BT continues to deliver: record fibre build, connections and customer satisfaction

Results for the full year to 31 March 2026

21 May 2026

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

"FY26 was another year of strong delivery against BT's strategy. We are building the UK's digital backbone even faster and further, connecting the country like no one else and accelerating our transformation - and we know there is much more we can do, as we create a better BT for all of us.

"Our record-breaking Openreach full fibre build hit its upgraded target and today reaches more than two thirds of UK homes and businesses, keeping us well on track for our 25 million milestone by the end of December. We extended our mobile leadership further, with EE winning best mobile network in three separate awards, bringing 5G+ to 73% of the population.

"Customer satisfaction reached a new high, with increased demand for our next-generation products and networks. Openreach achieved record full fibre connections and reduced line losses. And by using all our brands – BT, EE and Plusnet – our Consumer division returned to customer growth across broadband, mobile and TV. Our Business division has secured significant customer wins as its transformation progresses - and we've completed five targeted non-core disposals as we reshape BT International.

"We have delivered on our financial guidance and we are transforming ahead of plan, offsetting headwinds while successfully competing. Today we're announcing an increased full year dividend of 8.32 pence per share and an updated dividend policy, and we are reiterating our guidance of sustained growth, including cash flow inflection to c. £2.0bn in FY27 and to c. £3.0bn by the end of the decade."

Consistently delivering against our strategic priorities in competitive markets

- **Record FTTP build of 4.8m** premises passed in the year, achieving the accelerated target set last year, the fastest build in Europe; FTTP footprint at 23m premises, more than two thirds of all UK premises, of which 6.3m in rural locations; on track to reach our target of 25m by December 2026
- **Record customer demand for Openreach FTTP** with 2.2m net adds in the year; total premises connected total 8.8m, bringing our market-leading take-up rate amongst all major fibre providers to over 38%; Openreach broadband ARPU in the year grew by 4% to £16.7, driven by higher FTTP take-up, speed mix and price increases
- **Openreach broadband line losses** were 203k in Q4, giving full year losses of 825k, slightly better than our c. 850k guidance, supported by our expanded and accelerated build; we expect losses of c. 800k in FY27
- **EE remains the UK's best mobile network**, evidenced by independent industry assessments, including Umlaut, Opensignal and RootMetrics; 5G+ population coverage increased to 73% from 43% last year
- **Retail FTTP base** grew by 31% year-on-year to 4.5m, of which Consumer 4.2m and Business 0.3m; 5G base reached 14.5m, up 10% year-on-year; BT brand reintroduced with new products across Consumer and Business segments during May 2026
- **Consumer customer base growth** up 26k in broadband, 104k in postpaid mobile and 72k in TV, with stable to falling churn
- **Consumer ARPU** down 1% to £41.7 in broadband and down 1% to £19.3 in postpaid mobile year-on-year in a competitive market; Consumer fixed and mobile convergence[1] increased to 26.6% from 24.6% last year
- **Business achieved significant new connectivity & security wins** including BAE Systems, NIE Networks and easyJet, and is partnering with Nscale to deliver sovereign AI data centres in the UK
- **International refocused** following completion of five planned divestments with ongoing rationalisation of footprint, products, overseas network and IT estate
- **Transformation delivering ahead of plan,** realising cost savings while improving customer journeys; £580m gross annualised cost savings achieved during FY26 at a cost to achieve of £336m, taking total savings over two years to £1.5bn at costs of £0.8bn; we realised year-on-year reductions in energy usage in our networks of 6%, in total labour resource of 7% to 108k and in Openreach repair volumes of 18%
- **Overall transformation plan target raised** to £3.7bn from £3.0bn and extending the programme by one year to FY30, at a cost to achieve of £1.4bn from £1.0bn
- **Record BT Group NPS** of 33.4, up 4.1pts year-on-year; customer satisfaction up across all brands

1 See Glossary on page 11

Solid financial performance against outlook, dividend raised; reiterating NFCF[1] to increase to £2bn in FY27 and £3bn by FY30

- **Reported revenue** £19.7bn down 3% and adjusted[1] revenue £19.6bn, down 4%, driven by lower International revenue including divestments, declines in handset trading and declines in adjusted UK service revenue
- **Adjusted UK service revenue[1]** £15.4bn, down 1%, mainly driven by lower voice volumes in Business and Consumer, offset by CPI-linked price increases and an improved broadband FTTP mix in Openreach
- **Adjusted[1] EBITDA** £8.2bn, flat year-on-year, with lower revenue offset by strong cost transformation and cost control; excluding divestments, like-for-like adjusted EBITDA was up 1%
- **Reported profit before tax** £1.4bn, up 8%, with the increase primarily driven by lower specific items, lower depreciation and amortisation, offset by a higher finance expense
- **Capital expenditure[1]** £5.1bn, up 6%, reflecting higher FTTP provisioning and build activity
- **Net cash inflow from operating activities** £7.0bn, up 1%; **normalised free cash flow**[1] £1.5bn, down 6% due to higher cash capital expenditure, interest costs, the absence of a prior year tax refund and working capital movements, partly offset by working capital programmes
- **Net debt** £20.0bn (31 March 2025: £19.8bn), broadly stable year-on-year
- **Gross IAS 19 pension deficit** of £4.2bn, an increase from £4.1bn at 31 March 2025, reflecting updated views on mortality and inflation, and lower asset returns than expected, partly offset by scheduled contributions
- **Final dividend** of 5.87 pence per share (pps) up 2% from 5.76pps, bringing the full year dividend to 8.32pps
- **Updated dividend policy** to grow the dividend by low to mid single digit percent per annum in FY27 and onwards until metrics consistent with a BBB+ credit rating are reached; thereafter residual cash flow will be available for enhanced distributions to shareholders
- **FY27 outlook:** Adjusted[1] revenue £19.0-19.5bn, adjusted UK service revenue[1] of £15.1-£15.4bn and adjusted[1] EBITDA growth within the range of £8.2-8.3bn; capital expenditure[1] excluding spectrum c. £4.3bn; normalised free cash flow[1] c. £2.0bn
- **Mid-term guidance**: Sustained growth in adjusted[1] revenue and adjusted UK service revenue[1], sustained growth in adjusted[1] EBITDA ahead of UK service revenue, enhanced by cost transformation; capital expenditure[1] excluding spectrum reducing by more than £1bn from the FY26 level; normalised free cash flow[1] of c. £3.0bn by the end of the decade

Full year to 31 March	2026	2025	Change
Reported measures	**£m**	£m	%
Revenue	**19,654**	20,358	(3)
Profit before tax	**1,436**	1,334	8
Profit after tax	**1,077**	1,054	2
Basic earnings per share	**11.0p**	10.8p	2
Net cash inflow from operating activities	**7,030**	6,989	1
Full year dividend	**8.32p**	8.16p	2
Capital expenditure[1,2]	**5,127**	4,857	6
Adjusted measures	**£m**	£m	%
Adjusted[1] revenue	**19,646**	20,370	(4)
Adjusted UK service revenue[1]	**15,445**	15,568	(1)
Adjusted[1] EBITDA	**8,230**	8,209	—
Adjusted[1] basic earnings per share	**18.3p**	18.8p	(3)
Normalised free cash flow[1]	**1,508**	1,598	(6)
Capital expenditure[1] excluding spectrum	**5,114**	4,857	5
Net debt[1]	**19,966**	19,816	1

1 See Glossary on page 11
2 Includes spectrum investment of £13m

Customer-facing unit updates

	Adjusted[1] revenue			Adjusted UK service revenue[1]		
Full year to 31 March	2026 £m	2025 re-presented[2] £m	Change %	2026 £m	2025 re-presented[2] £m	Change %
Consumer	**9,494**	9,695	(2)	**7,853**	7,888	—
Business	**5,257**	5,348	(2)	**4,803**	4,847	(1)
International	**2,114**	2,499	(15)	**—**	—	—
Openreach	**6,190**	6,156	1	**6,190**	6,156	1
Other	**13**	12	n/m	**12**	12	n/m
Intra-group items	**(3,422)**	(3,340)	2	**(3,413)**	(3,335)	2
Total	**19,646**	20,370	(4)	**15,445**	15,568	(1)

	Adjusted[1] EBITDA			Normalised free cash flow[1]		
Full year to 31 March	2026 £m	2025 re-presented[2] £m	Change %	2026 £m	2025 re-presented[2] £m	Change %
Consumer	**2,602**	2,644	(2)	**1,273**	1,025	24
Business	**1,266**	1,331	(5)	**530**	540	(2)
International	**145**	205	(29)	**(117)**	(34)	(244)
Openreach	**4,225**	4,029	5	**792**	839	(6)
Other	**(8)**	—	n/m	**(970)**	(772)	n/m
Total	**8,230**	8,209	—	**1,508**	1,598	(6)

	Adjusted[1] revenue			Adjusted UK service revenue[1]			Adjusted[1] EBITDA		
Fourth quarter to 31 March	2026 £m	2025 re-presented[2] £m	Change %	2026 £m	2025 re-presented[2] £m	Change %	2026 £m	2025 re-presented[2] £m	Change %
Consumer	**2,342**	2,361	(1)	**1,958**	1,928	2	**678**	659	3
Business	**1,371**	1,327	3	**1,254**	1,219	3	**302**	320	(6)
International	**482**	672	(28)	**—**	—	—	**29**	60	(52)
Openreach	**1,519**	1,505	1	**1,519**	1,505	1	**1,025**	942	9
Other	**3**	2	n/m	**3**	2	n/m	**(8)**	(7)	n/m
Intra-group	**(853)**	(818)	4	**(850)**	(818)	4	**—**	—	—
Total	**4,864**	5,049	(4)	**3,884**	3,836	1	**2,026**	1,974	3

Performance against FY26 outlook

	FY26 outlook	FY26 performance
Adjusted[1] revenue	c. £20bn	£19.65bn
Adjusted UK service revenue[1]	£15.3-£15.6bn	£15.45bn
Adjusted[1] EBITDA	£8.2-£8.3bn	£8.23bn
Capital expenditure[1] excluding spectrum	c. £5.0bn	£5.11bn
Normalised free cash flow[1]	c. £1.5bn	£1.51bn

Prior period comparatives

Throughout this release, comparative financial information for the full year to 31 March 2025 ('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 16 on page 28 and Additional Information on page 32 presents a bridge between financial information for the full year to 31 March 2025 as published on 22 May 2025, 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 11
2 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 16 on page 28 presents a bridge between financial information for the full year to 31 March 2025 as published on 22 May 2025, and the comparatives presented in this release.

Overview of the full year to 31 March 2026

Progress against our strategic priorities

Our ambition is to be the UK's most trusted connector of people, business and society. We will do this by building the best, most trusted digital networks, by connecting customers so they thrive as we grow in a digital world, and by accelerating our modernisation to restore leadership in everything we do.

We made significant progress against our strategy in FY26. Highlights include:

Build

- **The best FTTP everywhere in the UK.** Reaching over two-thirds of the UK and on track for 25m premises by December 2026
- **The best, most resilient mobile network.** 5G+ population coverage now at 73%, up from 43%
- **The best network that differentiates us from competition.** Triple quality award wins, reinforcing network performance quality
- **Leadership in network innovation for the country.** First to provide end-to-end sovereign offering for the UK

Connect

- **The most loved and trusted brands.** Consumer customer base growth across mobile, broadband and TV
- **The best connectivity products for life and work.** Leadership in safety, security and protection; Business wins with BAE Systems, NIE Networks, and easyJet; partnerships with Nscale and CrowdStrike
- **The most effortless, personalised experiences.** Record Group NPS of 33.4pts, improving across all brands
- **The best partners for solutions beyond connectivity.** Cisco Partner of the Year; Strong partnerships with Apple, Samsung, Google, Microsoft and others

Accelerate

- **One team with a customer-first delivery culture.** Employee engagement above UK benchmarks and remains strong
- **A radically simpler portfolio, products and platforms.** Transformation ahead of plan with £1.5bn savings delivered at a cost to achieve of £0.8bn since launch; overall transformation plan extended by one year to FY30 and target raised to £3.7bn
- **IT, enabled by data and AI, as a real competitive advantage.** Customer journey simplification, with developing AI initiatives, delivering reduced cost to serve
- **Trusted leader for digital inclusion, resilience and sustainability.** We've reached 23.3 million people with digital skills help since 2015

Financial outlook

- We remain well-positioned to deliver a strong increase in cash flow and value through delivery of our UK-focused strategy
- In FY27 we expect adjusted[1] revenue of £19.0-19.5bn and adjusted UK service revenue[1] of between £15.1bn and £15.4bn which includes a c. £150-200m headwind from voice as we move towards PSTN closure, with adjusted[1] EBITDA growth to within the range of £8.2-£8.3bn. Capital expenditure[1] excluding spectrum is expected to be around £4.3bn, with normalised free cash flow[1] of £2.0bn
- In the mid-term, from FY28-FY30, we expect sustained growth in adjusted[1] group revenue and adjusted UK service revenue[1] as the voice drag abates, and sustained growth in adjusted[1] EBITDA ahead of UK service revenue, enhanced by cost transformation. By the end of the decade capital expenditure[1] excluding spectrum will reduce by more than £1bn from the FY26 level and we expect to deliver c. £3.0bn in normalised free cash flow[1]

Dividend

- We are today declaring a final dividend of 5.87 pence per share (pps), increasing our full year dividend to 8.32pps, a year-on-year increase of 2% (FY25: 8.16pps)
- The Board has adopted a new policy to grow the dividend by low to mid single digit percent per annum in FY27 and onwards until metrics consistent with a BBB+ credit rating are reached; thereafter residual cash flow will be available for enhanced distributions to shareholders
- The Board expects to continue 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 9 September 2026 to shareholders on the register of members on 7 August 2026. The ex-dividend date will be 6 August 2026

