

BT consensus - 17 Jan 2019

INCOME STATEMENT £m unless otherwise stated	Q3 2018/19					Full year 2018/19					Full year 2019/20					Full year 2020/21				
	Mean	Median	High	Low	Estimates	Mean	Median	High	Low	Estimates	Mean	Median	High	Low	Estimates	Mean	Median	High	Low	Estimates
<b>Revenue</b>																				
Consumer	2,730	2,725				10,604	10,603				10,694	10,697				10,786	10,767			
Business and Public Sector	1,093	1,089				4,396	4,394				4,316	4,316				4,252	4,263			
Wholesale and Ventures	474	473				1,883	1,881				1,824	1,824				1,784	1,790			
Global Services	1,189	1,189				4,692	4,694				4,514	4,502				4,432	4,412			
Openreach	1,231	1,220				4,925	4,925				4,877	4,855				4,906	4,903			
Other	2	2				6	6				7	7				7	7			
Eliminations	(790)	(794)				(3,153)	(3,155)				(3,131)	(3,138)				(3,136)	(3,130)			
<b>Total Group Revenue<sup>1</sup></b>	<b>5,929</b>	<b>5,926</b>	<b>5,979</b>	<b>5,859</b>	<b>14</b>	<b>23,353</b>	<b>23,360</b>	<b>23,466</b>	<b>23,122</b>	<b>14</b>	<b>23,101</b>	<b>23,098</b>	<b>23,356</b>	<b>22,682</b>	<b>14</b>	<b>23,031</b>	<b>23,112</b>	<b>23,467</b>	<b>22,163</b>	<b>14</b>
Underlying revenue YoY <sup>2</sup>	(2.3)%	(2.2)%	(1.4)%	(3.4)%	9	(1.8)%	(1.8)%	(1.5)%	(2.7)%	9	(1.1)%	(1.2)%	(0.3)%	(1.9)%	9	(0.4)%	0.2%	0.5%	(2.3)%	9
<b>EBITDA<sup>1</sup></b>																				
Consumer	612	614				2,500	2,496				2,563	2,555				2,638	2,644			
Business and Public Sector	352	353				1,408	1,404				1,383	1,389				1,357	1,356			
Wholesale and Ventures	166	165				677	678				660	661				652	643			
Global Services	118	118				450	454				467	472				483	487			
Openreach	575	574				2,317	2,315				2,263	2,256				2,288	2,273			
Other	(1)	0				34	36				15	11				15	11			
<b>Total</b>	<b>1,822</b>	<b>1,816</b>	<b>1,865</b>	<b>1,790</b>	<b>14</b>	<b>7,386</b>	<b>7,373</b>	<b>7,430</b>	<b>7,354</b>	<b>14</b>	<b>7,351</b>	<b>7,365</b>	<b>7,438</b>	<b>7,254</b>	<b>14</b>	<b>7,433</b>	<b>7,449</b>	<b>7,561</b>	<b>7,144</b>	<b>14</b>
YoY Margin	(5.3)%	(6.2)%				(2.3)%	(2.7)%				(0.4)%	0.0%				1.1%	1.5%			
	30.7%	30.6%				31.6%	31.6%				31.8%	31.7%				32.2%	32.3%			
Adjusted profit before tax	797	793	847	759	8	3,291	3,282	3,376	3,187	14	3,215	3,215	3,414	3,044	13	3,278	3,285	3,548	2,998	13
Reported net income	502	497	537	474	8	2,101	2,087	2,182	2,045	14	2,142	2,140	2,351	1,999	13	2,381	2,353	2,595	2,039	13
<b>INCOME STATEMENT</b> £m unless otherwise stated																				
<b>Total Group revenue<sup>1</sup></b>						<b>23,353</b>	<b>23,360</b>				<b>23,101</b>	<b>23,098</b>				<b>23,031</b>	<b>23,112</b>			
Operating costs before D&A and specific items						(15,967)	(15,975)				(15,750)	(15,734)				(15,598)	(15,597)			
<b>Total Group EBITDA<sup>1</sup></b>						<b>7,386</b>	<b>7,373</b>				<b>7,351</b>	<b>7,365</b>				<b>7,433</b>	<b>7,449</b>			
Depreciation and amortisation <sup>1</sup>						(3,494)	(3,483)				(3,516)	(3,500)				(3,520)	(3,499)			
<b>Adjusted operating profit</b>						<b>3,892</b>	<b>3,886</b>				<b>3,835</b>	<b>3,849</b>				<b>3,913</b>	<b>3,924</b>			
Net finance expense <sup>1</sup>						(601)	(606)				(620)	(620)				(635)	(632)			
Share of post tax profits/losses of associates & joint ventures <sup>1</sup>						0	0				0	0				0	0			
<b>Adjusted profit before tax</b>						<b>3,291</b>	<b>3,282</b>	<b>3,376</b>	<b>3,187</b>	<b>14</b>	<b>3,215</b>	<b>3,215</b>	<b>3,414</b>	<b>3,044</b>	<b>14</b>	<b>3,278</b>	<b>3,285</b>	<b>3,548</b>	<b>2,998</b>	<b>14</b>
Total specific items						(650)	(643)				(558)	(546)				(348)	(347)			
Of which impact operating profit						(475)	(474)				(390)	(400)				(191)	(200)			
Of which net interest on pensions						(175)	(164)				(168)	(176)				(157)	(161)			
<b>Reported profit before tax</b>						<b>2,641</b>	<b>2,646</b>				<b>2,657</b>	<b>2,682</b>				<b>2,930</b>	<b>2,915</b>			
Tax - excluding tax on specific items						(654)	(672)				(608)	(611)				(603)	(606)			
