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BT Group PLC
06 November 2025

Results for the half year to 30 September 2025

BT Group plc
6 November 2025

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

"BT is delivering on its strategy in competitive markets. We're building the UK's digital backbone, connecting the country like no one else and accelerating our transformation. Openreach full fibre broadband now reaches more than 20 million homes and businesses and our award-winning EE network is live with 5G+ coverage for 66% of the population. Since the start of the year, we've driven customer growth across Consumer broadband, mobile and TV and we're stabilising our UK-focused Business division. Outside the UK, we've completed strategic exits and we're reshaping our International unit. BT's transformation is delivering ahead of plan, as our UK focus and radical simplification and modernisation are helping to offset declines from our International and legacy businesses and higher labour-related costs since the start of this tax year.

"We remain on track to deliver our financial outlook for this year, our cash flow inflection to c.£2.0bn in FY27 and c.£3.0bn by the end of the decade, and we're announcing an increased interim dividend to 2.45 pence per share."

Delivering on our strategy in competitive markets

- **Record FTTP build of over 2.2m** in the 6 month period; FTTP footprint reached 20.3m premises, of which 5.5m in rural locations; on track to build up to 5m this fiscal year and reach our target of 25m by December 2026
- **Record demand for Openreach FTTP** with 1.1m net adds in H1; total premises connected grew to over 7.6m, again increasing our market-leading take-up rate, now 38%; Openreach broadband ARPU grew 4% year-on-year in H1 to £16.7, driven by CPI-linked price increases, higher FTTP take-up and speed mix
- **Openreach broadband lines** fell 242k in Q2, driven by losses to competitors and a weaker broadband market; our expectation for FY26 remains unchanged at twice the H2 FY25 run rate
- **UK's best mobile network** for a record-breaking twelfth consecutive year as awarded by RootMetrics, delivering the UK's best 5G experience; '5G+' standalone coverage up over 20ppts to 66% of the population and on track to deliver to 99% of the UK population by the end of FY30
- **Landmark agreement with Starlink** announced, increasing broadband choice in hard to reach areas
- **Record retail FTTP base growth** in H1 with Consumer up 476k to 3.7m and Business up 44k to 0.3m; **5G base** reached 13.9m, up 11% year-on-year
- **Consumer customer bases grew** for a third consecutive quarter in broadband and a second consecutive quarter in postpaid mobile, with growth also in TV; year-on-year Consumer broadband ARPU down 1.4% to £41.9 and Consumer postpaid mobile ARPU down 1.6% to £19.3 year-on-year; we continue to expect a return to year-on-year service revenue growth in H2; Consumer fixed and mobile convergence increased to 25.9% from 23.1% this time last year
- **Business unit now fully UK-focused,** with a stabilising performance
- **Transformation delivering ahead of plan** with £247m gross annualised cost savings during H1 FY26 and a cumulative total of £1.2bn realised in the first 18 months of our £3bn programme; year-on-year energy usage in our networks was down 5%, total labour resource was down 6% to 111k and Openreach repair volumes were down 13%; plans advanced to reshape International
- **BT Group NPS improved** to 30.5, up 5.2pts year-on-year, demonstrating further improving customer experience

Financial performance on track; full year guidance reconfirmed

- **Reported and adjusted[1] revenue** £9.8bn, down 3%, due to declines in legacy voice, lower mobile handset trading volumes and declines in International, offset by an improving FTTP mix in Openreach
- **Adjusted UK service revenue[1]** £7.7bn, down 1%, due to declines in legacy voice and a competitive retail pricing environment, offset by an improving FTTP mix and price increases
- **Adjusted[1] EBITDA** £4.1bn, flat year-on-year, with strong cost transformation and cost control offsetting revenue flow through and higher National Insurance and National Living Wage costs
- **Reported profit before tax** £862m, down 11%, primarily driven by higher depreciation and amortisation from a higher asset base, and net finance expense driven by increased interest rates, offset by lower specific costs
- **Capital expenditure[1] ('capex')** £2.4bn, up 8%, reflecting increased FTTP provisioning and build activity
- **Net cash inflow from operating activities** £2.8bn; **normalised free cash flow[1]** £0.4bn, down £0.3bn due to higher cash capex, the absence of a prior year tax refund and lower net cash flows from working capital programmes
- **Net debt** £20.9bn (31 March 2025: £19.8bn), increasing mainly due to scheduled pension contributions of £0.8bn and the payment of the full year dividend partially offset by cash from trading activities
- **Gross IAS 19 pension deficit** of £3.9bn, a decrease from £4.1bn at 31 March 2025, mainly due to scheduled contributions offset by a decrease in credit spreads
- **Interim dividend** of 2.45 pence per share (pps) up 2% from 2.40pps in H1 FY25 in line with our policy of paying 30% of prior year's full year dividend pps
- **FY26 Outlook reconfirmed**: Adjusted[1] group revenue c£20bn, adjusted UK service revenue[1] of £15.3-£15.6bn and EBITDA of £8.2-£8.3bn; capital expenditure[1] excluding spectrum c. £5.0bn; normalised free cash flow[1] c. £1.5bn
- **Mid-term guidance reconfirmed**: Adjusted[1] group revenue and adjusted UK service revenue[1] sustained growth from FY27 and EBITDA growth ahead of revenue, enhanced by cost transformation; capital expenditure[1] excluding spectrum reducing by more than £1bn from FY26 level; normalised free cash flow[1] of c. £2.0bn in FY27 and c. £3.0bn by the end of the decade