	FY27 outlook	Mid-term guidance
Adjusted[1] group revenue	£19.0-£19.5bn	Sustained growth
Adjusted UK service revenue[1]	£15.1-£15.4bn	Sustained growth
Adjusted[1] EBITDA	Growth, £8.2-£8.3bn	Sustained growth ahead of UK service revenue, enhanced by cost transformation
Capital expenditure[1] excluding spectrum	c. £4.3bn	Reduces by >£1bn from FY26 level
Normalised free cash flow[1]	c. £2.0bn	c. £3.0bn by end of decade
Dividend	Low to mid-single digit growth	Low to mid-single digit growth until metrics consistent with BBB+ are reached; thereafter residual cash flow will be available for enhanced distributions

1 See Glossary on page 11.

Group results for the full year to 31 March 2026

Income statement

Revenue

- Reported revenue was £19,654m, down 3% and adjusted[1] revenue was £19,646m, down 4%, mainly driven by lower International revenue including the impact of divesting entities in the year, reduced handset trading and declines in adjusted UK service revenue
- Adjusted UK service[1] revenue for the year was £15,445m (FY25: £15,568m). This is down 1% due to declines in voice in Business and Consumer and softer retail pricing, offset by CPI-linked price increases and an improving broadband FTTP mix in Openreach

Operating costs

- Reported operating costs were £16,757m, down 6% 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
- Specific items within operating costs were £466m (FY25: £772m) down 40% due to restructuring charges of £336m (FY25: £448m) and lower impairment charges on our equity interests in the Sports JV. On an adjusted basis operating costs were £16,291m, down 5% year on year

Operating profit

- Reported operating profit was £2,897m, up 16% year-on-year primarily due to strong cost transformation and lower specific items in FY26 compared to FY25 offset by lower revenue

Adjusted EBITDA

- Adjusted[1] EBITDA of £8,230m flat year-on-year. Excluding divestments, like-for-like adjusted EBITDA was up 1%, with strong cost transformation and cost control offsetting revenue flow through and higher National Insurance and National Living Wage costs

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

- Specific items resulted in a net charge after tax of £716m (FY25: £781m). The main components were share of impairment losses of the Sports JV of £218m (FY25: £nil), restructuring charges of £336m (FY25: £448m) and interest expense on retirement benefit obligation of £191m (FY25: £197m). Specific operating costs were £466m (FY25: £772m)

Net finance expense

- Net finance expense was £1,251m, up 9% year-on-year primarily driven by higher interest on newly issued bonds
- Specific items within finance expense related to interest expense on retirement benefit obligations of £191m (FY25: £197m). On an adjusted basis, net finance expense was £1,060m, up 11% year-on-year

Share of post-tax profit/(loss) of associates and joint ventures

- Our share of post-tax losses from our joint ventures and associates was £210m (FY25: £8m loss), mainly due to the Group's share of impairment losses of £218m in the Sports JV (FY25: £nil) as a result of revised expectations of the Sports JV's future performance and market position. These impairment losses in FY26 have been recognised as specific items
- On an adjusted basis, the share of post-tax profit of associates and joint ventures was £8m (FY25: £8m loss)

Profit before tax

- Reported profit before tax of £1,436m, up 8% primarily reflecting lower transformation costs, reduced depreciation and amortisation, and lower impairment charges and disposal-related costs, partially offset by write-downs on the Sports JV. These benefits were further offset by increased net finance expense, driven by higher interest rates. On an adjusted basis profit before tax was £2,303m, down 1% year-on-year

Taxation

- The effective tax rate on reported profit was 25.0% (FY25: 21.0%) which is line with the UK corporation tax rate of 25%, and is primarily due to the benefit of the UK patent box tax regime offset by the non-deductible share of impairment loss in the Sports JV
- The effective tax rate on adjusted profit was 22.1% (FY25: 20.7%) primarily due to the UK patent box regime.
- Total corporate income tax payments of £58m (FY25: £35m net corporation tax refund) comprising overseas tax payments.
- We expect a large proportion of our UK capital expenditure to be eligible for full expensing which will reduce our current year UK tax liability

Earnings per share

- Reported earnings per share was 11.0p, up 2%, while adjusted earnings per share was 18.3p, down 3%. The increase in reported earnings per share is driven by higher reported profit before tax offset by a higher tax charge. Adjusted earnings per share was down driven by lower adjusted profit before tax and a higher tax charge in the year

1 See Glossary on page 11

Cash flow, net debt and liquidity

Net cash inflow from operating activities and normalised free cash flow

- Net cash inflow from operating activities was £7,030m, up 1% driven by higher operating profit, with strong cost control offsetting lower revenues, improved net cashflow from working capital, offset by higher tax paid due to the absence of a prior year tax refund
- Normalised free cash flow[1] was £1,508m, down 6% reflecting higher cash capital expenditure, increased interest costs, the absence of a prior year tax refund and improved net cashflow from the combination of working capital movements and working capital programmes. We use working capital programmes to manage cash timing and support investment; bills of exchange standardise handset payment terms across suppliers, handset receivables programmes manage the movement to longer customer contract terms, and copper forward sales underpin accelerated FTTP build. A description of our working capital programmes is shown in Additional Information on page 33
- The net cash cost of specific items excluded from normalised free cash flow[1] was £415m (FY25: £498m), primarily relating to restructuring payments

Capital expenditure

- Capital expenditure[1] was £5,127m, up 6% on FY25 driven by higher FTTP build and provision volumes in Openreach, partially offset by reduced spend across property programmes and IT delivery
- Cash capital expenditure was £5,169m, up 5% with the difference to reported capital expenditure due to the timing of capital creditor spend and government grant funding repayments

Net debt

- Net debt[1] at 31 March 2026 was £20.0bn (31 March 2025: £19.8bn), increasing mainly due to scheduled pension contributions of £0.8bn and dividend payments partially offset by cash from trading
- Net financial debt (which excludes lease liabilities) at 31 March 2026 was £15.8bn (31 March 2025: £15.2bn)
- BT Group holds cash and current investment balances of £1.8bn; the current portion of loans and other borrowings is £0.4bn at 31 March 2026
- Our £2.1bn undrawn committed borrowing facility, which matures no earlier than January 2031 with the option to extend for one further year, remains undrawn at 31 March 2026
- We remain committed to our credit rating target of BBB+/Baa1 and minimum rating of BBB/Baa2. During 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 increased to £4.2bn at 31 March 2026, net of tax £3.1bn (31 March 2025: £4.1bn, net of tax £3.2bn).
- The increased deficit reflects updated assumptions on mortality and inflation, and lower asset returns than expected, partly offset by scheduled contributions over the year

Balance sheet

- Non-current assets at 31 March 2026 were £42,861m (FY25: £42,610m), an increase of £251m. Higher property, plant and equipment was offset by lower intangible assets, reflecting amortisation in the year, and a reduction in right-of-use assets
- Current assets at 31 March 2026 were £7,115m (FY25: £8,372m), of which £1,442m relates to trade receivables (FY25: £1,490m). The decrease of £1,257m resulted from lower investments, lower money market funds, and lower assets held for sale reflecting completion of the relevant divestments
- Current liabilities at 31 March 2026 were £8,409m (FY25: £10,285m), of which £3,825m relates to trade payables (FY25: £3,727m). The decrease of £1,876m was primarily a result of the decrease of £1,672m in loans and other borrowings following refinancing in the year
- Non-current liabilities of £29,003m (FY25: £27,789m) increased by £1,214m. The increase resulted from higher loans and other borrowings offset by lower lease liabilities
- Total equity decreased by £344m to £12,564m (FY25: £12,908m) as profits of £1,077m in the year were offset by remeasurement of the net pension obligation and dividends to shareholders of £807m

Principal risks and uncertainties

A summary of the group's principal risks and uncertainties are provided in note 15. There have been no material changes in the current year. We are actively monitoring the situation in the Middle East and the risks to our business. We have established a taskforce to monitor the threats and coordinate our operational response as well as carrying out longer-term scenario analysis. The principal risks and uncertainties facing the group at 31 March 2026 are set out in detail within the strategic report section of the Annual Report 2026, which will be published on the group's website (https://www.bt.com/about/investors/financial-reporting-and-news) on 11 June 2026.

1 See Glossary on page 11.

Operating review

Measures discussed in the operating review are on an adjusted basis and unless otherwise stated commentary is on full year results. For a definition of adjusted, see Glossary on page 11.

Consumer: Growing customers, converged homes and record NPS

	Fourth quarter to 31 March				Full year to 31 March			
	2026	2025		Change	**2026**	2025		Change
	£m	£m	£m	%	**£m**	£m	£m	%
Revenue[1]	**2,342**	2,361	(19)	(1)	**9,494**	9,695	(201)	(2)
Of which UK service revenue[1]	**1,958**	1,928	30	2	**7,853**	7,888	(35)	—
Operating costs[1]	**1,664**	1,702	(38)	(2)	**6,892**	7,051	(159)	(2)
EBITDA[1]	**678**	659	19	3	**2,602**	2,644	(42)	(2)
Depreciation & amortisation[1]					**1,673**	1,832	(159)	(9)
Operating profit[1]					**929**	812	117	14
Capital expenditure[1]					**1,155**	1,207	(52)	(4)
Normalised free cash flow[1]					**1,273**	1,025	248	24

Financial metrics

- Revenue[1] down 2% primarily due to lower handset volumes in a competitive market
- UK service revenue[1] flat year-on-year, with a return to growth in H2 and in Q4 of 2%, driven by growth in customer base and broadly stable ARPU, partially offset by a 1 percentage point drag from voice
- EBITDA[1] decreased by 2%, returning to growth in H2 and Q4 reflecting a disciplined approach to cost control. Full year decline was driven by revenue flow-through and higher Openreach costs, as well as headwinds from National Insurance, the National Living Wage and incremental PSTN closure costs ahead of January 2027. Excluding prior-year one-offs, EBITDA was broadly flat. In FY27 we expect brand refresh costs and voice to drag in the first half, but lower sports content costs in the second half
- Depreciation and amortisation[1] down driven by year-on-year decreases in capital expenditure
- Capital expenditure[1] down driven by lower IT and retail store spend
- Normalised free cash flow[1] up driven by lower capital expenditure and favourable working capital timing partly offset by lower EBITDA

Operational metrics

- Postpaid mobile net adds of 104k, growing the base to 14.0m, with churn remaining low at 1.0%. Postpaid mobile ARPU was £19.3, down 1% year-on-year
- Broadband net adds of 26k, with the base growing to more than 8.2m, marking a fifth consecutive quarter of growth, with churn falling to 1.1%. Broadband ARPU was £41.7, down 1%, driven by declines in voice and sport services, Consumer adversely impacted in areas where we do not have FTTP
- TV continued to perform strongly, with the base increasing by 72k during FY26, delivering a seventh consecutive quarter of positive net adds
- FTTP adoption saw record growth, with the base increasing by 967k in FY26 to 4.2m customers, up 30% year-on-year and now representing 51% of the total broadband base
- The 5G connected base grew to 11.5m customers, up 7% year-on-year, with 5G+ now serving 73% of the population
- Our converged product base continues to grow with 26.6% (FY25: 24.6%) of all Consumer mobile or broadband households now taking both broadband and postpaid mobile
- Network leadership was reinforced, with EE performing the best in three landmark mobile performance studies—RootMetrics, Umlaut Connect and Opensignal—demonstrating the highest quality mobile connectivity in the UK
- Customer experience improved across all three brands, with NPS[1] increasing by 3.1pts year-on-year

1 Financials and commentary are based on adjusted measures; see Glossary on page 11.

Business: Transformation underway, growth foundations now laid

	Fourth quarter to 31 March				Full year to 31 March			
	2026 £m	2025 re-presented[2] £m	£m	Change %	**2026 £m**	2025 re-presented[2] £m	£m	Change %
Revenue[1]	**1,371**	1,327	44	3	**5,257**	5,348	(91)	(2)
Of which UK service revenue[1]	**1,254**	1,219	35	3	**4,803**	4,847	(44)	(1)
Operating costs[1]	**1,069**	1,007	62	6	**3,991**	4,017	(26)	(1)
EBITDA[1]	**302**	320	(18)	(6)	**1,266**	1,331	(65)	(5)
Depreciation & amortisation[1]					**770**	721	49	7
Operating profit[1]					**496**	610	(114)	(19)
Capital expenditure[1]					**616**	582	34	6
Normalised free cash flow[1]					**530**	540	(10)	(2)

Since 1 July 2025 Business has been focused on serving customers based in the UK, with the separation of overseas activities into International; prior periods have been re-presented.

