



Consumer Business Briefing

Driving Consumer growth through converged propositions & services

B2C unique strengths

UK's best Mobile network

#1 market share across Mobile & Broadband combined

Market leading brands

Nationwide multi-channel sales & service network

How we will achieve growth



Driving FTTP & 5G penetration




Driving convergence take up



Delivering best in class omnichannel customer experience



Pricing fairly & transparently



What we will cover today

1 Progress made since last Business briefing

2 The next chapter in Consumer's journey

3 Financial update

Continued transformation of Consumer Division

2016

EE joins BT plc
run as separate division



2018

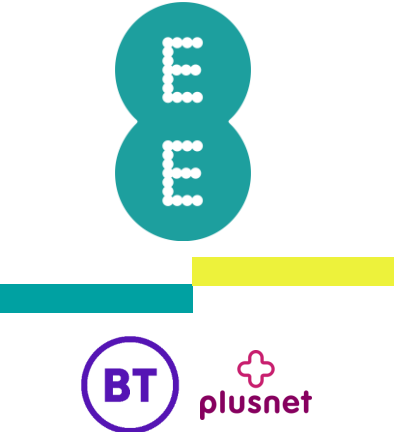
One integrated Consumer
team created

Consumer

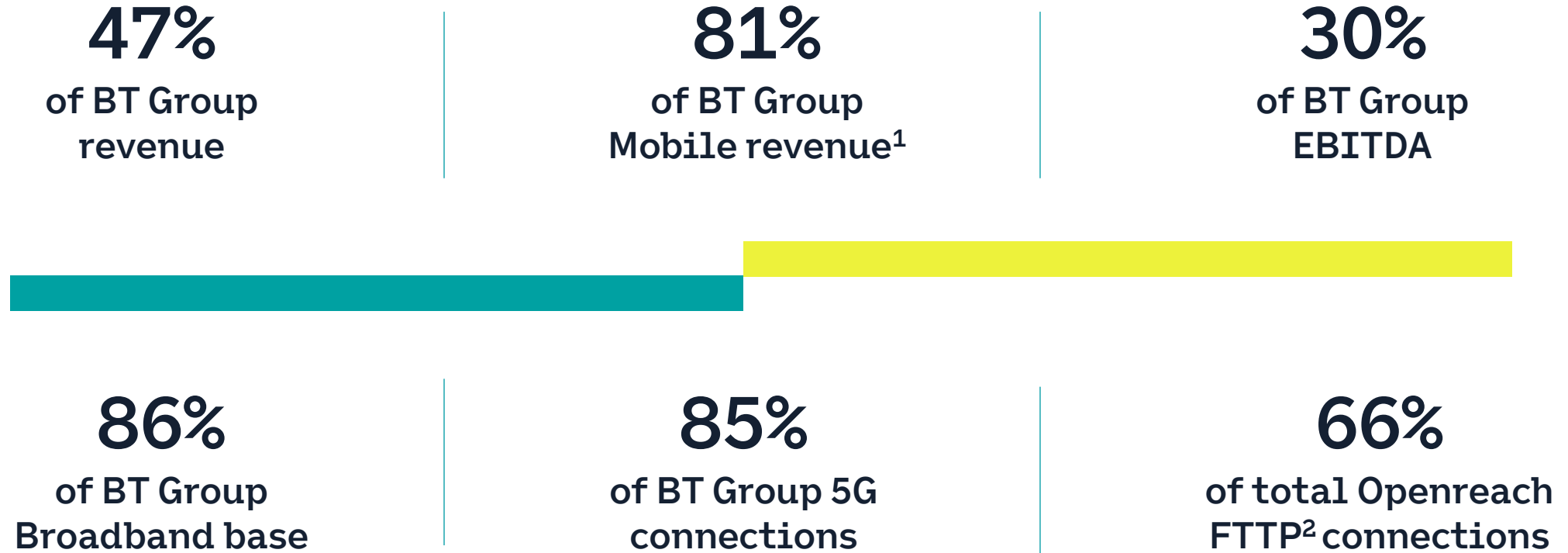


2023

EE to become Consumer's
flagship brand



Consumer division's significant contribution to BT Group



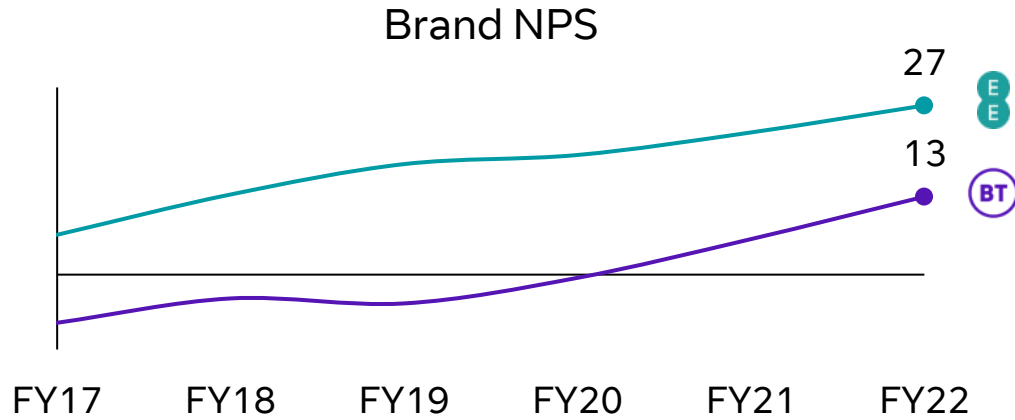


Progress since last Business briefing

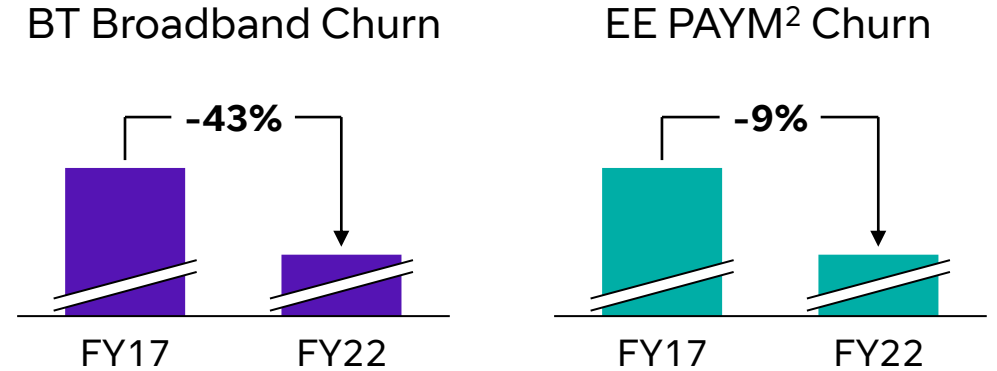


Delivering market leading service & reducing churn

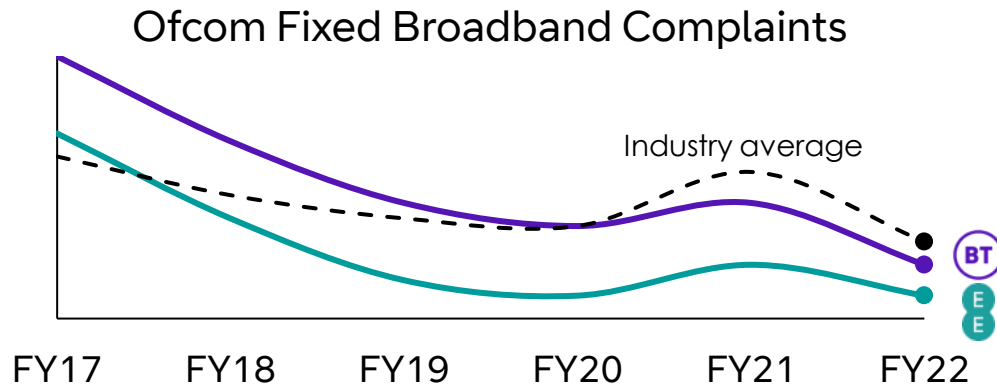
Improved NPS¹



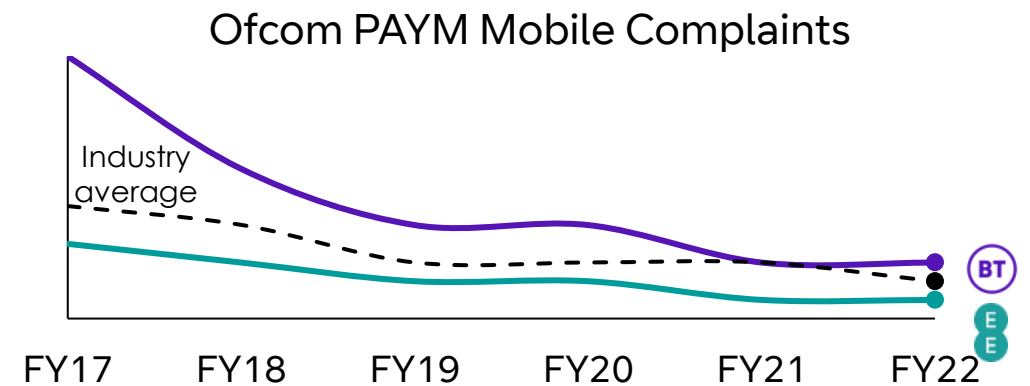
