ITV Plc Full year results for twelve months ended 31 December 2024

STRONG EXECUTION DELIVERING PROFIT GROWTH

Highlights

- Successful financial, operating and creative performance, driven by strong strategic execution
- Group adjusted EBITA up 11% in 2024, reflecting record profits in ITV Studios and growth in M&E profits and margin
- ITVX continued to perform strongly: digital viewing up 12% and digital advertising revenue up 15% in 2024, delivering attractive returns. By the end of 2025, we will have recouped the cumulative investment in ITVX, much earlier than anticipated
- Delivered £60 million of permanent efficiencies in 2024, £10 million ahead of plan; programme continues into 2025 delivering a further £30 million of non-content savings

Carolyn McCall, ITV Chief Executive, said:

“Three years ago we announced the second phase of our More than TV strategy and today’s results show our significant progress and success in navigating the rapidly changing media industry.

“ITV Studios has delivered record profits this year, despite the one off impact of the writers and actors strike and a softer demand from free-to-air broadcasters, which reflects the strength, scale, diversification and creativity of ITV Studios production companies across the world.

“ITVX has been the UK’s fastest growing streaming platform over the last two years and coupled with our programmatic advertising platform, Planet V, has delivered significant growth in both digital viewing and revenues and is providing attractive returns.

“Our efficiency programme has delivered savings which have funded growth investments, offset inflation and improved our margins. The programme is ongoing and will continue to be viewer led - driving efficiencies and prioritising our investment to best reflect viewer dynamics and attract both mass reach audiences on linear and targetable audiences on ITVX.

“Our significant competitive advantages give us confidence that we will continue to deliver good growth in both ITV Studios and digital revenues, underpinned by the powerful reach and strong cash generation of Broadcast.

“And we are becoming a more resilient business with content production and digital now accounting for close to two thirds of our revenue. Our ongoing transformation ensures we are an adaptable and agile company, well positioned to deliver good profitable growth, strong cash generation and attractive returns to shareholders.”

Full Year 2024 Group Financial Highlights[1] - Strong profitability and shareholder returns

- Group total revenue was down 3% at £4,140 million, with growth in total advertising revenue (TAR) offset by the expected decline in ITV Studios revenue
- Group external revenue was down 4% at £3,488 million
- Group adjusted EBITA[2] was up 11% at £542 million reflecting record profits in ITV Studios, higher profits and increased margin in Media & Entertainment (M&E) and £60 million of efficiencies delivered across the Group. Adjusted EPS was up 23% at 9.6p
- EBITA[3] was £526 million (2023: £404 million). Statutory operating profit was £318 million (2023: £238 million), statutory profit before tax was £521 million (2023: £193 million), and statutory EPS was 10.4p (2023: 5.2p)
- Profit to cash conversion[1] of 83% and a robust balance sheet, with net debt of £431[4] million (31 December 2023: £553 million) and net debt to adjusted EBITDA leverage of 0.7x (31 December 2023: 1.0x)
- £198 million of the £235 million share buyback programme was completed by 31 December 2024
- In line with ITV’s dividend policy, the Board has proposed a final dividend of 3.3p (2023: 3.3p), giving an ordinary dividend of 5.0p per share for the full year 2024 (2023: 5.0p), a total of £190 million.

1. Our APMs are defined within the APMs section of this report. It also includes a full reconciliation between adjusted and statutory results
2. ITV Studios adjusted EBITA includes a £13 million impact from the change in legislation on Audio-Visual Expenditure Credits (AVEC), effective on expenditure incurred from 1 January 2024. Expenditure credits on qualifying expenditure is included within operating profit rather than within the consolidated tax charge. As a result, our EBITA, adjusted EBITA, adjusted EBITA margin, profit before tax and tax charge increase, but profit after tax and EPS is unchanged, compared to the previous High-End TV accounting treatment. Excluding the impact of AVEC, ITV Studios adjusted EBITA was flat year-on-year and Group adjusted EBITA increased by 8% to £529 million
3. Statutory operating profit before amortisation and exceptional items and excludes interest, tax, share of losses of joint ventures, and associated undertakings and profit on disposal of associates, joint ventures and subsidiary undertakings
4. Excluding the net proceeds that had been designated to fund the remainder of the buyback, net debt at 31 Dec 2024 was: £468 million and net debt to adjusted EBITDA leverage is 0.8x

ITV Studios - Industry leading creativity, scale and diversified business model helping to drive record profits

- ITV Studios adjusted EBITA was up 5% to £299 million, with a margin of 14.7% (2023: 13.2%) benefiting from high-margin format and catalogue sales, and £25 million of efficiencies in the year
- Total Studios revenue was down 6% to £2,038[5] million, in line with guidance, impacted by the 2023 US actors and writers strikes, a softer demand from free-to-air broadcasters and the phasing of deliveries year-on-year. Total organic revenue was down 5%. Total external revenue was down 10%
- Internal revenue was up 3%, which includes the benefit of the transfer of ITV sports production from M&E
- ITV Studios delivered many creative successes in the year including: Mr Bates, the biggest drama in the UK in 2024; Fool Me Once – one of Netflix's most-watched shows of all time; The Voice - the number one franchise of the year; Love Island USA - the number one reality series in the US[6]; and Rivals – Disney+'s breakout hit

Media & Entertainment (M&E) - ITVX continued to perform strongly, with significant improvement in M&E profitability

- M&E revenue was up 1% to £2,102 million, with TAR up 2%, in line with guidance and ahead of the market
    - Within this, digital advertising revenue (the largest component of digital revenue) grew 15%
    - M&E non-advertising revenue was down 10% as expected
- M&E adjusted EBITA was up 22% to £250 million reflecting the growth in TAR and £35 million of efficiencies delivered in the year
- ITVX continued to perform strongly building on its momentum during the year
    - Streaming hours were up 12% and monthly active users were up 14% driven by the strong performance of programmes such as the Euros, Love Island and Until I Kill You
    - Digital revenues (refer to Note 5) grew 12% with strong growth in digital advertising revenue partly offset by the actions we have taken to consolidate subscriptions into ITVX
    - During 2024, in-year incremental digital revenues exceeded incremental ITVX costs, two years earlier than expected as we have optimised investment in content and technology. By the end of 2025, we will have recouped the cumulative incremental investment in ITVX, much earlier than expected
- ITV maintained its strength in delivering mass reach with a breadth of successful programmes across the key genres of entertainment, reality, drama and sport with ITV1 named 'Channel of the Year' at the Edinburgh TV Festival and Broadcast Awards.

Outlook: Continued focus on delivering good growth in ITV Studios and ITVX and tight cost management

- ITV's significant competitive advantages and growth opportunities give us confidence that we will continue to deliver good growth in the coming years
- ITV is becoming a more resilient business as it continues to grow ITV Studios and digital revenues, underpinned by the powerful reach and strong cash generation of Broadcast
- Transformation and efficiency programme expected to deliver a further £30 million of savings in 2025
- Ongoing transformation ensures ITV is an adaptable and agile company, well positioned to deliver future profitable growth, continued strong cash generation and attractive returns to shareholders

ITV Studios:

- Expect to deliver good revenue growth in 2025, ahead of the market, with revenue and profit weighted to the second half of the year.
- As expected, the margin in 2025 will be lower than in 2024, but remain within our target range of 13 to 15%. This reflects the change in sales mix as the market recovers following the US strikes, with a lower proportion of high-margin catalogue sales, and a higher proportion of lower-margin scripted deliveries. With cost savings and high margin deliveries weighted to H2, the margin will be higher in H2 than H1
- On track to deliver total organic revenue growth of 5% on average per annum from 2021 to 2026 - ahead of the market, and at a margin of 13 to 15%

5. Total ITV Studios revenue includes a £55 million revenue benefit from the transfer of ITV sports production from M&E, effective from 1 January 2024. £53 million is eliminated in intersegment revenue. Excluding the revenue benefit, ITV Studios revenue was down 9%
6. Season 6 was the number one reality series in the U.S. across all streaming platforms

- Expect revenue and profit growth momentum to accelerate in the medium term driven by:

    - Zoo 55 - our digital studios label launched in January 2025, to drive high margin growth from the rapidly expanding global digital distribution market, as we distribute content to more platforms and audiences globally
    - Healthy scripted pipeline including Rivals S2 for Disney+, Run Away for Netflix and After The Flood S2 for ITV
    - Number of large format deliveries including the return of Hell's Kitchen US and The Voice across multiple countries

Media & Entertainment:

- TAR outlook and shape for 2025:
    - TAR will be impacted by tough comparatives against the Euros in June/July and the introduction of tighter advertising restrictions on less healthy foods (LHF) in October 2025
    - The four months to the end of April is forecast to be broadly flat year-on-year
- Remain on track to deliver at least £750 million of digital revenues in 2026:
    - we will deliver good growth in digital viewing and revenue by focusing on key value drivers of content, marketing, product, distribution and monetisation
    - we will drive new digital streams including
        - a new distribution and commercial partnership agreement with YouTube, making more ITV content available on YouTube and ITV Commercial selling advertising, and
        - developing new profitable digital revenue streams beyond advertising, leveraging our scaled platform, our powerful brand and IP and first party data

Ongoing transformation and efficiency programme

- Delivered £60 million of savings in 2024, £10 million higher than previously guided
- £60 million savings comprised:
    - £20 million of initial £150 million plan - now fully completed, one year early
    - £40 million of savings as part of the ongoing transformation and efficiency programme as we reprioritise our resource allocation to better align with our strategy
- Our efficiency programme has delivered savings which have funded growth investments, offset inflation and improved our margins
- Delivering savings through reductions in transmission costs, technology and operational efficiencies, organisational redesign, simplifying ways of working and permanent reductions in discretionary spend
- In 2025 we expect to deliver a further £30 million of permanent non-content cost savings which is a combination of new initiatives and annualised benefits from the 2024 savings. These savings will fund investments and offset inflation. Expect costs to deliver savings to be around £25 million.