Half year to 30 September	2025	2024	Change
Reported measures	**£m**	£m	%
Revenue	**9,810**	10,117	(3)
Profit before tax	**862**	967	(11)
Profit after tax	**651**	755	(14)
Basic earnings per share	**6.70p**	7.80p	(14)
Net cash inflow from operating activities	**2,765**	3,009	(8)
Half year dividend	**2.45p**	2.40p	2
Capital expenditure[1,4]	**2,443**	2,269	8

Adjusted measures	£m	£m	%
Adjusted[1] revenue	**9,806**	10,138	(3)
Adjusted UK service revenue[1]	**7,726**	7,827	(1)
Adjusted[1] EBITDA	**4,126**	4,132	-
Adjusted[1] basic earnings per share	**9.30p**	10.70p	(13)
Normalised free cash flow[1]	**408**	715	(43)
Capital expenditure[1] excluding spectrum	**2,442**	2,269	8
Net debt[1,3]	**20,853**	20,267	3

Customer-facing unit updates

	Adjusted[1] revenue			Adjusted UK service revenue[1]		
Half year to 30 September	**2025**	2024 re-presented[2]	Change	**2025**	2024 re-presented[2]	Change
	£m	£m	%	**£m**	£m	%
Consumer	**4,684**	4,836	(3)	**3,932**	3,989	(1)
Business	**2,589**	2,644	(2)	**2,370**	2,398	(1)
International	**1,110**	1,220	(9)	**-**	-	-
Openreach	**3,131**	3,118	-	**3,131**	3,118	-
Other	**6**	5	n/m	**5**	5	n/m
Intra-group items	**(1,714)**	(1,685)	2	**(1,712)**	(1,683)	2
Total	**9,806**	10,138	(3)	**7,726**	7,827	(1)

	Adjusted[1] EBITDA			Normalised free cash flow[1]		
Half year to 30 September	**2025**	2024 re-presented[2]	Change	**2025**	2024 re-presented[2]	Change
	£m	£m	%	**£m**	£m	%
Consumer	**1,274**	1,330	(4)	**540**	817	(34)
Business	**647**	656	(1)	**164**	97	69
International	**66**	91	(27)	**(149)**	(109)	(37)
Openreach	**2,148**	2,059	4	**296**	355	(17)
Other	**(9)**	(4)	n/m	**(443)**	(445)	n/m
Total	**4,126**	4,132	-	**408**	715	(43)

	Adjusted[1] revenue			Adjusted UK service revenue[1]			Adjusted[1] EBITDA		
Second quarter to 30 September	**2025**	2024 re-presented[2]	Change	**2025**	2024 re-presented[2]	Change	**2025**	2024 re-presented[2]	Change
	£m	£m	%	**£m**	£m	%	**£m**	£m	%
Consumer	**2,352**	2,437	(3)	**1,970**	1,998	(1)	**638**	671	(5)
Business	**1,302**	1,327	(2)	**1,187**	1,200	(1)	**324**	326	(1)
International	**568**	606	(6)	**-**	-	-	**45**	43	5
Openreach	**1,565**	1,560	-	**1,565**	1,560	-	**1,080**	1,038	4
Other	**3**	2	n/m	**3**	2	n/m	**(11)**	(7)	n/m
Intra-group	**(863)**	(846)	2	**(862)**	(844)	2	**-**	-	-
Total	**4,927**	5,086	(3)	**3,863**	**3,916**	(1)	**2,076**	2,071	-

Prior period comparatives

Throughout this release, comparative financial information for the half year to 30 September 2024 ('H1 FY25') has been re-presented to reflect the formation of the new International CFU and re-presentations of segmental revenue to reflect the nature of services and trading relationships between CFUs. Note 17 on page 28 and Additional Information on page 34 presents a bridge between financial information for the half year to 30 September 2024 as published on 7 November 2024, and the comparatives presented in this release. For further information see bt.com/about for a separate publication covering the formation of International.