Reduced churn



Reduced Broadband complaints

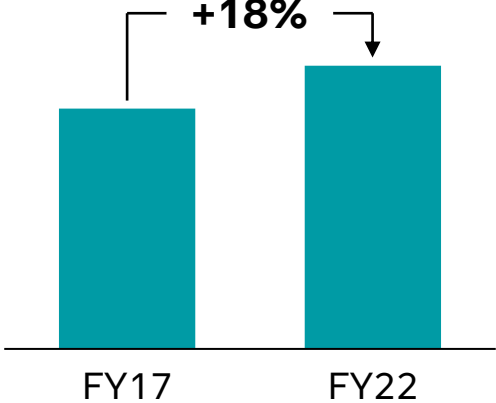


Reduced Mobile complaints

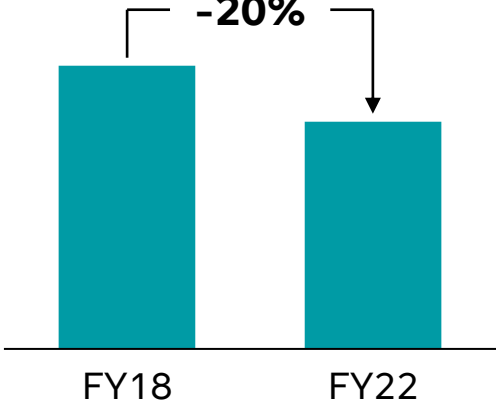


Delivering market leading service whilst driving efficiencies

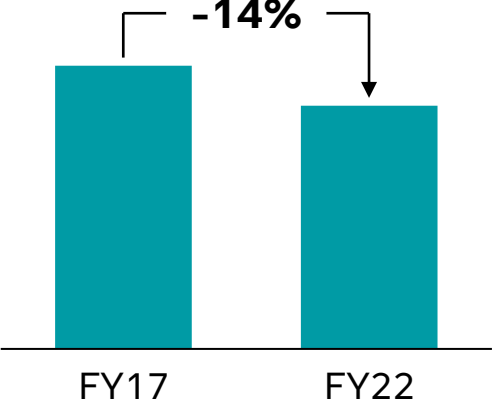
EBITDA per employee



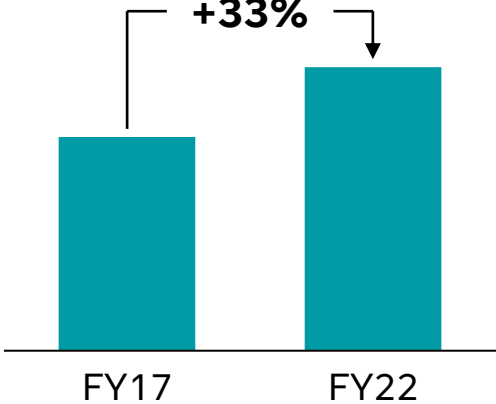
Number of retail stores



Frontline Headcount



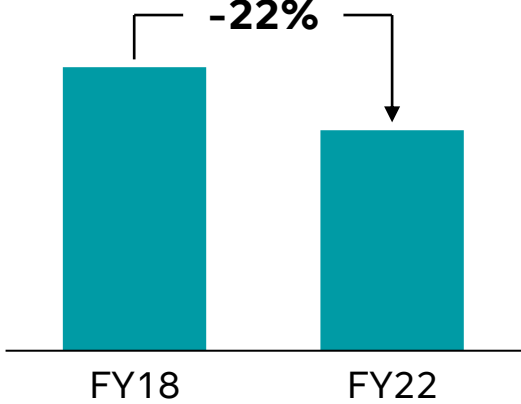
Customers per service agent



Service minutes per customer per year



Propensity to contact



Continued leadership on pricing initiatives



2014

2019

2020

2022

EE first operator to launch RPI linked pricing in mobile

Consumer first to launch CPI linked pricing in fixed

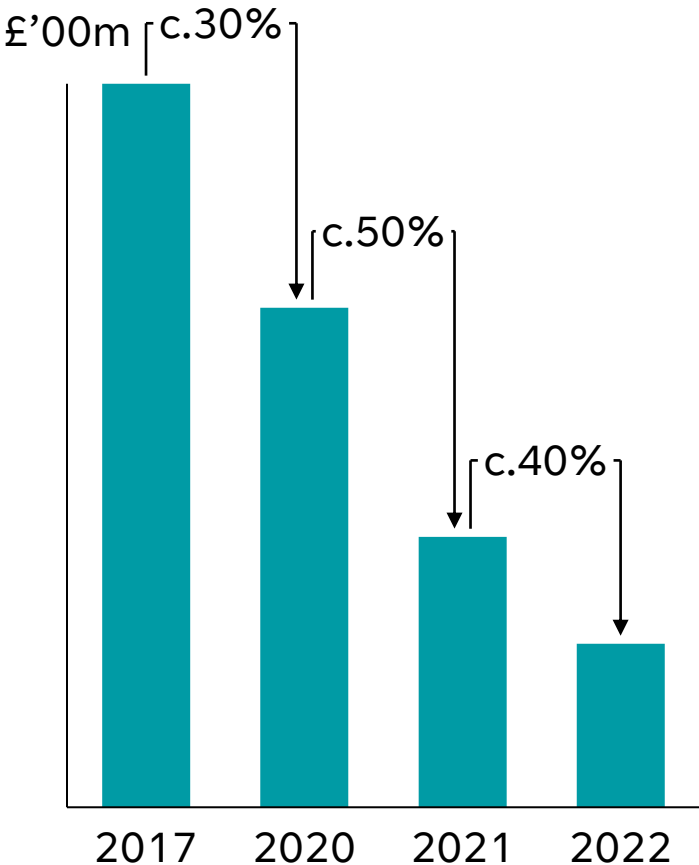
Consumer first to launch CPI +3.9% linked pricing in both fixed & mobile

EE first operator to re-introduce roaming fee



Significant progress on reducing Loyalty Gap

BT Loyalty Gap



Average BT OOC¹ price rise



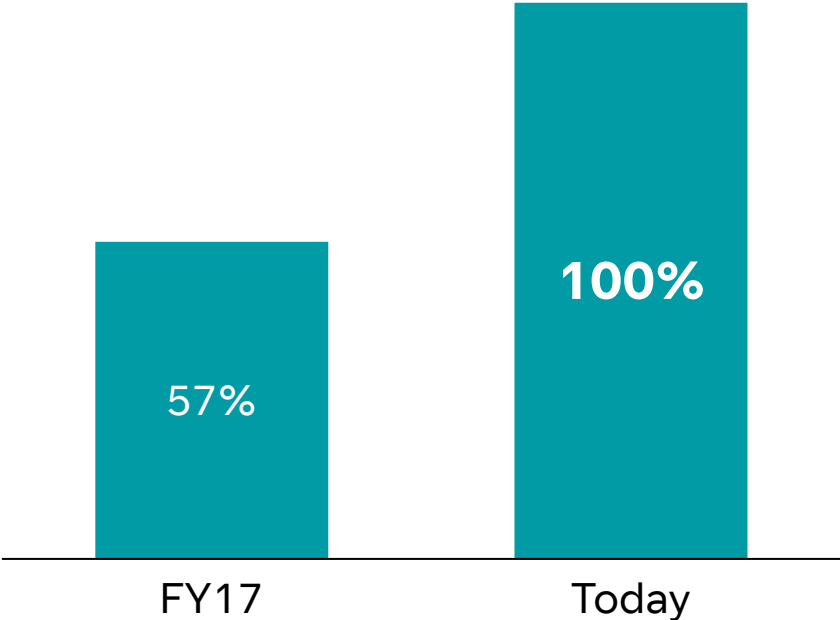
In/out of contract Broadband pricing differential Aug 22²



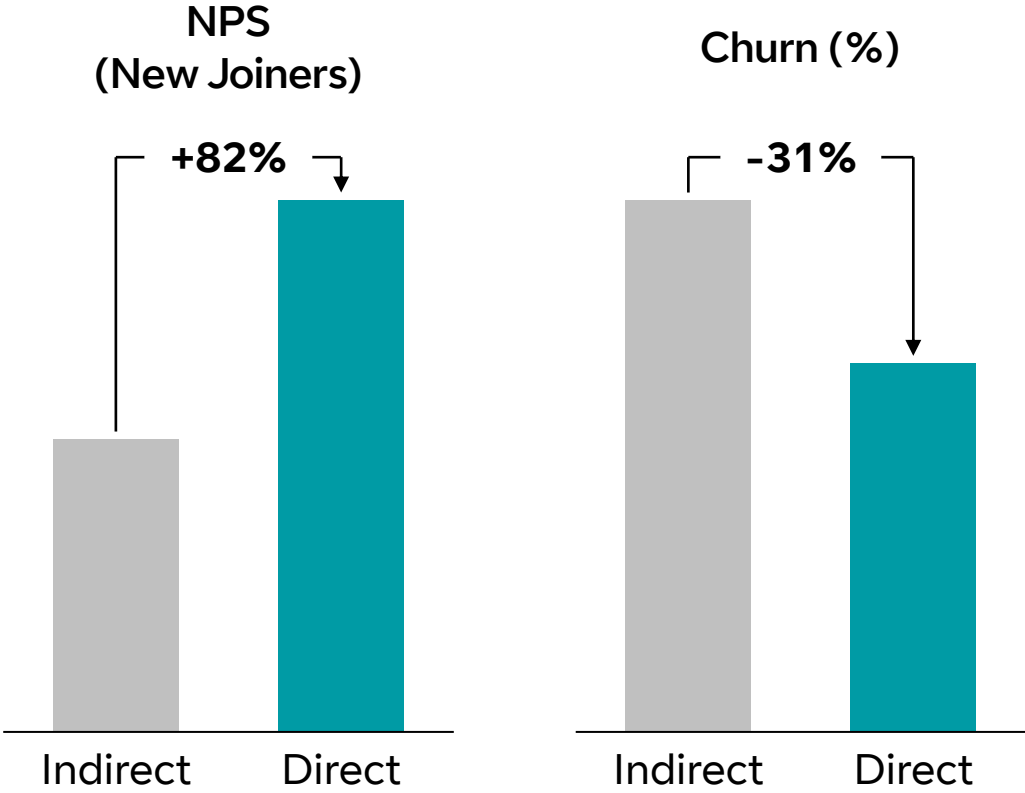
Source/Notes: (1) Out of contract, (2) Enders Analysis, 9 August 2022 – Unlimited entry level broadband

