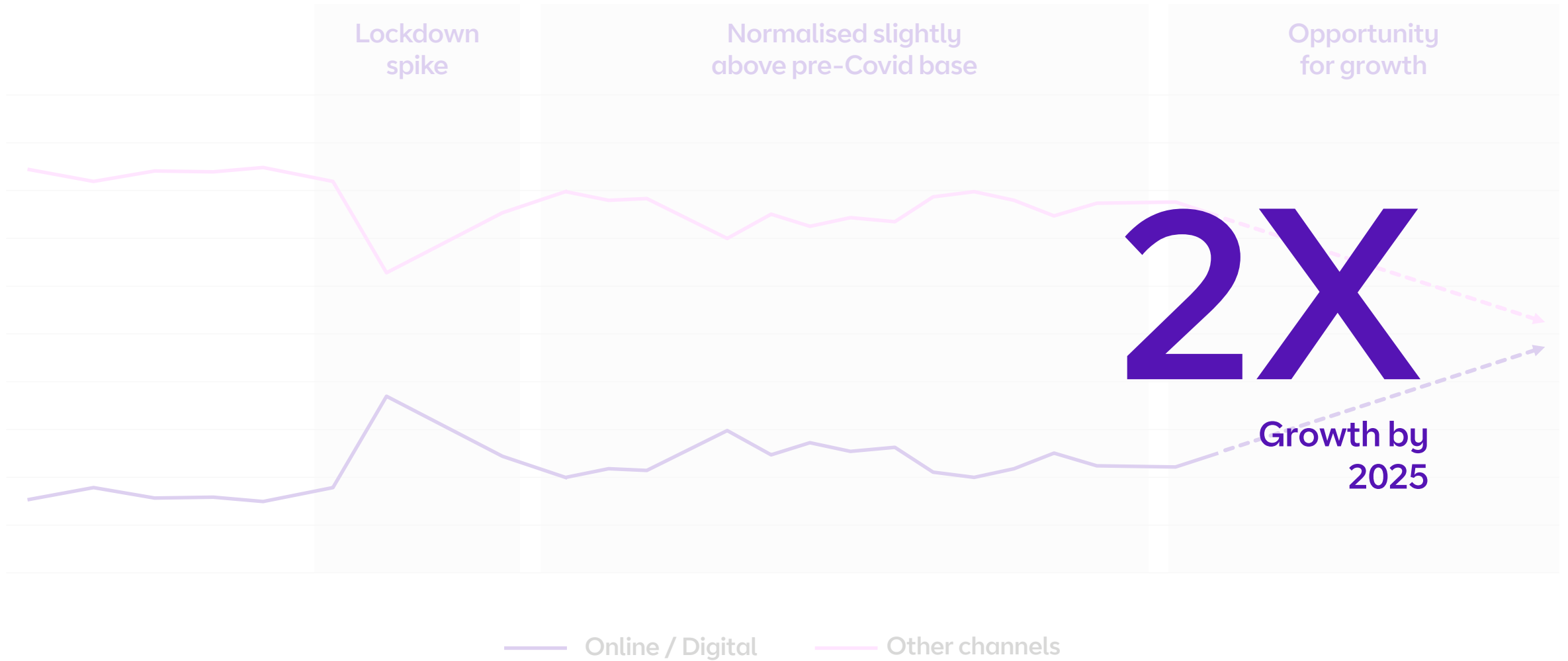
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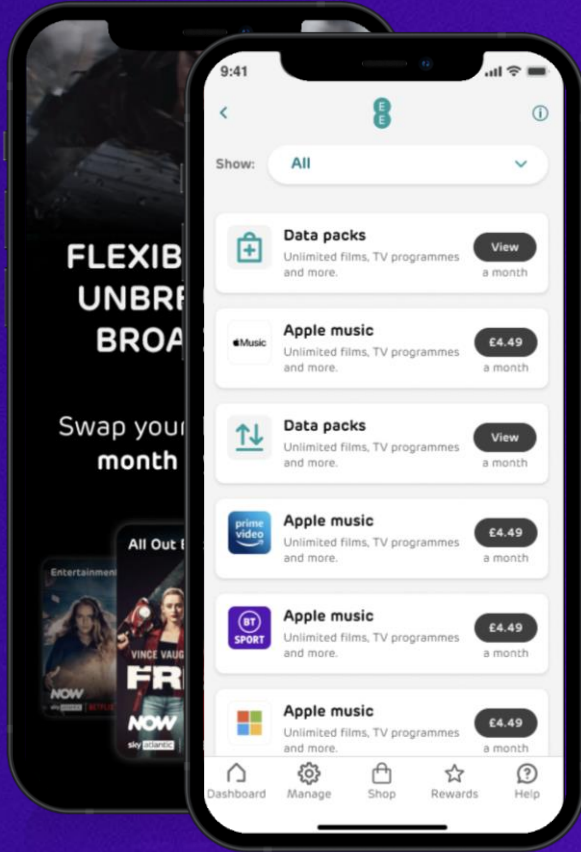
Kevin Lee

