

Our key performance indicators (KPIs)

We use ten KPIs - five operational and five financial.

We reconcile the financial measures to the closest IFRS measure on pages 230 to 233.

Financial

Year ended 31 March

Changes to our KPIs

We continue to monitor and evolve our KPIs to ensure those reported are the best measures against our strategy. During FY24 we have updated our KPIs to more accurately reflect our strategic priorities.

We now recognise 'units on legacy' as a KPI, which monitors customer migration from legacy to our strategic network platforms.

We no longer recognise the cumulative number of people trained on digital skills as a KPI, but we still recognise it as an important metric and track progress - see page 35 for more details.

Adjusted^a EBITDA margin has been discontinued as a KPI, although revenue and adjusted^a EBITDA remain KPIs.

Reported revenue (£m)	
FY24	20,797
FY23	20,681
FY22	20,850
FY21	21,331
FY20	22,905

Definition
This is our revenue as reported in our income statement.

Performance
Reported revenue was £20,797m (FY23: £20,681m). The increase was driven by price increases and fibre-enabled product sales in Openreach, increased service revenue in Consumer with annual contractual price rises being aided by higher roaming and increased FTTP connections, partly offset by legacy product declines and a one-off revenue adjustment in Business. You can read more details about CFU performance on pages 56 to 57.

Link to strategy **1,2,3**

Adjusted ^a EBITDA (£m)	
FY24	8,100
FY23	7,928
FY22	7,577
FY21	7,415
FY20	7,907

Definition
This measures our earnings before specific items, net finance expense, taxation, depreciation and amortisation and share of post tax profits or losses of associates and joint ventures.

Performance
Adjusted EBITDA was £8,100m (FY23: £7,928m). The increase was primarily due to revenue flow through and cost control more than offsetting cost inflation and one-off items; Openreach and Consumer delivered strong EBITDA growth, partially offset by EBITDA decline in Business due to increased input costs and legacy high-margin managed contract declines. You can read more on page 52.

Link to strategy **1,2,3**

Normalised free cash flow ^b (£m)	
FY24	1,280
FY23	1,328
FY22	1,392
FY21	1,459
FY20	2,011

Definition
This measures free cash flow (net cash inflow from operating activities after capital expenditure) after adjusting for a number of measures, the largest being net interest paid, payments of lease liabilities, pension deficit payments, specific items and net cash flows related to the sale of contracts assets. For a full definition refer to page 232.

Performance
We generated £1,280m of normalised free cash flow (FY23: £1,328m). This was down 4% from last year and reflects working capital timing and a prior year tax refund, offset by EBITDA growth and lower capital expenditure.

Link to strategy **1,2,3**

Reported capital expenditure (£m)	
FY24	4,880
FY23	5,056
FY22	5,286
FY21	4,216
FY20	3,960

Definition
This measures additions to property, plant and equipment and intangible assets during the year. See note 4 to the consolidated financial statements for a reconciliation to the measures reported the group accounts.

Performance
Reported capital expenditure was £4,880m (FY23: £5,056m). The decrease was the result of lower networks spend despite higher FTTP build in the year due to reduced unit costs and efficiencies.

Link to strategy **1,2,3**

Return on capital employed (ROCE) (%)	
FY24	8.5 %
FY23	8.3 %
FY22	8.7 %
FY21	8.6 %
FY20	10.2 %

Definition
ROCE is adjusted earnings before interest and tax as a percentage of equity, debt and debt-like liabilities excluding balances associated with tax and management of financial risk. For a full definition and a reconciliation to the nearest IFRS measure see page 232.

Performance
ROCE for the year was 8.5% (FY23: 8.3%). This is primarily due to slightly higher adjusted earnings offset by increased capital employed which reflects higher debt to fund our fibre build programme.

Link to strategy **1,2,3**

Operational

At 31 March

BT Group Net Promoter Score (NPS) point increase/(decrease)	
FY24	1.0
FY23	(1.0)
FY22	2.3
FY21	7.8
FY20	5.5

Definition
This tracks changes in our customers' perceptions of BT Group since we launched the measure in April 2016. It is a combined measure of 'promoters' minus 'detractors' across our business units. BT Group NPS measures the net promoter score in our retail business^c and net satisfaction in our wholesale business.

Performance
BT Group NPS increased by 1.0 point, (FY23: down 1.0 point) as we continue to focus on creating standout customer experiences with perceptions improving for Consumer, Business and Openreach. You can read more about these and our approach to customer experience on pages 26 to 27.

Link to strategy **2**

Total Openreach FTTP connections (m)	
FY24	4.7
FY23	3.1
FY22	1.8
FY21	0.9
FY20	0.5

Definition
This tracks how many premises are connected to Openreach's full fibre (FTTP) network.

Performance
4.7m customers were connected to Openreach's FTTP network at 31 March 2024 (FY23: 3.1m). Openreach's full fibre footprint reaches nearly 14m homes with a further 6m where initial build is underway, and we're heading towards 25m premises by the end of 2026. You can read more about the full fibre rollout on page 20.

Link to strategy **1**

Total 5G subscriptions (m)	
FY24	11.1
FY23	8.6
FY22	5.3
FY21	1.6
FY20	0.1

Definition
This measures the number of BT retail customers who have a 5G subscription.

Performance
11.1m BT retail customers are able to connect to our 5G network at 31 March 2024 (FY23: 8.6m). We continue to expand our 5G network which now covers 75% of the UK population. You can read more on our 5G coverage and rollout on page 20.

Link to strategy **1**

Percentage reduction in carbon emissions intensity (% reduction)	
FY24	61 %
FY23 ^a	55 %
FY22	55 %
FY21	57 %
FY20	43 %

Definition
This measures performance against our target to cut carbon emissions intensity by 87% by the end of March 2031 compared to FY17 levels. It's measured by reference to tonnes of CO₂e (carbon dioxide equivalent) per £m value added (adjusted^a EBITDA plus employee costs).

Performance
Against our carbon emission intensity reduction target this year we achieved a 61% reduction from our baseline year (FY17) (FY23^a: 55%). You can find more information on what we're doing to tackle environmental challenges and our journey to net zero emissions on pages 37 to 39.

Link to strategy **3**

Units on legacy (m)	
FY24	6.5
FY23	10.6
FY22	11.6
FY21	14.2
FY20	16.2

Definition
This tracks customer migrations from legacy to strategic network platforms, which enables our legacy platforms to be decommissioned. A 'unit' is a circuit within, or a connection to our network.

Performance
Since announcing our transformation in FY20, we have reduced the number of legacy connections by nearly 60% by migrating customers to Digital Voice, 4/5G and Fibre broadband.

Link to strategy **2,3**

Link to strategy
Each KPI measures how we're doing against at least one of our strategic pillars. You can read more about these, and our progress against them, from page 19.

- 1_Build the strongest foundations**
- 2_Create standout customer experiences**
- 3_Lead the way to a bright, sustainable future**

R Link to directors' remuneration
The annual bonus and long-term incentive plans that comprise our directors' remuneration are each linked to certain KPIs. See the Report on directors' remuneration on pages 106 to 124.

a Adjusted EBITDA is defined as the group profit or loss before specific items, net finance expense, taxation, depreciation and amortisation and share of post tax profits or losses of associates and joint ventures, as explained on page 232.
b Normalised free cash flow as defined on page 232.
c Includes our Consumer brands as well as Business unit excluding Wholesale.
d Restated from 56% as presented in the FY23 Annual Report following review of our carbon emissions.