Financial metrics

- Revenue[1] down 2% driven by lower equipment trading and UK service revenue[1]
- UK service revenue[1] down 1% driven by a 2 percentage point drag from voice, partially offset by improved Broadband ARPU and managed services. Q4 revenue growth was driven by milestone delivery and one-off managed contract deals in CPS[1] which includes equipment sales as part of a managed contract
- EBITDA[1] down 5%, mainly driven by service revenue flow through and impact of low margin kit sales, partially offset by cost transformation; in FY27 we expect higher marketing spend in the first half, balanced by cost improvements in the second half
- Depreciation and amortisation[1] up driven by higher network, digital and customer equipment investment
- Capital expenditure[1] up driven by higher digital investment to support transformation
- Normalised free cash flow[1] down driven by lower EBITDA and higher capital expenditure, partially offset by favourable working capital timing

Operational metrics

- FTTP base increased 44% year-on-year to 316k. 5G base up 27% year-on-year to 3.0m
- Simplified the product portfolio to 141 from 158[3]; units on legacy networks down by 45% year-on-year
- Access to BT Business expertise now in all BT/EE high street stores
- Momentum on customer wins and product upgrades, including BAE Systems, NIE Networks and easyJet, plus launch of end-to-end sovereign portfolio and partnership with global cybersecurity leader CrowdStrike and with Nscale to deliver sovereign AI data centres in the UK
- Transformation continues at pace, supported by our AI-powered operations partnership with Accenture
- Continued NPS growth, up 6.9pts year-on-year primarily driven by continued improvements in Small and Medium Business (SMB)

1 Financials and commentary are based on adjusted measures; see Glossary on page 11.
2 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 16 on page 28 and the Additional Information on page 32 present bridges between financial information for the full year to 31 March 2025 as published on 22 May 2025, and the comparatives presented in this release.
3 Product portfolio re-presented to remove the International unit contribution

International: Sharpened focus, divestment of non-core businesses

	Fourth quarter to 31 March				Full year to 31 March			
	2026	2025 re-presented[2]		Change	**2026**	2025 re-presented[2]		Change
	£m	£m	£m	%	**£m**	£m	£m	%
Revenue[1]	**482**	672	(190)	(28)	**2,114**	2,499	(385)	(15)
Operating costs[1]	**453**	612	(159)	(26)	**1,969**	2,294	(325)	(14)
EBITDA[1]	**29**	60	(31)	(52)	**145**	205	(60)	(29)
Depreciation & amortisation[1]					**208**	240	(32)	(13)
Operating profit[1]					**(63)**	(35)	(28)	(80)
Capital expenditure[1]					**109**	140	(31)	(22)
Normalised free cash flow[1]					**(117)**	(34)	(83)	(244)

International was formed on 1 July 2025 to focus on serving multinational corporations. Its strategic ambition is to become the global leader in secure, multi-cloud connectivity, anchored by next-gen platforms Global Fabric and Global Voice; prior periods have been re-presented.

Financial metrics

- Revenue[1] down 15%, driven by decline in legacy products and managed contracts, completed divestments accounting for 7 percentage points of the decline, and adverse foreign exchange
- EBITDA[1] down 29% driven by completed divestments, accounting for 11 percentage points of the decline, increased investment in Global Fabric, revenue flow-through and inflationary cost pressures, partially offset by tight cost control and ongoing transformation initiatives
- Depreciation and amortisation[1] down, largely reflecting the reclassification of assets as held for sale, in line with the completion of strategic business exits
- Capital expenditure[1] down driven by completed divestments and lower Global Fabric related spend
- Normalised free cash flow[1] down driven by lower EBITDA and working capital timing, partially offset by lower capital expenditure

Operational metrics

- Global Fabric product testing successfully completed, with Global Fabric's Internet service ready for orders
- All five targeted divestments in International are now complete with the last, BT Radianz, closed on 1 February
- Delivered £71m of in-year cost transformation, predominantly through reductions in TLC and third-party costs, while continuing to execute the telco platform strategy, including optimising our processes, increased automation and centralising roles to our hubs
- During the quarter we secured a contract with Denmark's Agency for Governmental IT Services to connect the country's foreign ministry sites in 92 countries

1 Financials and commentary are based on adjusted measures; see Glossary on page 11.
2 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 16 on page 28 and the Additional Information on page 32 present bridges between financial information for the full year to 31 March 2025 as published on 22 May 2025, and the comparatives presented in this release.

Openreach: Record FTTP build and connections, step change in efficiency

	Fourth quarter to 31 March				Full year to 31 March			
	2026	2025		Change	**2026**	2025		Change
	£m	£m	£m	%	**£m**	£m	£m	%
Revenue[1]	**1,519**	1,505	14	1	**6,190**	6,156	34	1
Of which UK service revenue[1]	**1,519**	1,505	14	1	**6,190**	6,156	34	1
Operating costs[1]	**494**	563	(69)	(12)	**1,965**	2,127	(162)	(8)
EBITDA[1]	**1,025**	942	83	9	**4,225**	4,029	196	5
Depreciation & amortisation[1]					**2,130**	2,032	98	5
Operating profit[1]					**2,095**	1,997	98	5
Capital expenditure[1]					**3,171**	2,838	333	12
Normalised free cash flow[1]					**792**	839	(47)	(6)

Financial metrics

- Revenue[1] up 1% year-on-year. CPI-linked price increases across the portfolio, the higher ARPU from the improved FTTP mix in broadband, and growing PIA[1] volumes, were partially offset by declines in the broadband and voice-only customer base.
- EBITDA[1] up 5%, driven by ongoing cost transformation including the benefit of lower repair volumes, down 18%, and lower total labour resource, with direct labour resource down 10%. These were partially offset by pay inflation. Q4 growth was higher due to a weaker prior year comparator which was impacted by commercial and storm-related rebates
- Depreciation and amortisation[1] up year-on-year, reflecting continued investment in network build
- Capital expenditure[1] up year-on-year due to increased FTTP provisioning and build activity
- Normalised free cash flow[1] down year-on-year, primarily due to higher capital expenditure and the timing of working capital, partially offset by EBITDA growth and the forward sale of copper

Operational metrics

- Q4 saw our largest ever quarter for FTTP build with 1.5m premises passed. The FTTP footprint is now over 22.9m, of which 6.3m are in more rural and hard to reach areas, exceeding our Area 3[2] ambition. We remain on track to deliver FTTP to 25m premises by December 2026
- The FTTP connected base grew by a record 2.2m lines in the year, reaching a total of 8.8m. Net adds of 553k in the quarter are 5% higher year-on-year, maintaining our market leading take-up amongst all major fibre providers of over 38% on a fast-growing footprint
- Openreach broadband line losses were 203k in Q4, giving full year losses of 825k, slightly better than our guidance. We expect losses c. 800k in FY27
- Openreach broadband ARPU of £16.7 was up 4% year-on-year driven by the CPI linked price increase and greater FTTP take-up
- Across the full year Openreach achieved all Ofcom Quality of Service standards for both Copper and Ethernet
- Openreach delivered a solid performance for on time FTTP provision of 89.6% in Q4
- End customer satisfaction was solid in Q4 with 93% of our independent customer survey responses scoring Openreach between 8 and 10 (out of 10), helping to maintain an 'Excellent' Trustpilot rating

1 Financials and commentary are based on adjusted measures; see Glossary on page 11.
2 Area 3: Postcode sectors where Ofcom determined there is not, and there is unlikely to be potential for, material and sustainable competition to BT in the commercial deployment of competing networks.

Glossary

ARPU	Average Revenue Per User	**NPS**	Net Promoter Score
CFU	Customer-Facing Unit	**PIA**	Physical Infrastructure Access
CPS	Corporate and Public Sector	**SMB**	Small and Medium Businesses
FTTP	Fibre To The Premises	**TLC**	Total Labour Cost

Our commentary includes discussion of 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 trading results of the group. Reported revenue and reported profit before tax are prepared in accordance with IFRS and are the equivalent unadjusted or statutory measures. Reconciliations between adjusted measures and the most directly comparable IFRS measures are provided in Additional Information section (pages 32 to 35).

Adjusted	Adjusted measures (including adjusted revenue, adjusted operating costs, adjusted operating profit, and adjusted basic earnings per share) are 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 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.
Free cash flow	Net cash inflow from operating activities after net capital expenditure.
Capital expenditure	Additions to property, plant and equipment and intangible assets in the period.
Normalised free cash flow	Free cash flow (net cash inflow from operating activities after net capital expenditure) after net interest paid, payment of lease liabilities, net cash flows from the sale of cash flows related to contract assets, monies received as prepayment for the sale of redundant copper, dividends received from non-current asset investments, associates and joint ventures, and net purchase or disposal of non-current asset investments, before pension deficit payments (including their cash tax benefit), payments relating to spectrum, and specific items. It excludes cash flows that are determined at a corporate level independently of ongoing trading operations such as dividends paid, share buybacks, acquisitions and disposals, repayment and raising of debt, cash flows relating to loans with joint ventures, and cash flows relating to the Building Digital UK demand deposit account which have already been accounted for within normalised free cash flow. For non-tax related items, other than for pension deficit payments, adjustments represent pre-tax cash flows and no allocation of tax refunded / (paid) relating to these adjustments has been included in or excluded from normalised free cash flow.
Net debt	Loans and other borrowings and lease liabilities (both current and non-current), less current asset investments and cash and cash equivalents, including items which have been classified as held for sale on the balance sheet. Amounts due to joint ventures, loans and borrowings recognised in relation to monies received from the sale of cash flows of contract assets and as prepayment for the forward sale of redundant copper are excluded. Currency denominated balances within net debt are translated into sterling at swapped rates where hedged. Fair value adjustments and accrued interest applied to reflect the effective interest method are removed.
Adjusted UK service revenue	Adjusted UK service revenue comprises all UK revenue less UK equipment revenue. Some revenue from equipment is included within adjusted UK service revenue where this is sold as part of a managed services contract or where that equipment cannot be practicably separated from the underlying service.
Re-presented	We have re-presented certain FY25 comparatives to reflect changes in the Group's internal reporting structure. The International CFU was separated from Business forming a new CFU, effective from 1 July 2025. In addition, two re-presentations have been made to segmental revenue reporting, consistent with the information now provided to the Executive Committee, which is the key management committee and represents the 'chief operating decision maker' (CODM): – Certain Openreach pass-through services previously reported as external revenue in Business have been reclassified to Openreach to reflect the customer relationship. As a result of this change the prior year comparatives have been re-presented to present revenue on a consistent basis resulting in a £89m reduction in Business segment revenue for the year to 31 March 2025, with no impact on Openreach segmental revenue due to the intra-group nature of the transaction. – Following an update to the commercial terms governing a trading relationship between EE and BT Wholesale, BT Wholesale will now recognise services provided to EE as part of this trading relationship as intersegment revenue. Previously, these services were internally reported as cost recovery. This change results in the recognition of revenue within the Business segment. As a result of this change the prior year comparatives have been re-presented to present revenue and cost for the segment on a consistent basis. The effect of this change is to increase Business revenue by £87m, with a corresponding increase in cost.
Consumer fixed and mobile convergence	Total households served by Consumer which have both a BT Group (any brand) fixed broadband and postpaid mobile connection present divided by total number of Consumer households, excluding voice fixed line
Specific items	Items that in management's judgement should be disclosed separately by virtue of their size, nature or incidence. In the current period these relate to our assessment of our provision for historical regulatory matters, disposals of businesses and investments, impairment loss on remeasurement of disposal groups, litigation settlements, restructuring charges, divestment-related items, Sports JV-related items, asset impairment charges, net interest expense on pensions and the impact of remeasuring deferred tax balances. 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.

We assess the performance of the group using a variety of alternative performance measures. Reconciliations from the most directly comparable IFRS measures are in Additional Information on pages 32 to 35.

Condensed consolidated financial statements

Group income statement

Full year to 31 March 2026	Note	Before specific items (Adjusted) £m	Specific items (note 5) £m	Total (Reported) £m
Revenue	2,3	19,646	8	**19,654**
Operating costs	4	(16,291)	(466)	**(16,757)**
Of which net impairment losses on trade receivables and contract assets		(146)	—	**(146)**
Operating profit (loss)		3,355	(458)	**2,897**
Finance expense		(1,206)	(191)	**(1,397)**
Finance income		146	—	**146**
Net finance expense		(1,060)	(191)	**(1,251)**
Share of post-tax profit (loss) of associates and joint ventures		8	(218)	**(210)**
Profit (loss) before tax		2,303	(867)	**1,436**
Taxation		(510)	151	**(359)**
Profit (loss) for the period		1,793	(716)	**1,077**
Earnings per share	8			
- basic		18.3p	(7.3)p	**11.0p**
- diluted		18.0p	(7.2)p	**10.8p**

Full year ended 31 March 2025	Note	Before specific items (Adjusted) £m	Specific items (note 5) £m	Total (Reported) £m
Revenue	2,3	20,370	(12)	**20,358**
Operating costs	4	(17,094)	(772)	**(17,866)**
Of which net impairment losses on trade receivables and contract assets		(171)	—	**(171)**
Operating profit (loss)		3,276	(784)	**2,492**
Finance expense		(1,104)	(197)	**(1,301)**
Finance income		151	—	**151**
Net finance expense		(953)	(197)	**(1,150)**
Share of post-tax profit (loss) of associates and joint ventures		(8)	—	**(8)**
Profit (loss) before tax		2,315	(981)	**1,334**
Taxation		(480)	200	**(280)**
Profit (loss) for the period		1,835	(781)	**1,054**
Earnings per share	8			
- basic		18.8p	(8.0)p	**10.8p**
- diluted		18.4p	(7.8)p	**10.6p**

Group statement of comprehensive income

	Full year ended 31 March	
	2026	2025
	£m	£m
Profit for the year	**1,077**	1,054
Other comprehensive income (loss)		
Items that will not be reclassified to the income statement		
Remeasurements of the net pension obligation	(736)	88
Tax on pension remeasurements	168	(22)
Items that have been or may be reclassified subsequently to the income statement		
Exchange differences on translation of foreign operations	(39)	(50)
Fair value movements on assets at fair value through other comprehensive income	3	(6)
Movements in relation to cash flow hedges:		
– net fair value (losses)	(161)	(105)
– recognised in income and expense	(22)	329
Share of post-tax other comprehensive income (loss) in associates and joint ventures	11	(5)
Tax on components of other comprehensive income (loss) that have been or may be reclassified	41	(56)
Other comprehensive (loss) income for the year, net of tax	**(735)**	173
Total comprehensive income for the year	**342**	1,227

Group balance sheet

	Note	31 March 2026	31 March 2025[1]
		£m	£m
Non-current assets			
Goodwill[1]	13	7,305	7,310
Other intangible assets[1]		4,663	5,123
Property, plant and equipment		24,650	23,380
Right-of-use assets		3,032	3,328
Derivative financial instruments		830	904
Investments		20	17
Joint ventures and associates	11	4	252
Trade and other receivables		681	655
Preference shares in joint venture	11	—	234
Contract assets		382	306
Retirement benefit surplus	6	170	142
Deferred tax assets		1,124	959
		42,861	42,610
Current assets			
Inventories		366	331
Trade and other receivables		3,116	3,109
Preference shares in joint ventures	11	282	161
Contract assets		1,009	1,194
Assets classified as held for sale	12	—	245
Current tax receivable		433	355
Derivative financial instruments		68	130
Investments		1,482	2,631
Cash and cash equivalents		359	216
		7,115	8,372
Current liabilities			
Loans and other borrowings		420	2,092
Derivative financial instruments		85	106
Trade and other payables		5,895	5,955
Contract liabilities		963	899
Lease liabilities		779	705
Liabilities held for sale	12	—	188
Current tax liabilities		66	82
Provisions		201	258
		8,409	10,285
Total assets less current liabilities		**41,567**	40,697
Non-current liabilities			
Loans and other borrowings		18,116	16,670
Derivative financial instruments		313	391
Contract liabilities		274	257
Lease liabilities		3,405	3,866
Retirement benefit obligations	6	4,379	4,230
Other payables		177	276
Deferred tax liabilities		1,969	1,717
Provisions		370	382
		29,003	27,789
Equity			
Share capital		499	499
Share premium		1,051	1,051
Own shares		(188)	(378)
Merger reserve		998	998
Other reserves		650	828
Retained earnings		9,554	9,910
Total equity		**12,564**	12,908
		41,567	40,697

1 We have presented Goodwill & Other intangible assets as separate line items, which were previously presented within Intangible Assets, see note 1.