Planning assumptions for the full year 2025

The following planning assumptions are based on our current best view but may change over the year.

Profit and Loss Impact:

1. Total content costs are 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
2. In total, we expect to deliver £30 million of non-content savings a combination of new initiatives and annualised benefits from the 2024 savings
3. Adjusted financing costs are expected to be around £40 million
4. The adjusted effective tax rate is expected to be around 27% over the medium-term
5. Exceptional items are expected to be around £45 million mainly due to costs associated with our ongoing transformation and efficiency programme (c. £25m) and our digital transformation costs (c. £10m). Cash impact is expected to be similar

Cash impact:

- Profit to cash conversion is expected to be around 80% on average over the three years from 2023 to 2025
- Total capex is expected to be around £65 million as we continue to invest in our digital capabilities
- 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, a total of around £190 million

Virtual Results presentation webcast and Q&A:

ITV's virtual results presentation and Q&A session will be held for investors and analysts at 9.30 am today (UK time) via the following link: https://www.investis-live.com/itv/67a201dc8a9b7a001265becb/lanetr

You are now able to pre-register to join.

If you would like to ask a question, you will be able to do so via the following Conference Call details:

Conference Call Dial-In:
United Kingdom (Local): +44 20 3936 2999
United Kingdom (Toll-Free): +44 800 358 1035
Global Dial-In Numbers

Access Code: 100986
Press *1 to ask a question, *2 to withdraw your question, or *0 for operator assistance.
Please refer to the Global Dial-In Numbers hyperlink above for alternate phone numbers.

Notes to editors

1. Unless otherwise stated, all financial figures refer to the 12 months ended 31 December 2024, with the change compared to the same period in 2023.

2. Group financial performance

   We measure performance through a range of metrics, particularly through our alternative performance measures and KPIs, as well as statutory results, all of which are set out and defined in this report. Please refer to the APMs for a reconciliation between adjusted and statutory results.

Twelve Months to 31 December	2024 £m	2023 £m	Change £m	Change %
ITV Studios total revenue	**2,038**	**2,170**	**(132)**	**(6)**
Total advertising revenue	1,820	1,778	42	2
M&E non-advertising revenue	282	312	(30)	(10)
M&E total revenue	**2,102**	**2,090**	**12**	**1**
Total group revenue	**4,140**	**4,260**	**(120)**	**(3)**
Internal revenue	(652)	(636)	(16)	3
Group external revenue	**3,488**	**3,624**	**(136)**	**(4)**
Total non-advertising revenue	**2,320**	**2,482**	**(162)**	**(7)**
ITV Studios adjusted EBITA	299	286	13	5
M&E adjusted EBITA	250	205	45	22
Adjusted EBITA	**549**	**491**	**58**	**12**
Unrealised profit in stock adjustment	(7)	(2)	(5)	250
Group adjusted EBITA	**542**	**489**	**53**	**11**
Group adjusted EBITA margin	**16%**	**13%**	–	**3% points**
Statutory operating profit	**318**	**238**	**80**	**34**
Profit before tax (adjusted)	**472**	**396**	**76**	**19**
Adjusted EPS	**9.6p**	**7.8p**	1.8p	23
Statutory EPS	**10.4p**	**5.2p**	5.2p	100
Net debt as at 31 December	**(431)**	**(553)**	**122**	**22**
Reported net debt to adjusted EBITDA leverage	**0.7x**	**1.0x**		
Profit to cash conversion	**83%**	**102%**		

3. Total advertising revenue (TAR), which includes ITV Family NAR, digital advertising and sponsorship, is expected to be broadly flat for the four months to the end of April 2025 compared to the same period in 2024. TAR is expected to be down around 2% in Q1 compared to the same period in 2024.

4. Key performance indicators

Twelve months to 31 December	**2024**	**2023**	Change
Group adjusted EPS	**9.6p**	7.8p	23%
Cost savings	**£60m**	£24m	£36m
Profit to cash conversion	**83%**	102%	(19)% pts
ITV Studios total organic revenue (decline)/growth	**(5)%**	3%	(8)% pts
ITV Studios adjusted EBITA margin % (inc AVEC)	**14.7%**	13.2%	1.4% pts
Total high-end scripted hours	**296 hrs**	316 hrs	(6)%
Number of formats sold in 3 or more countries	**20**	19	5%
% of ITV Studios total revenue from streaming platforms	**25%**	32%	(7)% pts
Total digital revenue	**£556m**	£498m	12%
Total streaming hours	**1,686m**	1,506m	12%
Monthly active users	**14.3m**	12.5m	14%
Share of top 1,000 commercial broadcast TV programmes	**92%**	91%	1% pt
Share of commercial viewing (SOCV)	**32.2%**	32.6%	(0.4)% pts
UK subscribers as at 31 December	**1.0m**	1.3m	(23)%

- Our definition of total organic revenue excludes the impact of any acquisitions made during the current or prior period. It also excludes the year-on-year movement in foreign exchange. In 2024, the unfavourable translation impact of foreign exchange on total revenue was £30 million.
- Total digital revenue includes digital advertising revenue and subscription revenue as well as linear addressable revenue, digital sponsorship and partnership revenue, 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. The prior years have been restated to reflect the change in categorisation. Given the nature of digital revenue, it will evolve over time. 2023 was previously reported as £490 million.
- Total streaming hours measures the total number of hours viewers spent watching ITV across all streaming platforms. This figure includes both ad-funded and subscription streaming. In H1 2023, total streaming hours were reported as 737 million hours, which included some estimates of total streaming viewing from third-party data providers. This has since been updated to reflect more recently available and accurate data.
- 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.
- The share of top 1,000 commercial broadcast TV programmes KPI 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.
- ITV Family 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 commercial broadcast TV viewing in the UK, from transmission and seven days post transmission on catch up. ITV Family includes ITV1, ITV2, ITV3, ITV4, ITVBe, CITV and CITV Breakfast in 2023 only, ITV Breakfast and associated "HD" and "+1" channels. Note that CITV closed down and became a fully on demand service on ITVX in September 2023.
- UK subscribers captures total UK subscriptions to ITV streaming platforms and services (including free trials). 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.
- % change for performance indicators is calculated on rounded numbers.
- KPIs for the six months to June 2024 and 2023 are unaudited.

5. Digital revenue breakdown

Twelve months to 31 December	2024 £m	2023 £m	Change %
Digital advertising revenue*	482	420	15
Subscription revenue	48	59	(19)
Other digital revenue	26	19	37
Total digital revenue	**556**	498	**12**

* Digital advertising revenue (a component of digital 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. 2023 digital advertising revenue was previously reported at £415 million and has been restated to reflect the change in categorisation.

6. We have recently agreed non-binding heads of terms to resolve the long running Box Clever pension dispute. Should the dispute be resolved in line with the proposed agreement, all current Scheme members will be transferred into the ITV Pension Scheme and will receive their full Scheme benefits. We would also expect to make a one-off cash payment of around £25m into the ITV Pension Scheme in 2025.

7. This announcement contains certain statements that are or may be forward looking statements. Words such as "targets", "expects", "aim", "anticipate", "intend", or the negative of these terms and other similar expressions of future performance or results, and their negatives, are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting ITV. Although ITV believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. By their nature forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. They are not historical facts, nor are they guarantees of future performance; actual results may differ materially from those expressed or implied by these forward-looking statements. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward looking statements. These factors include, but are not limited to (i) the general economic, business, political, regulatory and social conditions in the key markets in which the Group operates, (ii) a significant event impacting ITV's liquidity or ability to operate and deliver effectively in any area of our business, (iii) a major change in the UK advertising market or consumer demand, (iv) significant change in regulation or legislation, (v) a significant change in demand for global content, and iv) a material change in the Group strategy to respond to these and other factors. Certain of these factors are discussed in more detail elsewhere in this announcement and in ITV's 2024 Annual Report and Accounts including, without limitation, in ITV's approach to risk management.

   Forward-looking statements speak only as of the date they are made and, except as required by applicable law or regulation, ITV undertakes no obligation to update any forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise. Nothing in this statement should be construed as a profit forecast.

8. The financial information set out above does not constitute the Company's statutory accounts for the year ended 31 December 2024. Statutory accounts for 2023 have been delivered to the registrar of companies, and those for 2024 will be delivered in due course. PwC has reported on those accounts; their reports were (i) 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.