Chief Digital Officer, Consumer

BT Consumer sales % split – Digital vs Others



App builds use Flutter for speed, efficiency and improved customer experience



1

App developed for iOS, Android & Web

50x

Faster load speed

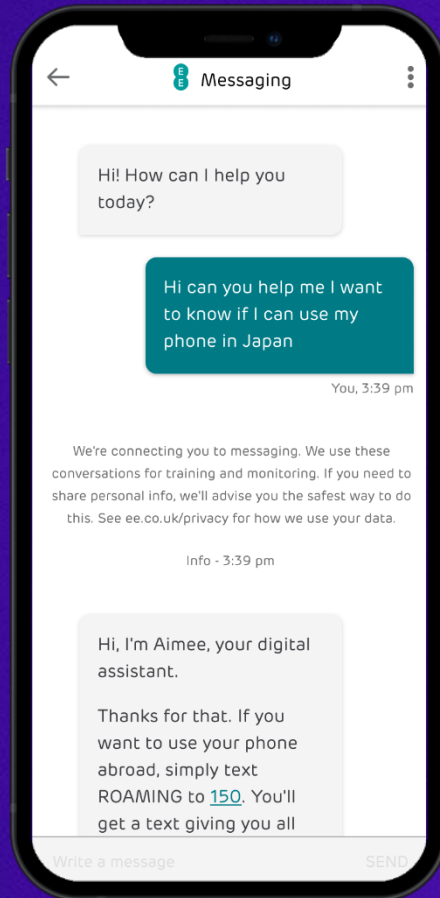
20

Concurrent squads focused on parallel feature development

100%

iOS & Android feature parity