Group statement of changes in equity

	Share Capital	Share Premium	Own Shares	Merger Reserve	Other Reserves	Retained Earnings	Total Equity
	£m	£m	£m	£m	£m	£m	£m
At 1 April 2025	**499**	**1,051**	**(378)**	**998**	**828**	**9,910**	**12,908**
Profit for the year	—	—	—	—	—	1,077	1,077
Other comprehensive income (loss) before tax	—	—	—	—	(197)	(725)	(922)
Tax on other comprehensive income (loss)	—	—	—	—	41	168	209
Transferred to the income statement	—	—	—	—	(22)	—	(22)
Total comprehensive income (loss) for the year	—	—	—	—	(178)	520	342
Dividends to shareholders	—	—	—	—	—	(807)	(807)
Share-based payments	—	—	—	—	—	49	49
Tax on share-based payments	—	—	—	—	—	25	25
Net buyback of own shares	—	—	190	—	—	(142)	48
Other movements	—	—	—	—	—	(1)	(1)
At 31 March 2026	**499**	**1,051**	**(188)**	**998**	**650**	**9,554**	**12,564**

At 1 April 2024	499	1,051	(311)	998	716	9,565	12,518
Profit for the year	—	—	—	—	—	1,054	1,054
Other comprehensive income (loss) before tax	—	—	—	—	(161)	83	(78)
Tax on other comprehensive income (loss)	—	—	—	—	(56)	(22)	(78)
Transferred to the income statement	—	—	—	—	329	—	329
Total comprehensive income (loss) for the year	—	—	—	—	112	1,115	1,227
Dividends to shareholders	—	—	—	—	—	(791)	(791)
Share-based payments	—	—	—	—	—	62	62
Tax on share-based payments	—	—	—	—	—	18	18
Net buyback of own shares	—	—	(67)	—	—	(58)	(125)
Other movements	—	—	—	—	—	(1)	(1)
At 31 March 2025	499	1,051	(378)	998	828	9,910	12,908

Group cash flow statement

	Full year to 31 March	
	2026	2025
	£m	£m
Cash flow from operating activities		
Profit before taxation	1,436	1,334
Share of post-tax loss of associates and joint ventures	210	8
Net finance expense	1,251	1,150
Operating profit	**2,897**	2,492
Other non-cash charges[1]	35	130
Impairment loss on remeasurement of disposal groups	27	116
(Profit) loss on disposal of businesses	(30)	—
(Profit) loss on disposal of property, plant and equipment and intangible assets	(37)	(32)
Depreciation and amortisation, including impairment charges	4,913	4,978
(Increase) decrease in inventories	(35)	78
(Increase) decrease in trade and other receivables	(20)	235
Decrease (increase) in contract assets	100	219
Increase (decrease) in trade and other payables	28	(386)
Increase (decrease) in contract liabilities	77	99
(Decrease) increase in other liabilities[2]	(802)	(924)
(Decrease) increase in provisions	(65)	(51)
Cash generated from operations	**7,088**	6,954
Income taxes refunded (paid)	(58)	35
Net cash inflow from operating activities	**7,030**	6,989
Cash flow from investing activities		
Interest received	96	132
Dividends received from joint ventures, associates and investments	15	4
Proceeds on disposal of businesses[3]	125	25
Proceeds on disposal of current financial assets[4]	12,840	13,891
Purchases of current financial assets[4]	(11,695)	(14,158)
Proceeds from investment in preference shares in joint venture	112	63
Proceeds on disposal of property, plant and equipment and intangible assets	40	36
Purchases of property, plant and equipment and intangible assets[5]	(5,169)	(4,937)
Prepayment for forward sale of copper[6]	99	—
Increase (decrease) in amounts owed by joint ventures	(44)	120
Settlement of minimum guarantee liability with Sports joint venture	(191)	(187)
Net cash outflow from investing activities	**(3,772)**	(5,011)
Cash flow from financing activities		
Equity dividends paid	(807)	(788)
Interest paid	(1,028)	(956)
Repayment of borrowings[7]	(2,347)	(2,095)
Proceeds from bank loans and bonds	1,843	2,552
Payment of lease liabilities	(731)	(739)
Cash flows from collateral received (paid)[8]	(3)	(11)
Proceeds from exercise of employee share options	96	6
Repurchase of ordinary share capital	(126)	(79)
(Decrease) increase in amounts owed to joint ventures	(3)	(1)
Net cash outflow from financing activities	**(3,106)**	(2,111)
Net increase / (decrease) in cash and cash equivalents	**152**	(133)
Opening cash and cash equivalents	214	356
Net increase / (decrease) in cash and cash equivalents	152	(133)
Effect of exchange rate changes	(10)	(9)
Closing cash and cash equivalents[9]	**356**	214

1 FY26 non cash items includes £1m of fair value loss (FY25: £75m) on A and C preference shares held in the sports JV and an impairment loss of £23m in respect of Group's equity interest in the Sports JV (FY25: £44m).
2 Includes pension deficit payments of £790m (FY25: £803m)
3 FY26 includes £152m cash disposed as part of the sale of domestic operations in Italy and £178m of consideration received as part of the disposal of BT Radianz.
4 Primarily consists of investments and redemptions of amounts held in liquidity funds.
5 Property, plant and equipment, engineering stores and software additions of £5,114m (FY25: £4,857m), spectrum additions of £13m (FY25:£nil) and capital accrual movements of £42m (FY25: £80m). Purchases of property, plant and equipment is presented net of cash inflows from government grants of £90m (FY25: £98m).
6 During FY26 we received an upfront prepayment of £99m (FY25: £nil) from entering into a forward agreement to sell copper granules created from surplus copper cables. As this is expected to be the only cash flow that occurs as part of this transaction the cash receipt has been included as a separate line within cash flows from investing activities.
7 Repayment of borrowings includes the impact of hedging.
8 Cash flows relating to cash collateral held in respect of derivative financial assets with certain counterparties.
9 Net of bank overdrafts of £3m (FY25: £2m).

Notes to the condensed consolidated financial statements

1. Basis of preparation and accounting policies

Basis of preparation

These condensed consolidated financial statements (the "financial statements") comprise the financial results of BT Group plc for the years to 31 March 2026 and 2025 together with the balance sheet at 31 March 2026 and 2025. Results for the year to 31 March 2026 have been extracted from the 31 March 2026 audited consolidated financial statements which have been approved by the Board of Directors. These have not yet been delivered to the Registrar of Companies but are expected to be published on 11 June 2026.

Management have produced forecasts which confirm the group has adequate resources to continue in operation for a period of at least twelve months from the date of approval of this preliminary announcement, notwithstanding the net current liabilities position of £1,294m at 31 March 2026 (£1,913m net current liabilities at 31 March 2025). Consequently, the directors consider it appropriate to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements for the year to 31 March 2026. When reaching this conclusion, the directors took into account:

- The group's overall financial position (including trading during the year and ability to repay term debt as it matures without recourse to refinancing); and
- Exposure to our principal risks and uncertainties; and
- The financial effect of a severe but plausible downside scenario

At 31 March 2026, the group had cash and cash equivalents of £356m (net of bank overdrafts) and current asset investments of £1,482m. During the year we exercised the extension option on our £2.1bn (FY25: £2.1bn) undrawn committed borrowing facilities, extending the maturity by one year to no earlier than January 2031, with an option to extend for one further year.

The financial statements have been prepared in accordance with the accounting policies as set out in the financial statements for the year to 31 March 2026 and have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities (including derivative financial instruments) at fair value.

The financial information does not constitute the group's statutory accounts for the years to 31 March 2026 and 2025 but is derived from those accounts. The auditor has reported on those accounts; their report (i) was unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006 in respect of the accounts for the year to 31 March 2026 or 31 March 2025. Statutory accounts for the year to 31 March 2025 were approved by the Board of Directors on 22 May 2025 and have been delivered to the Registrar of Companies.

A reference to a year expressed as FY26 is to the financial year to 31 March 2026.

Accounting policies changes and restatements

Other than as stated below, the financial statements have been prepared in accordance with the accounting policies as set out in the financial statements for the year to 31 March 2026 and have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities (including derivative financial instruments) at fair value.

New and amended accounting standards effective during the year

Lack of Exchangeability (Amendments to IAS 21) is the only amended standard effective during the year. It did not have a material impact on the financial statements of the group.

IFRS Interpretations Committee agenda decisions

The IFRS Interpretations Committee (IFRIC) periodically issues agenda decisions which explain and clarify how to apply the principles and requirements of IFRS. Agenda decisions are authoritative and may require the group to revise accounting policies or practice to align with the interpretations set out in the decision.

We regularly review IFRIC updates and assess the impact of agenda decisions. No agenda decisions finalised during FY26 have been assessed as having a significant impact on the group.

New and amended accounting standards that have been issued but are not yet effective

The following new accounting standards and amendments to existing standards have been issued but are not yet effective or have not yet been endorsed by the UK Endorsement Board:

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation of the income statement, including specified totals and subtotals. Entities are required to classify all income and expenses in the income statement into one of five categories: operating, investing, financing, income taxes and discontinued operations, the first three of which are new.

It also requires disclosure of management-defined performance measures, which are subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified roles of the primary financial statements and the notes.

In addition, amendments have been made to IAS 7 'Statement of Cash Flows', which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. There are also consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027 (i.e., FY28 for BT). Earlier application is permitted. IFRS 18 will apply retrospectively.

We are currently assessing the impacts that IFRS 18 and the amendments to other standards will have on the primary financial statements and notes to the financial statements.

Formation of the International segment and re-presentation of prior year comparatives

The International CFU was separated from the Business CFU forming a new CFU, effective from 1 July 2025. In line with the requirements of IFRS 8 Operating Segments, we have re-presented FY25 comparatives to reflect Business and International as separate reportable segments.

In addition, two re-presentations have been made to segmental revenue reporting, consistent with the information now provided to the Executive Committee, which is the key management committee and represents the 'chief operating decision maker' (CODM). The re-presentations reflect Openreach pass-through services previously reported in Business, and a reclassification of an EE and BT Wholesale trading relationship as revenue from costs. These changes affect adjusted external revenue for the Openreach and Business CFUs.

The Group has revised its disaggregation of revenue to better reflect the internal reporting provided to the CODM. Revenue previously reported under "Equipment and Other Services" has been split into separate categories: "Equipment" and "Other Services." Additionally, lease revenue is now disclosed within our disaggregation of revenue. Our segmental revenue disclosures have also been updated to include internal revenue to more accurately reflect segment performance. The impact of these re-presentations are reflected in the relevant notes.

Note 16 and the Additional Information on page 35 present bridges between financial information for the year to 31 March 2025 as published on 22 May 2025, and the comparatives presented in this release.

Re-presentation of goodwill and other intangible assets

From H1 FY26, we have disaggregated "Intangible Assets" into "Goodwill" and "Other Intangible Assets", presenting them as separate line items and in distinct disclosure notes.

2. Operating results – by customer-facing unit

	Full year to 31 March 2026					
	Consumer	Business	International	Openreach	Other	Total
	£m	£m	£m	£m	£m	£m
Segment revenue	9,494	5,257	2,114	6,190	13	23,068
Internal revenue	(40)	(216)	(1)	(3,165)	—	(3,422)
Adjusted[1] revenue from external customers	**9,454**	**5,041**	**2,113**	**3,025**	**13**	**19,646**
Adjusted EBITDA[1,2]	2,602	1,266	145	4,225	(8)	8,230
Depreciation and amortisation	(1,673)	(770)	(208)	(2,130)	(94)	(4,875)
Adjusted[1] operating profit (loss)	**929**	**496**	**(63)**	**2,095**	**(102)**	**3,355**
Specific items (note 5)						(458)
Operating profit						**2,897**

Full year to 31 March 2025 (re-presented[3])						
Segment revenue	9,695	5,348	2,499	6,156	12	23,710
Internal revenue	(42)	(200)	—	(3,098)	—	(3,340)
Adjusted[1] revenue from external customers	9,653	5,148	2,499	3,058	12	20,370
Adjusted EBITDA[1,2]	2,644	1,331	205	4,029	—	8,209
Depreciation and amortisation	(1,832)	(721)	(240)	(2,032)	(108)	(4,933)
Adjusted[1] operating profit (loss)	812	610	(35)	1,997	(108)	3,276
Specific items (note 5)						(784)
Operating profit						2,492

1 See Glossary on page 11.
2 For the reconciliation of adjusted EBITDA, see Additional Information on page 32.
3 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 16 on page 28 and the Additional Information on page 32 present bridges between financial information for the full year to 31 March 2025 as published on 22 May 2025, and the comparatives presented in this release.