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Chief Executive’s statement

2024 has been a successful year – financially, operationally and creatively, driven by strong execution. This reflects ITV’s significant strategic progress despite the rapidly changing market in which we operate.

Carolyn McCall
Chief Executive

ITV delivered double-digit earnings growth across the Group, with record profits in Studios, and an increase in the profits and margin of M&E. ITV Studios performed well despite the expected one-off impact of US strikes and softer demand from free-to-air broadcasters, which reflects the scale, quality, diversification and resilience of the business.

ITVX continued to drive strong growth in digital viewing and revenue and is delivering attractive returns. ITVX viewing has grown faster than all the other major video-on-demand services and streaming platforms since its launch. Broadcast has maintained its strength in delivering mass reach and continued strong cash generation.

Creatively, we have had a standout year producing and distributing critically acclaimed content globally that continues to set us apart in the market, and 2024 has demonstrated that the programmes we produce and distribute can change attitudes, outcomes, and even the law.

Financial Highlights

ITV’s transformation has made it more agile and resilient, which have been key to its success over the years, and this is evident in its 2024 financial performance.

Group adjusted EBITA[1], grew 11% to £542 million following our year of peak net investment in 2023 and adjusted EPS was up 23% at 9.6p.

Total ITV Group revenue was down 3% and total external revenue declined by 4%, with 2% growth in total advertising revenue offset by the expected decline in ITV Studios revenue. Within M&E, ITVX continued to drive strong growth in digital viewing, which was up 12%, and in digital advertising revenue, which grew 15% year-on-year. Digital advertising now makes up 26% of total advertising revenues.

Our statutory results benefited from the profit on the sale of BritBox International in March 2024, with statutory profit before tax up 170% to £521 million and statutory EPS increasing by 100% to 10.4p.

Cash generation was strong with 83% profit to cash conversion and £325 million of free cash flow. ITV has a robust balance sheet with net debt of £431 million, and net debt to adjusted EBITDA leverage of 0.7x at 31 December 2024.

In line with ITV’s dividend policy, the Board has proposed a final dividend of 3.3p (2023: 3.3p), giving an ordinary dividend of 5.0p per share for the full year 2024 (2023: 5.0p) – a total payment of around £190 million. Since 2018, we have returned over £1.4 billion to shareholders, which includes £198 million of our £235 million share buyback programme as at 31 December 2024.

Our Progress in Delivering Our Purpose, Vision and More Than TV Strategy

Our purpose is Making What Matters, entertaining and connecting with millions of people in the UK and globally, reflecting and shaping culture and building brands, with brilliant content and creativity.

We announced Phase Two of our More Than TV strategy three years ago with the vision that by 2026, ITV will be a leader in UK advertiser-funded streaming, and an expanding global force in content.

To deliver our vision and strategy, we are focused on three pillars:

- **Expand our UK and global production business**
- **Supercharge our Streaming business**
- **Optimise our Broadcast business**

These pillars are underpinned by a number of priorities (detailed further below), for which we have key performance indicator (KPI) targets to deliver by 2026. ITV has made strong strategic progress and the 2024 results demonstrate the significant achievements we have made.

We have transformed ITV into a much leaner, digital, more diversified and adaptable business, fit for the future with good opportunities for profitable growth, strong cash generation and attractive returns to shareholders.

1. Group adjusted EBITA includes £13 million of Audio- Visual Expenditure Credits, refer to APMs for further details

Expand ITV Studios

In ITV Studios we have built a scaled, global, diversified and resilient business, driven by very strong creative output, and being focused on delivering good growth and taking market share, benefitting from our significant competitive advantages.

ITV Studios is the largest commercial producer in the UK, one of the largest unscripted producers in the US, and in the top three producers in the key creative markets in which it operates. We produce a broad range of content for a diversified customer base. Over the last two years, around 35% of ITV Studios' revenue has come from the expanding scripted market and around 30% from growing streaming platforms.

In 2024 we saw creative successes with programmes such as Mr Bates vs The Post Office, ITV's biggest drama in over 20 years; Fool Me Once, one of Netflix's most watched shows of all time; Season 6 of Love Island US, the number one reality series across all streaming platforms in the US; and Citadel Diana, Amazon Prime Video's biggest global launch for an Italian original ever.

We continue to successfully attract and retain talent. Our unique blend of creative independence, an entrepreneurial culture, and the resources of a global studio allows our talent to thrive. Recent acquisitions include Hartswood Films in the UK, the producer of Sherlock, and one of the fastest-growing producers Eagle Eye Drama, the producer of Professor T.

The global content market is large and attractive and we anticipate growth in the key segments of the market in which we operate. This includes premium scripted content and unscripted formats driven by the strong demand from streaming platforms, and catalogue sales, particularly with strong growth in digital distribution.

We have an exciting pipeline of new and returning programmes across scripted and unscripted for a broad range of customers, such as One Piece S2 for Netflix, Rivals S2 for Disney+ and Destination X for the BBC and NBC.

In addition, we have a catalogue of over 95,000 hours, including world-class unscripted IP, and a leading drama library. Having a scaled quality catalogue, gives us really exciting new revenue opportunities as distribution becomes increasingly digital with continuous technological change.

In January 2025, ITV Studios launched Zoo 55, a new digital studios label. Through Zoo 55, we digitally publish ITV content and third party content, globally into social channels, direct to the consumer. This is through social video, free ad supported or FAST channels and through games. Zoo 55 centralises all these activities and supercharges our ability to distribute and monetise it much more effectively. In 2024, Zoo 55 delivered around £60 million of high-margin digital revenue, up c.30% year-on-year, and we expect to double this by the end of 2027, as we launch more channels and games in more territories.

ITV Studios is on track to deliver its key financial targets of total organic revenue growth of 5% on average per annum from 2021 to 2026 – ahead of the market, and at a margin of 13 to 15%. We remain focused on the four strategic priorities (as detailed below) and are confident in our ability to continue growing our market share and deliver exceptional content globally.

Media & Entertainment (M&E)

ITV M&E is the UK's largest commercial broadcaster and BVOD streamer, delivering unrivalled audience scale and reach. It is underpinned by two strategic pillars; Supercharge Streaming and Optimise Broadcast, both of which are critical to our continued success in a rapidly changing market.

The media landscape has changed profoundly since we launched our strategy. Declining linear TV viewing coupled with growth in digital viewing, the proliferation of streaming services (19 new entrants in the UK since 2018 with five having ad-tiers), and the growing influence of platforms like YouTube (viewing up nearly 20% since 2022), have dramatically reshaped the competitive environment.

ITV's strategy recognises these rapid changes and has been laser focused on capitalising on the opportunities and managing and mitigating the risks. Our priority was to transform our streaming and addressable advertising proposition to enable us to retain our existing viewers and advertisers while attracting new ones, and growing our addressable market to drive digital revenues. Through ITVX and Planet V, we've established a formidable position in the UK ad-funded streaming market.

ITVX has transformed the viewer experience, offering over 22,000 hours of free content, up from around 1,000 hours in 2019. It has a sophisticated personalisation and recommendations engine, and is on nearly 100% of all platforms. This has driven significant growth in digital viewing and in 2024, streaming hours and MAUs were up 12% and 14% year-on-year respectively.

Planet V has been critical to the success of ITVX. The platform has over 2,000 users in the UK who have access to data from over 40 million ITVX registered users, one of the UK's largest first-party data sets, and over 20,000 addressable targeting options. This has enabled us to attract over 1,000 new advertisers since launch and deliver double-digit growth in CPMs. And as its wholly owned, we keep 100% of the revenue.

When we launched ITVX we expected the point when in-year incremental digital revenues would exceed in-year incremental costs of ITVX, to be in 2026. We achieved this milestone in 2024, delivering strong growth in viewing and revenues in line with our plan, but with less investment than initially planned. We did this by optimising our content and tech spend, adapting to the changing market and taking advantage of opportunities to reduce spend. By the end of 2025, we will have recouped the cumulative investment in ITX, , much earlier than expected.

We will continue to drive strong growth in digital viewing and revenue in ITX by focusing on our key value drivers – content, marketing, distribution, product and monetisation.

In addition to ITVX, we are actively developing new digital revenue streams to drive profitable growth. We are making hundreds more hours of long and short form ITV content available on YouTube, with ITV Commercial selling the advertising around it. This offers advertisers the opportunity to engage with ITV's unparalleled premium brand safe content on YouTube, and for ITV this increases our addressable market.

We are also developing opportunities for organic growth, beyond advertising, by reshaping our business unit, Interactive, to drive revenue through high value partnerships that leverage our scaled platform, our powerful brand and IP and our first party data. By moving beyond advertising, we aim to create innovative collaborations that deliver value, enhance customer experiences and unlock new digital revenue streams. For example, we are further developing ITV Win as a premium destination for competitions and gaming. We now have the capability and culture to deliver a more entrepreneurial approach.

These revenues will contribute to our key M&E financial target of at least £750 million of digital revenues by 2026, which we are on track to deliver.

Alongside ITVX we are focused on maintaining our strength in delivering mass audiences which are highly valuable for advertisers. In 2024, we delivered 92% of the top 1,000 commercial audiences across key genres of sport, entertainment, reality, and drama. This robust performance cements ITV's unique market-leading position in UK broadcast.