Improving Digital Customer Experience with AIMEE



1.5m

Transcripts used
to train AIMEE

60%

Customer queries
understood

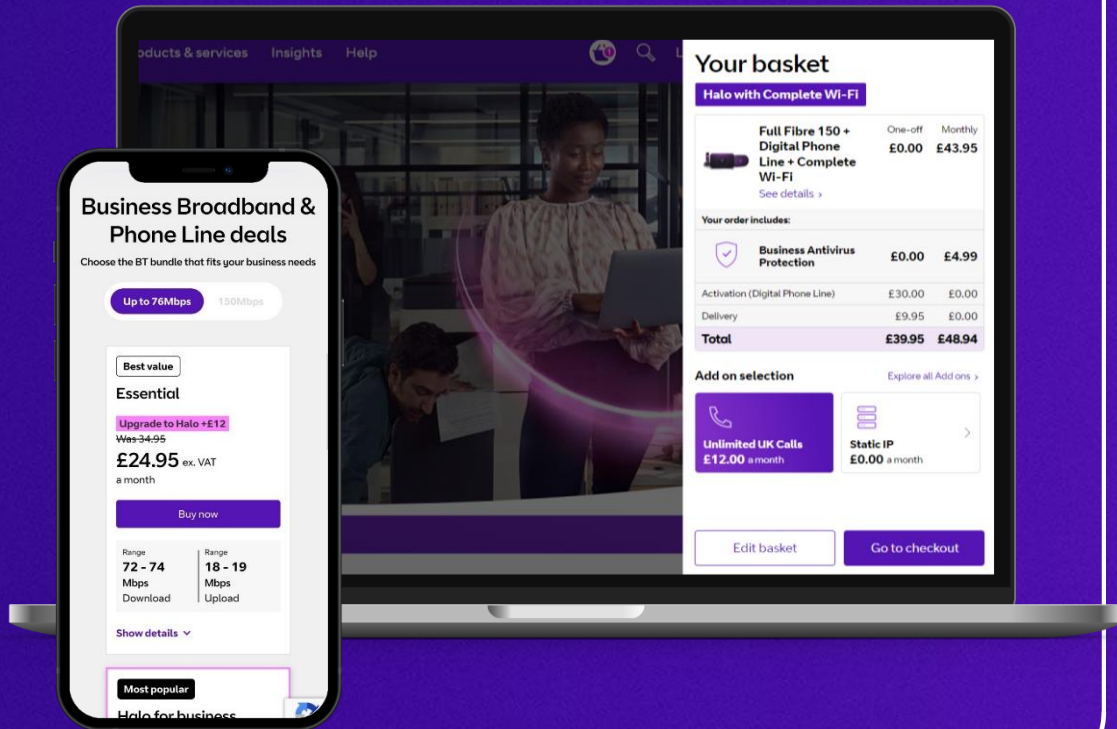
100%

Of Android users
can see AIMEE

60

NPS

Enterprise SME: Improved broadband acquisition journeys



53%

Conversion increase

£15

Average order value increase

18%

