



# BT Group plc Q1 FY22 trading update

29 July 2021

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**Philip Jansen**  
Chief Executive

## Q1 highlights

- Results overall in line with our expectations
- Revenue down 3%:
  - increased revenue in Consumer and Openreach, more than offset by:
    - ongoing legacy product declines in Enterprise
    - prior year divestments and more challenging than expected market conditions in Global's markets
- EBITDA up 3%:
  - growth in Consumer, Enterprise and Openreach
- Delivered strong cost control across the Group
- Strengthened our strategic partnership with Microsoft, underpinning over £1bn of revenue over the next seven years
- Covid-19 bounce-back in the UK

	Q1 FY22	Q1 FY21	Change
Adjusted revenue <sup>1</sup>	£5,070m	£5,250m	(3)%
Adjusted EBITDA <sup>2</sup>	£1,866m	£1,813m	3%
Reported profit after tax	£2m	£448m	(100)%
Capital expenditure excluding spectrum	£1,011m	£927m	9%
Normalised free cash flow <sup>3</sup>	£(43)m	£(49)m	12%

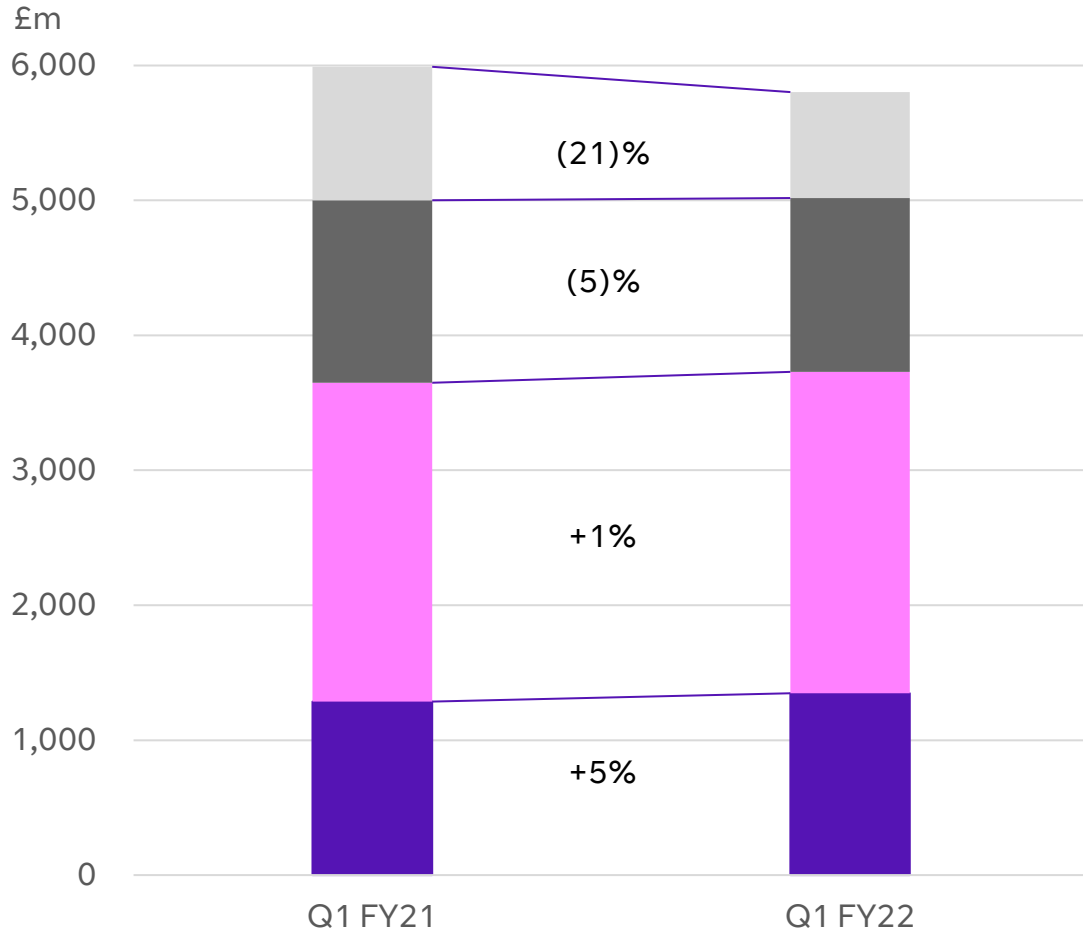
Firmly on track to deliver our outlook for this year and beyond

<sup>4</sup> <sup>1</sup> Before specific items; <sup>2</sup> Before specific items, share of post tax profits/losses of associates and joint ventures and net non-interest related finance expense

