

BT Group

Trading update for the quarter and nine months to 31 December 2024

BT Group plc - 30 January 2025

Allison Kirkby, Chief Executive, commenting on the results, said

“Our ongoing modernisation continues at pace, delivering a further step-up in fibre build and take-up, customer satisfaction and EBITDA. Benefits from our cost transformation more than offset lower revenue outside the UK and weak handset sales.

“Openreach again performed strongly with the highest ever full fibre build, passing more than 1 million premises for the fourth consecutive quarter, and connecting a new record of nearly half a million customers. Consumer returned to service revenue growth and continued to expand its full fibre and 5G customer bases. In Business, our core UK channels were stable. Cost transformation remains firmly on track, with excellent progress on both energy costs and productivity in the quarter.

“We continue to make progress towards becoming fully focused on the UK, with the sale of our data centre business in Ireland. I am also very pleased to welcome Jon James to BT’s Executive Committee as the new CEO of a UK-centric BT Business, effective early March. This appointment enables Bas Burger to dedicate his time to the optimisation of our international business segment, which is progressing to plan.

“BT’s continued delivery means we remain on track to deliver our financial outlook for this year and our cash flow inflection to c.£2.0bn in 2027 and c£3.0bn by the end of the decade.”

Continued progress on strategic priorities:

- **Record FTTP build rate** of over 1m premises passed in the quarter for a fourth consecutive quarter; **FTTP footprint** reached 17m premises, more than half of the UK; on track to pass 4.2m in FY25 and reach 25m by December 2026
- **Record customer demand for Openreach FTTP** with net adds of 472k in the quarter; total premises connected 6.0m with a growing take up rate of over 35%. Openreach total broadband lines fell by 208k, as we continue to see moderately higher competitor losses with a weaker overall broadband and new homes market; over 80% of our line losses occur where we have not built FTTP
- **Openreach broadband ARPU** in the quarter grew year on year by 6% to £16.1, ahead of the CPI price increases, driven by a greater FTTP take-up and speed mix
- **Retail FTTP base** grew by 33% year on year to 3.2m of which Consumer 3.0m and Business 0.2m
- **Consumer service revenue** returned to growth, up 0.4% year on year after a 1.3% decline in H1; service revenue growth was more than offset by a 12% decline in equipment revenue, mainly handset trading
- **Consumer customer base relatively stable** with broadband base down 40k quarter on quarter (0.5% decline); postpaid mobile base down 4k quarter on quarter (<0.1% decline)
- **Consumer broadband ARPU** down 1.2% year on year to £40.6; **Consumer postpaid mobile ARPU** up 5.7% year on year to £20.3
- **Consumer fixed and mobile convergence** grew in the quarter from 23.1% to 23.4%; **5G standalone** launched in a further 16 new locations, bringing 5G standalone to over 30 major UK towns and cities; EE was named the winner of the umlaut connect 2025 Mobile Network Test in the UK for a 10th consecutive year
- **Business revenues** were stable in our core UK channels; £1.3bn contract signed with the Home Office to continue providing mobile services for the Emergency Services Network over the next seven years
- **Cost transformation** remains on track as we continue to create a simpler BT Group, delivering efficiencies across all units; energy usage in our networks was down 3% in the year-to-date and total labour resource down 3% year-on-year to 117k; we achieved an 11% reduction in year-to-date Openreach repair volumes
- **BT Group NPS** of 29.6, up 4.0pts during Q3, reflecting ongoing improvements in customer experience

Excellent cost control continues to deliver EBITDA growth:

- **Q3 Adjusted¹ revenue** £5.2bn, down 3% year-on-year mainly due to continued challenging non-UK trading conditions in our Global and Portfolio channels and weaker handset trading in Consumer, offsetting the impact of FTTP growth in Openreach and price increases. Reported revenue £5.2bn, down 3%
- **Q3 Adjusted¹ EBITDA** £2.1bn, up 4% driven by strong cost transformation and one-off other operating income in the low tens of millions which more than offset adverse revenue
- **Q3 Reported profit before tax** of £427m, up 1% primarily due to EBITDA growth, offset partially by increased net finance costs and increased depreciation and amortisation
- **Reconfirming our FY25 financial outlook and our mid-term guidance**

