

ITV PLC 2024 FULL YEAR RESULTS

Full Year results for the twelve months ended 31st December 2024



6 March 2025

Agenda

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HIGHLIGHTS

Carolyn McCall

HIGHLIGHTS

Strong strategic execution delivering profit growth

- Successful financial, operating and creative performance
- Double digit growth in adjusted EBITA
- ITV Studios delivered record adjusted EBITA
- ITVX performed strongly: digital viewing up 12% and digital ad revenue up 15%, delivering attractive returns. By end of 2025, we will have recouped the cumulative investment in ITVX, much earlier than expected
- Delivered £60m of non-content cost efficiencies in 2024; will deliver £30m of savings in 2025
- Well positioned for future growth

STRONG FY 2024 GROUP FINANCIAL PERFORMANCE

**Total Group
Revenue**

£4,140m

down 3% vs. 2023

**Total Advertising
Revenue**

£1,820m

up 2% vs. 2023

**Total ITV Studios
Revenue**

£2,038m

down 6% vs. 2023

Digital Revenue¹

£556m

up 12% vs. 2023

**Group adjusted
EBITA**

£542m

up 11% vs. 2023

Adjusted EPS

9.6p

up 23% vs. 2023

Dividend: the Board has proposed a final dividend of 3.3p (2023: 3.3p), giving an ordinary dividend of 5.0p per share (2023: 5.0p per share), c.£190m, for the full year 2024

FINANCIAL & OPERATING REVIEW

Chris Kennedy

ITV STUDIOS

Record profits despite challenging market conditions

Twelve months to 31 December	2024 (£m)	2023 (£m)	Change (%)	Organic change (%)
Studios UK	868	962	(10)	(12)
Studios US	391	395	(1)	2
International	380	445	(15)	(10)
Global Partnerships	399	368	8	10
Total Studios revenue	2,038	2,170	(6)	(5)
Total Studios costs	(1,739)	(1,884)	8	7
ITV Studios adjusted EBITA¹	299	286	5	5
Adjusted EBITA margin	14.7%	13.2%		

Internal revenue ²	646	629	3
External revenue	1,392	1,541	(10)
Total revenue	2,038	2,170	(6)

- Total revenue down 6% as guided
- UK and International revenues impacted by the phasing of deliveries year-on-year and lower demand from FTA
- US saw growth in unscripted revenue offset by decline in scripted revenue due to the 2023 writers' and actors' strike which delayed £80m of revenue from 2024 to 2025
- Global Partnerships revenue growth driven by strong catalogue sales
- Achieved £25 million of cost savings
- Adjusted EBITA¹ was up 5%
- Margin of 14.7%, which is above average, reflecting a greater proportion of higher margin catalogue sales
- Unfavourable FX impact of £30 million in total revenue and £5 million in adjusted EBITA

ITV STUDIOS

ITV Studios short term outlook

Revenue:

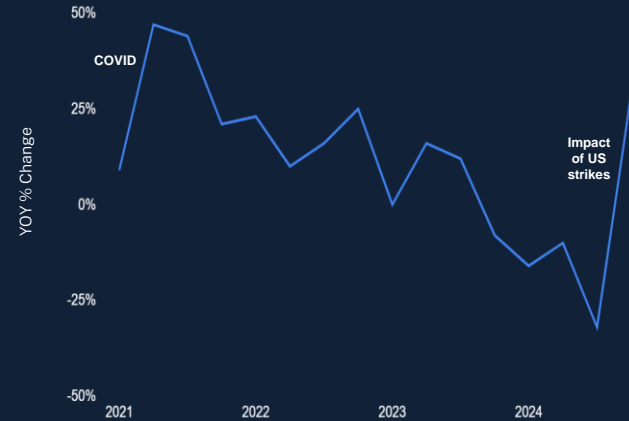
- Expect to deliver good revenue growth in 2025, ahead of the market, with revenue and profit weighted to second half of the year
- YoY quarterly performance will continue to vary significantly and is not reflective of underlying growth performance
- Variability driven by: the timing of scripted deliveries, the point at which we recognise revenue for most productions, which can move by one month to another; and the long production cycles particularly for scripted

Earnings:

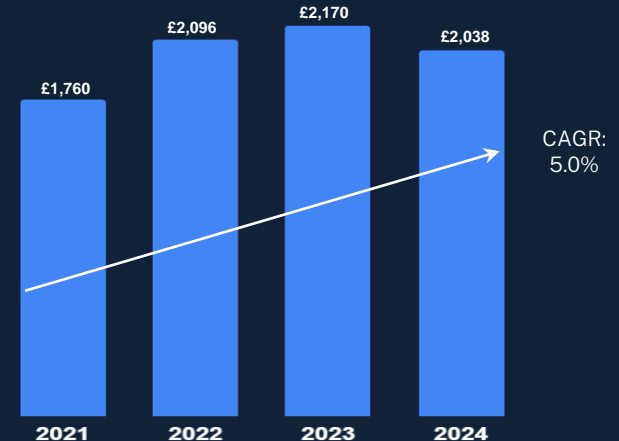
- Margin will be lower in 2025 than 2024, as expected, reflecting the change in business mix as the market recovers following US strikes but still within our target range of 13-15%