Successful execution of Direct Only Distribution strategy

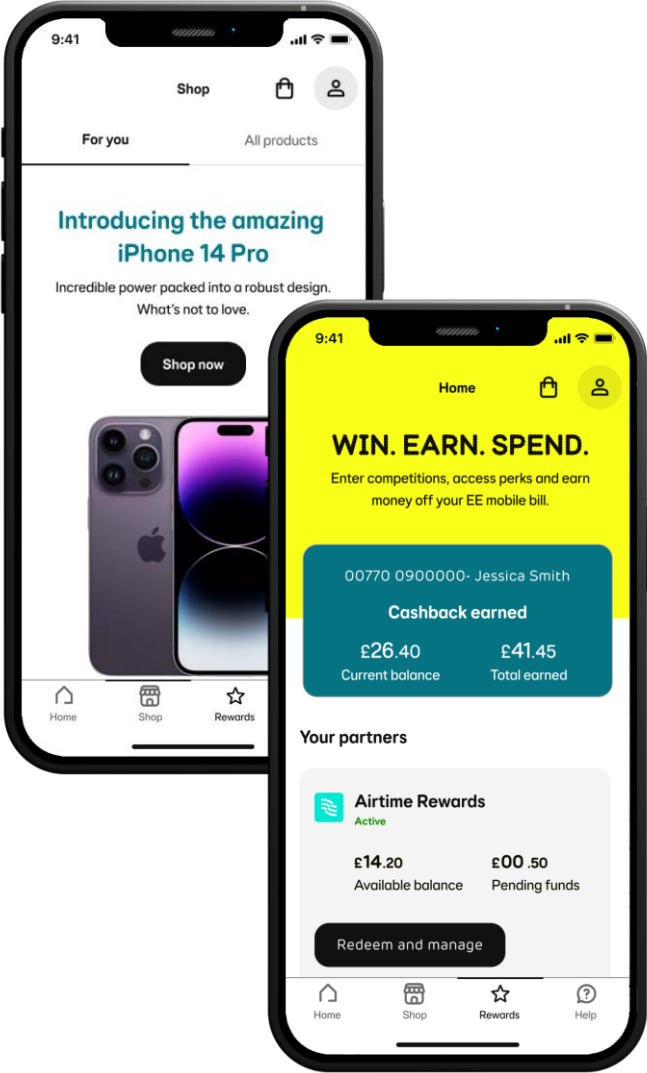
EE PAYM Mobile acquisition channel mix



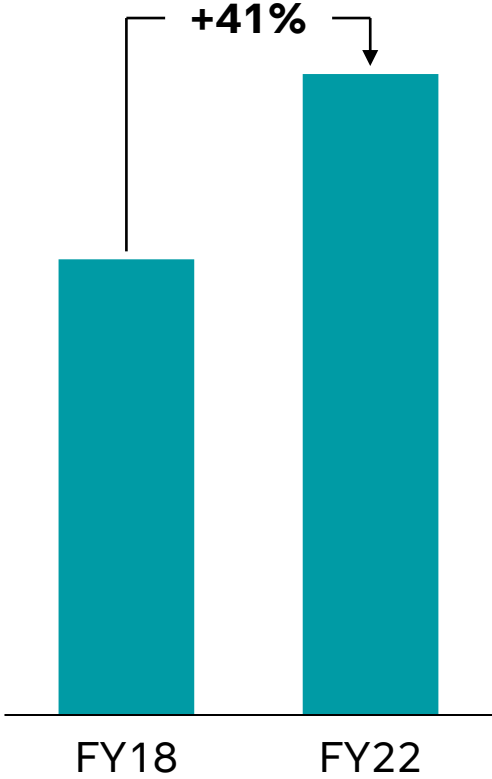
Channel comparison - Customer experience



Driving growth in our Digital transactions



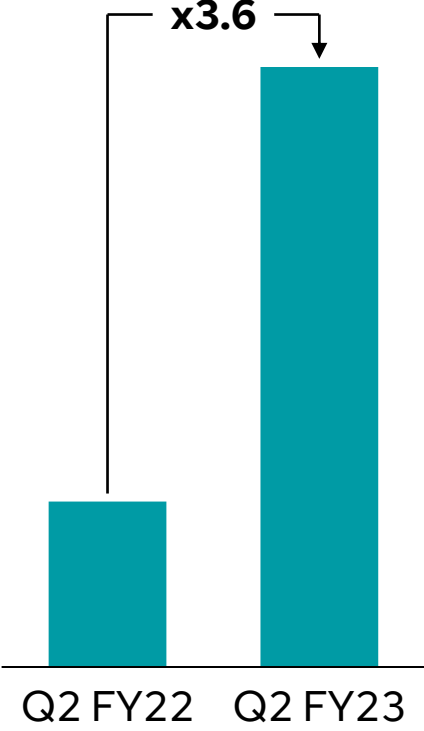
Digital channel share



EE Web & App Monthly Visitors



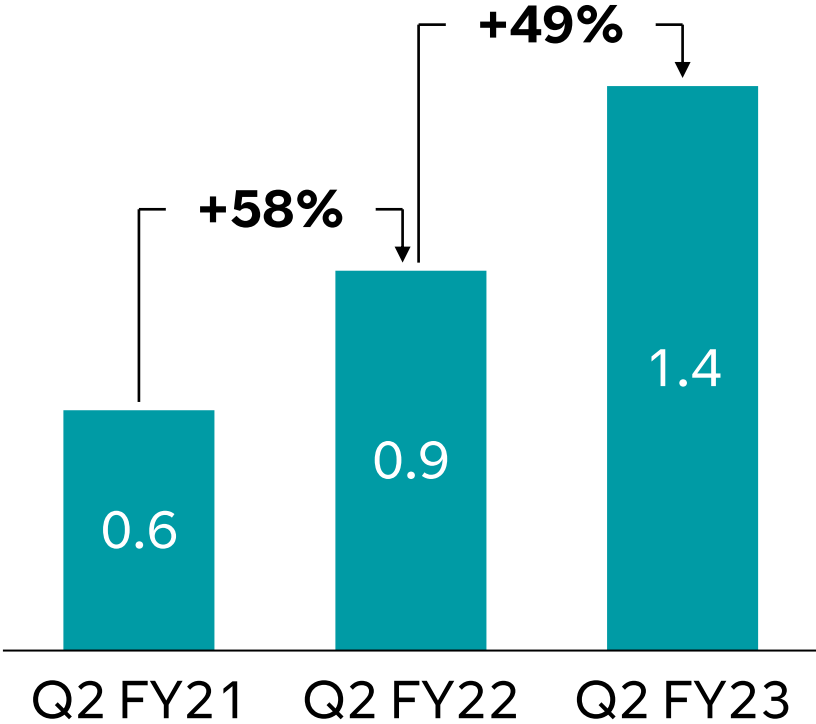
EE App Shop Monthly Visits



Growing our FTTP base to deliver foundation for growth



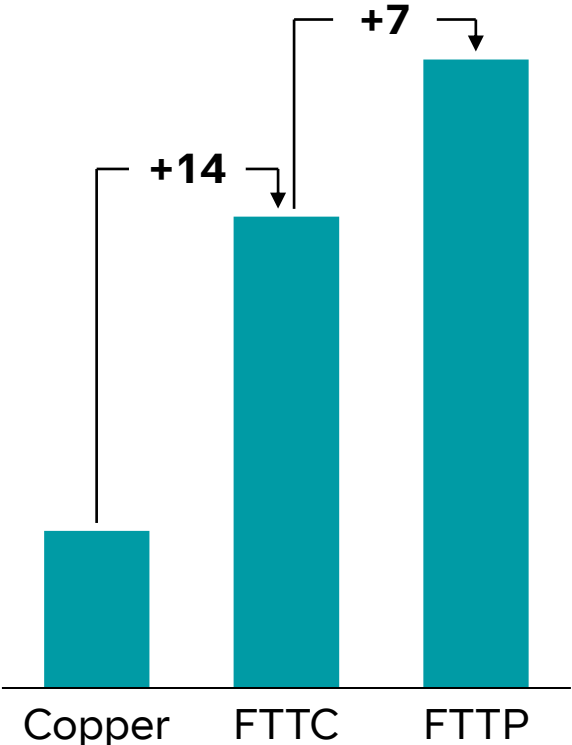
FTTP base (m)



