8.6

5.3

1.6

0.1

1

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

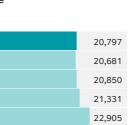
We continue to monitor and evolve our KPIs to ensure those reported are the best measures against our strategy. During FY24 we have updated our KPIs to more accurately reflect our strategic priorities.

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 EBITDA remain KPIs.





This is our revenue as reported in our income statement

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.

Strategic report

R

7,928

7.577

7.415

7.907

8.5 %

8.3 %

8.7 %

FY21

FY20

Definition

Reported revenue was £20,797m (FY23: £20,681m). The increase was driven by price increases and fibreenabled 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

FY24

FY23

FY22

FY21

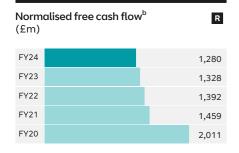
Definition

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 nanaged contract declines

You can read more on page 52.

Link to strategy 1,2,3

Return on capital employed (ROCE)



Definition

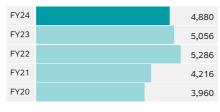
This measures free cash flow (net cash inflow from operating activities after capital expenditure) after adjusting for a number of measures, the largest being net interest paid, payments of lease liabilities. pension deficit payments, specific items and net cash flows related to the sale of contracts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



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.

Definition

FY24

FY23

FY22

FY21

FY20

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 see page <u>232</u>.

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

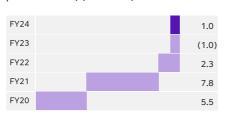
ROCE for the year was 8.5% (FY23: 8.3%). This is primarily due to slightly higher adjusted earnings offset by increased capital employed which reflects higher debt to fund our fibre build programme

Link to strategy 1,2,3

Operational

At 31 March

BT Group Net Promoter Score (NPS) point increase/(decrease)



Definition

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

Percentage reduction in carbon

emissions intensity (% reduction)

2 Link to strategy

This tracks customer migrations from legacy to

strategic network platforms, which enables our

circuit within, or a connection to our network

legacy platforms to be decommissioned. A 'unit' is a

Since announcing our transformation in FY20, we

have reduced the number of legacy connections by

nearly 60% by migrating customers to Digital Voice,

Units on legacy

Definition

Performance

Link to strategy

4/5G and Fibre broadband.



Definition

FY23^d

FY22

FY21

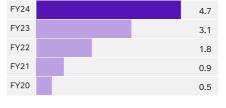
FY20

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 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^d: 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



49

Definition

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

Total Openreach FTTP connections

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.

1

2,3

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

This measures the number of BT retail customers

Link to strategy

Total 5G subscriptions

who have a 5G subscription.

(m)

FY24

FY23

FY21

Definition

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

- 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 <u>232</u>.
- 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.