3. Operating results - disaggregation of revenue

Full year to 31 March 2026	Consumer £m	Business £m	International £m	Openreach £m	Other £m	Internal Revenue £m	Total £m
ICT and managed networks	—	1,212	774	—	—	(33)	1,953
Fixed access subscriptions	4,054	2,010	950	—	—	(28)	6,986
Mobile subscriptions	3,539	816	21	—	—	(23)	4,353
Other services	38	763	100	193	12	(265)	841
Equipment revenue	1,641	454	264	—	1	(9)	2,351
Revenue from contracts with customers	9,272	5,255	2,109	193	13	(358)	16,484
Lease revenue[2]	222	2	5	5,997	—	(3,064)	3,162
Revenue before specific items[1]	9,494	5,257	2,114	6,190	13	(3,422)	19,646
Specific items (note 5)							8
Total revenue[3]							19,654

Full year to 31 March 2025 (re-presented[4])							
ICT and managed networks	—	1,105	912	—	—	—	2,017
Fixed access subscriptions	4,265	2,097	1,116	—	—	(11)	7,467
Mobile subscriptions	3,531	830	32	—	—	(36)	4,357
Other services	7	815	94	133	12	(250)	811
Equipment revenue	1,807	491	336	—	—	(5)	2,629
Revenue from contracts with customers	9,610	5,338	2,490	133	12	(302)	17,281
Lease revenue[2]	85	10	9	6,023	—	(3,038)	3,089
Revenue before specific items[1]	9,695	5,348	2,499	6,156	12	(3,340)	20,370
Specific items (note 5)							(12)
Total revenue[3]							20,358

1 See Glossary on page 11.
2 Lease revenue includes income from Openreach's fixed access subscription services.
3 We have further disaggregated the revenue presented here to derive the UK adjusted service revenue of £15,445m (FY25: £15,568m). Please refer to our adjusted UK service revenue reconciliation in Additional Information on page 32. Adjusted UK service revenue includes some portion of equipment revenue where that equipment is sold as part of a managed services contract, or where that equipment cannot be practicably separated from the underlying service.
4 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 units. Note 16 presents a bridge between financial information for the full year to 31 March 2025 as published on 22 May 2025, and the comparatives presented in this release.

4. Operating costs

	Full year to 31 March	
	2026	2025
	£m	£m
Operating costs by nature		
Wages and salaries	3,729	3,969
Social security costs	464	432
Other pension costs	308	333
Share-based payment expense	49	62
Total staff costs	**4,550**	4,796
Capitalised direct labour	(1,388)	(1,412)
Net staff costs	**3,162**	3,384
Indirect labour costs	1,368	1,271
Capitalised indirect labour	(807)	(806)
Net indirect labour costs	**561**	465
Net labour costs	**3,723**	3,849
Product costs	3,240	3,330
External sales commissions	458	440
Payments to telecommunications operators	907	1,074
Property and energy costs	1,280	1,296
Network operating and IT costs	1,047	1,077
Provision and installation	351	379
Marketing and sales	244	330
Net impairment losses on trade receivables and contract assets	146	171
Other operating costs	324	492
Other operating income	(304)	(277)
Depreciation and amortisation, including impairment charges	4,875	4,933
Total operating costs before specific items	**16,291**	17,094
Specific items (note 5)	466	772
Total operating costs	**16,757**	17,866

Depreciation and amortisation, which includes impairment charges, is analysed as follows:

	Full year to 31 March	
	2026	2025
	£m	£m
Depreciation and amortisation before impairment charges		
Intangible assets	1,274	1,300
Property, plant and equipment	2,969	2,939
Right-of-use assets	610	644
Impairment charges		
Intangible assets	7	5
Property, plant and equipment	12	43
Right-of-use assets	3	2
Total depreciation and amortisation before specific items	**4,875**	4,933
Impairment charges classified as specific items (note 5)		
Intangible assets	32	2
Property, plant and equipment	—	29
Right-of-use assets	6	14
Total operating costs	**4,913**	4,978

5. Specific items

Our income statement and segmental analysis separately identify trading results on an adjusted basis, being before specific items. The directors believe that presentation of the group's results in this way is relevant to an understanding of the group's financial performance as specific items are those that in management's judgement need to be disclosed by virtue of their size, nature or incidence.

This presentation 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 an additional analysis of our trading results. Specific items may not be comparable to similarly titled measures used by other companies.

In determining whether an event or transaction is specific, management considers quantitative as well as qualitative factors. Examples of charges or credits meeting the above definition and which have been presented as specific items in the current and/or prior years include significant business restructuring programmes such as the current group-wide cost transformation and modernisation programme, disposals of businesses and investments, charges or credits relating to retrospective regulatory matters, significant out of period contract settlements, litigation matters, impairment on remeasurement of the disposal groups to be held for sale, asset impairment charges, impairment charges in our Portfolio Businesses, net interest on our pension obligation, and the impact of remeasuring deferred tax balances. In the event that items meet the criteria, which are applied consistently from year to year, they are treated as specific items. Any releases to provisions originally booked as a specific item are also classified as specific. Conversely, when a reversal occurs in relation to a prior year item not classified as specific, the reversal is not classified as specific in the current year.

Movements relating to the sports joint venture (Sports JV) with Warner Bros. Discovery (WBD), such as fair value gains or losses on the A and C preference shares or impairment charges on the equity-accounted investment are classified as specific. Refer to note 11 for further details.

	Full year to 31 March	
	2026	2025
	£m	£m
Specific revenue		
Retrospective regulatory matters	**(8)**	12
Specific revenue	**(8)**	12
Specific operating costs		
Restructuring charges	**336**	448
Sports JV-related items	**24**	119
Divestment-related items	**1**	19
Retrospective regulatory matters	**—**	(7)
Out of period adjustments	**—**	32
Litigation matters	**40**	—
Impairment loss on remeasurement of disposal groups	**27**	116
Specific operating costs before depreciation and amortisation	**428**	727
Asset impairment charges	**38**	—
Impairment charges in our Portfolio Businesses	**—**	45
Specific operating costs	**466**	772
Specific operating loss	**458**	784
Interest expense on retirement benefit obligation	**191**	197
Share of loss of associates and joint ventures	**218**	—
Net specific items charge before tax	**867**	981
Tax credit on specific items above	**(151)**	(200)
Net specific items charge after tax	**716**	781

Retrospective regulatory matters

We recognised an £8m net credit in relation to historical regulatory matters (FY25: net charge of £5m). These items represent movements in provisions relating to various matters.

Restructuring charges

We have incurred charges of £336m (FY25: £448m) relating to our group-wide cost transformation and modernisation programme. The majority of these expenses comprise leaver, third-party and property-related costs attributable to the programmes. Net cash flows from restructuring activities amounted to £311m (FY25: £423m).

In May 2024, a new transformation programme was announced which targeted £3bn gross annualised cost savings, with a total cost to achieve of £1bn which will run until the end of FY29. The benefits and costs of the final FY25 year of the previous May 2020 programme were absorbed into the new targets. We have now raised our overall transformation plan target to £3.7bn gross annualised cost savings from £3.0bn, and extended the programme by one year to FY30. The total cost to achieve is now expected to be £1.4bn, previously £1.0bn.

Within the year, this programme delivered an estimated £0.6bn in gross annualised cost savings at a cost to achieve of £0.3bn. Since the programme was announced we have achieved gross annualised cost savings of £1.5bn at a cost to achieve of £0.8bn. The total expected cash costs to achieve until FY30 is £1.4bn, of this we have incurred £0.3bn in the year and £0.7bn to date.

We do not consider the remaining estimated restructuring costs of £0.6bn, included within the £1.4bn referenced here, to constitute a sufficiently-detailed formal announcement of a restructuring programme that would trigger a provision under IAS 37. Costs are provided for when the IAS 37 recognition criteria are met.

Sports JV-related items

We have recorded a net charge of £24m, comprising an impairment loss of £23m (FY25: £44m) on our ordinary equity interest in the Sports JV and a fair value loss of £1m (FY25: £75m loss) on the A and C preference shares in the Sports JV. Refer to note 11 for further details.

Divestment-related items

We recognised a £1m charge (FY25: £19m charge) relating to profit associated with ongoing divestment activities as we progress towards becoming fully UK focused. Of this, £30m relates to net profit on disposal and £31m charge relates to other divestment and separation costs. The most significant transactions were the disposal of BT Radianz to Transaction Network Services in February 2026 and the disposal of our domestic operations in Italy to Retelit S.p.A in October 2025.

Out of period adjustments

In FY25 we recognised a £32m charge related to under-accrual of historical costs, which came to light following a commercial settlement of certain aged balances within a sub-unit of our Business CFU. This was recognised as specific due to the nature and incidence of this item.

Litigation matters

In FY26 we have recognised £40m of costs associated with litigation claims brought against the group. This has been recognised as specific due to the size and incidence of these items.

Impairment loss on remeasurement of disposal groups

We recognised an impairment charge of £27m (FY25: £116m) for the remeasurement of disposal groups. Assets classified as held for sale under IFRS 5 are measured at the lower of their carrying amount and fair value less costs to sell, resulting in an impairment loss. Refer to note 12 for further details.

Asset impairment charges

In FY26 we have recognised an impairment charge of £32m of intangible assets following the termination of an IT infrastructure transformation programme. This has been recognised as specific due to the size and incidence of these items. A further £6m impairment charge was recognised in relation to property rationalisation programmes, part of our group-wide cost transformation and modernisation programme and recognised as specific due to the nature and incidence of these charges.

Impairment charges in our Portfolio Businesses

In FY25 we recognised an impairment charge of £45m of non-current assets following a review of businesses within our Portfolio channel which sits within the International CFU.

Interest expense on retirement benefit obligation

During the year we incurred £191m (FY25: £197m) of interest costs in relation to our defined benefit pension obligations.

Share of loss of associates and joint ventures

In FY26 we recognised our share of impairment losses recorded within the Sports JV, amounting to £218m. This has been recognised as specific due to the size and incidence of these items. Refer to note 11 for further details.

Tax on specific items

A tax credit of £151m was recognised in relation to specific items (FY25: £200m).

6. Pensions

	31 March 2026	31 March 2025
	£bn	£bn
IAS 19 liabilities – BTPS	**(35.1)**	(35.7)
Assets – BTPS	**30.9**	31.7
Other schemes	**—**	(0.1)
Total IAS 19 deficit, gross of tax[1]	**(4.2)**	(4.1)
Total IAS 19 deficit, net of tax	**(3.1)**	(3.2)
Discount rate (nominal)	**6.00 %**	5.75 %
Future inflation – average increase in RPI (p.a.)	**3.25 %**	3.10 %
Future inflation – average increase in CPI (p.a.)	**2.90 %**	2.60 %

1 Of which £(4.4)bn relates to schemes in deficit (FY25: £(4.2)bn) and £0.2bn relates to schemes in surplus (FY25: £0.1bn).

The IAS 19 deficit increased to £4.2bn at 31 March 2026 from £4.1bn at 31 March 2025. The increased deficit reflects updated views on mortality and inflation, and lower asset returns than expected, partly offset by scheduled contributions over the year.

The 2023 BTPS funding valuation included a future funding commitment for BT to provide additional deficit contributions of £150m - £300m p.a. should the funding deficit be more than £1.0bn behind plan at two consecutive semi-annual assessment dates.

At the 31 December 2025 assessment date, the funding position was within this limit.

7. Share capital

In the year to 31 March 2026, 149m shares (FY25: 37m) at a total cost of £238m (FY25: £64m), calculated at a weighted average cost per share, were transferred from own shares (comprising Treasury shares and shares held under the BT Group Employee Share Ownership Trust) to satisfy obligations under all-employee and executive share plans. We received cash proceeds of £96m (FY25: £6m) in respect of share options exercised.

Own shares of £48m (FY25: £131m) were purchased during the year.

8. Earnings per share

Basic earnings per share is calculated by dividing the profit after tax attributable to equity shareholders by the weighted average number of shares in issue after deducting the own shares held by employee share ownership trusts and treasury shares. In calculating the diluted earnings per share, share options outstanding and other potential shares have been taken into account where the impact of these is dilutive.

Year ended 31 March	2026	2025
Basic weighted average number of shares (millions)	**9,818**	9,779
Dilutive shares from share options (millions)	**—**	49
Dilutive shares from share awards (millions)	**121**	132
Diluted weighted average number of shares (millions)	**9,939**	9,960
Basic earnings per share	**11.0p**	10.8p
Diluted earnings per share	**10.8p**	10.6p

The earnings per share calculations are based on profit after tax attributable to equity shareholders of the parent company which excludes non-controlling interests. Profit after tax was £1,077m (FY25: £1,054m). Profit attributable to non-controlling interests is not presented separately in the financial statements as it is not material.

9. Dividends

In line with the group's dividend policy, the Board has approved a final dividend for FY26 of 5.87p (FY25: 5.76p per share), which will be paid on 9 September 2026, giving a full year dividend of 8.32p per share (FY25: 8.16p per share). The ex-dividend date is 6 August 2026. An interim dividend of 2.45p per share amounting to £241m was paid on 11 February 2026 (FY25: interim dividend of 2.40p per share amounting to £235m paid).