2021 - 2024 Quarterly ITV Studios Total Revenue



Total ITV Studios Revenue (£m)



MEDIA & ENTERTAINMENT

TAR grew 2%, ahead of the market; and lower cost base drove significant improvement in profitability

Twelve months to 31 December	2024 (£m)	2023 (£m)	Change %
Total advertising revenue	1,820	1,778	2
Subscription revenue	48	59	(19)
SDN	43	48	(10)
Partnerships and other revenue ¹	191	205	(7)
M&E non-advertising revenue	282	312	(10)
Total M&E revenue	2,102	2,090	1
Content	(1,268)	(1,293)	2
Variable costs	(153)	(153)	-
M&E infrastructure and overheads	(431)	(439)	2
Total M&E costs	(1,852)	(1,885)	2
Total adjusted M&E EBITA	250	205	22
Total adjusted EBITA margin	11.9%	9.8%	

Digital advertising revenue	482	420	15
Subscription revenue	48	59	(19)
Other	26	19	37
Digital revenue	556	498	12

- Total revenue up 1%, with total advertising revenue (TAR) up 2% in line with guidance
- Digital advertising revenue was up 15%
- As expected Subscription revenue was down as we consolidated subscriptions into ITVX. Partnerships and other revenue were lower as a result of the actions taken to drive viewing through ITVX
- SDN lower as guided, driven by the renewal of long-standing contracts at current market prices
- Content costs lower as we optimised our spend and windowing strategies across linear TV and ITVX
- Non content costs were down 1%, with £35m of cost savings more than offsetting investments, £15m increase marketing, variable costs of streaming, and inflation in linear supply chain and in staff costs
- Margin increased to 11.9% following our peak year of net investment in 2023

¹ Partnerships and other revenue includes revenue from platforms such as Sky and Virgin Media O2, competitions revenue, third-party commission and commercial revenue from our creative partnerships.

MEDIA & ENTERTAINMENT

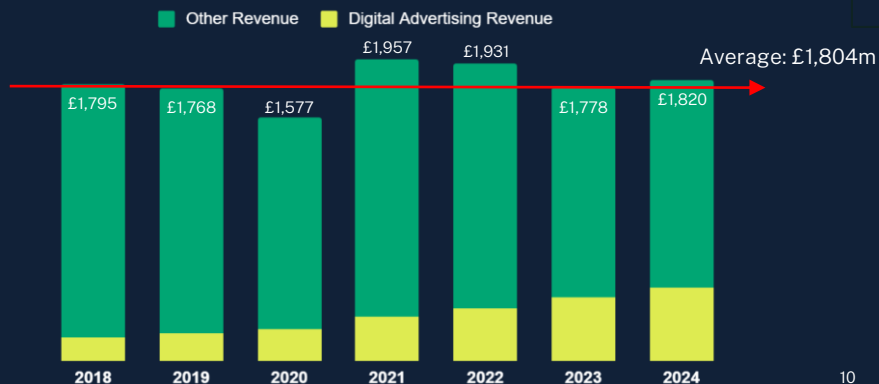
Media & Entertainment short term outlook

- Quarterly performance varies significantly driven by sporting events and macroeconomic and political events
- Absent COVID, annual TAR performance is broadly in the range of +/-2%
- TAR outlook and shape for 2025:
 - Expect to see continued strong growth in digital revenues
 - TAR will be impacted by
 - tough comparatives against the Euros in June/July, and
 - introduction of tighter advertising restrictions on less healthy foods (LHF) in October 2025
 - Four months to end April 2025 is forecast to be broadly flat year-on-year

2018 - 2024 Quarterly TAR performance



Annual TAR performance is broadly in range +/-2%



KEY BALANCE SHEET METRICS

Robust Balance Sheet & Strong Cash Generation

83%

PROFIT TO CASH
(31 Dec 2023: 102%)

£431m

NET DEBT¹
(31 Dec 2023: £553m)

0.7x

LEVERAGE²
(31 Dec 2023: 1.0x)

£182m

NET PENSION SURPLUS
(31 Dec 2023: £209m)

DISCIPLINED CAPITAL ALLOCATION FRAMEWORK

1. **REINVESTMENT:** Invest organically in line with our strategic priorities
2. **INVESTMENT GRADE BALANCE SHEET:** manage our financial metrics consistent with our commitment to investment grade metrics over the medium term
3. **DIVIDEND POLICY:** Sustain a regular ordinary dividend, which will grow over the medium term
4. **M&A STRATEGY:** Continue to consider value-creating inorganic investment, against strict financial and strategic criteria
5. **SURPLUS CASH:** Any surplus capital will be returned to shareholders