1 See Glossary on page 10.
2 H1 and Q2 FY25 comparative information for the Business CFU has been re-presented to reflect the formation of the new International CFU and re-presentations of segmental revenue to reflect the nature of services and trading relationships between CFUs. Note 17 on page 28 presents a bridge between financial information for the half year to 30 September 2024 as published on 7 November 2024, and the comparatives presented in this release.
3 Net debt was £19,816 at 31 March 2025.
4 Includes spectrum investment of £1m.
n/m: comparison not meaningful

Overview of the half year to 30 September 2025

Progress against our strategic priorities

Our ambition is to become the UK's most trusted connector of people, business and society. By the end of the decade we aim to pass up to 30 million premises with full fibre, have over 30 million retail customer connections to our products and solutions, and generate £3bn of normalised free cash flow.

During H1 FY26, we made strong progress against our strategic targets for FY28-FY30:

- FTTP premises passed increased by 2.2m to over 20m; target of 25-30m
- Openreach take-up increased to 38% and retail take-up increased by 0.6m to 4.0m; targets of 40-55% and 6.5-8.5m respectively
- 5G UK population coverage increased to 89% and 5G retail connections increased by 0.7m to 13.9m; targets of 99% and 13.0m-14.5m respectively
- 5G+ population coverage increased to 66%; target of 99%
- Total labour resource decreased by 5k to 111k; target of 75-90k
- Group Net Promoter Score increased to 30.5, up 5.2pts year-on-year; target of 30-35

We are delivering ahead of our five-year £3bn cost reduction programme to FY29, with £247m gross annualised cost savings during H1 FY26 for a cumulative total of £1.2bn in the first 18 months. This was at a cost to achieve of £134m in H1 FY26, for a cumulative total of £581m, in line with our expectations.

We have now agreed or completed our targeted international disposals during FY26. We entered into an agreement to sell BT Radianz in September 2025. In addition, we completed the sale of our domestic operations in Ireland in September 2025 and the sale of both BT Italia and our datacentre business in Ireland during October 2025. These divestments align with the Group's strategy to focus on UK connectivity and reshape our International unit.

Financial outlook

- All FY26 guidance and mid-term outlook reiterated
- From FY27 to FY30, we expect sustained adjusted[1] group revenue and adjusted UK service revenue[1] growth as legacy voice drags abate, and EBITDA growth ahead of revenue enhanced by cost transformation. Capital expenditure will reduce by more than £1bn from the FY26 level. We expect to deliver c. £2.0bn in normalised free cash flow in FY27 and c. £3.0bn by the end of the decade

	FY26 outlook	**End of decade**
Adjusted[1] group revenue	c. £20bn	Sustained growth from FY27
Adjusted UK service revenue[1]	£15.3-£15.6bn	Sustained growth from FY27
Adjusted[1] EBITDA	£8.2-£8.3bn	Consistent and predictable growth ahead of revenue enhanced by cost transformation
Capital expenditure[1]	c. £5.0bn	Reduces by >£1bn from FY26 level
Normalised free cash flow[1]	c. £1.5bn	c. £2.0bn in FY27 c. £3.0bn by end of decade

Dividend

- In line with our policy, we are today declaring an interim dividend of 2.45 pence per share (pps), (H1 FY25: 2.40pps), which is 30% of last year's full dividend
- We reconfirm our progressive dividend policy which is to maintain or grow the dividend each year whilst taking into consideration a number of factors including underlying medium-term earnings expectations and the level of business reinvestment
- The Board expects to continue with this policy for future years, and to declare two dividends per year with the interim dividend being fixed at 30% of the prior year's full year dividend
- The dividend will be paid on 11 February 2026 to shareholders on the register of members on 30 December 2025. The ex-dividend date will be 29 December 2025

[1] See Glossary on page 10.