10. Contingent liabilities and legal proceedings

In the ordinary course of business, we are periodically notified of actual or threatened litigation, and regulatory and compliance matters and investigations. We have disclosed below a number of such matters where we believe a material adverse impact on the operations or financial condition of the group is possible and the likelihood of a material outflow of resources is more than remote.

Where the outflow of resources is considered probable, and a reasonable estimate can be made of the amount of that obligation, a provision is recognised for these amounts and reflected in the table above. Where an outflow is not probable but is possible, or a reasonable estimate of the obligation cannot be made, a contingent liability exists.

In respect of each of the claims below, the nature and progression of such proceedings and investigations can make it difficult to predict the impact they will have on the group. There are many reasons why we cannot make these assessments with certainty, including, among others, that they are in early stages, no damages or remedies have been specified, and/or the often slow pace of litigation.

Class action claim – combined mobile and handset services

In November 2023, Justin Gutmann, represented by law firm Charles Lyndon applied to the Competition Appeal Tribunal to bring a proposed class action claim for damages on behalf of customers who purchased combined handset and airtime contracts who are outside their minimum contract terms but who continue to pay the same price as during their minimum contract terms. The claim alleges this approach was an anti-competitive abuse of a dominant position. Similar claims have also been brought against Vodafone, Three and O2. The case was certified by the Competition Appeals Tribunal in November 2025, meaning it can proceed to trial.

The Tribunal also ruled that the period of the claim prior to 1 October 2015 was time-barred such that the damages claimed by the class representative reduced by 62% and are now estimated at £418m inclusive of simple interest, with total damages claimed against all mobile network operators now estimated at £1.4bn (inclusive of simple interest).

BT filed its defence in February 2026 and intends to defend itself vigorously. At the reporting date we are not aware of any evidence to indicate that a present obligation exists such that any amount should be provided for.

Italian business

Milan Public Prosecutor prosecutions: In FY20 proceedings were initiated against BT Italia for certain potential offences, namely the charge of having adopted, from 2011 to 2016, an inadequate management and control organisation model for the purposes of Articles 5 and 25 of Legislative Decree 231/2001. BT Italia disputed this and maintained in its defence that: (a) BT Italia did not gain any interest or benefit from the conduct in question; and (b) in any event, it had a sufficient organisational, management and audit model that was circumvented/overridden by individuals acting in their own self-interest. BT Italia was acquitted of all charges at first instance and the convictions of its former employees have now been overturned on appeal in the Italian courts.

Accounting misstatement claims: a law firm acting on behalf of a group of investors made claims under s.90A of the Financial Services & Markets Act 2000, alleging that untrue or misleading statements were made in relation to the historical irregular accounting practices in BT's Italian business.

Those proceedings have now been resolved and covered by our insurance, and BT and those investors are no longer in dispute with each other regarding the subject matter of those claims. We no longer recognise the issues that arose from the accounting conduct in our Italian business as a contingent liability.

11. Joint ventures and associates

	31 March 2026 £m	31 March 2025 £m
Interest in joint ventures	**2**	240
Interest in associates	**2**	12
Total	**4**	252

Share of post-tax loss of associates and joint ventures included in the income statement of £210m (FY25: £8m loss) includes £223m loss (FY25: £11m loss) relating to our sports joint venture (Sports JV) with Warner Bros. Discovery (WBD) and £13m profit (FY25: £3m profit) relating to our other joint ventures and associates. Share of post-tax other comprehensive income in associates and joint ventures amounted to £11m (FY25: £5m loss), solely related to the Sports JV, resulting in a net £199m share of total comprehensive loss for the year (FY25: £13m loss). At the balance sheet date, the carrying amount of our equity-accounted interest in the Sports JV was nil (FY25: £238m), following recognition of our share of an impairment loss recorded within the JV, see below for further details. We hold no other material equity-accounted joint ventures or associates.

Sports JV

In FY23, the group formed a sports joint venture with WBD, known externally as TNT Sports, which combined BT Sport and WBD's Eurosport UK business. As part of the transaction, the group's wholly owned subsidiary, British Telecommunications plc (BT plc or BT) and WBD each contributed, sub-licensed or delivered the benefit of their respective sports rights and distribution businesses for the UK & Ireland to the Sports JV. Both parties each hold a 50% interest and equal voting rights in the Sports JV.

WBD have the option to acquire BT plc's 50% interest in the Sports JV at specified period during FY27 (Call Option). The price payable under the Call Option will be 50% of the fair market value of the Sports JV, to be determined at the time of the exercise, plus any unpaid fixed consideration and remaining earn-out as described below. If the Call Option is not exercised, BT plc will have the ability to exit its shareholding in the Sports JV either through a sale or IPO after the initial four-year period.

Key developments in the Sports JV during the year included the loss of UEFA broadcasting rights for the 2027-2031 cycle and the commencement of broadcasting under new FA Cup football rights.

The group holds both ordinary equity shares and preference shares in the Sports JV entity, details on these are provided below. In addition, the Group has several other instruments associated with our interest in the Sports JV including, a net loan receivable due from the Sports JV (£81m) and a minimum guarantee liability (£101m).

Ordinary equity shares

Our retained ordinary equity interest in the Sports JV is held under the equity method of accounting, consistent with our accounting policy on joint ventures and associates.

	2026 £m	2025 £m
Carrying amount at 1 April	**238**	300
Share of total comprehensive loss for the year	**(212)**	(16)
Dividends during the year	**(3)**	(2)
Impairment loss for the year	**(23)**	(44)
Carrying amount at 31 March	**—**	238

An impairment loss was recognised in September 2025 in respect of the Group's equity interest in the Sports JV. The impairment arose following an impairment assessment which indicated that the recoverable amount of the investment was lower than its carrying amount. The impairment reflected revised expectations of the joint venture's future performance and market conditions.

Separately, in November 2025 the Sports JV lost the UEFA broadcasting rights for the 2027–2031 cycle. This constituted a trigger event requiring a re-assessment of the recoverability of the assets held by the Sports JV, as the loss of the rights would have a significant adverse effect on the future subscription revenue generated by the JV. This reassessment indicated a significant reduction in the recoverable amount of certain assets, resulting in impairment losses of £578m that were reflected in the JV's results. Immediately prior to this impairment, the carrying amount of our ordinary equity interest was £218m. As a result, and in line with the requirements under IAS 28, the Group only recognised £218m share of JV losses related to the impairment, reducing the carrying amount of our ordinary equity interest to nil.

We ceased recognising our share of losses once our net investment reached zero as no current obligation to fund the Sports JV exists. This will be monitored on an ongoing basis and should an obligation arise in a future period, additional losses would be recognised. We are tracking the unrecognised portion of share of total comprehensive JV losses off-balance sheet, these amount to £23m as at the balance sheet date.

The carrying amount of our preference shares and the revolving credit facility are not considered part of our net investment in the Sports JV, and these instruments continue to be measured at fair value. Movements on these instruments during the period are covered below.

Preference shares

In addition to BT's ordinary shareholding, BT held the following investments in preference shares in the Sports JV that have not been included within the equity-accounted interest above.

	31 March 2026 £m	31 March 2025 £m
Investment in A preference shares	**107**	242
Investment in C preference shares	**175**	153
Total	**282**	395

A net £113m movement has been recorded in the group's preference share investments driven by a £112m earn-out payment received from the Sports JV and recorded as a repayment of our investment in A preference shares; and a net £1m fair value loss. Value from these preference shares is expected to be recovered in the first half of FY27, as the entitlements expire at the end of August 2026.

12. Divestment and assets and liabilities classified as held for sale

We classify non-current assets or a group of assets and associated liabilities, together forming a disposal group, as 'held for sale' when their carrying amount will be recovered principally through disposal rather than continuing use and the sale is highly probable. A sale is considered to be highly probable when management are committed to a plan to sell and completion is expected within one year. We measure non-current assets or disposal groups classified as held for sale at the lower of carrying amount and fair value less costs of disposal. Intangible assets, property, plant and equipment and right-of-use assets classified as held for sale are not depreciated or amortised.

Upon completion of a divestment, we recognise a profit or loss on disposal calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest less costs incurred in disposing of the asset or disposal group, and (ii) the carrying amount of the asset or disposal group (including goodwill). The profit or loss on disposal is recognised as a specific item, see note 5.

During FY25, the group announced its intention to fully focus on UK connectivity and initiated an active programme to explore options to optimise its non-core or global business. At 31 March 2025, management was committed to a plan to sell five separate businesses within our non-core or global business. The sales were considered to be highly probable and expected to complete within one year. Accordingly, the associated assets and liabilities had been presented as held for sale at 31 March 2025.

During the year, we completed the sale of all five disposal groups that had been classified as held for sale at 31 March 2025. We recorded a combined net profit of £30m on disposal. The most significant transactions were the disposal of BT Radianz to Transaction Network Services in February 2026 and the disposal of our domestic operations in Italy to Retelit S.p.A in October 2025.

There are no disposal groups classified as held for sale as at 31 March 2026.

Impairment on remeasurement of disposal groups held for sale

On classification of the disposal groups as held for sale, we remeasured the disposal groups to the lower of their carrying amount and fair value less costs of disposal. This measurement is reassessed at each reporting date while the disposal groups remain classified as held for sale, with further impairment recognised where applicable. During the year, a remeasurement of certain disposal groups resulted in the recognition of an impairment loss of £27 million (FY25: £116m). This has been presented as a specific item in the income statement (see note 5). The impairment has been applied to reduce the carrying values of intangible assets, property, plant and equipment, and right-of-use assets within the impacted disposal groups.

Divestments

Financial information in relation to the net profit arising from the disposal of these five disposal groups is set out below:

	2026 £m
Goodwill and other intangible assets	**93**
Property, plant and equipment	**16**
Right-of-use assets	**34**
Trade and other receivables	**78**
Cash and cash equivalents[1]	**153**
Trade and other payables	**(94)**
Lease liabilities	**(71)**
Net assets of operations disposed	**209**
less: recycling of foreign exchange from translation reserve	**(17)**
Net impact on the consolidated balance sheet	**192**
Profit on disposal	**30**
Net consideration	**222**
Satisfied by	
Proceeds received in the year per the cash flow statement[2]	**242**
Costs of disposal	**(20)**
Net consideration	**222**

1 Includes £152m cash disposed as part of the sale of the domestic operations in Italy.
2 Includes £178m of consideration received as part of the disposal of BT Radianz.

Assets and liabilities held for sale

There were no assets and liabilities classified as held for sale at the end of FY26.

In FY25, the disposal groups held for sale at the balance sheet date comprised the following assets and liabilities:

At 31 March	2026 £m	2025 £m
Assets		
Goodwill and other intangible assets[1]	—	94
Property, plant and equipment[2]	—	40
Right-of-use assets[2]	—	33
Trade and other receivables	—	78
Assets held for sale	—	245
Liabilities		
Trade and other payables	—	100
Lease liabilities	—	81
Current tax liability	—	4
Provisions	—	3
Liabilities held for sale	—	188

1 In FY25, goodwill of £99m and other intangible assets of £7m of the disposal groups are presented as assets held for sale above of which £8m and £4m, respectively, have been impaired.
2 In FY25, property, plant and equipment of £100m and right-of-use assets of £77m of the disposal groups are presented as assets held for sale above of which £60m and £44m, respectively, have been impaired.

13. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the identifiable net assets (including intangible assets) of the acquired business. Goodwill arising on the acquisition of a business is measured at cost less accumulated impairment losses. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill is allocated to CGUs that are expected to benefit from the synergies of the combination. Each CGU to which goodwill is allocated represents the lowest level within the group at which the goodwill is monitored for internal management purposes.

Cash-generating units

The carrying amount of goodwill allocated to CGUs is shown below:

	Consumer £m	Business[1] £m	International[1] £m	Total £m
1 April 2024	3,874	3,560	—	7,434
Transfers	—	(470)	470	—
Transfer to assets held for sale	—	(99)	—	(99)
Exchange differences	—	(25)	—	(25)
31 March 2025	3,874	2,966	470	7,310
Exchange differences	—	(1)	(4)	(5)
31 March 2026	**3,874**	**2,965**	**466**	**7,305**

1 Business CGU and International CGU were previously named UK Business CGU and International Business CGU respectively in FY25.

There are no changes in identification of CGUs to which goodwill is allocated during FY26 and these are aligned with the corresponding CFU and operating segment.

The impairment test

The Group's impairment test compares the carrying value of each CGU with its recoverable amount. For FY26, our recoverable amount is based on fair value less costs of disposal (FVLCD). In FY25, the recoverable amount of our Business and International CGUs were based on FVLCD and our Consumer CGU was based on value in use (VIU).

The fair value is determined using nominal cash flow projections derived from financial plans approved by the Board covering a five-year period. They reflect management's expectations of revenue, EBITDA growth, capital expenditure, working capital, net savings from uncommitted restructuring (i.e. the group wide transformation programme announced in May 2024) and other operating cash flows, based on past experience and future expectations of business performance, further adjusted such that they represent a market participant's view. Cash flows beyond the fifth year have been extrapolated using perpetuity growth rates. Forecasting risks are reflected in the cash flows. These cash flows are discounted to their present value using a pre-tax nominal discount rate. Costs of disposals are based on management's estimate.

The FVLCD is categorised as level 3 under the fair value hierarchy.

As at 31 March 2026, the estimated recoverable amount of each CGU exceeded its respective carrying value (FY25: no impairment).