DISCIPLINED CAPITAL ALLOCATION FRAMEWORK

Free cash flow

- **>£2.8 billion** since 2018

Organic Investment

- **c.£700 million** invested in the business since 2018

Investment grade

- **De-levered** from 1.1x in 2018 to 0.7x in 2024

Ordinary Dividend

- Total returns to shareholders of **>£1.2 billion**, since 2018

Inorganic Investment

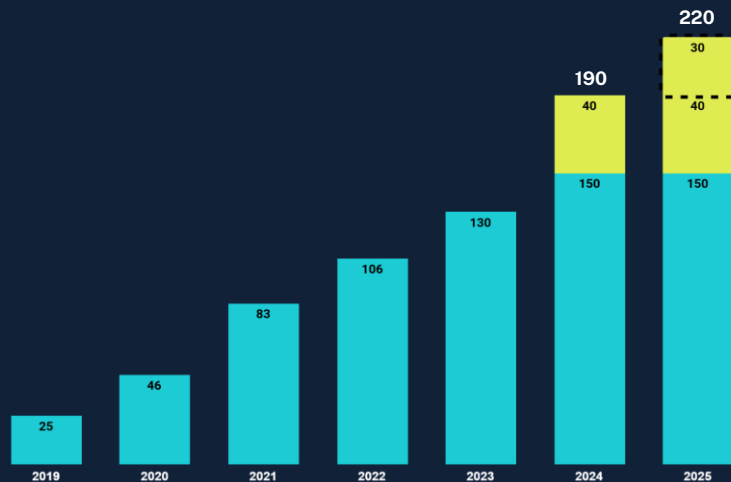
- **c.£500 million** of net investment in value-creating M&A since 2018
- **>£800 million¹** gross investments partly funded by c.£300 million of disposals

Share Buyback

- **£235 million** programme, returning the net proceeds from the sale of BritBox Int.
- **£198 million** returned by 31 Dec 2024

A leaner and more agile company - continuous business transformation and efficiency savings

Cumulative Permanent Cost Savings 2019 - 2025 (£m)



- Previous annualised cost savings of £150 million 2019 to 2025. Completed in 2024 - one year early
- New ongoing transformation and efficiency programme

2024:

- Delivered **£60 million** of savings, £10 million higher than £50 million guided
- £60 million savings made up of:
 - £20 million of initial £150 million plan - now fully completed, one year early
 - £40 million of savings as part of ongoing efficiency programme
- Savings have funded investments, improved margin and more than offset inflation
- Cost to deliver savings were £24 million, lower than £50 million originally guided

2025:

- Expect to deliver **£30 million** of cost savings in 2025, a combination of new initiatives and the annualised benefits from 2024 savings
- Savings will fund investments and offset inflation
- Expect cost to deliver savings will be c.£25m

Delivering savings through reductions in transmission costs, technology and operational efficiencies, organisational redesign, simplifying ways of working and permanent reductions in discretionary spend

2025 OUTLOOK AND PLANNING ASSUMPTIONS



Studios Outlook:

- Expect to deliver good revenue growth in 2025, ahead of the market; revenue and profit weighted to H2
- Margin lower in 2025 than 2024, reflecting the change in business mix as the market recovers following US strikes

M&E Outlook:

- 2025 TAR will be impacted by:
 - Tough comparatives against the Euros in June/July
 - Tighter advertising restrictions on less healthy foods from Oct
- TAR for 4 months to end April 2025 forecast to be broadly flat

Planning Assumptions based on current expectations:

P&L

CONTENT COSTS

Expected to be around **£1.250 billion** with lower sports costs year-on-year. H1 content costs will be broadly flat on the prior year

NON-CONTENT COST SAVINGS

Expect to deliver **£30 million** of additional savings, a combination of new initiatives and annualised benefits from 2024 savings

EXCEPTIONAL ITEMS

Expected to be around **£45 million** mainly due to costs associated with our ongoing transformation and efficiency programme (c.£25m) and digital transformation costs (c.£10m). Cash impact expected to be similar

ADJUSTED FINANCING COSTS

Expected to be around **£40 million**

TAX

The adjusted effective tax rate is expected to be around **26%** over the medium term

Cash

PROFIT TO CASH

Profit to cash conversion is expected to be around **80%** on average over the three years from 2023 to 2025

CAPEX

Total capex is expected to be around **£65 million** as we continue to invest in our digital capabilities

DIVIDEND

The Board has proposed a **final dividend of 3.3p**, which will be paid in May 2025. This gives a full year dividend of 5.0p which is c.£190m

STRATEGIC UPDATE

Carolyn McCall

PHASE TWO OF THE MORE THAN TV STRATEGY

In March 2022 we announced Phase Two of the **More Than TV Strategy** to deliver our vision of being a **leader in UK advertiser funded streaming, and an expanding global force in content.**

supercharge **STREAMING**

Driving digital viewing and revenue through ITVX and Planet V, ITV's leading addressable advertising platform

expand **STUDIOS**

Further expanding by genre, geography and customers and growing faster than market