FTTP is delivering higher NPS & ARPUs

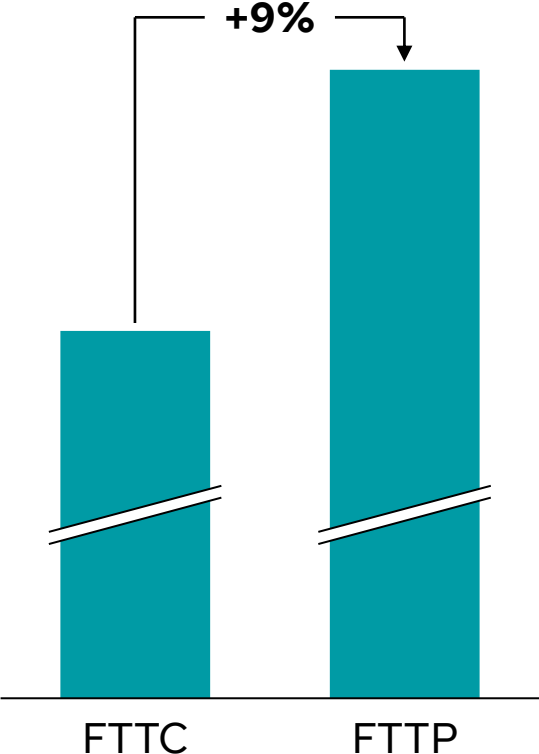
BT Broadband NPS

May 2022



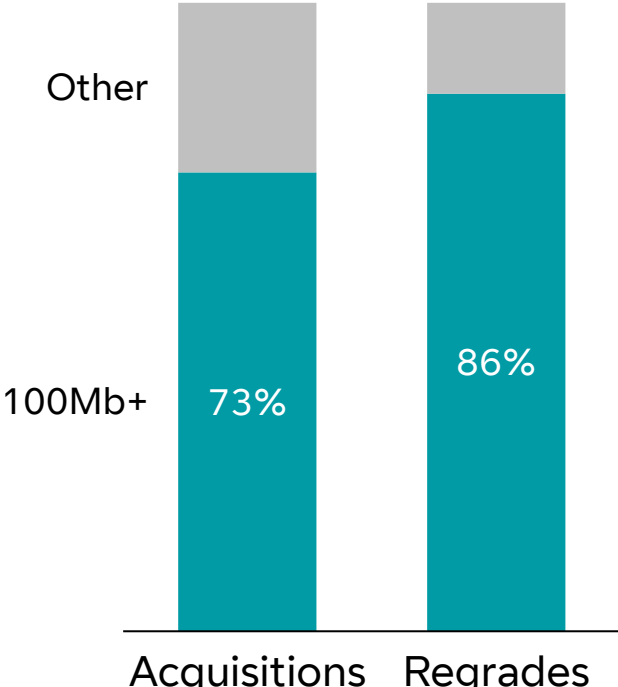
BT Regrade ARPU¹

October 2022



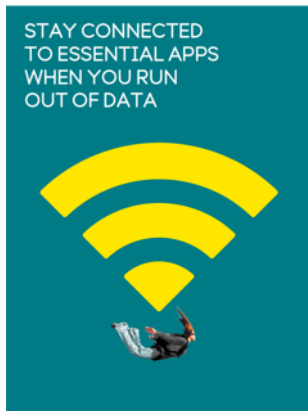
BT FTTP sales by speed

October 2022

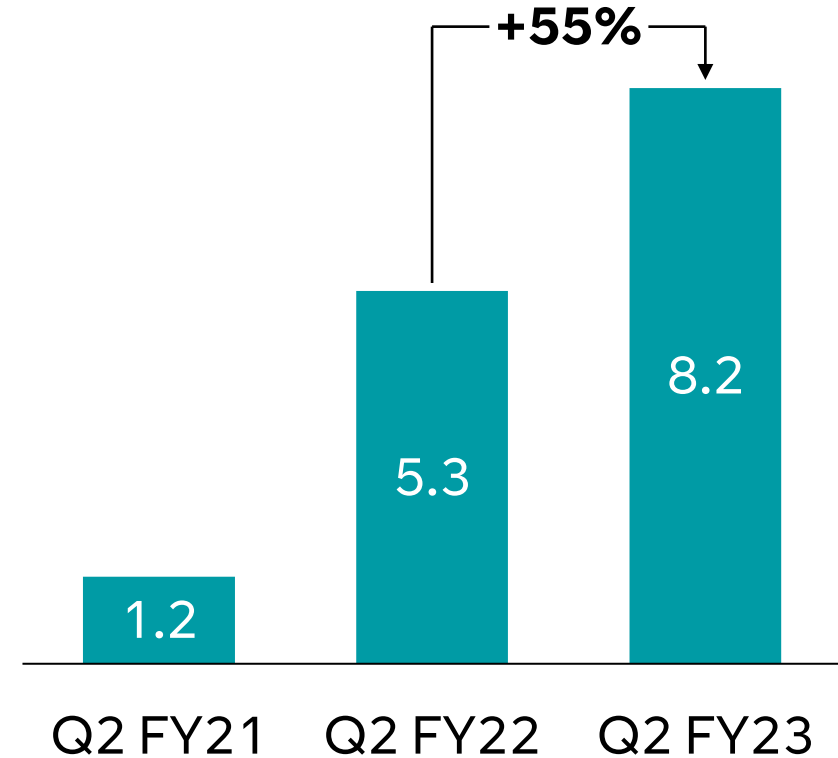


Source/Notes: (1) Average Revenue per Unit

Maintaining 5G leadership with the UK's best network



5G ready base (m)



5G driving higher NPS, ARPUs & usage

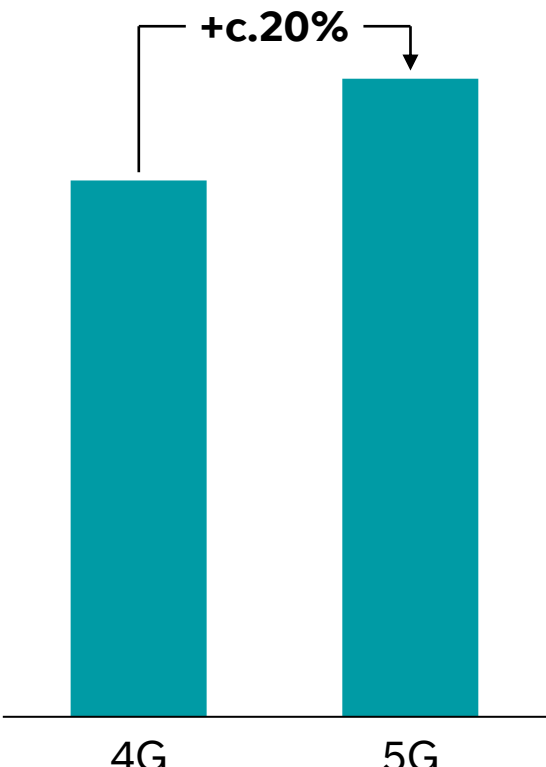
5G NPS

September 2022



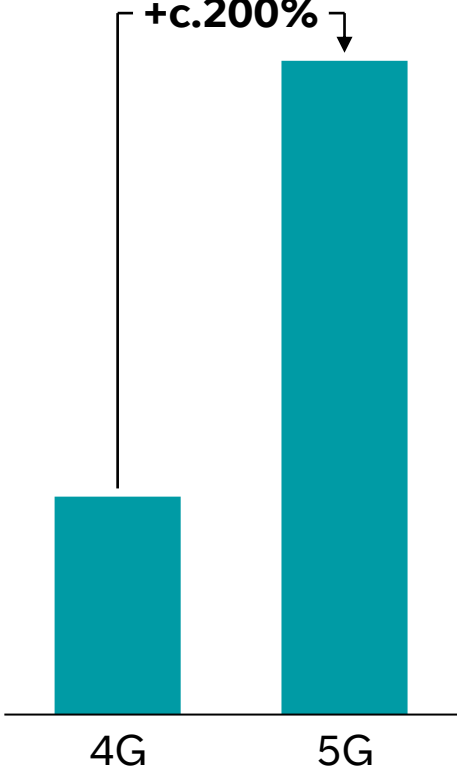
ARPU by Network Generation (SIMO)

September 2022



Unlimited Mix by Network Generation

September 2022



Simplified portfolio & focusing on high value transactions

Stopped selling BT Mobile & driving new customers to EE Mobile

Mobile volumes maintained & higher value transactions

BT & EE are part of the same family

EXCLUSIVE DEALS FOR YOU

IPHONE 14. WAY MORE WOW. SAVE £267 NOW.

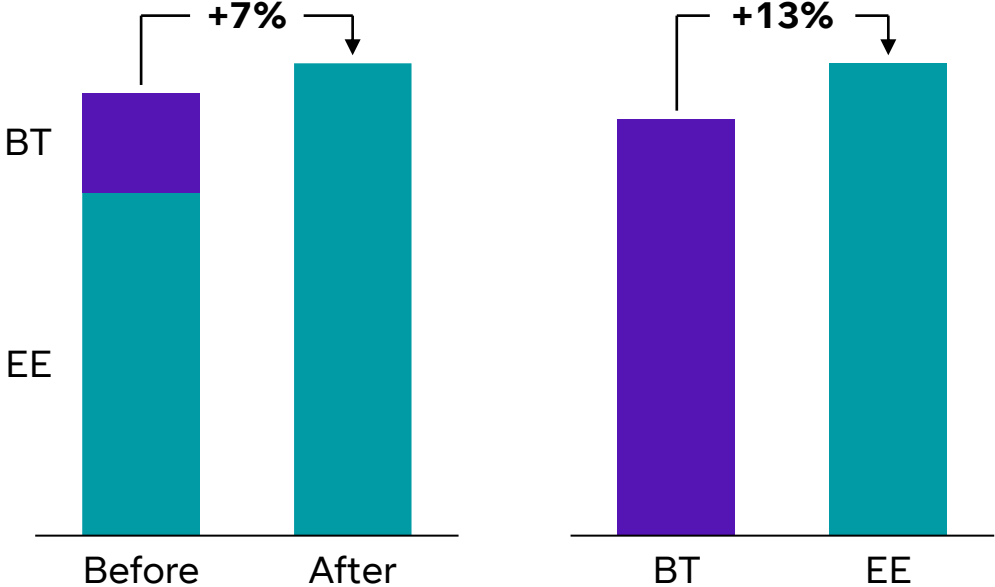
Get my offer

WHY EE?

- Smart Benefits: Get the entertainment you love all in one place. Like Apple Music, BT Sport and Netflix.
- Always stay connected: EE makes sure you stay connected even after your data runs out.
- The UK's best 4G and 5G network: Experience 4G and 5G in more places than any other UK network with EE.
- A fast signal you can depend on: When you join EE, you get the UK's fastest overall network.

Weekly PAYM Acquisitions before & after BT Mobile Stop Sell

PAYM Acquisition ARPU EE sales to BT Base



BT Sport is now set up for the future with our Joint Venture



Guaranteed cost synergies

Reduced risk

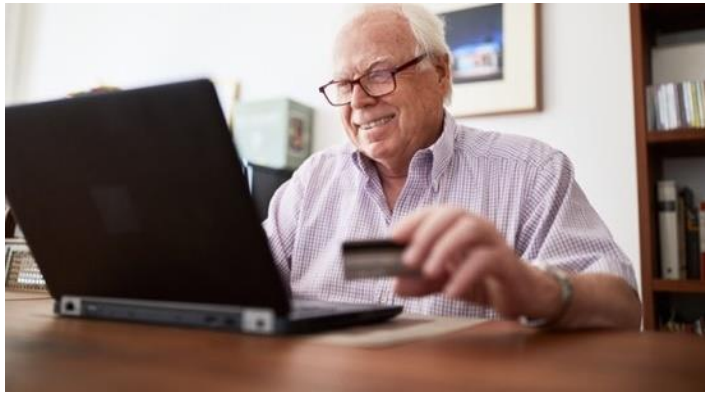
Better customer offering

Optionality includes call option

Deals agreed with Sky to 2031 for content cross-supply

Market Leading progress on the Fairness Agenda

2020



£0 OOC increase on Halo
Free Fibre upgrades
Proactive copper price down
Out of contract price cap reduction

2021



Lockdown Learning
Unlimited data for NHS workers
Breathing Space & flexible payments
Board level oversight

2022



1m vulnerable customers exempt from price rises¹
Pioneer in social Broadband tariff
Mobile social tariff launch

Note: (1) Comprises Landline only, Home Phone Saver, BT Basic & Home Essentials customers

Delivering on our purpose – To connect for good

Hope United



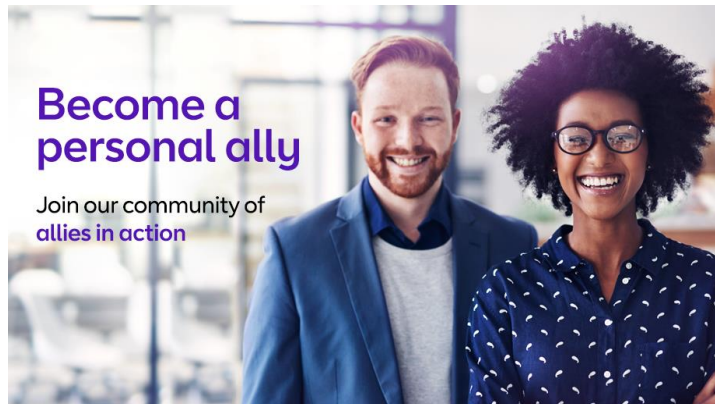
PhoneSmart



'Home essentials' social tariff



Allyship



Net Zero business by 2031



Circular devices by 2030



Progress since last business briefing

Customer experience, fairness & pricing

- Delivering market leading service & reducing churn whilst driving efficiencies
- Continued leadership on pricing initiatives
- Significant progress on reducing Loyalty Gap
- Market Leading progress on the Fairness Agenda