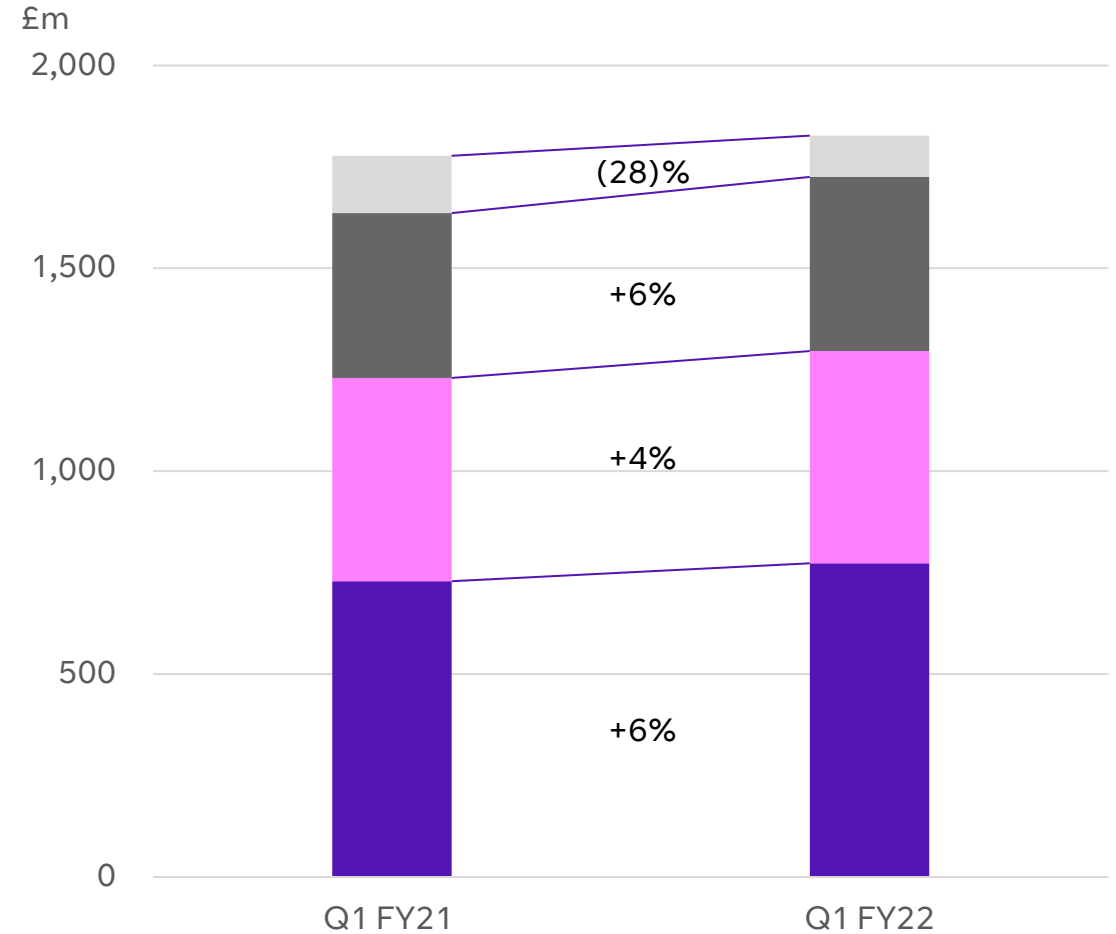
<sup>3</sup> Free cash flow after net interest paid and payment of lease liabilities, before pension deficit payments (including the cash tax benefit of pension deficit payments) and specific items