Vertically
Integrated
Producer
Broadcaster
and Streamer

optimise **BROADCAST**

Digitally transforming as we continue to attract commercial broadcast audiences of unparalleled scale

expand STUDIOS

Built a scaled, global, diversified and resilient business

60⁺ labels across
13 countries

One of the **top 3**
producers in the creative
markets we operate in

c. **30%** of revenues
from growing streaming
market*

#1
Commercial Producer
in the UK

59%
of revenues generated
internationally

Outperform the
global content market

One of world's **largest**
independent
producers

c. **35%**
of revenue from strong
scripted market*

Record profits
despite one off impact of US
strikes

expand STUDIOS

ITV Studios' creative output is in the strongest shape ever



Zoo 55 – ITV's digital Studios label



Social video

160+
Channels

25 billion views across social platforms in 2024



Free ad-supported TV & AVOD

100+
Channel launches

Doubled growth in hours viewed in 2024 to 33m



Games & gaming

19+
Games

Love Island: The Game is one of the top 20 highest-grossing games on iOS

On track to deliver 2026 Key Financial Targets

KPI	FY 2026 Targets	FY 2024 ACTUAL	ON TRACK?
Total Studios Organic Revenue Growth	Grow by at least 5% on average pa - ahead of the market - 2021 to 2026	(5)% (2023: 3%)	
Studios Adjusted EBITA ¹ Margin %	13%-15%	14.7% (2023: 13.2%)	

expand STUDIOS

ITV Studios: focused on delivering good growth and taking market share

ITV Studios has significant competitive advantages

Attracts and
retains creative
talent

Operating in *key*
growth markets

Strong track
record and
relationships with
key buyers

Exciting creative
pipeline

Catalogue of
95,000+ hrs

Media & Entertainment

Significant progress in **supercharging Streaming** and **optimising Broadcast**

Successfully
launched ITVX
which has
*transformed
streaming*

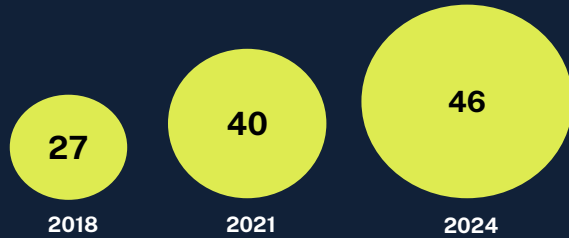
Built Planet V, to
second-largest
programmatic
video advertising
platform in the
UK

Maintained
strength in
delivering mass
audiences

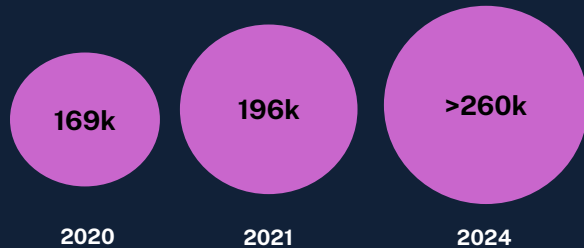
In a rapidly changing market for viewers and advertisers in UK

For Viewers:

Significant growth in number of streaming platforms



>50% growth in hours of content available on streaming platforms since 2020

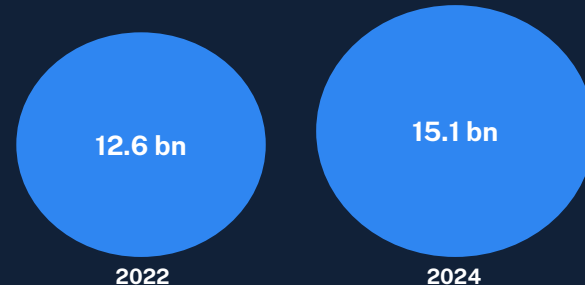


For Advertisers:

5 streaming platforms have introduced ad-tiers since 2020



Significant growth in YouTube viewing hours



supercharge STREAMING

c.22,000 hrs

c.1,000 hrs

Free Content hrs (2019 - 2024)*

2019	2020	2021	2022	2023	2024
<p>BritBox UK launched</p> <p>Investing in digital and data capabilities</p> <p>Signed perpetual UK licence for Amobee ad stack, for Planet V development</p> <p>ITV Hub was a 30-day catch up service</p>	<p>Planet V launched</p> <p>Invested in InfoSum to augment Planet V's 1st-party data capabilities</p>	<p>1,000 digital & data experts hired over last few years</p> <p>Platform footprint 75%</p> <p>ITV AdLabs launched</p>	<p>ITVX launched</p> <p>Planet V 2.0 launched</p>	<p>Recommendations Engine introduced</p> <p>ITV News integrated</p> <p>ITVX Kids launched</p>	<p>Extra £15m marketing</p> <p>Platform footprint c.100%</p> <p>Customer satisfaction score up over 30% pts since pre-ITVX launch</p>

supercharge STREAMING



ITVX has transformed ITV's streaming offering and delivered strong growth in digital viewing and revenue



Streaming
Hours



MAUs



Digital
Revenue



Dec-24
(% growth)

1.7bn
+61%

14.3m
+44%

£556m
+60%



End
2021

1.0bn

9.9m

£347m

Since launch viewing of ITVX has grown faster than all the other major video-on-demand services and streaming platforms.