Winning in Convergence

- Driving our FTTP base to deliver foundation for growth
- 5G leadership with the UK's best network
- Simplified portfolio & focusing on high value transactions

Business Transformation

- Successful execution of Direct Only Distribution strategy
- Driving growth in our Digital transactions
- BT Sport is now set up for the future with our Joint Venture
- Delivering on our purpose – To connect for good

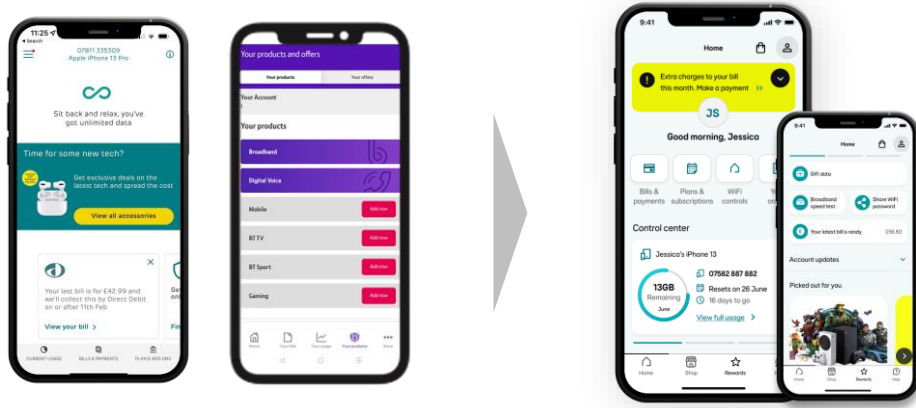


The next chapter

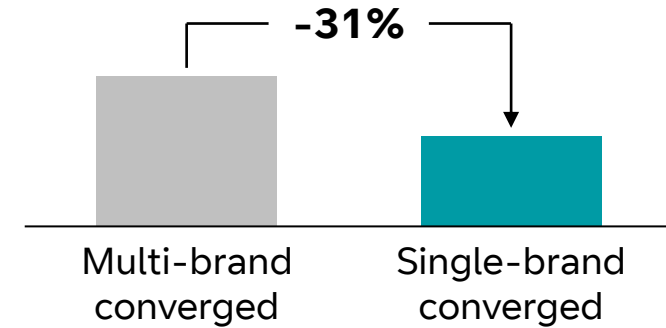


Decision made to move to a flagship brand – EE – to drive convergence

Simpler for our customers

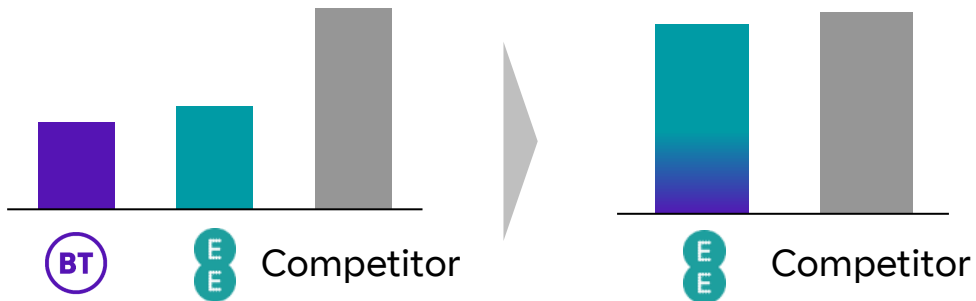


Improves loyalty Monthly churn rates



Combined media spend to compete

Media spend by brand



Management focus & capex priorities



Products



Customer journeys

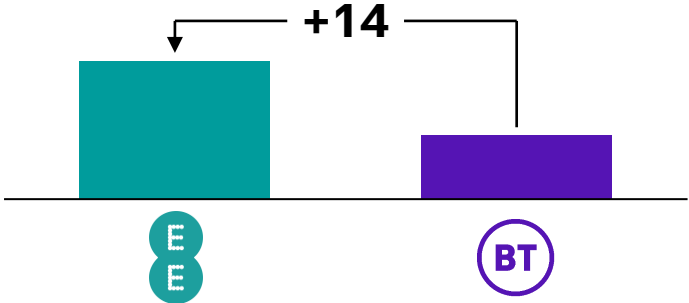


Capabilities

Some of the key decision inputs

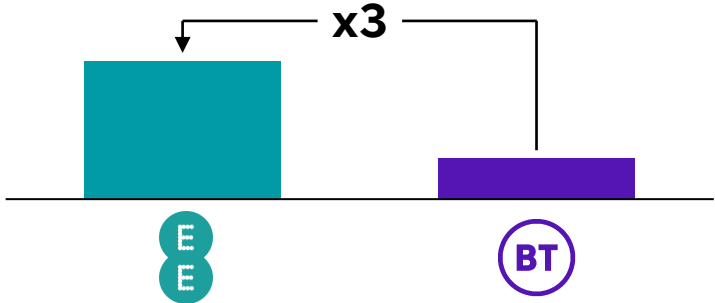
Stronger NPS

Brand NPS¹, FY22



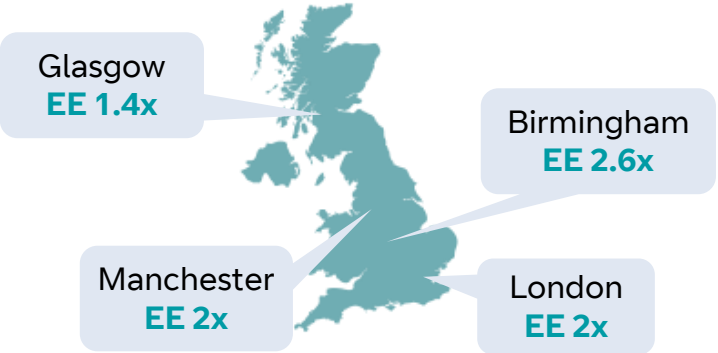
Better marketing ROI

Long term return on media investment²



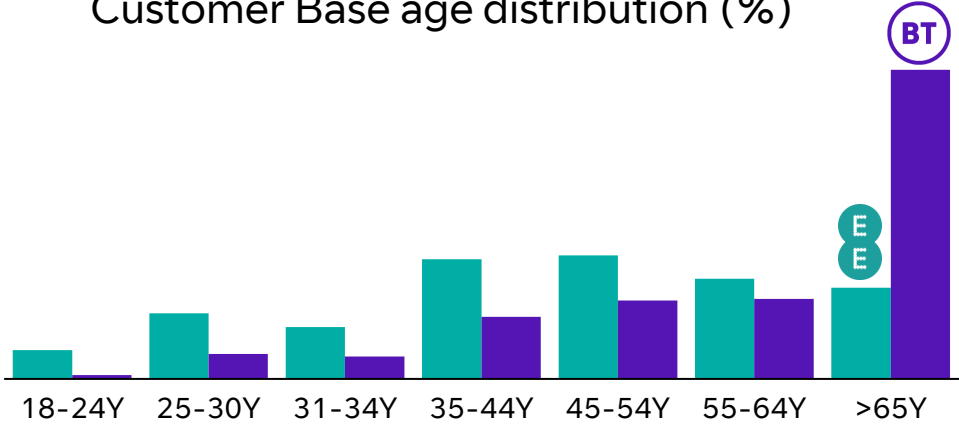
More customers in key cities

Market share in major cities v BT



Demographic aligned for the future

Customer Base age distribution (%)

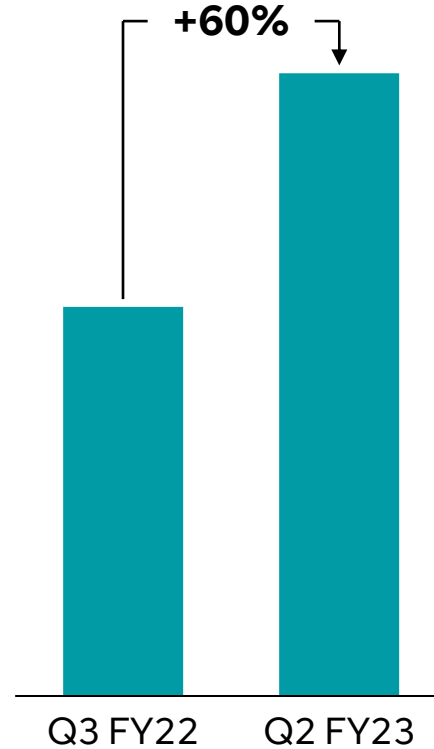


Source/Notes: (1) NPS = Net Promoter Score. Customer Experience Insights Consumer Brand & Relationship NPS Survey, March 2022 (2) long term effects up to 2 years