Orders from customers wanting extra lines

3.1ppt

Increase in digital channel share

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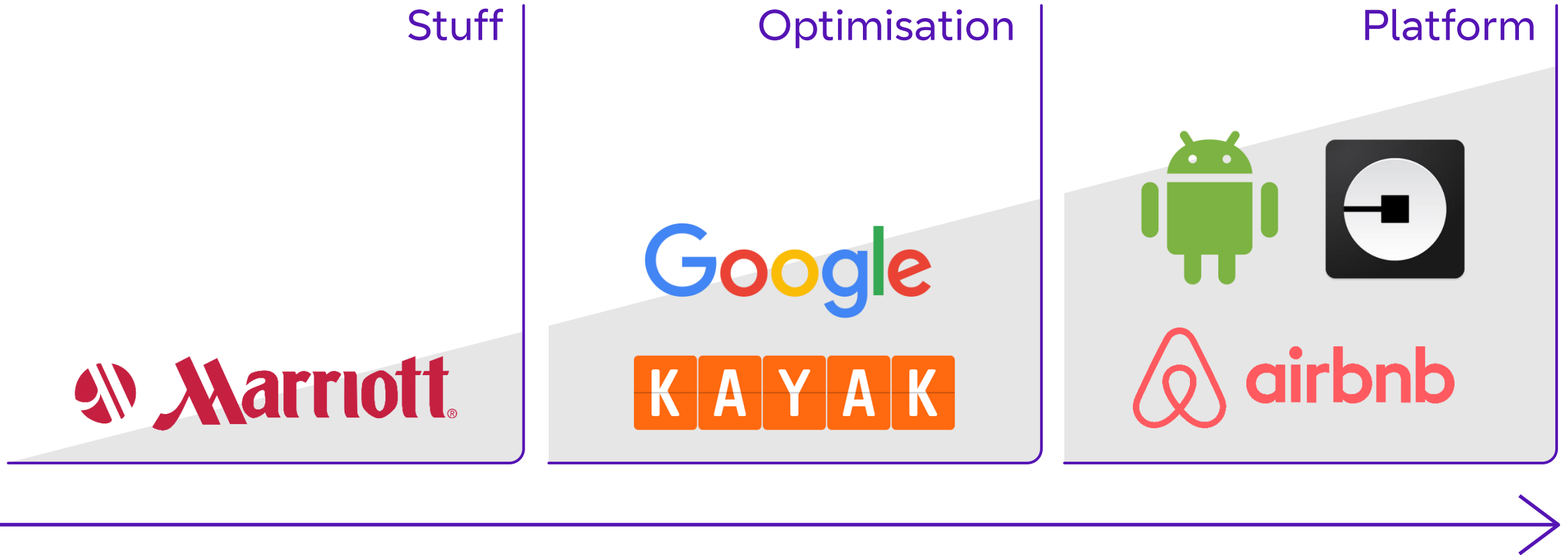
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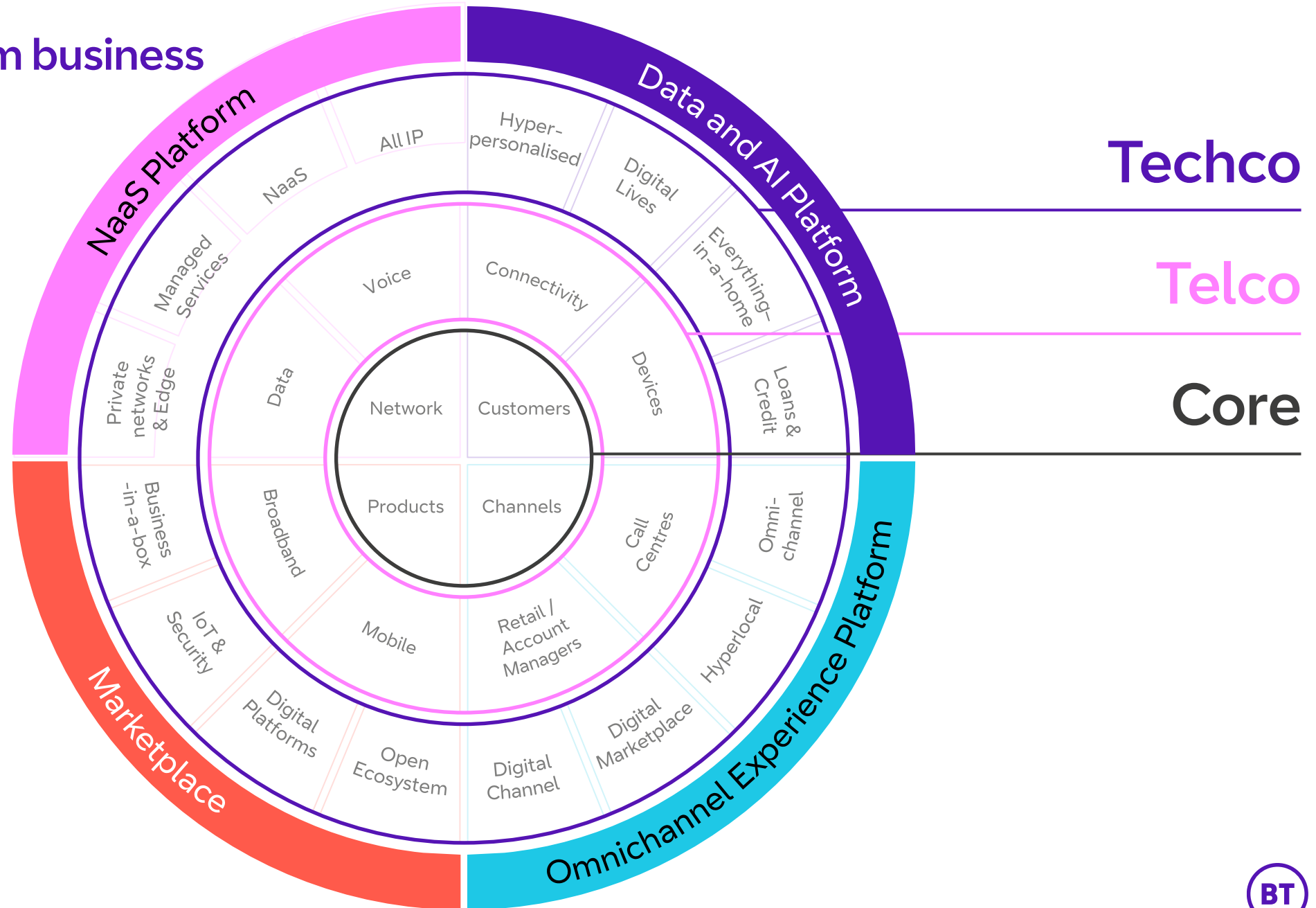
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Moving from “stuff” to Platform Thinking at BT