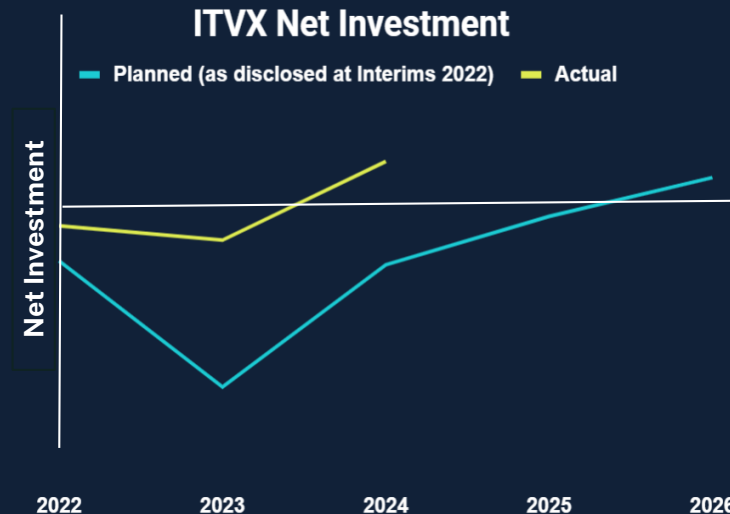


supercharge STREAMING



ITVX delivering attractive returns

- Revenue on plan, with costs below budget
- In 2024 in-year incremental digital revenues exceeded incremental ITVX costs, two years earlier than expected
- By the end of 2025, we will have achieved payback of the cumulative incremental investment in ITVX, much earlier than expected
- Investment significantly lower than originally thought necessary, driven by optimisation of content spend and efficiencies in technology spend
- ITVX well set for further profitable growth



supercharge STREAMING



Confident in delivering continued strong growth in ITVX viewing

<i>Content</i>	<i>Marketing</i>	<i>Distribution</i>	<i>Product</i>	<i>Monetisation</i>
<ul style="list-style-type: none">➤ Regular cadence of content to increase retention➤ Extend reach with new content, e.g Sci-Fi drama and LIV golf	<ul style="list-style-type: none">➤ ITV Brand refresh➤ Focus on measurement, return on investment and effectiveness of marketing	<ul style="list-style-type: none">➤ Further data integration to increase ITV content prominence on third party platforms➤ New features rolled out on third party platforms	<ul style="list-style-type: none">➤ Focus on user journey to drive engagement and retention➤ Refining personalisation and recommendation offering using extensive 1st party data	<ul style="list-style-type: none">➤ Increasing addressable content with launch of:<ul style="list-style-type: none">○ Digital ad insertion on simulcast for our family of channels*○ Pause ads, digital ad products

supercharge STREAMING

M&E: new profitable digital revenue opportunities

Advertising:

YouTube - Distribution and Commercial partnership agreement:

Significant increase
in ITV content available
on **YouTube**



ITV YouTube sales team
selling advertising
around ITV content
on YouTube



- Extending ITV's reach in **key valuable demographic**
- Attracting new advertisers to ITV
- **Improving** monetisation

Non - advertising:

INTERACTIVE



supercharge STREAMING

On track to deliver 2026 Key Financial Target

KPI	FY 2026 Targets	FY 2024 ACTUAL	ON TRACK?
Total Digital Revenues ¹	Grow to at least £750m	£556m (2023: £498m)	

optimise BROADCAST

Maintained strength in delivering biggest audiences in the UK

- Delivered **>90% share** of the top 1,000 commercial programmes in the UK
- Reaching **mass audiences** that are so valuable to advertisers including younger and male demographics
- Delivered across **key genres** of Drama, Reality, Entertainment and Sport