Encouraging progress on EE brand momentum



EE Broadband consideration – BT customer base



EE Broadband consideration – EE customer base



EE mix of total BT Group Broadband sales



New EE – The UK's largest subscription platform for growth

 **Account**
Unified ID for all services

c.24m
Subscribers

>50%
Presence in UK households

Everything as a service



Connectivity



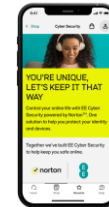
Content



Gaming



Home Security



Cyber Security



Digital architecture enabled by data



Nationwide multi-channel sales & service

Unique platform for Partnerships

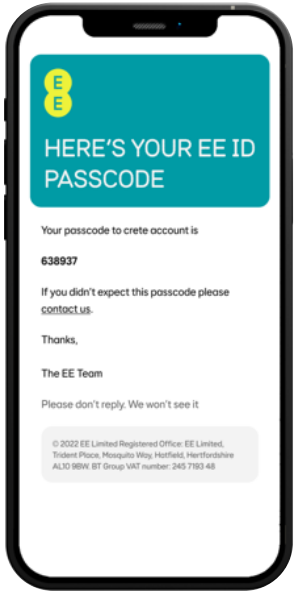


All on the UK's best network

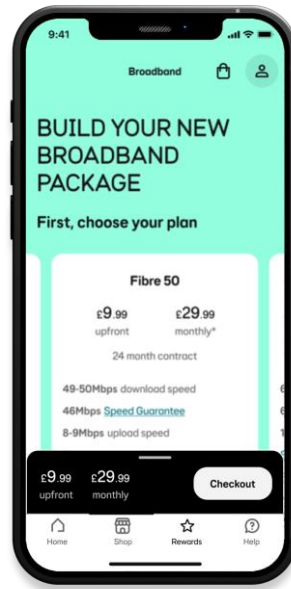


EE account will be a key driver of convergence

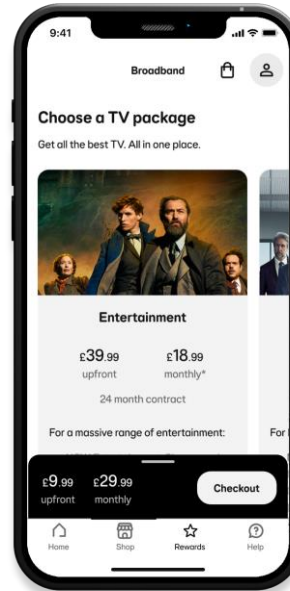
Create account
in 7 steps



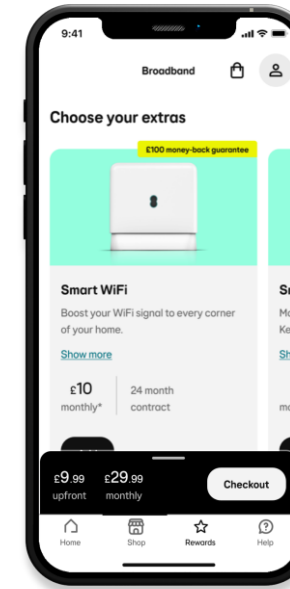
Choose your
Broadband



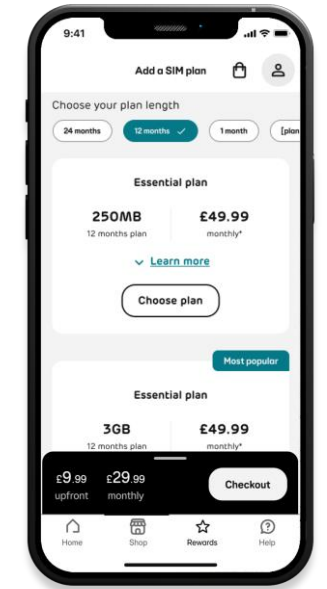
Add TV



Add services &
extras



Add further
Household SIMs



Underpinned by unified ID & transformed data capability



Unified view of Household data



Strategic Broadband mapping



Personalised pricing & propositions

Driving growth through convergence

1

Drive FTTP



2

Increase Mobile & Device penetration in the home



3

Grow new subscription services

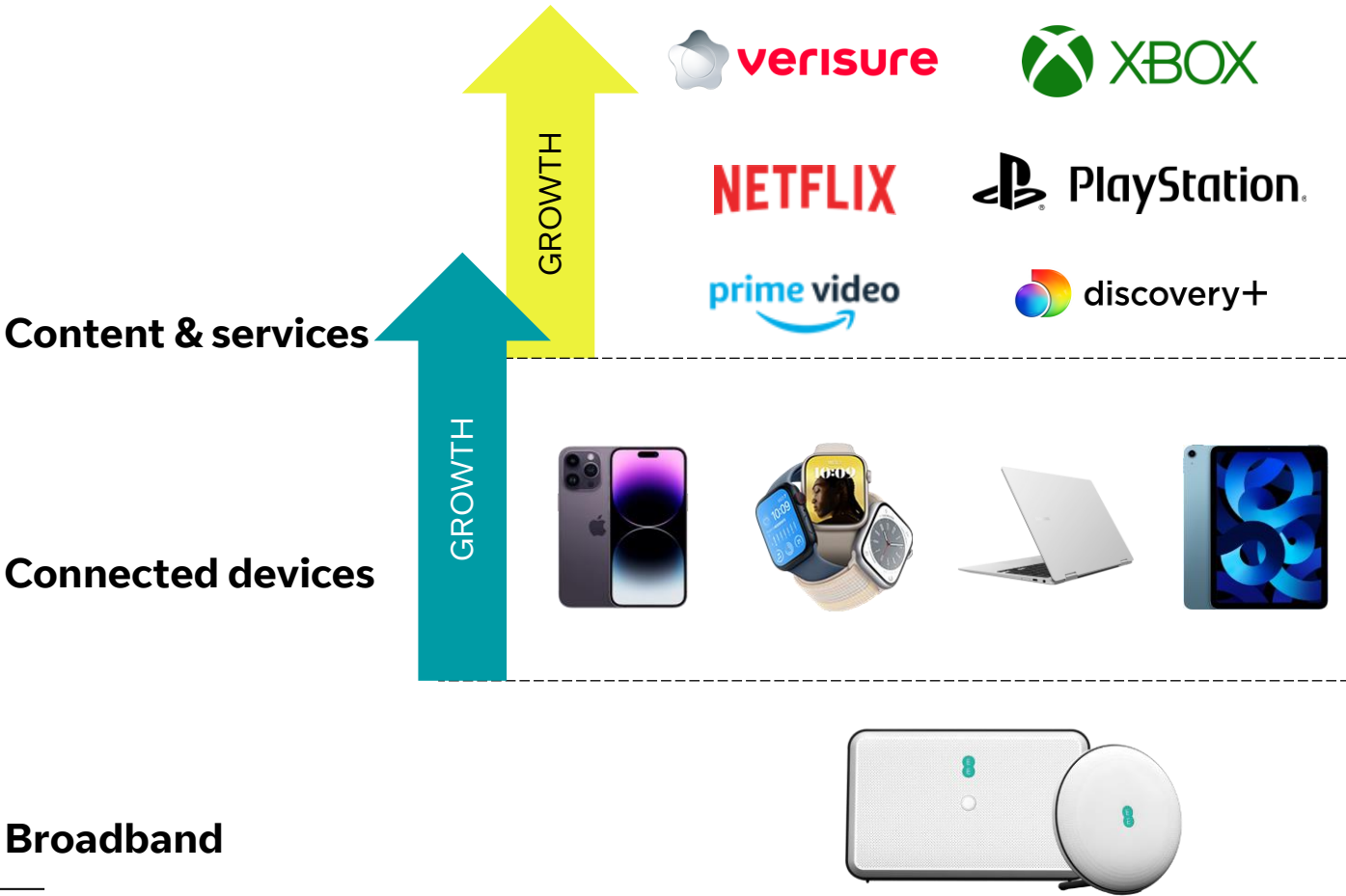
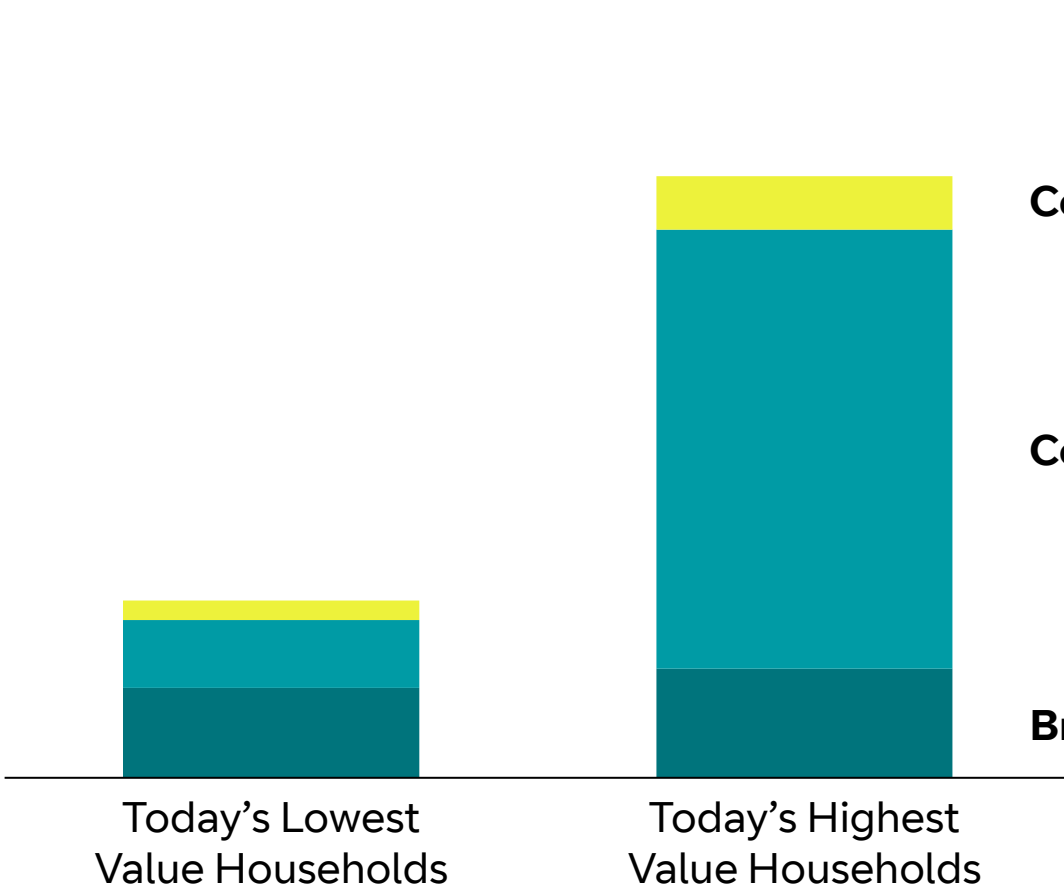


Full Fibre Line



Growth in convergence comes from Mobile & Services

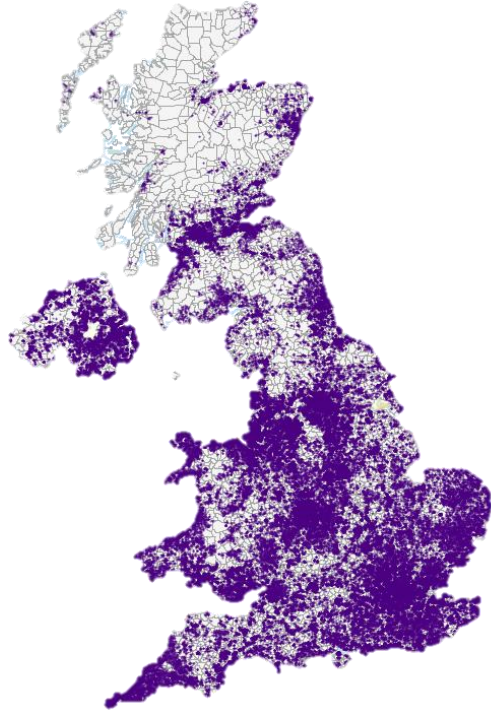
Converged household ARPU by service



We will grow FTTP further as the foundation for convergence

Opportunity to grow homes as Full Fibre rollout continues

openreach
FTTP



Delivering innovation & great customer experience



- New Hub
- Enhanced Wi-Fi Controls
- Faster speeds

Key capabilities for further household growth



- Enhanced data
- Proactive base management
- Regional & National marketing
- Personalised propositions