Across M&E we have significant competitive advantages. We are the commercial leader in scale and reach on the TV set where the majority of all viewing still takes place. Our share of commercial big screen adult viewing is 22%, bigger than Netflix, Amazon Prime and Disney+ combined. We have a trusted brand and a strong track record for producing and distributing content which appeals to UK audiences. We have a unique commercial proposition offering mass reach, and commercial and creative partnerships all in a brand-safe and measured environment. Our extensive first-party data provides valuable insights for commissioning and windowing, driving viewing, it also improves marketing effectiveness. By augmenting our data with other first-party data, we can deliver highly valuable targeted advertising at scale, which is even more effective for advertisers.

We are focused on delivering profitable growth and expanding the margin, benefitting from these significant competitive advantages, developing new revenue opportunities and driving efficiencies.

Our More Than TV strategy

Vertically Integrated Producer Broadcaster and Streamer

Expand STUDIOS
Further expanding by genre, geography and customer and growing faster than market

2026 STUDIOS TARGET
Grow total organic revenues by 5% on average per annum to 2026 – which is ahead of the market at a margin of 13% to 15%

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

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

2026 M&E TARGET
Grow digital revenues to at least £750m across M&E

ITV Studios – Strategic priorities and KPI targets

Expanding UK and global productions is central to ITV's strategy. ITV Studios' ambition is to be a leading force in the creation and ownership of intellectual property (IP), global content production and distribution. We are achieving this by focusing on our four strategic priorities to drive revenue and profit growth.

	PRIORITIES	WHY IT'S IMPORTANT	FY 2026 TARGET	FY 2024	WHAT IT DRIVES
STUDIOS	**1. Grow our scripted business**	To meet the growing global demand for scripted content, particularly from streaming platforms	400 high-end scripted hours per annum	296 hours (2023: 316 hours)	**Growth in total organic revenue of 5% on average per annum to 2026[2] which is ahead of the market** **Delivers adjusted EBITA[3] margins of 13% to 15%** *In 2024, total organic revenue declined 5% at an adjusted EBITA margin of 14.7%*
	2. Grow our global formats business	To maximise international monetisation of high-value formats	20 formats sold in three or more countries	20 formats (2023: 19 formats)	
	3. Further diversify our customer base	To capture the growth in content spend from local and global streaming platforms	30% of total revenues from streaming platforms	25% (2023: 32%)	
	4. Attract and retain leading talent	Key to creative success of a studios business	N/A	N/A	

2. Average annual growth rate from 2021
3. Refer to APMs for detail on our adjusted measures

Media & Entertainment – Strategic priorities and KPI targets

ITV's M&E strategy is based on two core pillars: Supercharge Streaming and Optimise Broadcast, with strategic priorities to drive growth in digital revenues and maintain strength in linear.

	PRIORITIES	WHY IT'S IMPORTANT	FY 2026 TARGET	FY 2024	WHAT IT DRIVES
STREAMING	**1. Attract more monthly active users to ITVX**	ITV's reach is key to retaining and attracting advertisers	Grow monthly active users to 20 million	14.3 million (2023: 12.5 million)	**Growth in digital revenues to at least £750 million by 2026**
	2. Increase the time users spend on ITVX	ITV's scale is key to retaining and attracting advertisers	Grow total streaming hours to 2 billion hours	1,686 million hours (2023: 1,506 million hours)	**Revenues from linear TV advertising, commercial and creative partnerships, and sponsorship**
	3. Increase UK subscriber base	Monetising ITV viewers who are willing to pay for ad-free and additional content	Grow subscribers to 2.5 million	1.0 million (2023: 1.3 million)	
BROADCAST	**4. Maintain our strength in delivering mass linear audiences**	ITV's mass linear audiences remain very important to UK advertisers	Maintain a share of at least 80% of the top 1,000 programmes	92% (2023: 91%)	*In 2024, total digital revenues were £556 million, up 12% year-on-year*
	5. Maintain ITV's position in UK broadcast market	ITV's scale remains very important to UK advertisers	Maintain a share of commercial viewing of 33%	32.2% (2023: 32.6%)	

Refer to our KPIs section further details of our KPIs and their performance year-on-year.

Cost and Efficiency programme

We continue to focus on reducing costs and driving efficiencies through our ongoing transformation and cost efficiency programme as we reprioritise our resource allocation to better align with our strategy and viewer dynamics.

We delivered £60 million of savings in 2024 which is £10 million ahead of plan, and we have now completed our initial £150 million savings plan - one year early. Savings during the year were achieved through reductions in transmission costs, technology and operational efficiencies, organisational redesign across the business and simplifying ways of working. These savings have funded investments, increased margins and more than offset inflation in both businesses.

In 2025, we expect £30 million of new savings which is a combination of new initiatives and the annualised benefits from 2024 savings.

Regulation

The Media Act 2024, which was passed into law in July 2024, updates the legal and regulatory framework for television, particularly how it is delivered online. This should help ensure that content from PSBs, including ITV, will be included and easily discoverable on all major streaming platforms, on fair commercial terms. We remain fully engaged with Ofcom and the Government throughout the processes necessary for its full implementation.

In September 2024, the new Government confirmed its intention to implement advertising restrictions on less healthy foods (LHF) from October 2025. Advertising of LHF products will be restricted pre-9pm on Ofcom-regulated TV and streaming services, and at all times online.

The Advertising Standards Authority (ASA) is currently consulting on how it intends to implement the forthcoming restrictions on LHF advertising, which may include restricting brand advertising in some circumstances. We will engage with the consultation.

Our Social Purpose

ITV aims to inspire positive change and shape culture for good through its linear TV channels ITVX, and its prominent position as a Public Service Broadcaster in the UK. Our social purpose is focused on four areas: Mental Wellbeing, Better Futures, Climate Action, and Diversity, Equity and Inclusion (DEI).

In 2024, our Mental Wellbeing campaigns, which included the iconic Britain Get Talking, led to over 47 million people taking positive action for their mental health. World Wide Fund for Nature won our Head First award of £1 million of airtime to promote mental wellbeing in advertising with their campaign launched in Q4 2024. Within Better Futures, Soccer Aid for UNICEF surpassed an incredible milestone of over £100 million raised since it started.

ITV is committed to integrating climate action within all areas of the business. We have championed new production methods to cut our emissions such as remote production and using electric vehicles on set. We are also driving change on-screen, embedding climate-related content across all genres. Our recently published Climate Transition Plan will guide our efforts to prioritise impactful climate actions while driving value for the business and our stakeholders.

We continue to implement our global DEI strategy, championing diversity through our mainstream content, creating equitable opportunities at ITV and across the industry, and creating an inclusive culture at ITV. Our newly established Diversity Development Fund has led to the commissioning of programmes such as Romesh Ranganathan's Parents' Evening.

Duty of Care

ITV takes its responsibilities related to Duty of Care and Speaking Up very seriously, with significant focus from the Board and Executive Committee. We have robust and established processes in place to support the physical and mental health of everyone working for and with ITV, including those who help produce our shows and those who take part in them. We also provide confidential and anonymous channels through which concerns can be reported, and we ensure that we look into all complaints raised.

In 2024, we continued to prioritise awareness and engagement with our Speaking Up programme. This included launching a dedicated Complaints Handling Unit and Framework. A review by Dr Paul Litchfield during the year concluded that we provide a very high level of duty of care to participants of our shows.

Our Chief People Officer, Ade Rawcliffe, now chairs the Duty of Care Operating Board and we ensure the continuous evolution of our care practices. Duty of Care also remains a principal risk that the Board monitors regularly. Further details can be found in the Risks and Uncertainties section .

Colleagues

Over the 70 years of ITV's history, our people have been the bedrock of the business and fundamental to ITV's success. This remains true to this day, and I am incredibly grateful to all our colleagues for their hard work, resilience, and professionalism, particularly given the uncertainty in a rapidly changing environment, which has resulted in restructuring and a focus on efficiency and productivity.

We've achieved a huge amount in 2024 in continuing to deliver our strategy effectively, and everyone should feel really proud of what we have accomplished together.

Our Ambassador network has grown stronger and is a vital part of how the Board and I engage with our colleagues. During the year, we also ran a series of Roadshows across ITV globally, and I thoroughly enjoyed meeting many of our colleagues from all areas of the business.

We recently launched 'Making What Matters' internally, which captures what sets us apart and makes ITV a special place to work. I am pleased that in our 2024 Pulse Engagement survey, 75% of colleagues who responded feel they belong at ITV.

In 2025, we will continue to prioritise and invest in our colleagues by further driving a culture of open communication and collaboration, providing learning and development opportunities, and championing diversity and inclusion to ensure that ITV is a workplace where everyone feels welcome and respected.

It is through our collective efforts that we will continue to execute our More Than TV strategy and ensure that ITV thrives in the industry for the next 70 years.

Outlook

We are really proud of the strategic progress we have made to date. We have transformed ITV from an analogue business to a successful digital business where we have built the capability and created an adaptable and agile culture while nurturing and growing our creative power.

