

# BT Group plc

## Investor Relations Factsheet

### November 2018



Financial Year Ending 31 March 2018<sup>1</sup>

Revenue:  
**£23.8bn**

Normalised free  
cash flow:  
**£3.0bn**

LSE: BT.A

NYSE:BT

Adjusted  
EBITDA:  
**£7.6bn**

Adjusted earnings  
per share:  
**28.6p**

Market  
capitalisation<sup>1</sup>:  
**£25.9bn**

Chief Executive Officer: Gavin Patterson  
Chief Financial Officer: Simon Lowth

### We're the UK's leader in fixed and wireless telecoms

BT is the UK's leading communications services company and a significant global player. We own and operate both fixed and wireless networks in the UK and serve customers in 180 countries. We offer services integral to modern life: fixed-line services, broadband, mobile and TV products, and IT services.

### Our investment case is based on continued network leadership and improving customer experience

Over the last year we have significantly de-risked the business, providing certainty on capex and pension payments including closing the final salary pension scheme to future accruals.

To drive future growth we have evolved our strategy to focus on: delivering differentiated customer experience; investing in integrated network leadership; and on transforming our operating model.

While we have indicated short term pressures on earnings, during this period we expect to maintain our dividend, and we remain committed to our dividend policy which is to maintain or grow our dividend each year whilst reflecting a number of factors, including underlying medium term earnings expectations and levels of business reinvestment.

### Key financial measures and guidance

	2014/15 Actual <sup>3</sup>	2015/16 Actual <sup>3</sup>	2016/17 Actual <sup>4</sup>	2017/18 Actual <sup>4</sup>	2018/19 Guidance <sup>4</sup>
Adjusted Revenue	£17,851m	£18,909m	£24,107m	£23,761m	c.(-2%) <sup>2</sup>
Adjusted EBITDA	£6,271m	£6,580m	£7,783m	£7,577m	£7.3bn-£7.4bn
Capital expenditure	£2,326m	£2,650m	£3,454m	£3,522m	c.£3.7bn
Normalised free cash flow	£2,830m	£3,098m	£2,782m	£2,973m	£2.3bn-£2.5bn
Basic adjusted earnings per share	31.5p	33.2p	30.3p	28.6p	N/A
Dividend per share	12.4p	14.0p	15.4p	15.4p	15.4p
Actuarial pension deficit valuation	£7.0bn	N/A	N/A	£11.3bn	N/A
Net debt	£5.1bn	£9.8bn	£8.9bn	£9.6bn	N/A

### Long term credit ratings | Moody's Baa2 | S&P BBB | Fitch BBB

<sup>1</sup> At 6 Nov. 2018 | <sup>2</sup> Guidance on change in underlying revenue | <sup>3</sup> Prior to restatement for April 2016 reorganisation | <sup>4</sup> IFRS 15 pro forma results (unaudited)

### Our priorities for cash flow

Drive sustainable growth in value

Grow EBITDA

Grow free cash flow

Invest for  
growth

Support  
pension  
fund

Progressive  
dividends

Maintain  
strong  
balance  
sheet

### Our contribution to the UK

#### Economic headlines

Ranked as the 5th highest tax contributor in the UK; in 2016/17 bore UK taxes of £1,065m and collected £2,956m of taxes.

#### Our people

Hired 2,100 apprentices in 2017/18 and have plans to hire a further 1,400 in 2018/19.