Media & Entertainment

M&E: focused on delivering profitable growth and expanding margin

M&E has significant competitive advantages

***Commercial
leader*** in scale
and reach on
the TV screen*

Trusted brand
and strong
British content
offering

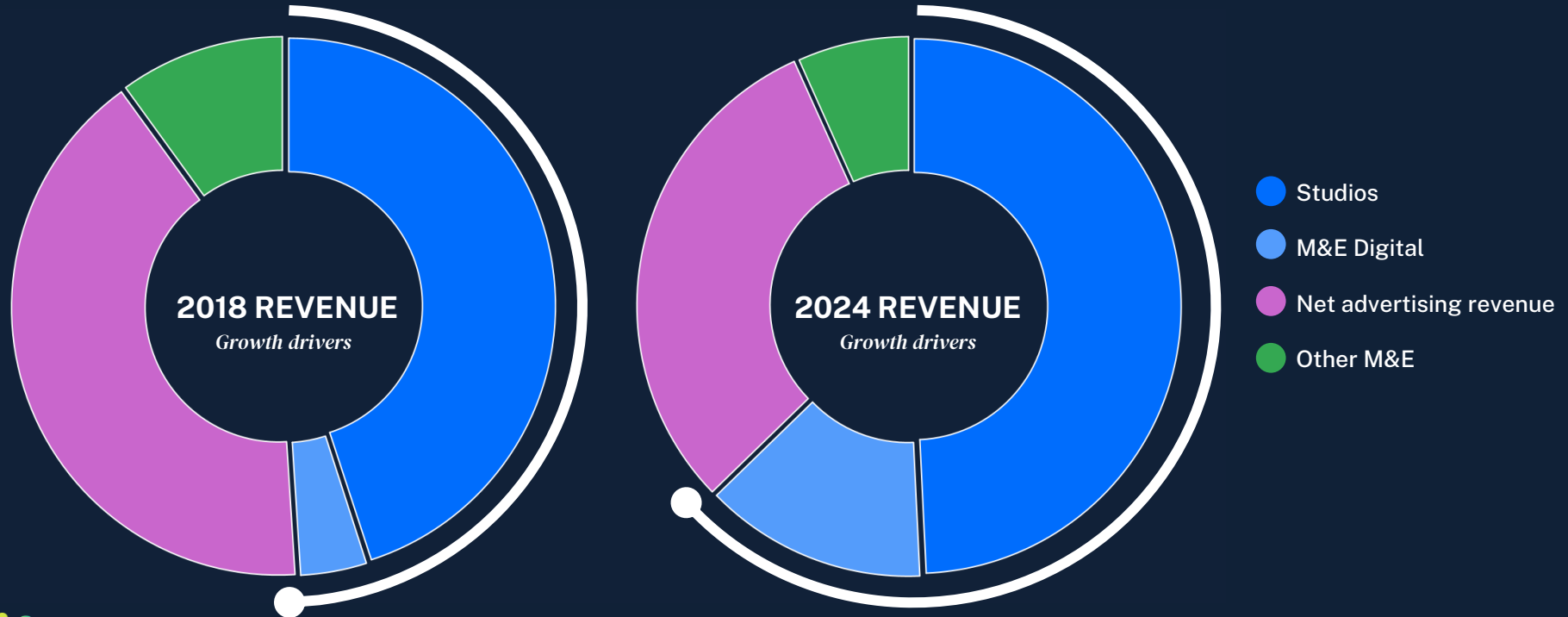
Unique
Commercial
proposition

***Strong
relationships***
with
advertisers
and partners

40m+
registered
users - one of
largest first-
party data sets
in UK

DIVERSIFYING ITV

ITV becoming a more resilient business as it continues to grow its ITV Studios and digital business, supported by a cash generative linear TV business



SUMMARY

- *Successfully implementing* Phase 2 of the More Than TV Strategy
- Significant *competitive advantages*
- Strong position to deliver continued *good profitable growth*
- *Strong cash* generation and *attractive returns* to shareholders

Q&A

APPENDICES

KEY PERFORMANCE INDICATORS

Group

ITV Studios

Media & Entertainment

KPI	FY 2024 ACTUAL
Adjusted EPS	9.6p (2023: 7.8p)
Cost Savings	£60m (2023: £24m)
Profit to Cash Conversion	83% (2023: 102%)

KPI	FY 2024 ACTUAL
Total Studios Organic Revenue Growth	(5)% (2023: 3%)
Studios Adjusted EBITA ¹ Margin %	14.7% (2023: 13.2%)
Total High-end Scripted Hours	296 hours (2023: 316 hrs)
Number of Formats Sold in 3 or More Countries	20 formats (2023: 19 formats)
% of Total ITV Studios Revenues from Streaming Platforms	25% (2023: 32%)

KPI	FY 2024 ACTUAL
Total Digital Revenues ³	£556m (2023: £498m)
Total Streaming Hours	1,686m hours (2023: 1,506m hrs ²)
Monthly Active Users	14.3m (2023: 12.5m)
UK Subscribers ⁴	1.0m (2023: 1.3m)
Share of Commercial Viewing	32.2% (2023: 32.6%)
Share of Top 1000 Commercial Broadcast Programmes	92% (2023: 91%)



¹ Adjusted EBITA includes the benefit of production tax credits and AVEC.

² Total streaming hours were reported as 1,505 million hours in 2023, which included some estimates of total streaming viewing from third party data providers. This figure has since been updated to reflect final data.

³ Digital advertising revenue (a component of digital revenue) now includes previously excluded revenue streams such as commission from STV for ITV selling their video-on-demand inventory, as well as social media advertising revenue. 2023 digital revenue was previously reported at £490 million and has been restated to reflect the change in categorisation.