As we continue to grow ITV Studios and our digital revenues, ITV is becoming a more resilient business with production and digital now accounting for close to two-thirds of our revenue. This is underpinned by the powerful reach and strong cash generation of Broadcast.

We see lots of opportunities for further organic growth, and with our significant competitive advantages and clear strategic pillars, we are in a really strong position to deliver profitable growth, strong cash generation and attractive returns to shareholders.

Carolyn McCall
Chief Executive

Key Performance Indicators

Our KPIs and related targets for 2026 align our performance and accountability with our strategic priorities. This is detailed further in the Strategy section of the Chief Executive's Statement.

All KPIs are reported on a six-month basis. The following are reported quarterly: ITV Studios total revenue growth, total digital revenue, total streaming hours, share of commercial viewing and share of top 1,000 commercial broadcast TV programmes.

For further details on the performance of our KPIs, see the Operating and Financial Performance Review.

ITV GROUP

ADJUSTED EPS[1]	COST SAVINGS	PROFIT TO CASH CONVERSION[1]
9.6p +23% on 2023	***£190m*** cumulative savings since 2018	***83%***
Adjusted EPS represents the adjusted profit after tax[1] attributable to each equity share in the year. It is an important measure as we aim to create long-term value for our shareholders. **Performance** Adjusted EPS increased by 23% from 7.8p to 9.6p. This was driven by year-on-year growth in total advertising revenue, combined with an increase in the EBITA[1] of ITV Studios and M&E, and significant cost savings across the Group.	Cost savings are permanent savings to the business. Managing our cost base and mitigating the impact of inflation is key, as we aim to run our business as efficiently as possible, and fund investments in line with our strategic priorities. **Performance** We delivered £60 million of permanent efficiencies in 2024 and £190 million since 2018. The £60 million comprised £20 million of our initial £150 million plan – now fully completed – and £40 million of savings as part of our ongoing strategic restructuring and efficiency programme. We expect to deliver a further £30 million of non-content savings in 2025, which is a combination of new initiatives and annualised benefits from the 2024 savings. **2026 Target** Deliver over £150 million of cumulative savings between 2018 and 2026.	One of ITV's strengths is its cash generation. Profit to cash conversion serves as a key indicator in measuring our effectiveness in exercising tight management of working capital balances. It is calculated as our adjusted cash flow as a proportion of adjusted EBITA[1]. **Performance** Profit to cash conversion was 83% in the year. Working capital had a significant outflow year-on-year, driven by an increase in production inventories predominantly in the US following the actors' and writers' strike in 2023. **2026 Target** Maintain at around 85%.

EXPAND STUDIOS UK AND GLOBAL PRODUCTION

ITV STUDIOS TOTAL ORGANIC REVENUE GROWTH[2]	TOTAL HIGH-END SCRIPTED HOURS	% OF ITV STUDIOS TOTAL REVENUE FROM STREAMING PLATFORMS
-5% on 2023	***296 hrs*** -6% on 2023	***25%*** -7 basis points on 2023
ITV Studios total organic revenue growth measures the scale and success of our global Studios business. It includes revenues from programmes sold to M&E, which as a vertically integrated producer, broadcaster and streamer, is an important part of our business. **Performance** Total organic revenue was down 5%, driven by the impact of the 2023 US writers' and actors' strikes, which delayed around £80 million of revenue from 2024 to 2025. This was combined with lower demand from free-to-air broadcasters in Europe and strong comparatives from the phasing of high-value deliveries year-on-year. Organic revenue excludes the impact of a £30 million unfavourable foreign exchange movement and £20 million of acquisitions and disposals in the year. **2026 Target** Grow by 5% on average per annum (from 2021).	Total high-end scripted hours is an important measure in assessing the success of our strategic priority, to grow our scripted business. High-end scripted hours include new commissions or returning franchises that have a higher cost per hour than continuing drama. **Performance** The number of high-end scripted hours produced by ITV Studios decreased by 6% to 296 hours in 2024, driven by the impact from the US actors' and writers' strikes and strong comparatives from the phasing of high-value scripted deliveries year-on-year, particularly to streaming platforms in the UK and US. **2026 Target** Grow to 400 hours.	Over the medium term, the key driver of growth in the global content market is expected to be from streaming platforms. The percentage of ITV Studios total revenue from streaming platforms is an important measure of delivering its strategic priority of further diversifying its customer base and meeting its 2026 total organic revenue growth target. **Performance** The percentage of ITV Studios total revenue from streaming platforms declined to 25%, driven by the impact from the US actors' and writers' strikes and strong comparatives from the phasing of high-value deliveries in 2023, particularly in the UK and US. Offsetting some of this decline in 2024 were deliveries, such as Queer Eye and Missing You for Netflix, The Better Sister for Amazon Prime Video, and Virgin Island for Hulu. **2026 Target** Grow to 30% of ITV Studios total revenue.

1. A full reconciliation between our adjusted and statutory results is provided in the APMs section
2. Our APMs are defined within the APMs section of this report. It also includes a full reconciliation between our adjusted and statutory results

ITV STUDIOS ADJUSTED EBITA[2] MARGIN %	NUMBER OF FORMATS SOLD IN THREE OR MORE COUNTRIES[3]
14.7% +1.5 basis points on 2023	***20 formats*** +5% on 2023
This is the key profitability measure used across the ITV Studios business. The margin is calculated on ITV Studios total revenue. **Performance** ITV Studios adjusted EBITA margin was 14.7% (2023: 13.2%) and is at the high-end of our range. This reflects an increase in higher margin catalogue sales, the actions we have taken on cost, and £13 million impact of Audio-Visual Expenditure Credits (AVEC) during the year. **2026 Target** Deliver in the 13% to 15% range.	The Studios business is focused on maximising the international monetisation of high-value formats. A good measure of international success is when a format is commissioned in three or more countries in the year. **Performance** The number of formats sold in three or more countries was 20 and in line with our 2026 target. Recent formats that have sold in three or more countries include: Love Island, The Chase, and Hell's Kitchen. **2026 Target** Grow to 20 formats.

M&E SUPERCHARGE STREAMING

TOTAL DIGITAL REVENUE[4] ***£556m*** +12% on 2023	MONTHLY ACTIVE USERS (MAU)[6] ***14.3m*** +14% on 2023
Total digital revenue comprises all revenue streams from our digital businesses, predominantly digital advertising. It is an important measure of the acceleration of our digital strategy as we supercharge streaming. **Performance** Total digital revenue grew 12% to £556 million. The growth was driven by digital advertising revenue, which was up 15%. This was marginally offset by the expected decline in subscription revenues. **2026 Target** More than double (compared to 2021) to at least £750m.	Attracting more monthly active users to ITVX is a key strategic priority. It increases reach, which is important to attract and retain advertisers and contributes to total digital revenue growth. **Performance** Monthly active users grew 14% to 14.3 million. As with total streaming hours, the growth in monthly active users has been driven by investment in the quality and scale of content on ITVX, the enhanced product and user experience, and the expanded distribution and marketing activity. **2026 Target** Double (compared to 2021) to 20m.
TOTAL STREAMING HOURS[5]	**UK SUBSCRIBERS[7]**
1,686m hrs +12% on 2023	***1.0m*** -23% on 2023
Increasing the time users spend streaming ITV content is a key strategic priority. It drives scale, which is important to attract and retain advertisers, and contributes to total digital revenue growth. **Performance** Total streaming hours increased 12% to 1,686 million hours. This growth reflects our high-quality content offering, along with our investment in ITVX to enhance the product and user experience, and to expand our distribution and marketing activity. This has helped retain and attract more users, who have watched content for longer. **2026 Target** Double (compared to 2021) to 2bn hours.	UK subscribers capture total UK subscriptions to ITV streaming platforms. It is a measure of the monetisation of ITV viewers, who are willing to pay for ad-free and additional content. With the changing market dynamics, we have prioritised our ad-funded proposition over our paid proposition to deliver the best return and drive digital revenues. Subscribers as a KPI are therefore less important. **Performance** Total UK subscribers as of 31 December 2024 was down 23% year-on-year, as we consolidated subscriptions from our standalone app, BritBox UK, into ITVX Premium. This was combined with the closing of the legacy ITV catch-up service on Amazon Prime Video Channels. **2026 Target** Double (compared to 2021) to 2.5m.