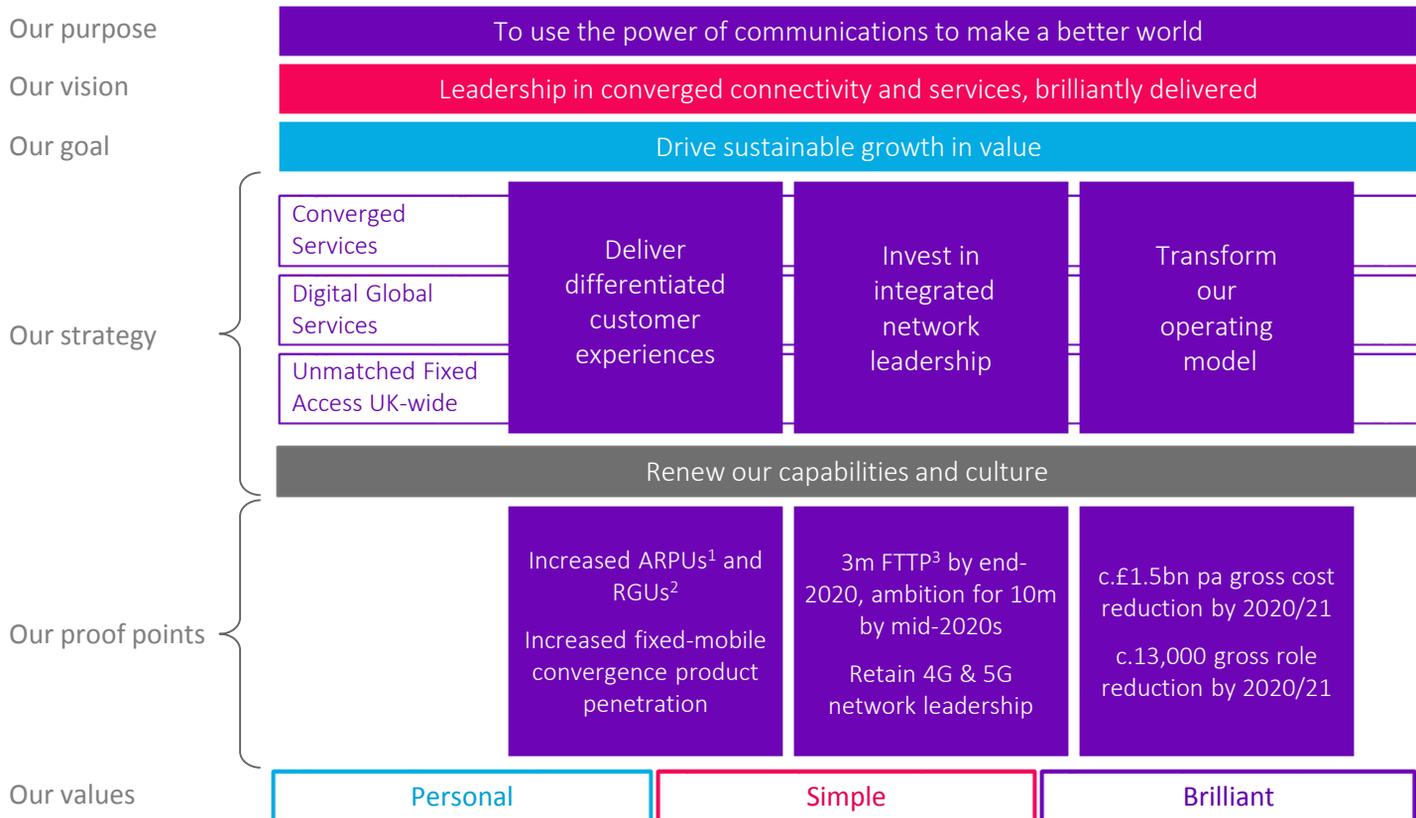
#### Our network

Have geographic 4G coverage of 90%.  
Pass 27.2m premises with our superfast footprint, 2m of which are ultrafast speeds.

#### Society

Invested £35.9m in society in 2017/18.  
39% of employees volunteered to support charities and communities.

# We have evolved our strategy to focus on convergence



## BT Group Customer Facing Units

FY2017/18 Reported Numbers <sup>6</sup>	Revenue	EBITDA	Free Cash Flow	Customers	Products
<a href="#">Consumer</a>	£10,379m	£2,369m	£1,354m	UK Consumers	Lines, mobile, broadband, TV, BT Sport
<a href="#">Business and Public Sector</a>	£4,549m	£1,400m	£1,133m	UK SMEs <sup>4</sup> , Corporates, Public Sector	Broadband, networking, voice, mobile, IT services
<a href="#">Wholesale and Ventures</a>	£2,029m	£755m	£488m	Communications Providers	Broadband, Ethernet, voice, mobile, ventures services
<a href="#">Global Services</a>	£5,019m	£430m	£115m	Global MNCs <sup>5</sup>	Managed network IT services
<a href="#">Openreach</a>	£5,130m	£2,624m	£1,110m	Communications Providers	Fibre and copper broadband, Ethernet

<sup>1</sup>Average revenue per customer | <sup>2</sup>Revenue generating units | <sup>3</sup>Fibre-to-the-premise | <sup>4</sup>Small and medium sized enterprises | <sup>5</sup>Multinational corporations | <sup>6</sup>IFRS 15 pro forma results (unaudited)



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