Driving more SIMs per household with New EE



3 tiers

No max. speed

Max. 100 mbps

Max. 25 mbps



Superfast repairs



Home tech experts



Bookable appointments



Household multi-SIM plans to drive convergence



New TV offering to increase Broadband consideration & FTTP sales

TV offer 2018

TV offer 2022

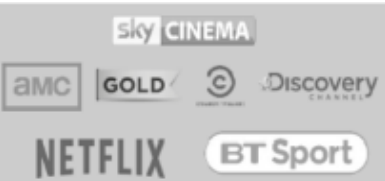
Coming in 2023

Limited Sky content


Single set top box

Need for aerial

No multiroom




Content




Device flexibility

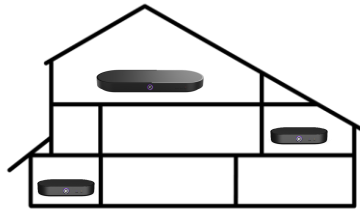
TV Box Pro



IP Box



Multiroom



New EE TV



Gaming, Home & Cyber Security launches to drive converged services

EE Smart Home Security

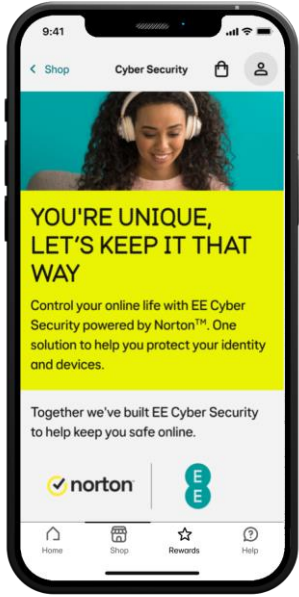


Alarms, sensors & cameras
24/7 monitoring

Monthly price

£25 (Flat)
£30 (House)

EE Cyber Security



Create & store passwords
Annual ID check

£2 (Duo)
£5 (Multi)

EE Gaming Bundles



Xbox Game Pass
Ultimate

PlayStation Plus
Premium

Nintendo Switch
Online

Unlimited gaming data

£21

£31

£17

Pricing strategy - focus on differentiation, value & manage Loyalty Gap

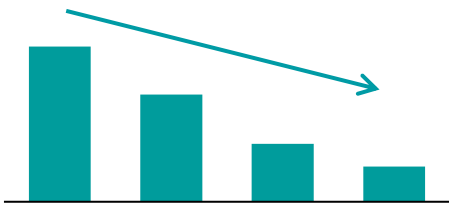
Reinvesting in our base

Front book prices will increase

Re-investment in customer base



Manage Loyalty Gap

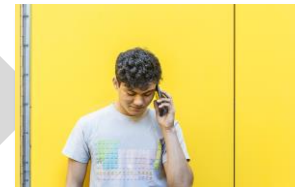


Differentiated experience

Differentiated propositions



Market leading service



Nationwide multi-channel sales & service



UK's best network



Value for Money across portfolio



Mobile

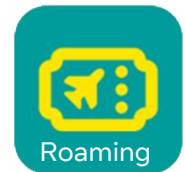
Fixed voice

Broadband

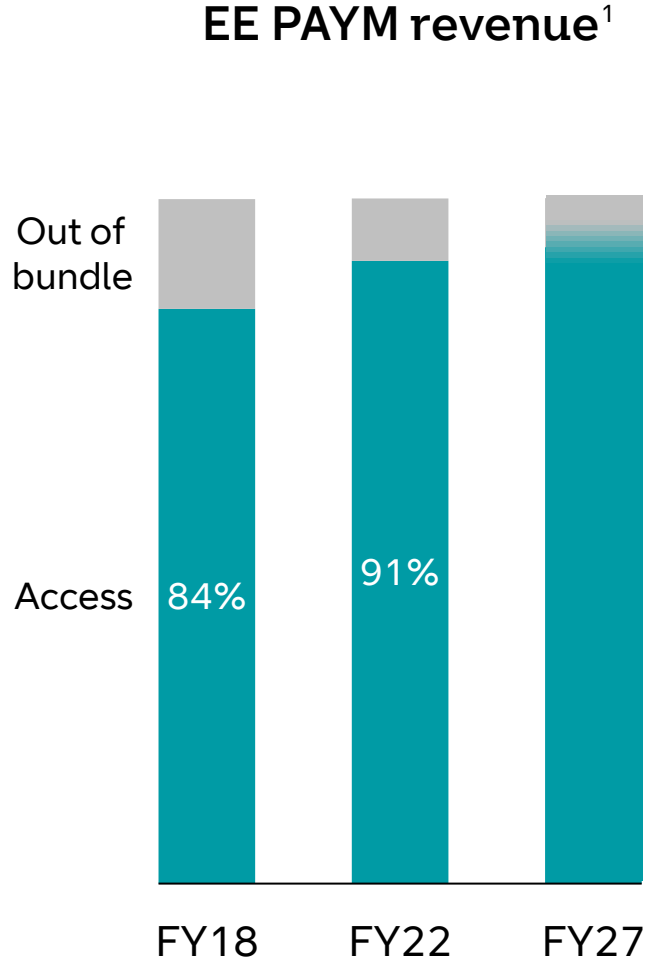
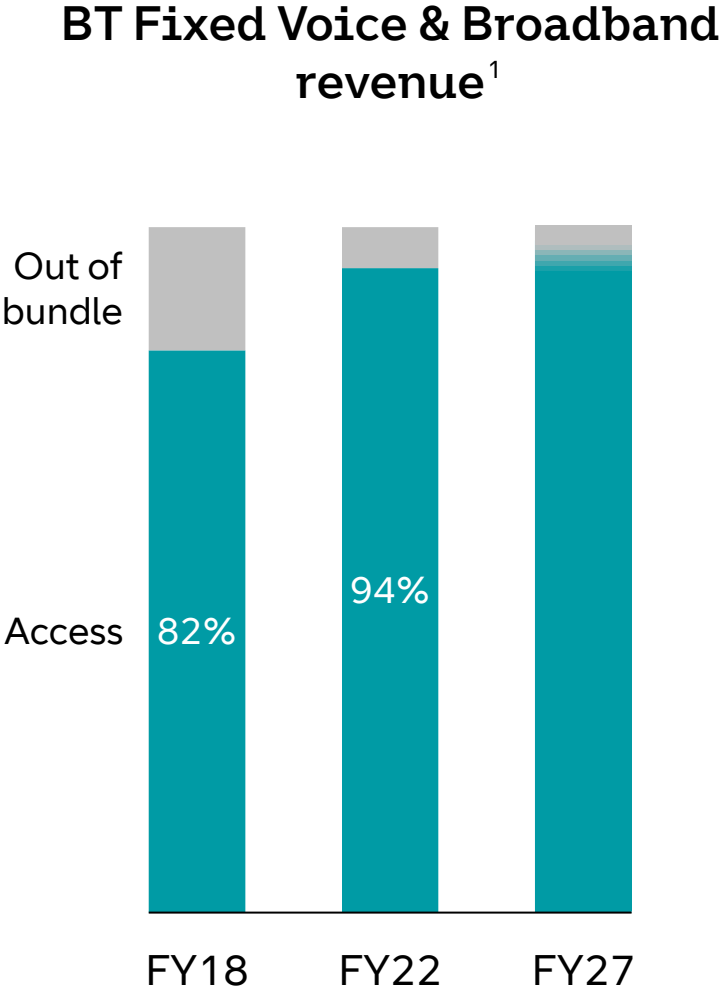
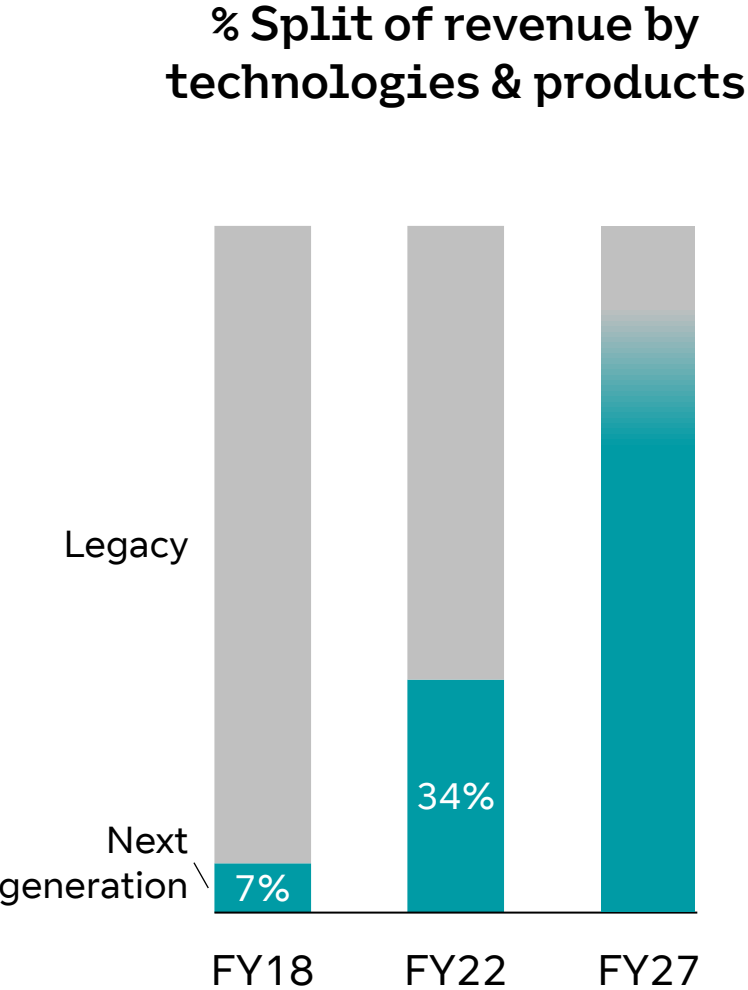
TV



Inclusive Extras



Growing next generation & access revenue, reducing reliance on out of bundle



Notes: (1) Access revenue is a customer's monthly recurring cost & Mobile roaming. Out of bundle includes domestic usage (e.g. data beyond allowance) & interconnect.