2. Our APMs are defined within the APMs section of this report. It also includes a full reconciliation between our adjusted and statutory results
3. Spin-offs such as Love Island Games, are considered distinct from the original format (i.e. Love Island) for the purpose of this indicator
4. Total digital revenue includes 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. The prior years have been restated to reflect the change in categorisation. Given the nature of digital revenue it will evolve over time. 2023 was previously reported as £490 million and 2022 as £411 million
5. Total streaming hours is the 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. In 2023, full year results, total streaming hours were reported as 1,505 million hours, which included some estimates of total streaming viewing from third-party data providers. This figure has since been updated to reflect the final data
6. 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
7. UK subscribers are users of ITVX's premium tier. It includes those who pay ITV directly, those who are paid for by an operator, and free trialists. Prior to the closure in 2024, it also included subscribers to the BritBox UK service on Amazon Prime Video Channels along with the BritBox UK standalone app. Before the launch of ITVX in December 2022, this also included ITV Hub+ subscriptions

M&E OPTIMISE BROADCAST

SHARE OF TOP 1,000 COMMERCIAL BROADCAST TV PROGRAMMES[8]	SHARE OF COMMERCIAL VIEWING[9]
92% +1 basis point on 2023	***32.2%*** -0.4 basis points on 2023
Maintaining our strength in delivering mass commercial linear TV audiences enables ITV to attract and retain advertisers and command a premium from them. **Performance** Our 2024 share was 92%, which was up 1% point year-on-year. 2024 included critically acclaimed dramas, such as Mr Bates vs The Post Office and Until I Kill You, entertainment formats, such as Love Island and The 1% Club, and sporting events, such as the Euros, which helped to maintain ITV's strong commercial mass audience proposition. **2026 Target** Maintain a share of at least 80%.	Maintaining ITV's number one position in the UK broadcast market helps us attract and retain advertisers, and is vital to maximising advertising revenues. **Performance** Share of commercial viewing decreased marginally by 0.4% points to 32.2%. Other commercial broadcasters took share in 2024 with more viewing to sport and drama in their schedules compared to the prior year. **Target** Maintain at 33%.

8. 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
9. 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

Operating and financial performance review

ITV made good strategic progress during 2024, driven by strong execution and industry-leading creativity.

Group financial overview[1]

ITV delivered a strong financial, operating and creative performance with an 11% increase in group adjusted EBITA[2]. ITV Studios delivered record profits, with an increase in the Media & Entertainment (M&E) margin. ITVX continued its strong revenue and viewing performance, delivering 15% growth in digital advertising revenue in the year.

In 2024, total ITV revenue decreased by 3%, mainly driven by the expected decline in ITV Studios from the impact of the 2023 US writers' and actors' strike, a softer market from free-to-air broadcasters (FTA), and strong comparatives from high-value deliveries in 2023. This offset growth in TAR, which was up 2% year-on-year, in line with expectations. Total external revenue was down 4%.

Both ITV Studios and M&E delivered improved margins year-on-year. ITV Studios adjusted EBITA, including Audio-Visual Expenditure Credits (AVEC), increased by 5% at a margin of 14.7%3. M&E adjusted EBITA increased by 22% reflecting the growth in TAR, lower content costs, and significant cost savings delivered across the Group.

Financial highlights

Twelve months to 31 December	**2024 £m**	2023 £m	Change £m	Change %
ITV Studios	**2,038**	2,170	(132)	(6)
M&E	**2,102**	2,090	12	1
Total Revenue	**4,140**	4,260	(120)	(3)
Internal revenue	**(652)**	(636)	(16)	(3)
Total External Revenue	**3,488**	3,624	(136)	(4)
Total non-advertising revenue	**2,320**	2,482	(162)	(7)
ITV Studios adjusted EBITA[2]	**299**	286	13	5
M&E adjusted EBITA	**250**	205	45	22
Adjusted EBITA	**549**	491	58	12
Unrealised profit in stock adjustment	**(7)**	(2)	(5)	(250)
Group adjusted EBITA	**542**	489	53	11
Group adjusted EBITA margin	**16%**	13%	–	3% pts
Statutory operating profit	**318**	238	80	34
Adjusted EPS (p)	**9.6p**	7.8p	1.8p	23
Statutory EPS (p)	**10.4p**	5.2p	5.2p	100
Net Debt at 31 December	**(431)**	(553)	122	22
Leverage	**0.7x**	1.0x	(0.3)x	

Key financials

Group external revenue	Total ITV Studios revenue	Total digital revenue	Group adjusted EBITA
£3,488m	**£2,038m**	**£556m**	**£542m**
-4% vs 2023	**-6%** vs 2023	**+12%** vs 2023	**+11%** vs 2023
Statutory operating profit	**Adjusted EPS**	**Statutory EPS**	**Net debt**
£318m	**9.6p**	**10.4p**	**£431m**
+34% vs 2023	**+23%** vs 2023	**+100%** vs 2023	31 Dec 2023: £553m

1. We measure performance through a range of metrics, particularly through our APMs and KPIs, as well as statutory results, all of which are set out and defined in the APMs and KPIs section
2. Refer to APMs for key adjustments to EBITA and adjusted EBITA
3. ITV Studios adjusted EBITA includes a £13 million impact from the change in legislation on Audio-Visual Expenditure Credits (AVEC), effective on expenditure incurred from 1 January 2024. Expenditure credits on qualifying expenditure is included within operating profit rather than within the consolidated tax charge. As a result, our EBITA, adjusted EBITA, adjusted EBITA margin, profit before tax and tax charge increase, but profit after tax and EPS is unchanged, compared to the previous High-End TV accounting treatment. Excluding the impact of AVEC, ITV Studios adjusted EBITA was flat year-on-year and Group adjusted EBITA increased by 8% to £529 million

We continue to transform and restructure the way we operate in response to changing viewer behaviour and reflecting the dynamics of the industry in which we operate. We are reshaping our cost base, enhancing profitability and investing in the growth drivers of ITV Studios and streaming. We have delivered £60 million of incremental in-year cost savings which have come from across the business, including technology and operational efficiencies, permanent reductions in discretionary spend, and organisational redesign. This comprises £20 million from our existing £150 million cost-saving target, which has now been fully delivered, and £40 million of additional savings as part of our ongoing transformation and efficiency programme, which we announced in March 2024 as we continue to digitally transform the business.

Profit in stock of £7 million (2023: £2m) increased year-on-year reflecting the renewal of several multi-year deals between Global Partnerships and M&E for content on ITVX.

Total operating exceptional items were £65 million (2023: £77 million) as guided. It includes £50 million of restructuring and transformation costs to reduce the cost base and deliver our new programme rights, finance and HR systems (see note 2.2 of the Financial information for further detail).

Adjusted financing costs were down in the year at £25 million (2023: £29 million), largely due to interest received on the BritBox International sale proceeds, which were held on deposit during the year in a higher interest rate environment. This offset the financing costs attributable to our loans and bonds. Statutory net financing costs were £nil compared to £45 million in 2023, with the decline driven by the fair value gains on bonds that were repaid in the year, interest accrued on acquisition-related exceptional expenses, unrealised foreign exchange losses, imputed pension interest income and fair value adjustments on financial assets and acquisition-related put option liabilities.

Our adjusted effective tax rate was 20.8% (2023: 21.5%) and the statutory effective tax rate was 22.1% (2023: (8.3)%). The higher statutory tax rate in the year was due to the change in the UK regime for tax credits on productions, which increased the effective tax rate.

Adjusted EPS for the year was 9.6p (2023: 7.8p), with statutory EPS increasing from 5.2p to 10.4p. See the Finance Review for further detail.

Our profit to cash conversion (which is an APM) was 83% (31 December 2023: 102%). In 2024, we had free cash flow of £325 million (31 December 2023: £361 million), reflecting a significant outflow of working capital as a result of the resumption of productions in the US following the strikes in 2023.

In addition, our net debt at 31 December 2024 was £431 million (2023: £553 million) and our net debt to adjusted EBITDA was 0.7x (2023: 1.0x). Net debt includes net proceeds from the sale of BritBox International, which was funding the £235 million share buyback. Refer to the Finance Review for further detail.

We have good access to liquidity. At 31 December 2024, we had cash and committed undrawn facilities totalling £1,377 million, including total cash of £427 million (2023: £1,240 million, including total cash of £340 million).

During 2024, we extended the maturity profile of ITV's debt through the issuance of a €500 million Eurobond to June 2032. The proceeds were used to repay the £230 million term loan (maturing in 2027), and retire €240 million of the €600 million Eurobond (due in 2026).

We have a clear capital allocation policy, and our priorities remain unchanged (see the Finance Review for further details).

The Board recognises the importance of the ordinary dividend to ITV shareholders. Reflecting its confidence in the business and its strategy, as well as the continued strong cash generation and share buyback during 2024, the Board has proposed a final dividend of 3.3p (2023: 3.3p), giving a full year ordinary dividend of 5.0p per share for 2024 (2023: 5.0p).

The Board remains committed to paying a full year ordinary dividend of at least 5.0p in 2025, which it expects to grow over the medium term.

Following the sale of ITV's 50% shareholding in BritBox International to BBC Studios on 1 March 2024 for a cash consideration of £255 million, the Board returned the entire net proceeds to shareholders through a £235 million share buyback. At 31 December 2024, £198 million (270 million shares) had been bought back.

We remain focused on managing our cash and costs while continuing to invest in delivering our strategic priorities. Our robust balance sheet allows us to do this while delivering returns to shareholders.

A range of downside scenarios reflecting ITV's principal risks has been modelled and considered in the assessment of ITV's longer term viability, refer to the Long term Viability section.

ITV Studios

ITV Studios is a scaled and global creator, owner and distributor of high quality TV content, diversified by genre, geography and customer, with 60+ labels in 13 of the key creative markets around the world.

ITV Studios benefits from scale, being the largest commercial producer in the UK, one of the largest unscripted producers in the US and one of the top three in the majority of the remaining international markets in which it operates. ITV Studios is a trusted supplier with well established relationships with key content buyers and leading creative talent in those markets. With a combined content library of over 95,000 hours, it is also one of the pre-eminent global distributors.