Tax rate before specific items						19.9%	20.5%				18.9%	19.0%				18.4%	18.6%			
Tax on specific items						114	116				93	93				54	53			
<b>Reported net income</b>						<b>2,101</b>	<b>2,087</b>	<b>2,182</b>	<b>2,045</b>	<b>14</b>	<b>2,142</b>	<b>2,140</b>	<b>2,351</b>	<b>1,999</b>	<b>14</b>	<b>2,381</b>	<b>2,353</b>	<b>2,595</b>	<b>2,039</b>	<b>14</b>
Adjusted basic earnings per share (pence)						26.6	26.4				26.3	26.2				26.9	27.1			
Reported basic earnings per share (pence)						21.2	21.0				21.6	21.5				23.9	23.8			
Dividend per share (pence)						15.37	15.40	15.40	15.17	14	15.37	15.40	15.40	15.17	14	14.88	15.40	15.98	7.70	14
Average number of shares in issue (m)						9,909	9,910				9,914	9,910				9,915	9,910			
<b>CASH FLOW &amp; NET DEBT</b> £m unless otherwise stated																				
Cash capital expenditure	(984)	(975)	(940)	(1,076)	11	(3,763)	(3,768)	(3,697)	(3,820)	14	(3,767)	(3,761)	(3,670)	(4,044)	14	(3,747)	(3,715)	(3,593)	(4,011)	14
Normalised free cash flow	638	658	815	520	9	2,403	2,398	2,497	2,283	14	2,031	2,020	2,622	1,746	14	2,481	2,472	2,700	2,096	14
Net (debt)/cash	(11,280)	(11,334)	(11,020)	(11,478)	7	(11,080)	(10,992)	(10,760)	(12,146)	14	(12,439)	(12,447)	(11,463)	(13,823)	14	(12,624)	(12,736)	(11,497)	(13,557)	14
<b>CASH FLOW &amp; NET DEBT</b> £m unless otherwise stated																				
<b>EBITDA<sup>1</sup></b>						<b>7,386</b>	<b>7,373</b>	<b>7,430</b>	<b>7,354</b>	<b>14</b>	<b>7,351</b>	<b>7,365</b>	<b>7,438</b>	<b>7,254</b>	<b>14</b>	<b>7,433</b>	<b>7,449</b>	<b>7,561</b>	<b>7,144</b>	<b>14</b>
Interest						(573)	(559)				(616)	(620)				(632)	(632)			
Tax (excluding cash tax benefit of pension deficit payments)						(705)	(722)				(956)	(997)				(563)	(562)			
Change in working capital						8	2				10	0				(15)	(4)			
Change in other						50	54				9	0				5	0			
<b>Cash available for investment and distribution</b>						<b>6,166</b>	<b>6,184</b>				<b>5,798</b>	<b>5,780</b>				<b>6,228</b>	<b>6,230</b>			
Cash capital expenditure						(3,763)	(3,768)	(3,697)	(3,820)	14	(3,767)	(3,761)	(3,670)	(4,044)	14	(3,747)	(3,715)	(3,593)	(4,011)	14
<b>Normalised free cash flow</b>						<b>2,403</b>	<b>2,398</b>	<b>2,594</b>	<b>2,274</b>	<b>14</b>	<b>2,031</b>	<b>2,020</b>	<b>2,622</b>	<b>1,746</b>	<b>14</b>	<b>2,481</b>	<b>2,472</b>	<b>2,700</b>	<b>2,096</b>	<b>14</b>
Payments for the acquisition of spectrum						(24)	21				(513)	(500)				(147)	0			
Net cash flow from specific items						(473)	(466)				(385)	(388)				(208)	(200)			
<b>Reported free cash flow</b>						<b>1,906</b>	<b>1,907</b>				<b>1,133</b>	<b>1,049</b>				<b>2,126</b>	<b>2,138</b>			
Equity dividends paid						(1,503)	(1,498)				(1,518)	(1,524)				(1,507)	(1,525)			
Repurchase of ordinary share capital						(51)	(37)				(48)	0				(49)	0			
<b>Residual free cash flow</b>						<b>352</b>	<b>322</b>				<b>(433)</b>	<b>(522)</b>				<b>570</b>	<b>593</b>			
Cash tax benefit of pension payments						249	273				285	263				174	171			
Gross pension deficit payment						(1,927)	(2,012)				(1,220)	(1,250)				(901)	(900)			
<b>Free cash flow post pension deficit payments</b>						<b>(1,326)</b>	<b>(1,393)</b>				<b>(1,368)</b>	<b>(1,455)</b>				<b>(157)</b>	<b>(127)</b>			
Other						(128)	(5)				9	0				(28)	0			
<b>Change in net debt</b>						<b>(1,454)</b>	<b>(1,365)</b>				<b>(1,359)</b>	<b>(1,401)</b>				<b>(185)</b>	<b>(146)</b>			
Net (debt)/cash						(11,080)	(10,992)	(10,760)	(12,146)	14	(12,439)	(12,447)	(11,463)	(13,823)	14	(12,624)	(12,736)	(11,497)	(13,557)	14
MEMO: IAS19 pension deficit (£bn, net of tax)						4.2	4.4				3.1	3.4				2.4	2.6			
MEMO: Actuarial pension deficit (£bn, gross)																				

<sup>1</sup> Adjusted, i.e. before specific items

<sup>2</sup> Including transit, but excluding specific items, foreign exchange movements and the effect of acquisitions and disposals

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