Building a Platform business



Data & AI Platform - Driving over £500m in value

Cloud acceleration –
% of critical BT data migrated

From

3%

to

60%

By 2023

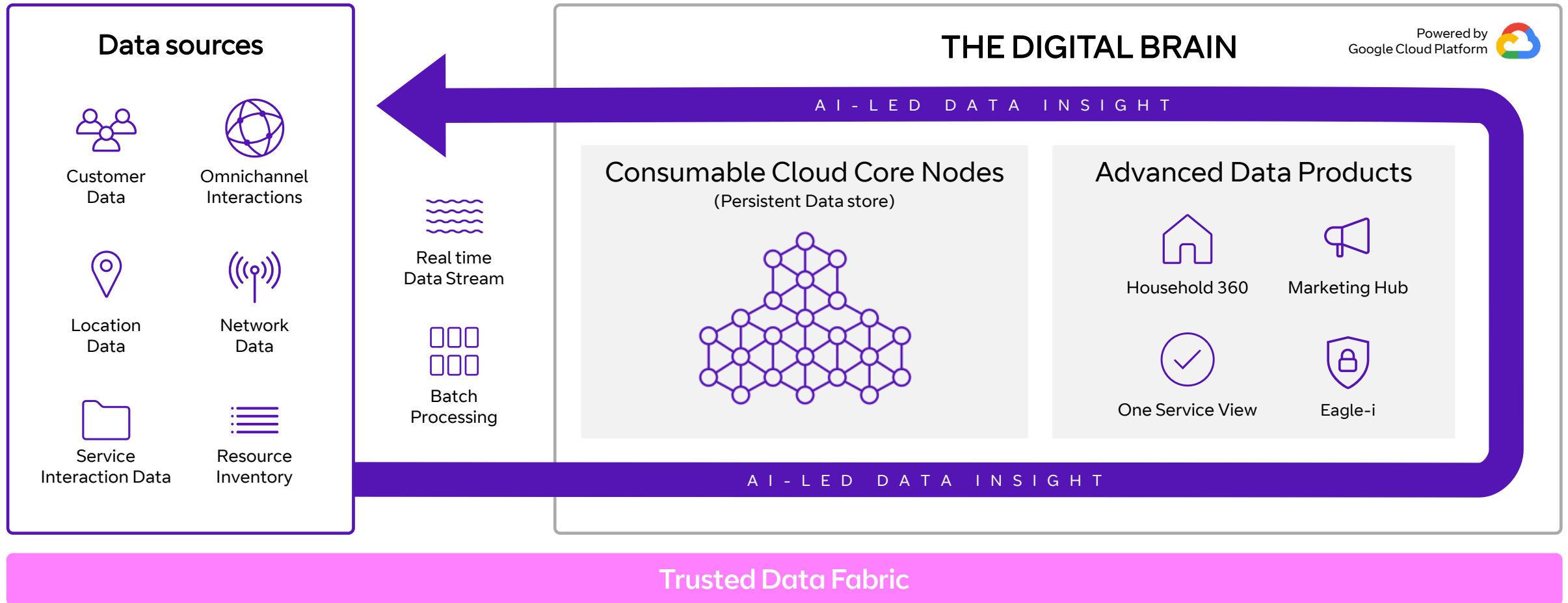
>£500m

Internal value within five years

21

Legacy platforms decommissioned

Data & AI Platform - Underpinning an AI-first BT



Data & AI Platform - Unpacking the opportunity

Multiple use cases in process for internal and external value creation

£34m

Revenue opportunity in 98k premises identified for FTTP sales for Openreach

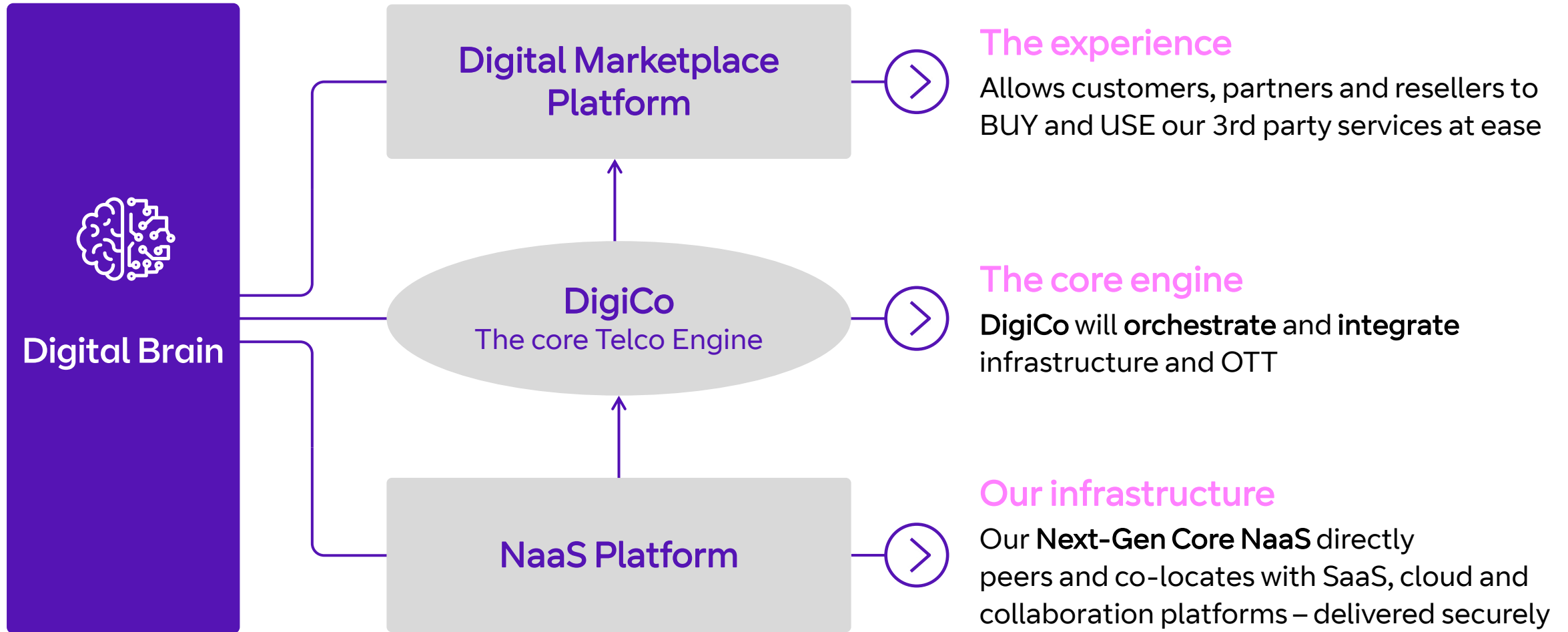
£88m

Saved in fibre build planning for Enterprise customers for Openreach over next five years

£37m

EBITDA uplift over 5 years in Global propensity modelling

BT Global – Starting to bring the Platforms to life



Our new Marketplace powers Eagle-i



Leader

IDC Worldwide
Managed Security
services

195,000

Attacks a month
stopped

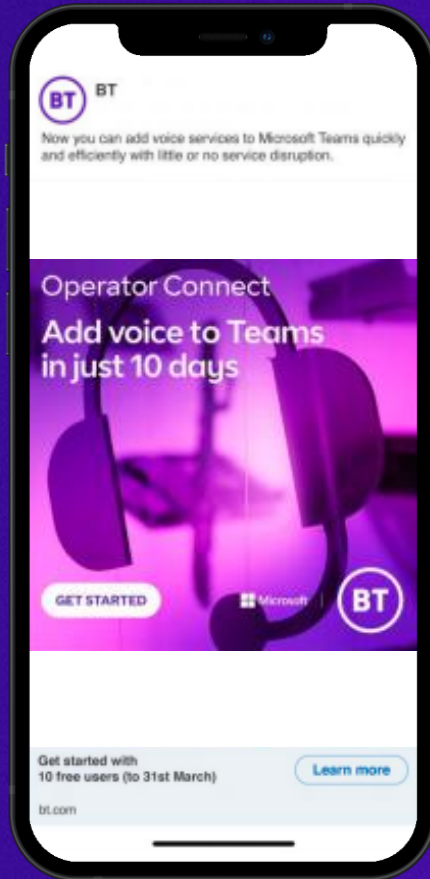
Two

Products – endpoint
& firewall detection
& remediation

173bn

Events monitored
per day

Our new Marketplace powers MS Operator Connect



Strategic partnership

90

Time to Market for new products in Global Marketplace

£247m

Total number of quotes on the Global Marketplace

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Incubating
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Meet Digital Incubation – home of new sector digital innovation

What we do

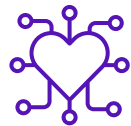
Create
start-ups

Amplify
start-ups

Invest
in start-ups

Why?

To create new experiences and new businesses in key verticals



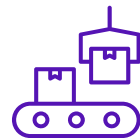
Healthtech



Data & AI



Drones



Product
Factory

Our Aim

is to deliver

£200m

in prospects by 2027

To accelerate BT

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Eliminate 70%
of legacy by
2027

02

Doubling
Digital's
productivity
and transform
our ways
of working

Enhancing our
digital brain
within BT

03

Doubling
our digital
channel share

2X by 2025

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Contributing
our share to
BT's consistent
revenue and
EBITDA
growth

05

Incubating
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new sectors

Delivering
£200m in
prospects

Q&A

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