The global content market is large and attractive (c.$233 billion in 2024, Source: Ampere Analysis Feb 2025, ex film studios), with all platforms requiring a diverse mix of content to succeed in a very competitive market. While overall market growth has slowed compared to historical levels, we expect to see growth in the key segments in which ITV Studios operates, including content licensing (especially digital and FAST[4] channels), and continued demand from streaming platforms for unscripted content and premium scripted content.

ITV Studios is well-positioned to capitalise on these growth opportunities, and we are confident in our ability to continue to grow our market share, benefiting from our significant competitive advantages. This includes the creative excellence of our talent, our strong IP, our strong track record and relationships with key buyers, and our exciting creative pipeline for 2025 and beyond.

Since 2021, ITV Studios revenue on a like-for-like basis (excluding acquisitions and adjusting for FX) has grown by around 4.2% CAGR, faster than the market of around 3.4% CAGR (Source: Ampere Analysis Feb 2025 - based on the ITVS addressable market).

4. FAST = Free ad-supported streaming TV

Expand Studios

ITV Studios Strategy

ITV Studios' ambition is to be a leading force in the creation and ownership of intellectual property (IP), global content production and distribution. We are achieving this by focusing on our four strategic priorities to drive revenue and profit growth:

1. Growing our scripted business to meet the growth in global demand

2. Growing our global formats business to maximise the monetisation of high-value formats

3. Diversifying our customer base to capture the growth in content spend from local and global streaming platforms

4. All of which is underpinned by our ability to attract and retain leading creative talent.

Each priority is underpinned by a KPI target for 2026, which reflects the key drivers of growth and value. See the Strategy section within the CEO Report for more details on our KPIs, why they are important, and how they will enable us to deliver total organic revenue growth of 5% on average per annum over the five years from 2021 to 2026 - ahead of the market, at an adjusted EBITA margin of 13% to 15%.

Growing our scripted business

Scripted content plays a key role in attracting and retaining viewers and subscribers. This, together with the increase in the number of streaming platforms, has led to a rise in original scripted commissions in the UK, US, Australia and Europe in recent years. With our global production presence and a strong track record for delivering high-quality scripted content, ITV Studios is well-positioned to cater to this demand, and importantly grow our share of the market.

ITV has a portfolio of scripted labels in the UK and internationally, which creates and produces high-quality content with global appeal for both FTA and streaming platforms.

Our Global Partnerships business also invests in the funding of scripted content produced by ITV Studios and selective third parties.

We continue to see good momentum in our scripted pipeline into 2025 and beyond, with several scripted titles that performed well on their respective platforms being recommissioned. This includes: Rivals for Disney+, One Piece S2 and Suburra for Netflix, After The Flood for ITV and Ludwig for the BBC.

In 2024, ITV Studios' high-end scripted hours decreased by 6% year-on-year to 296 hours (2023: 316 hours), impacted by strong comparatives from the phasing of high-value scripted deliveries year-on-year, particularly to streaming platforms in the UK and US, as well as the US writers' and actors' strikes. Scripted deliveries of titles in 2023 such as Fool Me Once, Rivals, Franklin and Suburra, were partly offset by 2024 deliveries such as Lazarus, Sanctuary and The Better Sister.

Growing our Global Formats business

Unscripted content also remains important to ITV Studios. Through our Global Partnerships business, we monetise our portfolio of some of the world's most successful travelling entertainment formats, as well as maximise commercial opportunities from our brands. We are focused on driving growth across our unscripted offering by monetising our existing high-value formats effectively, as well as supporting the creation of new global formats.

Our portfolio of world-class brands includes our established formats such as The Voice (one of the most successful unscripted format brands in the world), Love Island, The Chase, and I'm A Celebrity… Get Me Out Of Here! These formats and spin-offs continue to sell in new territories, and attract mass audiences for our clients. They are highly sought after by both traditional broadcasters and streaming platforms, offering cost-effective content with a proven track record of audience success. We also have several new formats with the potential to be global hits. These include I Kissed A Boy/Girl; Shark! Celebrity Infested Waters, A Party to Die For, and Celebrity Sabotage.

During the year, across our Global Partnerships business, we sold 65 unique formats internationally (2023: 63), 20 of which were sold to three or more countries (2023: 19).

Further diversifying our customer base

Demand from streaming platforms for unscripted content and premium scripted content presents a significant opportunity for ITV Studios to further diversify its customer base, and continue to grow its overall market share. Over the last few years, ITV has grown its market share from streaming platforms, who we have built strong relationships with. Since 2021, and despite the decline in revenue in 2024, ITV Studios has grown its scripted and unscripted revenues from streaming platforms by 26% CAGR and 45% CAGR respectively, which is ahead of market growth of around 11% for both genres (Source: Ampere Analysis ex. film studios - Feb 2025).

In 2024, the percentage of ITV Studios total revenues from streaming platforms decreased by seven percentage points to 25% (2023: 32%). This was impacted by the US actors' and writers' strikes, and strong comparatives from the delivery of high-value scripted and unscripted titles in 2023, particularly in the UK and US. This included Franklin, Physical and Big Beasts for Apple TV+, Fool Me Once for Netflix, and Fifteen Love for Amazon Prime Video. Offsetting some of this year-on-year decline were deliveries in 2024 of scripted and unscripted titles including: Queer Eye, Missing You and Love Is Blind France all for Netflix, The Better Sister and Lazarus for Amazon Prime Video and Virgin Island for Hulu.

ITV Studios has a strong creative pipeline of scripted and unscripted titles for streaming platforms in 2025 and beyond, reflecting the trust they have in our creativity and the strength of our ideas. Future titles include: Squid Game: The Challenge S2, Sneaky Links: Dating After Dark, and Run Away all for Netflix; The Devil's Hour for Amazon Prime Video and Love Island Games USA for Peacock.

2024 PROGRAMME HIGHLIGHTS

One of Netflix's most streamed titles ever Fool Me Once	**Biggest global launch for an Italian original ever** Citadel Diana | Amazon Prime Video
#1 Franchise of the year The Voice	**The BBC's biggest new scripted title of 2024** Ludwig
#1 Reality series in the US across all streaming platforms Season 6 Love Island USA | Peacock	**Disney+'s breakout hit** Rivals

Digital Studio – Zoo 55
Our Global Partnerships business focuses on leveraging our extensive content library of 95,000+ hours, and maximising the value of ITV Studios IP. In early 2025, ITV Studios launched a new digital content label, Zoo 55, to drive high-margin growth from the global digital distribution market, as we distribute content to more platforms and audiences globally. This is a growing area of the content market, with the global online video advertising market expected to grow by nearly 50% by 2029.

Zoo 55 will encapsulate our existing portfolio of 160+ owned and operated social video channels (e.g. YouTube, Meta and TikTok), which had over 25 billion views in 2024, 100+ ad-supported channels, and 20 branded and thematic FAST channels (e.g. Pluto and Roku) in 18 territories. We also have 18 active mobile games (e.g. Love Island and The Chase) where we license our IP to third-party games producers.

Zoo 55 is also using digital innovation and AI to deliver data-backed content creation and automated clipping.

Zoo 55 delivered around £60 million of high margin digital revenue in 2024, up c.30% year on year, and we expect to double this by the end of 2027, as we launch more channels and games in more territories.

Attracting and retaining leading talent

A key part of ITV Studios' investment strategy and its overall success is its ability to attract and retain the best creative talent. ITV Studios offers talent a unique combination of creative independence, an entrepreneurial culture, a label structure, and the resources of a global studio business. This includes access to ITV Studios' global distribution network, and in the UK, the benefit of being part of a vertically integrated producer broadcaster and streamer.

ITV has successfully integrated its new labels, many of which were established through recent talent deals, delivering an impressive slate of programmes with many more commissions in development. Recent and upcoming include: Virgin Island, a co-production between ITV America and Plimsoll Productions in the UK; Fool Me Once, After The Flood and Run Away from Quay Street Productions; as well as Rivals from Happy Prince, and 113 from Windlight Pictures in Germany. This strong pipeline demonstrates ITV Studios' commitment and success in nurturing and leveraging top creative talent to produce engaging, high-quality content.

We continuously manage our portfolio of labels to strengthen our creativity. During the year, we acquired the UK-based scripted independent studios, Hartswood Films, producer of Sherlock. We also acquired a majority stake in UK scripted producer Eagle Eye Drama, the producer of Professor T and Hotel Portofino. As part of the deal, ITV Studios also acquired a majority stake in Belgium-based production company Happy Duck Films, the production services partner on Eagle Eye's slate.

In the US, ITV Studios sold back its minority shareholding in Blumhouse TV to Blumhouse Holdings. Blumhouse and ITV America continue their unscripted partnership delivering the series Worst Roommate Ever, which achieved success on Netflix and has secured a series spin-off.