⁴ Going forward, as we focus on delivering at least £750 million by 2026, we will prioritise our ad-funded proposition over our pay proposition to deliver the best return.

M&E KEY PERFORMANCE INDICATORS DEFINITIONS

Digital Revenue	<ul style="list-style-type: none">Revenue from digital advertising, subscriptions, linear addressable advertising, digital sponsorship and partnerships, ITV Win and any other revenues from digital business ventures. In addition, digital advertising revenue now includes previously omitted revenue streams such as commission from STV for ITV selling their video-on-demand inventory and social media advertising revenue, which qualify under the definition. Given the nature of digital revenue it will evolve over time
Monthly Active Users (MAUs)	<ul style="list-style-type: none">Monthly active users captures the average number of identifiable users throughout the period who accessed our owned, operated, and IP-delivered content and services each month
Streaming Viewing Hours	<ul style="list-style-type: none">Total number of hours viewers spent watching ITV across all streaming platforms, reported at a device level. This figure includes both ad-funded and subscription streaming
Subscribers	<ul style="list-style-type: none">UK subscribers are users of ITVX's premium tier and prior to closure in April 2024, the BritBox UK standalone service and apps on Amazon Prime Video. It includes those who pay ITV directly, those who are paid for by an operator, and free trialists
Share of Commercial Viewing	<ul style="list-style-type: none">The share of top 1,000 commercial broadcast TV programmes is measured by BARB based on viewing figures. This includes TV viewing from transmission and seven days post-transmission on catch up, as well as six weeks prior to the transmission window. It excludes programmes with a duration of <ten minutes. This metric is calculated as a 12-month rolling average to normalise seasonal scheduling
Commercial Mass Audiences	<ul style="list-style-type: none">Share of commercial viewing is the total viewing of audiences over the period achieved by ITV's family of channels as a proportion of all ad-supported commercial broadcaster viewing in the UK. ITV Family includes ITV, ITV2, ITV3, ITV4, ITVBe, CITV, ITV Breakfast, CITV Breakfast and associated 'HD' and '+1' channels. Note that CITV closed down and became a fully on demand service on ITVX in September 2023

Financial Highlights

Twelve months to 31 December	2024 (£m)	2023 (£m)	Change %
ITV Studios	2,038	2,170	(6)
M&E	2,102	2,090	1
Total revenue	4,140	4,260	(3)
Internal supply	(652)	(636)	(3)
Total external revenue	3,488	3,624	(4)
ITV Studios adjusted EBITA ¹	299	286	5
M&E adjusted EBITA	250	205	22
Adjusted EBITA	549	491	12
Unrealised profit in stock adj	(7)	(2)	(250)
Group adjusted EBITA	542	489	11
Group adjusted EBITA margin	16%	13%	3% pts
Adjusted EPS	9.6p	7.8p	23
Reported EPS	10.4p	5.2p	100
Ordinary dividend	5.0p	5.0p	-

Total Advertising Revenue - Spend by Category

Largest categories (Spot and VOD combined)	2024 £m	YOY % change
Retail (incl. Interior Furnishings)	388	15
Entertainment and Leisure	163	13
Airlines, Travel and Holidays	118	(4)
Food	110	5
Finance	106	(3)
Cosmetics & Toiletries	119	(6)
Household Stores	99	32
Cars and Car Dealers	84	7
Publishing and Broadcasting	82	(3)
Telecommunications	80	(28)
Pharmaceuticals	45	2
Government & Charities	83	1
All Other Categories	343	(4)
Total Advertising Revenue (TAR)	1,820	2

M&E Content Costs

Twelve months to 31 December	2024 (£m)	2023 (£m)	Change %
Commissions	496	545	(9)
Sport ¹	186	164	13
Acquired	35	31	13
News and Weather	58	58	–
Total ITV Main Channel	775	798	(3)
Regional news	79	79	–
ITV Breakfast	41	41	–
Total ITV inc Regional & Breakfast	895	918	(3)
ITV2, ITV3, ITV4, ITVBe, CITV	140	156	(10)
ITVX & Premium	230	212	8
Other	3	7	(57)
Total Content Costs	1,268	1,293	(2)

Reconciliation Between 2024 Statutory and Adjusted Earnings

Twelve months to 31 December	Statutory (£m)	Adjustments (£m)	Adjusted (£m)
EBITA ¹	526	16	542
Exceptional items (operating)	(65)	65	–
Amortisation and impairment	(143)	107	(36)
Operating profit	318	188	506
Net financing income / (costs)	–	(25)	(25)
Share of losses on JVs and associates	(9)	–	(9)
Profit on disposal of associates, joint ventures and subsidiary undertakings	212	(212)	–
Profit before tax	521	(49)	472
Tax	(115)	17	(98)
Profit after tax	406	(32)	374
Non-controlling interests	2	–	2
Earnings	408	(32)	376
Shares (million), weighted average ²	3,935	–	3,935
Basic EPS	10.4p	–	9.6p
Diluted EPS	10.3p	–	9.5p