¹ See Glossary on page 2

Third quarter to 31 December 2024	Adjusted ¹ revenue			Adjusted ¹ EBITDA		
	2024	2023	Change	2024	2023	Change
	£m	£m	%	£m	£m	%
Consumer	2,498	2,560	(2)	655	661	(1)
Business ²	1,984	2,027	(2)	409	403	1
Openreach	1,533	1,521	1	1,028	967	6
Other	5	4	n/m	11	(3)	n/m
Intra-group items ²	(837)	(768)	(9)	—	—	—
Total	5,183	5,344	(3)	2,103	2,028	4

Nine months to 31 December 2024	Adjusted ¹ revenue			Adjusted ¹ EBITDA		
	2024	2023	Change	2024	2023	Change
	£m	£m	%	£m	£m	%
Consumer	7,334	7,463	(2)	1,985	2,008	(1)
Business ²	5,849	6,127	(5)	1,156	1,209	(4)
Openreach	4,651	4,574	2	3,087	2,903	6
Other	10	12	n/m	7	2	n/m
Intra-group items ²	(2,523)	(2,418)	(4)	—	—	—
Total	15,321	15,758	(3)	6,235	6,122	2

¹ See Glossary below

² As disclosed in the prior year, Q3 FY24 results included a correction of H1 FY24 revenue across Openreach and Business, with no impact on total group revenue. £38m external wholesale revenue was incorrectly recognised by Business in H1 FY24. H1 FY24 results were not restated; the correction was booked within Q3 FY24 to ensure the results for the nine months to 31 December 2023 were correctly stated. Excluding the adjustment, Q3 Business revenue would have declined 4%, while intra-group items would have increased 4%.

n/m: comparison not meaningful

Glossary

Our commentary focuses on the trading results on an adjusted basis. This is consistent with the way that financial performance is measured by management and reported to the Board and the Executive Committee and assists in providing a meaningful analysis of the trading results of the group. Reported revenue and reported profit before tax are the equivalent unadjusted or statutory measures and are reconciled in pages 231 to 233 of the Annual Report 2024.

Adjusted revenue	Adjusted revenue is before specific items. Adjusted results are consistent with the way that financial performance is measured by management and assist in providing an additional analysis of the reporting trading results of the group.
Adjusted EBITDA	Earnings before interest, tax, depreciation and amortisation, before specific items, share of post tax profits/losses of associates and joint ventures and net finance expense.
Fixed and mobile convergence	Total households served by Consumer which have both a BT Group (any brand) fixed broadband and PAYM mobile connection present, divided by total number of Consumer households (excluding voice fixed line).
Service revenue	Earned from services delivered using our fixed and mobile network connectivity, including but not limited to, broadband, calls, line rental, TV, residential sport subscriptions, mobile data connectivity, incoming & outgoing mobile calls and roaming by customers of overseas networks.
Specific items	Items that in management's judgement need to be disclosed separately by virtue of their size, nature or incidence. In the current quarter these relate to our assessment of our provision for historic regulatory matters, out of period balance sheet adjustments, restructuring charges, divestment-related items, Sports JV-related items and net interest expense on pensions. In determining whether an event or transaction is specific, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence.

About BT Group

BT Group is the UK's leading provider of fixed and mobile telecommunications and related secure digital products, solutions and services. We also provide managed telecommunications, security and network & IT infrastructure services to customers across 180 countries.

BT Group consists of three customer-facing units: Consumer serves individuals and families in the UK; Business covers companies and public services in the UK and internationally; Openreach is an independently governed, wholly owned subsidiary wholesaling fixed access infrastructure services to its customers - over 700 communications providers across the UK.

British Telecommunications plc is a wholly owned subsidiary of BT Group plc and encompasses virtually all businesses and assets of the BT Group. BT Group plc is listed on the London Stock Exchange.

For more information, visit www.bt.com/about

Registered in England and Wales no. 4190816

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We are scheduled to announce the fourth quarter and full year results for FY25 on 22 May 2025.

Forward-looking statements – caution advised

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