Key assumptions

Key assumptions used in determining the discounted cash flow forecasts for the Consumer, Business and International CGUs are summarised as follows:

Key assumptions	Approach to determine
Projected Adjusted EBITDA	Adjusted EBITDA is defined as the 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. The forecasts reflect past experience, and the trends and maturity of the industry that we operate in. Net savings from uncommitted restructuring are included in the projected Adjusted EBITDA.
Discount rate	The pre-tax discount rates applied to the cash flow forecasts are derived from our post-tax weighted average cost of capital. The assumptions used in the calculation of the group's weighted average cost of capital are primarily benchmarked to externally available data and reflect the impact of those risks not already considered within cash flows, such as the risk-free rate, equity market risk premium, asset beta, and leverage ratios.
Long-term growth rate	The perpetuity growth rates are determined based on the forecast market growth rates of the regions in which the CGU operates, and reflect an assessment of the long-term growth prospects of that business and market. The growth rates have been benchmarked against external data for the relevant markets and analysts' expectations. None of the growth rates applied exceed the expected average long-term growth rates for those markets or sectors.

The discount rates and long-term growth rates used in the impairment test for the Consumer, Business and International CGUs are as follows.

	2026			2025		
	Consumer	Business	International	Consumer	Business	International
Pre-tax discount rate	**9.32 %**	**9.32 %**	**9.82 %**	**9.35 %**	**9.35 %**	**10.98 %**
Long-term growth rate	**1.0 %**	**1.0 %**	**0.0 %**	**1.0 %**	**1.0 %**	**0.0 %**

Sensitivity analysis

The impairment testing as described is reliant on the accuracy of management's forecasts and the assumptions that underlie them, and on the selection of the discount and growth rates to be applied.

For the Consumer and Business CGUs, no reasonably possible change in key assumptions indicated an impairment would arise.

In light of the level of headroom (c. £0.1bn) and significance of estimation uncertainty for the International CGU, we considered the impact of the following changes in key assumptions in isolation, and the impact this would have on the observed level of headroom. For the long-term growth rate, such a change would eliminate headroom and result in an impairment.

	Impact on headroom on International	
In £m	Low scenario	High scenario
Projected Adjusted EBITDA CAGR[1] -/+1.0%	**(89)**	**92**
Pre-tax discount rate +/-0.5%	**(69)**	**77**
Long-term growth rate -/+1.0%	**(100)**	**123**

1 Projected Adjusted EBITDA CAGR is expressed as the compound annual growth rates of projected Adjusted EBITDA within the 5-year forecast period of the cash flow forecasts which are used to determine the recoverable amounts of the CGUs.

We set out below the changes to key assumptions, in isolation, that would be required to result in the recoverable amount being equal to the carrying value:

	Change required for recoverable amount to equal carrying value
Increase/(decrease) by	International
Projected Adjusted EBITDA CAGR	**(1.0)%**
Pre-tax discount rate	**0.7 %**
Long-term growth rate	**(0.9)%**

For the International CGU, adverse movements in key assumptions in combination could result in a material impairment.

14. Related party transactions

BT Group related parties include joint ventures, associates, investments and key management personnel.

Key management personnel comprise Executive and Non-Executive Directors and members of the Executive Committee.

Associates and joint ventures related parties include the Sports JV with Warner Bros Discovery (see note 11). Sales of services to the Sports JV during FY26 were £3m (FY25: £9m) and purchases from the Sports JV were £331m (FY25: £305m) excluding £191m (FY25: £187m) additional payments made to settle the minimum guarantee liability. The amount receivable from the Sports JV as at 31 March 2026 was £nil (FY25: £nil) and the amount payable to the Sports JV was £94m (FY25: £97m).

As part of the FY23 BT Sport transaction, the group has committed to providing the Sports JV with a sterling Revolving Credit Facility (RCF), up to a maximum for £200m, (FY25: £200m) for short-term liquidity required by the Sports JV to fund its working capital and commitments to sports rights holders. Amounts drawn down by the Sports JV under the RCF accrue interest at a market reference rate, consistent with the group's external short-term borrowings. The outstanding balance under the RCF of £91m (FY25: £46m) is treated as a loan receivable and held at amortised cost. There is also a loan payable to the Sports JV of £10m (FY25: £10m).

The Sports JV has a foreign exchange hedging arrangement with the group to secure euros required to meet its commitments to certain sports rights holders; the group has external forward contracts in place to purchase the euros at an agreed sterling rate in order to mitigate its exposure to exchange risk. The group holds a £9m (FY25: £36m) derivative liability in respect of forward contracts provided to the Sports JV.

On 15 September 2025, Bharti Enterprises together with its subsidiaries became a related party of BT Group. Bharti Enterprises acquired approximately 24.5% of BT's share capital in 2024 and, pursuant to a relationship agreement, has nominated two non-executive directors to the Board from September 2025. During the period from 15 September 2025 to 31 March 2026, aside from the ordinary dividends paid to Bharti Enterprises, there were no significant transactions between BT Group and Bharti Enterprises or its subsidiaries. There were net purchases during the period to 31 March 2026 from Bharti Enterprises of £6m and net payables of £1m.

Transactions from commercial trading arrangements with associates and joint ventures, including the Sports JV, are shown below:

	31 March 2026	31 March 2025
	£m	£m
Sales of services to associates and joint ventures	**21**	12
Purchases from associates and joint ventures	**358**	348
Amounts receivable from associates and joint ventures	**9**	2
Amounts payable to associates and joint ventures	**107**	99

Other related party transactions include a dividend received from a joint venture of £12m (FY25: £nil).

15. Principal risks and uncertainties

Risk management is integral to our business and to achieving our strategic priorities. Our risk management framework gives us a simple, consistent way of looking at the challenges we face when delivering our strategy. It gives us the processes and structure we need to manage and oversee risk consistently and effectively, helping us make informed decisions against our risk appetite. We face a wide variety of risks, both internal and external. They include geopolitical escalations, the threat to cyber security, keeping up to date with changes in AI and challenging market dynamics. Managing these, while continuing to transform our business, is critical to achieving our strategic priorities.

There has been no material change to any of our principal risks and uncertainties during the year. The principal risks and uncertainties facing the group at 31 March 2026 are set out in detail within the strategic report section of the Annual Report 2026, which will be published on 11 June 2026.

16. Adjustments to prior period published financial information: Formation of International CFU and segmental re-presentations

Certain FY25 comparative information has been re-presented to reflect changes in the Group's internal reporting structure and the information reviewed by the Executive Committee, which represents the Group's chief operating decision maker (CODM). These changes comprise:

- the creation of a new International CFU following its separation from Business;
- updates to segmental revenue reporting to reflect revised trading relationships between CFUs; and
- revisions to the presentation of disaggregated revenue to align with the CODM reporting structure.

Creation of a new International CFU

With effect from 1 July 2025, the International CFU was separated from Business and established as a new CFU.

Updates to segmental revenue reporting

In addition, two changes have been made to segmental revenue reporting to ensure consistency with the updated internal reporting provided to the CODM.

- **Reclassification of Openreach pass-through services**
  Openreach pass-through services previously reported as external revenue in Business have been reclassified to Openreach to reflect the customer relationship. As a result of this change the prior year comparatives have been re-presented to show revenue on a consistent basis resulting in a £89m reduction in Business segment revenue for the year to 31 March 2025, with no impact on Openreach segmental revenue due to the intra-group nature of the transaction.

- **Update to EE and BT Wholesale trading relationship**
  Following an update to the commercial terms governing a trading relationship between EE and BT Wholesale, BT Wholesale will now recognise services provided to EE as part of this trading relationship as intersegmental revenue. Previously, these services were internally reported as cost recovery. This change results in the recognition of revenue within the Business segment. As a result of this change the prior year comparatives have been re-presented to present revenue and cost for the segment on a consistent basis. The effect of this change is to increase Business revenue by £87m, with a corresponding increase in cost.

Revisions to the presentation of disaggregated revenue

The presentation of disaggregated revenue has been revised to reflect the updated CODM reporting structure. Revenue previously reported within a combined "Equipment and Other Services" category has been split into two separate categories, "Equipment" and

"Other Services", to provide greater clarity on the nature of the revenue streams. In addition, lease revenue is now disclosed separately to reflect its distinct contractual characteristics.

Disaggregation of revenue now includes internal revenue to better reflect the performance of each segment, consistent with the information reviewed by the CODM for decision-making purposes. Finally, as part of our ongoing improvement of finance systems we now have access to more granular information with which to better align revenue categories. Accordingly, we have re-presented the disaggregated revenue in note 3 to reflect this enhanced reporting.

Accounting treatment and comparative information

As explained in note 1 to the condensed consolidated financial statements (page 17) the FY25 comparatives have been re-presented to reflect these changes in line with IFRS accounting requirements.

The tables below presents a bridge between the results presented in the Results for the year to 31 March 2025 (published on 22 May 2025) and the re-presented FY25 comparatives presented within this release.

The impact of these re-presentations on the Adjusted UK Service Revenue, Capital expenditure, and Normalised Free Cash flow additional performance measures and Quarterly financial metrics are included in the 'Additional Information' section on page 32.

Note 2. Operating results - by customer facing unit

Full year to 31 March 2025: published	Consumer £m	Business £m	International £m	Openreach £m	Other £m	Total £m
Segment revenue	9,695	7,842	—	6,156	12	23,705
Internal revenue	(42)	(106)	—	(3,187)	—	(3,335)
Adjusted revenue from external customers	**9,653**	**7,736**	**—**	**2,969**	**12**	**20,370**
Adjusted EBITDA	2,644	1,536	—	4,029	—	8,209
Depreciation and amortisation	(1,832)	(961)	—	(2,032)	(108)	(4,933)
Adjusted operating profit (loss)	**812**	**575**	**—**	**1,997**	**(108)**	**3,276**

Full year to 31 March 2025: adjustments for re-presentation	Consumer £m	Business £m	International £m	Openreach £m	Other £m	Total £m
Segment revenue	—	(2,494)	2,499	—	—	5
Internal revenue	—	(94)	—	89	—	(5)
Adjusted revenue from external customers	**—**	**(2,588)**	**2,499**	**89**	**—**	**—**
Adjusted EBITDA	—	(205)	205	—	—	—
Depreciation and amortisation	—	240	(240)	—	—	—
Adjusted operating profit (loss)	**—**	**35**	**(35)**	**—**	**—**	**—**

Full year to 31 March 2025: re-presented	Consumer £m	Business £m	International £m	Openreach £m	Other £m	Total £m
Segment revenue	9,695	5,348	2,499	6,156	12	23,710
Internal revenue	(42)	(200)	—	(3,098)	—	(3,340)
Adjusted revenue from external customers	**9,653**	**5,148**	**2,499**	**3,058**	**12**	**20,370**
Adjusted EBITDA	2,644	1,331	205	4,029	—	8,209
Depreciation and amortisation	(1,832)	(721)	(240)	(2,032)	(108)	(4,933)
Adjusted operating profit (loss)	**812**	**610**	**(35)**	**1,997**	**(108)**	**3,276**

Note 3. Operating results - disaggregation of revenue

Full year to 31 March 2025: published	Consumer £m	Business £m	International £m	Openreach £m	Other £m	Internal Revenue £m	Total £m
ICT and managed networks	—	3,078	—	—	—	—	3,078
Fixed access subscriptions	4,338	2,130	—	2,897	—	—	9,365
Mobile subscriptions	3,509	1,202	—	—	—	—	4,711
Equipment and other services	1,806	1,326	—	72	12	—	3,216
Total adjusted revenue	**9,653**	**7,736**	**—**	**2,969**	**12**	**—**	**20,370**
Specific items (note 5)							(12)
Total revenue							**20,358**

Full year to 31 March 2025: adjustments for re-presentation	Consumer £m	Business £m	International £m	Openreach £m	Other £m	Internal Revenue £m	Total £m
ICT and managed networks	—	(1,973)	912	—	—	—	(1,061)
Fixed access subscriptions	(73)	(33)	1,116	(2,897)	—	(11)	(1,898)
Mobile subscriptions	22	(372)	32	—	—	(36)	(354)
Other service	(1,799)	(511)	94	61	—	(250)	(2,405)
Equipment revenue	1,807	491	336	—	—	(5)	2,629
Revenue from contracts with customers	**(43)**	**(2,398)**	**2,490**	**(2,836)**	**—**	**(302)**	**(3,089)**
Lease revenue	85	10	9	6,023	—	(3,038)	3,089
Revenue before specific items	**42**	**(2,388)**	**2,499**	**3,187**	**—**	**(3,340)**	**—**

Full year to 31 March 2025: re-presented	Consumer £m	Business £m	International £m	Openreach £m	Other £m	Internal Revenue £m	Total £m
ICT and managed networks	—	1,105	912	—	—	—	2,017
Fixed access subscriptions	4,265	2,097	1,116	—	—	(11)	7,467
Mobile subscriptions	3,531	830	32	—	—	(36)	4,357
Other service	7	815	94	133	12	(250)	811
Equipment revenue	1,807	491	336	—	—	(5)	2,629
Revenue from contracts with customers	**9,610**	**5,338**	**2,490**	**133**	**12**	**(302)**	**17,281**
Lease revenue	85	10	9	6,023	—	(3,038)	3,089
Revenue before specific items	**9,695**	**5,348**	**2,499**	**6,156**	**12**	**(3,340)**	**20,370**
Specific items (note 5)							(12)
Total revenue							**20,358**

17. Post balance sheet events

No material post balance sheet events have been identified that require an adjustment or disclosure within the financial statements.