Reconciliation Between 2023 Statutory and Adjusted Earnings

Twelve months to 31 December	Statutory (£m)	Adjustments (£m)	Adjusted (£m)
EBITA ¹	404	85	489
Exceptional items (operating)	(77)	77	-
Amortisation and impairment	(89)	25	(64)
Operating profit	238	187	425
Net financing costs	(45)	16	(29)
Share of losses on JVs and associates	-	-	-
Profit on disposal of joint ventures and subsidiary undertakings	-	-	-
Profit before tax	193	203	396
Tax	16	(101)	(85)
Profit after tax	209	102	311
Non-controlling interests	1	-	1
Earnings	210	102	312
Shares (million), weighted average ²	4,023	-	4,023
Basic EPS	5.2p	-	7.8p
Diluted EPS	5.2p	-	7.7p

Total Exceptional Items

Twelve months to 31 December	2024 (£m)	2023 (£m)
Acquisition-related expenses	(8)	(24)
Restructuring and transformation costs	(50)	(25)
Property costs	1	(10)
Insured trade receivable provision	–	3
Transponder onerous contract	(4)	–
Employee-related tax provision	1	3
Legal settlements	–	(13)
Legal and other costs	(5)	(11)
Operating Exceptional Items	(65)	(77)
Total Exceptional Items	(65)	(77)

Financing Costs

Twelve months to 31 December	2024 (£m)	2023 (£m)
€259m Eurobond at 2% coupon Dec 23	–	(4)
€600m Eurobond at 1.375% coupon Sept 26 ¹	(12)	(16)
£500m Revolving Credit Facility	–	(3)
£230m Term Loan	(8)	(1)
€500m Eurobond at 4.25% coupon June 2032 ²	(14)	–
Financing costs directly attributable to bonds and loans	(34)	(24)
Cash-related net financing income / (expenses)	9	(5)
Adjusted financing costs	(25)	(29)
Net pension interest	8	8
Other net financial gains / (losses) and unrealised foreign exchange	7	(24)
Gain on bond repurchase	10	–
Net financing costs	–	(45)

P&L Tax Charge and Tax Cash

Twelve months to 31 December	2024 (£m)	2023 (£m)
Statutory profit before tax	521	193
Production tax credits	16	85
Exceptional items	65	77
Amortisation and impairment ¹	107	25
Adjustments to net financing costs	(25)	16
Profit on disposal of associates, joint ventures and subsidiary undertakings	(212)	–
Adjusted profit before tax	472	396
Statutory tax charge/(credit)	115	(16)
Production tax credits	16	85
Charge for exceptional operating items	13	12
Credit for profit on disposal of associates, joint ventures and subsidiary undertakings	(49)	–
Charge in respect of amortisation and impairment ²	8	6
Credit in respect of adjustments to net financing costs	(5)	(2)
Adjusted tax charge	98	85
Effective tax rate on adjusted profits	20.8%	21.5%
Statutory cash tax paid (net of production tax credits received)³	(27)	(32)

¹ Amortisation and impairment of £107 million arises in respect of assets from business combinations and investments. In 2024, the Group recognised an impairment of £76 million in relation to the goodwill allocated to the SDN cash generating unit ('CGU'). The impairment charge arose as a result of the downturn in the long term outlook for the digital terrestrial television market.

² In respect of intangible assets arising from business combinations and investments. Also reflects the cash tax benefit of tax deductions for US goodwill.

³ Cash tax paid in the year was £27 million (2023: £32 million) and is net of £78 million of production tax credits received (2023: £38 million).

Analysis of Net Debt

31 December	2024 (£m)	2023 (£m)
€600m Eurobond (reduced to €360m Jun 24)	(316)	(535)
£230m Term Loan	–	(230)
€500m Eurobond (issued Jun 24)	(419)	–
Other debt	(18)	(13)
IFRS 16 lease liabilities	(105)	(115)
Gross cash	427	340
Reported net debt	(431)	(553)
31 December	2024 (£m)	2023 (£m)
Gross cash	427	340
Gross debt (including IFRS 16 lease liabilities)	(858)	(893)
Reported net debt	(431)	(553)

Profit to Cash Conversion and Free Cash Flow

Twelve months to 31 December	2024 (£m)	2023 (£m)
Adjusted EBITA	542	489
Working capital movement	(144)	90
Adjustment for production tax credits	62	(47)
Depreciation	47	46
Share-based compensation	18	16
Acquisition of property, plant and equipment and intangible assets ¹	(49)	(70)
Lease liability payments (including lease interest)	(25)	(26)
Adjusted cash flow	451	498
Profit to cash ratio	83%	102%
Twelve months to 31 December	2024 (£m)	2023 (£m)
Adjusted cash flow	451	498
Net cash interest paid (excluding lease interest)	(18)	(27)
Adjusted cash tax ²	(105)	(70)
Pension funding	(3)	(40)
Free cash flow	325	361

Reported Net Debt Tracker