Group results for the half year to 30 September 2025

Income statement

- Reported revenue was £9,810m, down 3% mainly due to declines in legacy voice across the group, continued weaker handset trading in Consumer, and International. This was offset through the improvement of FTTP mix and price increases in Openreach
- Adjusted[1] UK service revenue for the year was £7,726m (H1 FY25: £7,827m). This is down 1% due to declines in legacy voice and softer retail pricing, offset by an improving FTTP mix and CPI-linked price increases in Openreach
- Reported operating costs were £8,329m, down 3% year-on-year due to continued cost transformation including lower total labour resource primarily in Openreach, lower mobile equipment volumes and the lower trading in International
- Adjusted[1] EBITDA of £4,126m, flat year-on-year with strong cost transformation and cost control offsetting revenue flow through and higher National Insurance and National Living Wage costs
- Reported profit before tax of £862m, down 11%, primarily driven by higher depreciation and amortisation from a higher asset base and increased interest, offset by lower specific costs

Specific items (Note 5 to the condensed consolidated financial statements)

- Specific items resulted in a net charge after tax of £259m (H1 FY25: £288m). The main components were restructuring charges of £134m (H1 FY25: £187m) and interest expense on retirement benefit obligation of £96m (H1 FY25: £99m). Specific operating costs were £232m (H1 FY25: £245m)

Tax

- The effective tax rate on reported profit was 24.5% (H1 FY25: 21.9%) and on adjusted[1] profit was 23.3% (H1 FY25: 21.7%). These are lower than the UK corporation tax rate of 25% primarily due to the UK patent box tax regime
- We made a net corporation tax payment of £28m (H1 FY25: £72m refund) driven by overseas tax payments
- We expect a large proportion of our capital expenditure to be eligible for full expensing which will reduce our current year UK tax liability

Capital expenditure

Capital expenditure

- Capital expenditure[1] was £2,443m, up 8% on H1 FY25 with higher FTTP build and provision volumes in Openreach, as we continue to accelerate our build
- Cash capital expenditure was £2,590m, up 5% with the difference to reported capital expenditure due to the timing of capital creditor spend and government grant funding repayments

Net cash inflow from operating activities and normalised free cash flow

- Net cash inflow from operating activities was £2,765m, down 8% driven by lower net cash flows from sale of receivables and the absence of a prior year tax refund, offset by timing of working capital
- Normalised free cash flow[1] was £408m, down 43% due to higher cash capex, the absence of a prior year tax refund and lower net cash flows from working capital programmes. A reconciliation of our working capital programmes is shown in Additional Information on page 35.
- Net cash cost of specific items adjusted from normalised free cash flow[1] was £242m (H1 FY25: £270m), primarily relating to restructuring payments

Net debt and liquidity

- Net debt[1] at 30 September 2025 was £20.9bn (31 March 2025: £19.8bn), increasing mainly due to scheduled pension contributions of £0.8bn and the payment of the full year dividend partially offset by cash from trading
- Net financial debt (which excludes lease liabilities) at 30 September 2025 was £16.4bn (31 March 2025: £15.2bn)
- BT Group holds cash and current investment balances of £2.0bn; the current portion of loans and other borrowings is £1.7bn
- Our £2.1bn undrawn committed borrowing facility, which matures no earlier than January 2030 with the option to extend for two further years, remains undrawn at 30 September 2025
- We remain committed to our credit rating target of BBB+/Baa1 and minimum rating of BBB/Baa2
- During H1 FY26 our credit ratings have remained unchanged at BBB or equivalent with stable outlook

Pensions (Note 6 to the condensed consolidated financial statements)

- The IAS 19 deficit has decreased to £3.9bn at 30 September 2025, net of tax £2.9bn (31 March 2025: £4.1bn, net of tax £3.2bn), primarily due to scheduled contributions offset by a decrease in credit spreads and higher real interest rates since year-end
- The 2023 BTPS funding valuation included a future funding commitment for BT to provide additional deficit contributions should the funding deficit be more than £1bn behind plan at two consecutive semi-annual assessment dates. At the 30 June 2025 assessment date, the funding position was within this limit

Principal risks and uncertainties

Details of the group's principal risks and uncertainties is provided in note 16

[1] See Glossary on page 10.

Click on, or paste the following link into your web browser, to view the associated PDF document.

http://www.rns-pdf.londonstockexchange.com/rns/3947G_1-2025-11-5.pdf

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