

Pre-Q1 2018/19 Consensus Summary

INCOME STATEMENT £m unless otherwise stated	Q1 2018/19 Consensus				2018/19 Consensus				2019/20 Consensus				2020/21 Consensus			
	Mean	Median	High	Low	Mean	Median	High	Low	Mean	Median	High	Low	Mean	Median	High	Low
Revenue																
Consumer	2,592	2,594			10,540	10,540			10,690	10,687			10,816	10,821		
Business and Public Sector	1,089	1,087			4,406	4,398			4,340	4,345			4,306	4,312		
Wholesale and Ventures	472	475			1,957	1,956			1,914	1,916			1,876	1,863		
Global Services	1,140	1,144			4,666	4,666			4,494	4,489			4,404	4,406		
Openreach	1,228	1,230			4,944	4,935			4,902	4,891			4,904	4,878		
Other	2	2			10	10			10	10			9	10		
Eliminations	(811)	(815)			(3,256)	(3,271)			(3,234)	(3,250)			(3,224)	(3,250)		
Total Group Revenue ¹	5,712	5,711	5,805	5,662	23,267	23,230	23,592	23,089	23,116	23,102	23,513	22,562	23,091	23,136	23,687	22,024
Underlying revenue YoY ²	(2.3)%	(2.2)%			(2.0)%	(2.1)%			(0.7)%	(0.4)%			(0.3)%	(0.1)%		
EBITDA ¹																
Consumer	593	592			2,462	2,465			2,560	2,562			2,643	2,631		
Business and Public Sector	331	329			1,389	1,401			1,378	1,397			1,374	1,400		
Wholesale and Ventures	166	168			729	728			713	710			699	700		
Global Services	79	79			443	445			455	464			468	485		
Openreach	572	568			2,301	2,277			2,240	2,238			2,255	2,252		
Other	3	1			3	0			3	0			2	0		
Total	1,744	1,738	1,805	1,707	7,327	7,332	7,364	7,250	7,349	7,356	7,498	7,151	7,441	7,474	7,626	7,048
YoY	(2.3)%	(3.0)%			(3.3)%	(3.2)%			0.3%	0.8%			1.2%	1.7%		
Margin	30.5%	30.5%			31.4%	31.4%			31.7%	31.7%			32.1%	32.2%		
Adjusted profit before tax	709	703			3,224	3,205			3,197	3,189			3,290	3,315		
Reported net income	449	445			2,078	2,032			2,159	2,153			2,412	2,461		
INCOME STATEMENT £m unless otherwise stated																
Total Group revenue ¹					23,267	23,230			23,116	23,102			23,091	23,136		
Operating costs before D&A and specific items					(15,940)	(15,918)			(15,767)	(15,805)			(15,650)	(15,683)		
Total Group EBITDA ¹					7,327	7,332			7,349	7,356			7,441	7,474		
Depreciation and amortisation ¹					(3,506)	(3,524)			(3,531)	(3,537)			(3,527)	(3,554)		
Adjusted operating profit					3,821	3,812			3,818	3,805			3,914	3,972		
Net finance expense ¹					(597)	(597)			(621)	(624)			(624)	(633)		
Share of post tax profits/losses of associates & joint ventures ¹					0	0			0	0			0	0		
Adjusted profit before tax					3,224	3,205	3,451	3,077	3,197	3,189	3,373	2,953	3,290	3,315	3,516	2,941
Total specific items					(645)	(699)			(526)	(699)			(344)	(344)		
Of which impact operating profit					(449)	(490)			(345)	(395)			(172)	(170)		
Of which net interest on pensions					(196)	(205)			(181)	(201)			(171)	(191)		
Reported profit before tax					2,579	2,527			2,671	2,674			2,946	3,005		
Tax - excluding tax on specific items					(614)	(614)			(600)	(606)			(588)	(591)		
Tax rate before specific items					19.4%	19.0%			19.0%	19.0%			18.1%	18.0%		
Tax on specific items					113	131			88	92			54	52		
Reported net income					2,078	2,032			2,159	2,153			2,412	2,461		
Adjusted basic earnings per share (pence)					26.4	26.3			26.2	26.1			27.3	27.7		
Reported basic earnings per share (pence)					19.5	20.5			20.1	21.8			22.4	24.0		
Dividend per share (p)					15.40	15.40			14.85	15.40			14.98	15.40		
Average number of shares in issue (m)					9,907	9,904			9,905	9,904			9,899	9,904		
CASH FLOW & NET DEBT £m unless otherwise stated																
Cash capital expenditure	(898)	(911)			(3,782)	(3,787)			(3,759)	(3,751)			(3,742)	(3,737)		
Normalised free cash flow	497	519			2,324	2,342			2,033	1,963			2,562	2,563		
Net (debt)/cash	(9,913)	(9,284)			(11,203)	(11,068)			(12,399)	(12,208)			(12,434)	(12,224)		
CASH FLOW & NET DEBT £m unless otherwise stated																
EBITDA ¹					7,327	7,332			7,349	7,356			7,441	7,474		
Interest					(584)	(587)			(619)	(624)			(622)	(633)		
Tax (excluding cash tax benefit of pension deficit payments)					(715)	(720)			(965)	(985)			(563)	(571)		
Change in working capital					56	71			16	19			40	0		
Change in other					22	0			11	0			8	0		
Cash available for investment and distribution					6,106	6,104			5,792	5,763			6,304	6,291		
Cash capital expenditure					(3,782)	(3,787)			(3,759)	(3,751)			(3,742)	(3,737)		
Normalised free cash flow					2,324	2,342			2,033	1,963			2,562	2,563		
Payments for the acquisition of spectrum					(107)	0			(427)	(500)			(144)	0		
Net cash flow from specific items					(475)	(480)			(363)	(370)			(196)	(195)		
Reported free cash flow					1,742	1,780			1,243	1,284			2,222	2,215		
Equity dividends paid					(1,516)	(1,523)			(1,506)	(1,525)			(1,473)	(1,526)		
Repurchase of ordinary share capital					(75)	(50)			(76)	(74)			(85)	(100)		
Residual free cash flow					151	216			(339)	(341)			664	624		
Cash tax benefit of pension payments					274	276			305	313			156	167		
Gross pension deficit payment					(1,777)	(2,000)			(1,220)	(1,250)			(865)	(900)		
Free cash flow post pension deficit payments					(1,352)	(1,420)			(1,254)	(1,299)			(45)	(108)		
Other					(224)	0			58	3			9	0		
Change in net debt					(1,576)	(1,441)			(1,196)	(1,066)			(36)	(88)		
Net (debt)/cash					(11,203)	(11,068)			(12,399)	(12,208)			(12,434)	(12,224)		

1 Adjusted, i.e. before specific items
2 Including transit, but excluding specific items, foreign exchange movements and the effect of acquisitions and disposals