# Customer facing units summary

Revenue<sup>1</sup> down 3%



EBITDA<sup>2</sup> up 3%



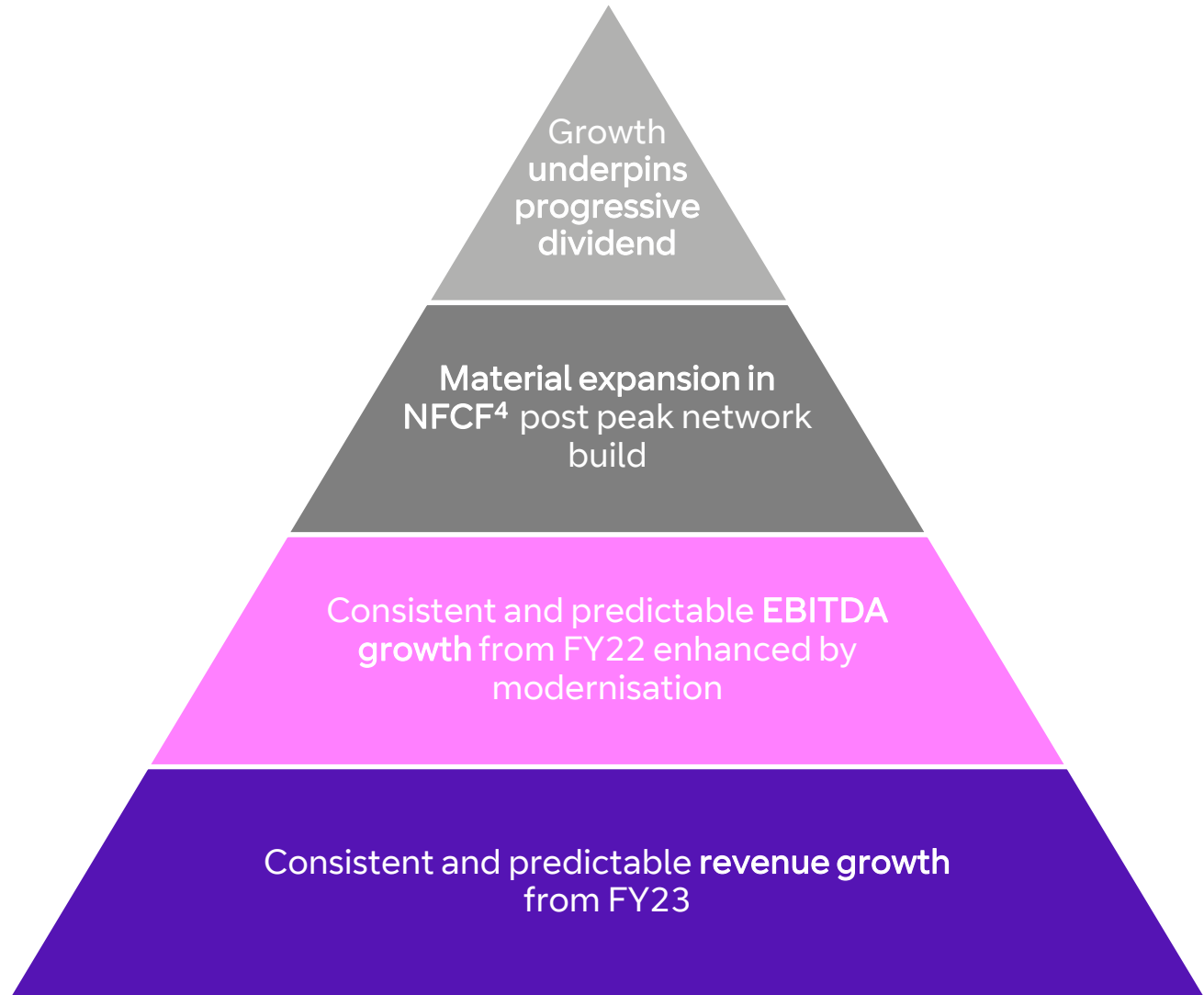
■ Openreach ■ Consumer ■ Enterprise ■ Global

<sup>1</sup> Before specific items. Excludes Intra-group items and Other revenue;

<sup>2</sup> Before specific items, share of post tax profits/losses of associates and joint ventures and net non-interest related finance expense. Excludes Other EBITDA

# A clear path to growth

- FTTP<sup>1</sup>:
  - 555 thousand premises passed in the quarter
  - increased our commercial rural build target to 6.2m
  - published a new long-term FTTP pricing offer for CPs<sup>2</sup>
- Mobile:
  - ranked as the UK's number one network for the eighth year running by RootMetrics
  - over 4,500 square miles of new rural 4G coverage by 2025
  - growing our 5G network to cover half of the UK population by 2023, and over 90% of UK landmass by 2028
- A new 5G core network control system will launch by 2023, bringing together all of our digital networks
- Launched Hope United campaign using the power of football to tackle online hate
- Published our first Diversity and Inclusion report
- Reached an agreement with the CWU<sup>3</sup>, recognising the need for change



# Summary

- Results overall in line with our expectations
  - EBITDA growth in Consumer, Openreach and Enterprise
- Leading indicators across the business reflect the positive progress we've made:
  - Consumer's churn levels stayed at near all-time-lows
  - Strong NPS<sup>1</sup> performance across the Group
- Inflation-linked pricing across around two thirds of our revenue
- Continue to deliver our transformation plans
- Anticipate some recovery in Global's markets through the second half of the year
- Making solid progress against our strategic agenda



Firmly on track to deliver our outlook for this year and beyond