New EE is the UK's leading subscription platform for growth



Growth from Convergence

↑ Next generation bases

↑ New services

↑ Retention + NPS

Driven by EE Account

↑ Digital channel mix

↑ Digital engagement

↑ Profitability

Focussed, lean & efficient

↑ Capex efficiency

↑ Speed to market

↑ Management focus

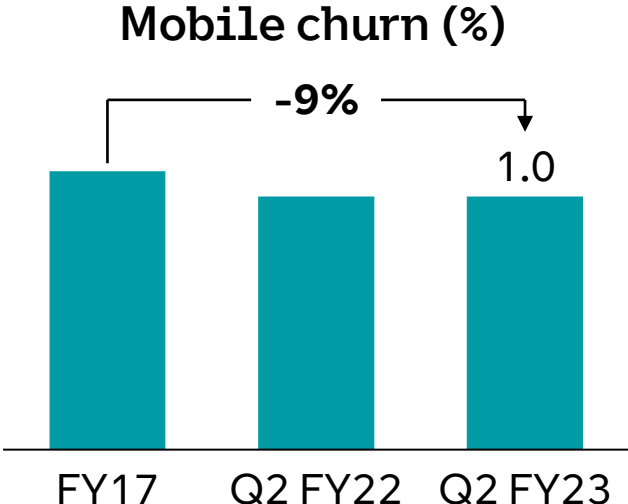
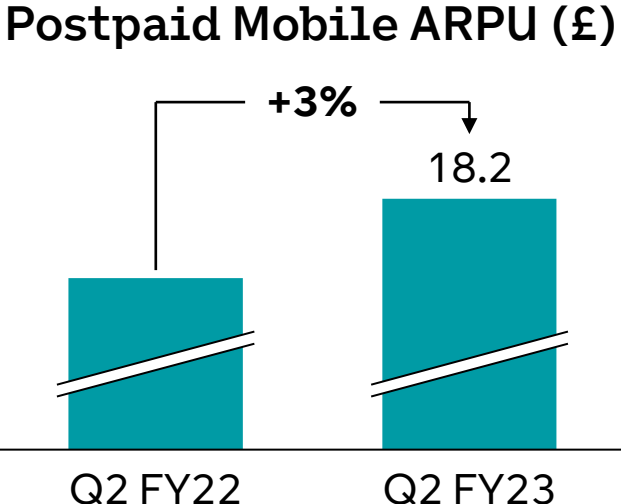
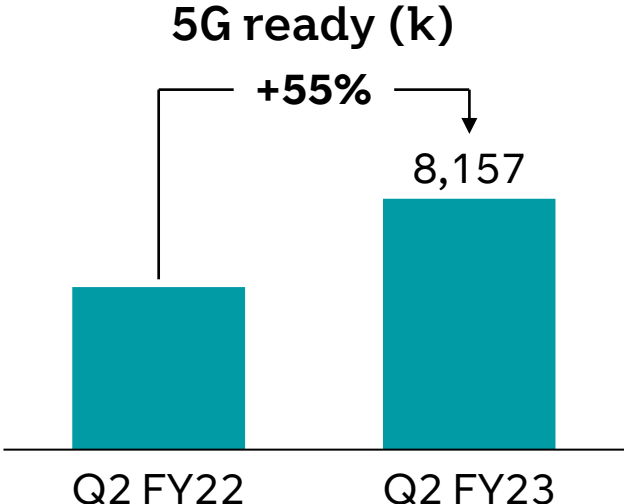
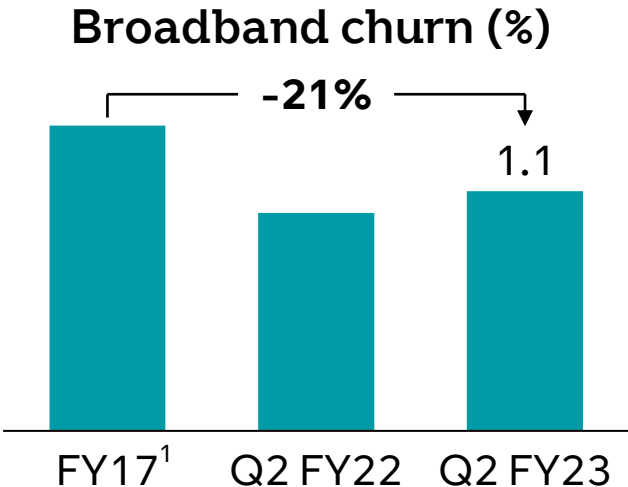
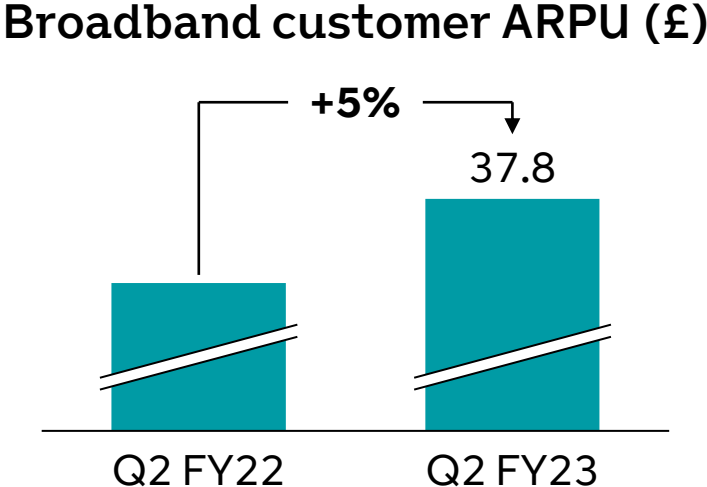
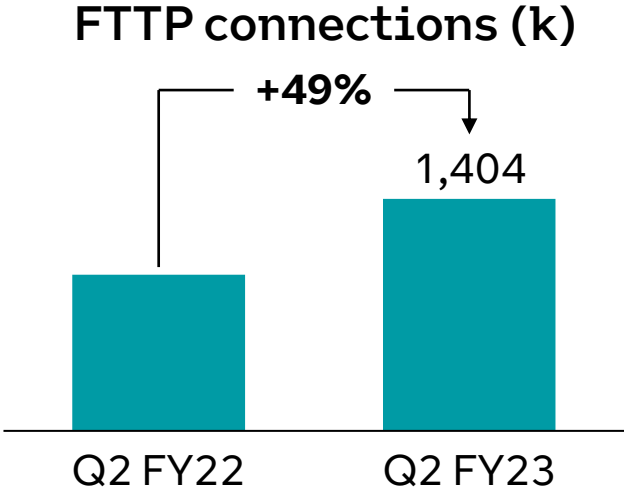


Financial Update

Stephen Harris



Strategic bases are growing, whilst also growing ARPU



Sources/Notes: Consumer proforma KPIs, (1) FY17 Churn = Fixed, as per reported

Key projects have driven transformational cost reduction

Our largest costs drive top line growth

1 Mobile Devices



2 Home Network Rentals



3 Content Costs



We continue to transform to drive better experiences for our customers

Retail store rationalisation



Carphone Warehouse exit



Head Office efficiencies

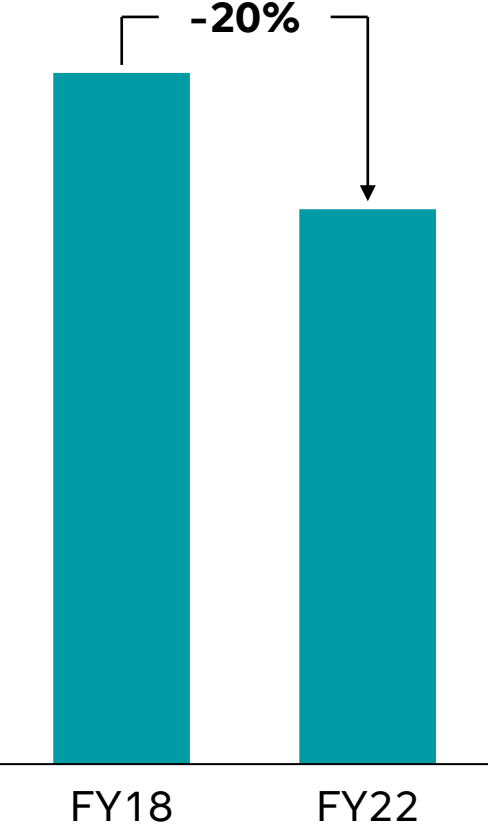


Channel optimisation



Growth is accompanied by efficiencies in our frontline operation

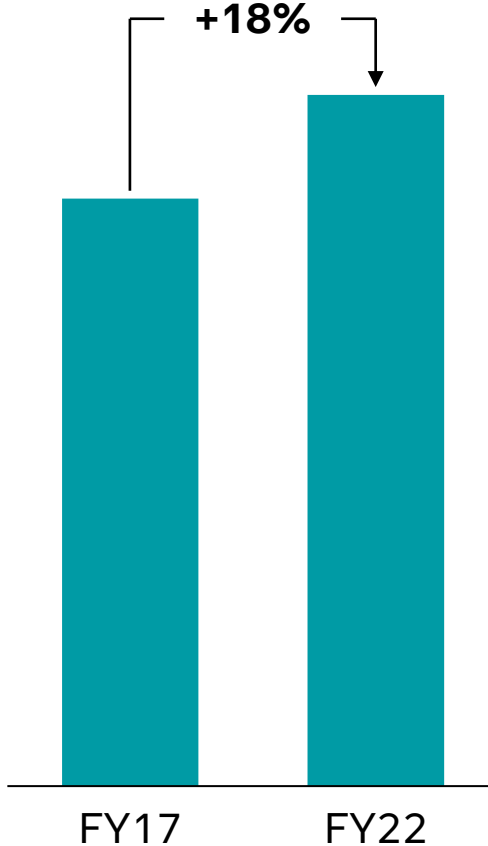
Number of Retail stores



Frontline Headcount



EBITDA per employee



Next chapter - Key takeaways

- **We will drive growth through convergence & EE as our flagship brand:**
 1. **Drive FTTP**
 2. **Increase Mobile & device penetration**
 3. **Grow new subscription services**
- **EE Account at the core of the UK's largest subscription platform**
- **Differentiating through propositions & reinvesting in our customer base**
- **Creating a leaner, direct only, digital platform for growth**

Forward looking statements caution

Certain information included in this announcement is forward looking & involves risks, assumptions & 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 & include, without limitation, projections relating to results of operations & financial conditions & the Company's plans & 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.

Accordingly, no assurance can be given that any particular expectation will be met & readers are cautioned not to place undue reliance on forward looking statements, which speak only at their respective dates. Additionally, forward looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules & the Disclosure Guidance & Transparency Rules of the Financial Conduct Authority), the Company undertakes no obligation to publicly update or revise any forward looking statement, whether as a result of new information, future events or otherwise. Nothing in this announcement shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.