Additional Information

Notes

Our commentary includes discussion of our trading results on an adjusted basis, which is a non-GAAP measure, being before specific items. The directors believe that presentation of the group's results in this way is relevant to an understanding of the group's financial performance as specific items are those that in management's judgement need to be disclosed by virtue of their size, nature or incidence. 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. 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. Reported revenue, reported operating profit, reported profit before tax, reported net finance expense and reported EPS are the equivalent unadjusted or statutory measures. Reconciliations of reported to adjusted revenue, operating costs, operating profit, profit before tax and EPS are set out in the group income statement. Reconciliations of adjusted UK service revenue, adjusted earnings before interest, tax, depreciation and amortisation, net debt and free cash flow from the nearest measures prepared in accordance with IFRS are provided in this Additional Information.

Adjusted UK service revenue

Adjusted UK service revenue is one of the group's key performance indicators by which our financial performance is measured. Adjusted UK service revenue comprises all UK revenue less UK equipment revenue. Some revenue from equipment is included within adjusted UK service revenue where that equipment is sold as part of a managed services contract, or where that equipment cannot be practicably separated from the underlying service.We consider adjusted UK service revenue to be an important indicator of the successful delivery of our refreshed corporate strategy because it measures the predictable and recurring revenue from our core UK business. A reconciliation of reported revenue, the most directly comparable IFRS measure, to adjusted UK service revenue, is set out below.

	Full year to 31 March	
	2026	2025 (re-presented[1])
	£m	£m
Reported revenue	**19,654**	20,358
Specific revenue	**(8)**	12
Adjusted revenue	**19,646**	20,370
Of which International revenue	**(2,114)**	(2,499)
Adjusted UK revenue	**17,532**	17,871
Equipment revenue[2] (excluding International)	**(2,087)**	(2,303)
Adjusted UK service revenue	**15,445**	15,568

1 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 16 on page 28 and the Additional Information on page 32 present bridges between financial information for the full year to 31 March 2025 as published on 22 May 2025, and the comparatives presented in this release.
2 UK equipment revenue includes £nil (FY25: £10m) of equipment revenue recognised as lease revenue in Note 3

Reconciliation of adjusted earnings before interest, tax, depreciation and amortisation

In addition to measuring financial performance of the group and customer-facing units based on adjusted operating profit, we also measure performance based on adjusted EBITDA. 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.

We consider adjusted EBITDA to be a useful measure of our operating performance because it approximates the underlying operating cash flow by eliminating depreciation and amortisation. Adjusted EBITDA is not a direct measure of our liquidity, which is shown by our cash flow statement, and needs to be considered in the context of our financial commitments.

A reconciliation of reported profit for the period, the most directly comparable IFRS measure, to adjusted EBITDA, is set out below.

	Full year to 31 March	
	2026	2025
	£m	£m
Reported profit for the period	**1,077**	1,054
Tax	**359**	280
Reported profit before tax	**1,436**	1,334
Net finance expense	**1,251**	1,150
Depreciation and amortisation	**4,913**	4,978
Specific revenue	**(8)**	12
Specific operating costs before depreciation and amortisation	**428**	727
Share of post-tax (profits) losses of associates and joint ventures	**210**	8
Adjusted EBITDA[1]	**8,230**	8,209

1 See Glossary on page 11.

Normalised free cash flow

Normalised free cash flow is one of the group's key performance indicators by which our financial performance is measured. It is primarily a liquidity measure. However, we also believe it is an important indicator of our overall operational performance as it reflects the cash we generate from operations after capital expenditure and financing costs, both of which are significant ongoing cash outflows associated with investing in our infrastructure and financing our operations.

Normalised free cash flow is defined as free cash flow (net cash inflow from operating activities after net capital expenditure) after net interest paid, payment of lease liabilities, net cash flows from the sale of cash flows related to contract assets, monies received as prepayment for the sale of redundant copper, dividends received from non-current asset investments, associates and joint ventures, and net purchase or disposal of non-current asset investments, before pension deficit payments (including their cash tax benefit), payments relating to spectrum, and specific items. It excludes cash flows that are determined at a corporate level independently of ongoing trading operations such as dividends paid, share buybacks, acquisitions and disposals, repayment and raising of debt, cash flows relating to short-term funding arrangements with joint ventures, and cash flows relating to the Building Digital UK demand deposit account which have already been accounted for within normalised free cash flow. For non-tax related items, other than for pension deficit payments, adjustments represent pre-tax cash flows and no allocation of tax refunded / (paid) relating to these adjustments has been included in or excluded from normalised free cash flow.

Normalised free cash flow is not a measure of the funds that are available for distribution to shareholders.

A reconciliation from cash inflow from operating activities, the most directly comparable IFRS measure, to free cash flow and normalised free cash flow, is set out below.

	Full year to 31 March	
	2026	2025
	£m	£m
Cash generated from operations	**7,088**	6,954
Tax (paid) refunded	**(58)**	35
Net cash inflows from operating activities	**7,030**	6,989
Net purchase of property, plant and equipment and intangible assets	**(5,129)**	(4,901)
Free cash flow	**1,901**	2,088
Interest received	**96**	132
Interest paid	**(1,028)**	(956)
Payment of lease liabilities	**(731)**	(739)
Dividends received from joint ventures, associates and investments	**15**	4
Add back pension deficit payments	**790**	803
Remove cash tax benefit of pension deficit payments	**(11)**	—
Add back net cash flow from specific items	**415**	498
Cash flows relating to the BDUK demand deposit account	**—**	19
Add back payment in respect of spectrum licence auction	**13**	—
Net cashflows from sale of contract assets related to mobile handsets	**(51)**	(251)
Prepayment for forward sale of copper	**99**	—
Normalised free cash flow	**1,508**	1,598

The net impact of working capital programmes on normalised free cash flow is set out below.

	Full year to 31 March		
	2026	2025	Movement
	£m	£m	£m
Bills of exchange[1]	**269**	(101)	370
Supply chain programmes[2]	**269**	(101)	370
Net cashflows from sale of contract assets related to handsets[3]	**(51)**	(251)	200
Sale of receivables[4]	**159**	420	(261)
Handset programmes	**108**	169	(61)
Copper forward sales[5]	**99**	—	99
Net working capital programmes	**476**	68	408

1 This supply chain financing programme is used with a limited number of suppliers with short payment terms to extend them to a more typical payment term, supporting working capital efficiency.
2 There is an additional separate supply chain financing programme, this allows suppliers opportunity to receive funding earlier than the invoice due date to assist the supplier with their cash flows. This has no impact on Normalised Free Cash Flow.
3 Accelerates cash collection from handset sales on bundled contracts to better align the timing of customer cash receipts with payments to equipment manufacturers.
4 Accelerates cash collection from handset sales on split contracts to better align the timing of customer cash receipts with payments to equipment manufacturers.
5 Forward sale of redundant copper to hedge future copper sales and support funding of the accelerated full fibre rollout.

Working capital programmes are used to manage the timing of cash flows and support investment. Bills of exchange are used to normalise supplier payment terms and improve working capital efficiency. Handset-related programmes reflect the structural shift from 24-month to 36-month customer contracts, aligning cash receipts with revenue recognition. Copper forward sales support the accelerated fibre build by funding new network investment from legacy assets.

Net debt and net financial debt

Net debt consists of loans and other borrowings, lease liabilities (both current and non-current) less current asset investments and cash and cash equivalents, including such items which have been classified as held for sale on the balance sheet.

Amounts due to joint ventures, loans and borrowings recognised in relation to monies received from the sale of cash flows of contract assets and as prepayment for the forward sale of redundant copper are excluded, in line with ROCE definition and consistently with the treatment of related cash flows in normalised free cash flow. These liabilities do not reflect the group's indebtedness, as amounts due to joint ventures are more than offset by the asset balances due from the JVs, while the remaining liabilities will either be extinguished upon the transfer of ringfenced operational cash flows from end customers which management are confident will be received, or settled by the physical delivery of copper rather than cash or any other financial asset.

Currency-denominated balances within net debt are translated to sterling at swap rates where hedged. Fair value adjustments and accrued interest applied to reflect the effective interest method are removed.

Net debt is a measure of the group's net indebtedness that provides an indicator of overall balance sheet strength. It is a key indicator used by management to assess both the group's cash position and its indebtedness. The use of the term 'net debt' does not necessarily mean that the cash included in the net debt calculation is available to settle the liabilities included in this measure.

Net financial debt is net debt excluding lease liabilities. It allows for the comparison to net debt measures reported before the introduction of IFRS 16 on 1 April 2019, and reflects a view that lease liabilities are operational debt in substance, rather than financing transactions.

Net debt and net financial debt are considered to be alternative performance measures as they are not defined in IFRS. The most directly comparable IFRS measure is the aggregate of loans and other borrowings, lease liabilities (both current and non-current), current asset investments and cash and equivalents. A reconciliation from these to net debt and net financial debt is given below.

	31 March 2026	31 March 2025
	£m	£m
Loans and other borrowings	**18,536**	18,762
Lease liabilities	**4,184**	4,571
Lease liabilities classified as held for sale	**—**	81
Less:		
Cash and cash equivalents	**(359)**	(216)
Current asset investments	**(1,482)**	(2,631)
	20,879	20,567
Adjustments:		
To retranslate debt balances at swap rates where hedged by currency swaps[1]	**(444)**	(288)
To remove fair value adjustments and accrued interest applied to reflect the effective interest method	**(240)**	(273)
Loans with joint ventures	**(10)**	(10)
Loans related to forward sale of redundant copper	**(177)**	(93)
Loans related to sale of contract assets	**(42)**	(87)
Net debt	**19,966**	19,816
Lease liabilities	**(4,184)**	(4,571)
Lease liabilities classified as held for sale	**—**	(81)
Net financial debt	**15,782**	15,164

1 The translation difference between spot rate and hedged rate of loans and borrowings denominated in foreign currency.

Adjustments to prior period published financial information: formation of International CFU and segmental re-presentations

As explained in note 16, certain FY25 comparatives have been re-presented to reflect changes to the Group's internal reporting structure and to align segmental and revenue disclosures with the information now used internally for management reporting. These include the formation of the International CFU, updates to segmental revenue classifications, and refinements to the disaggregation of revenue following changes in system granularity. The related re-presentations have also been reflected in the Normalised free cash flow and Adjusted UK service revenue additional performance measures to ensure consistency with the revised basis of reporting.

The tables below present a bridge between the results presented in the Results for the full year to 31 March 2025 (published on 22 May 2025) and the re-presented FY25 comparatives presented within this release. Re-presentation of the notes to the consolidated financial statements have been detailed in note 16.

Year ended 31 March 2025	Reported basis £m	Re-presentation adjustment £m	Re-presented basis £m
Adjusted UK service revenue			
Consumer	7,888	—	7,888
Business	4,861	(14)	4,847
International	—	—	—
Openreach	6,156	—	6,156
Other	12	—	12
Intra-group items	(3,335)	—	(3,335)
Total Group	**15,582**	**(14)**	**15,568**
Adjusted operating costs			
Consumer	7,051	—	7,051
Business	6,306	(2,289)	4,017
International	—	2,294	2,294
Openreach	2,127	—	2,127
Other	12	—	12
Intra-group items	(3,335)	(5)	(3,340)
Total Group	**12,161**	**—**	**12,161**
Capital expenditure			
Consumer	1,207	—	1,207
Business	722	(140)	582
International	—	140	140
Openreach	2,838	—	2,838
Other	90	—	90
Total Group	**4,857**	**—**	**4,857**
Normalised free cash flow			
Consumer	1,025	—	1,025
Business	506	34	540
International	—	(34)	(34)
Openreach	839	—	839
Other	(772)	—	(772)
Total Group	**1,598**	**—**	**1,598**

Fourth quarter to 31 March 2025	Reported £m	Re-presentation adjustment £m	Re-presented £m
Adjusted revenue			
Consumer	2,361	—	2,361
Business	1,993	(666)	1,327
International	—	672	672
Openreach	1,505	—	1,505
Other	2	—	2
Intra-group items	(812)	(6)	(818)
Total Group	**5,049**	**—**	**5,049**
Adjusted UK Service Revenue			
Consumer	1,928	—	1,928
Business	1,214	5	1,219
International	—	—	—
Openreach	1,505	—	1,505
Other	2	—	2
Intra-group items	(812)	(6)	(818)
Total Group	**3,837**	**(1)**	**3,836**
Adjusted EBITDA			
Consumer	659	—	659
Business	380	(60)	320
International	—	60	60
Openreach	942	—	942
Other	(7)	—	(7)
Total Group	**1,974**	**—**	**1,974**
Adjusted operating costs			
Consumer	1,702	—	1,702
Business	1,613	(606)	1,007
International	—	612	612
Openreach	563	—	563
Other	9	—	9
Intra-group items	(812)	(6)	(818)
Total Group	**3,075**	**—**	**3,075**

About BT Group

BT Group is the UK's leading provider of fixed and mobile telecommunications and related secure digital products, solutions and services.

BT Group consists of four customer-facing units: Consumer serves individuals and families in the UK; Business covers companies and public services in the UK; International serves multinational organisations headquartered outside the UK and overseas public sector customers; Openreach is an independently governed, wholly-owned subsidiary wholesaling fixed access infrastructure services to its customers - over 700 communication 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

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We will hold the fourth quarter and full year FY26 results presentation for analysts and investors in London at 9:30am today and a simultaneous webcast will be available at www.bt.com/results

We expect to publish the BT Group plc Annual Report 2026 on 11 June 2026. The Annual General Meeting of BT Group plc will be held on 9 July 2026.

We are scheduled to release our first quarter trading statement for FY27 on 23 July 2026.

Forward-looking statements – caution advised

Certain information included in this preliminary announcement is forward-looking in nature and involves risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements.

Forward-looking statements relate to 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. These 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 preliminary announcement are not guarantees of future performance. All forward-looking statements in this preliminary announcement are based upon information known to the Company on the date of this preliminary 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 preliminary announcement shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.

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