ITV Studios financial performance

Twelve months to 31 December	**2024 £m**	2023 £m	Change £m	Change %	Organic Change[1] %
ITV Studios UK[2]	**868**	962	(94)	(10)	(12)
ITV Studios US	**391**	395	(4)	(1)	2
ITV Studios International	**380**	445	(65)	(15)	(10)
Global Partnerships	**399**	368	31	8	10
Total ITV Studios revenue[2]	**2,038**	2,170	(132)	(6)	(5)
Total ITV Studios costs	**(1,739)**	(1,884)	145	8	7
Total ITV Studios adjusted EBITA[3]	**299**	286	13	5	5
ITV Studios adjusted EBITA margin	**14.7%**	13.2%	–	1.5% pts	–

1. The organic change assumes exchange rates remain consistent with the comparative period and removes the impact of acquisitions in the current or comparative period
2. Excluding the revenue benefit from the transfer of ITV Sports Production from M&E, effective from 1 January 2024, total ITV Studios revenue was down 9% and ITV Studios UK revenue was down 15%
3. ITV Studios adjusted EBITA also includes a £13 million impact from the change in legislation on AVEC. Excluding the impact of AVEC, ITV Studios adjusted EBITA was flat year-on-year with a 14% margin. Refer to Alternative Performance Measures for key adjustments to EBITA and adjusted EBITA

Twelve months to 31 December	**2024 £m**	2023 £m	Change £m	Change %
Internal revenue	**646**	629	17	3
External revenue	**1,392**	1,541	(149)	(10)
Total ITV Studios revenue	**2,038**	2,170	(132)	(6)

Twelve months to 31 December	**2024 £m**	2023 £m	Change £m	Change %
Scripted[4]	**621**	802	(181)	(23)
Unscripted	**1,054**	1,057	(3)	–
Core ITV[5] and Other	**363**	311	52	17
Total ITV Studios revenue	**2,038**	2,170	(132)	(6)

ITV Studios performed well, despite the expected difficult market backdrop in 2024. Total ITV Studios revenue was down 6% due to the expected impact from the 2023 US writers' and actors' strikes, a softer market from FTA broadcasters, and strong comparatives from the phasing of deliveries year-on-year.

Total ITV Studios revenue includes a £55 million revenue benefit from the transfer of ITV sports production from M&E in 2024, of which £53 million is eliminated in intersegment revenue. This transfer means all production labels are now within ITV Studios, and it creates production and digital opportunities, enabling Zoo 55 to leverage the sports archive.

Internal revenue was up 3%, which includes the benefit of the transfer of ITV sports production from M&E. Total Studios external revenue was down 10%.

Total organic revenue at constant currency was down 5%, adjusting for a £30 million unfavourable foreign exchange movement and £20 million of acquisitions and disposals.

Reflecting our presence in key global production markets, 59% of ITV Studios revenue was generated outside the UK (2023: 58%).

ITV Studios adjusted EBITA (including AVEC)3 was up 5%, with an adjusted EBITA margin of 14.7%, reflecting an increase in the mix of higher-margin catalogue sales and the actions we have taken on cost. During 2024, £25 million of permanent cost savings were delivered relating to production efficiencies, permanent reductions in discretionary spend, and organisational redesign savings.

There was a £5 million unfavourable impact from foreign exchange on adjusted EBITA in the year.

We continue to look at ways to drive efficiencies and improve margins over the medium term. This includes rationalising our property footprint, using technology and data to drive cost and revenue efficiencies, utilising our production hubs for our key global formats, taking further steps to digitise our production processes, as well as using remote editing more routinely, and the operational use of AI to optimise production processes where possible. We remain committed to our adjusted EBITA margin guidance of 13% to 15%.

ITV Studios UK

ITV Studios UK produces a diverse range of new and established scripted and unscripted titles for global streaming platforms and FTA broadcasters.

In 2024, ITV Studios UK saw a decline in revenue of 10% to £868 million 2 (2023: £962 million). Excluding acquisitions made during the year, ITV Studios revenue was down 12% at £848 million. The decline was driven by strong comparatives from the phasing of a number of high-value deliveries in 2023. This included Fool Me Once and Squid Game: The Challenge for Netflix, Vigil for the BBC, The Stolen Girl and Rivals for Disney+ and I'm A Celebrity... Get Me Out Of Here! South Africa for ITV.

Offsetting some of this decline in 2024 were deliveries including Code of Silence and Until I Kill You for ITV, Missing You for Netflix, Lazarus for Amazon, Ludwig for the BBC and Sanctuary for AMC.

ITV Studios US

ITV Studios US provides scripted and unscripted content to all the major networks and cable channels in the US, along with every major streaming platform.

During the year, ITV Studios US total revenue declined by only 1% to £391 million (2023: £395 million), and was up 2% to £402 million, when adjusted for the unfavourable foreign exchange impact. This was in spite of the impact of the 2023 US writers' and actors' strikes, which delayed around £80 million of revenue from 2024 to 2025. ITV America (unscripted) had a strong performance in the year, with the delivery of shows such as The Voice for NBC, Love Island for Peacock, Hell's Kitchen for Fox, and Worst Roommate Ever for Netflix. This was combined with the delivery of Snowpiercer for AMC and The Better Sister for Amazon Prime Video by ITV Studios America (scripted).

Overall, ITV Studios America revenue declined, reflecting delayed productions from the impact of the strikes and the phasing of large, unrepeated scripted deliveries year-on-year, including Franklin and Physical for Apple TV+ and Ten Year Old Tom for Max.

4. Includes high-end scripted and other scripted revenues
5. Core ITV includes the soaps and Daytime shows produced by ITV Studios for ITV1

ITV Studios International

ITV Studios International produces original scripted and unscripted content across our non-UK and non-US production bases.

Growing our International scripted business allows us to benefit from the demand for locally produced content with global appeal, and we have scripted projects in production and development with many global and local streaming platforms.

Revenue within ITV Studios International decreased by 15% to £380 million in 2024 (2023: £445 million), and by 10% to £400 million when adjusted for acquisitions and disposals and the unfavourable impact of foreign currency. Deliveries in 2024 included ACAB in Italy, Inganno (the Italian adaptation of Gold Digger from the UK), My Kitchen Rules Australia and Scared of the Dark in Germany, based on the UK format. This was offset by fewer deliveries across the portfolio year-on-year, due to lower demand from free-to-air broadcasters in Europe.

Global Partnerships

Global Partnerships saw strong revenue growth in 2024, up 8% year-on-year to £399 million (2023: £368 million) and 10% to £406 million when adjusted for the unfavourable impact of foreign currency.

The business benefited from growth in catalogue sales, leveraging the breadth and depth of its extensive catalogue with sales to other broadcasters and streaming platforms globally, including the renewal of multi-year deals with customers such as ITVX and BritBox International (owned by the BBC). It also benefited from the international distribution of scripted titles, such as Ludwig, Snowpiercer and After The Flood. Finished programme sales of unscripted titles including Love Island, Hell's Kitchen and The Graham Norton Show have all sold well to streaming platforms, ad-funded video on demand platforms and FAST channels globally.

Outlook

- ITV Studios remains on track to deliver total organic revenue growth of 5% on average per annum from 2021 to 2026, ahead of the market, at a margin of 13-15%
    - In 2025 we expect to see good revenue growth, ahead of the market. Revenue, profit and margin will be weighted to H2, with the H2 margin being higher than H1, due to the weighting of cost savings and high-margin deliveries
- The 2025 full year margin will be lower than 2024 and still within the 13-15% range. This reflects the change in sales mix, as the market recovers following the US strikes, with a lower proportion of high-margin catalogue sales, and a higher proportion of lower-margin scripted deliveries
- We have very strong creative output and an exciting pipeline of productions for 2025 and beyond. This is expected to include:

– In the UK, Destination X for the BBC and NBC in the US, Run Away for Netflix, Rivals S2 for Disney+, and The Reluctant Traveller for Apple TV+

– In the US, Sneaky Links: Dating After Dark and One Piece S2 for Netflix, What Drives You for Roku, and Love Island Games for Peacock

– Internationally, Paris Police 3 for Canal+, Gomorrah Le Origine for Sky Italia, and key formats such as The Voice and Love Island delivering across multiple countries

– Global Partnerships will see an increased pipeline of new content produced by ITV Studios, with titles including The Hack, Cold Water and Code of Silence, along with new formats Celebrity Sabotage and Shark! Celebrity Infested Waters

Media & Entertainment

ITV is the UK's largest commercial broadcaster and streamer, delivering unrivalled audience scale and reach. Through M&E, we make content available to viewers through ITVX - our free advertiser-funded streaming service, our free-to-air linear TV channels and our third-party partners, enabling them to watch however and wherever they choose.

M&E Strategy

ITV's M&E strategy is designed to respond to changing viewer behaviour and the evolving needs of advertisers. It is based on two strategic pillars: Supercharge Streaming and Optimise Broadcast.

Across ITVX and our linear TV channels, ITV M&E offers viewers unparalleled choice in how and when they watch, combined with a strong reputation for brilliant content suited to British audiences.

This has led to ITV M&E being a commercial leader in scale and reach, with a 22% share of commercial big screen viewing, bigger than Netflix, Amazon Prime and Disney+ combined (Source: BARB, Adults 16+), and a weekly reach of nearly 40 million across linear TV and ITVX. This is an invaluable proposition for advertisers, providing them with a unique combination of mass reach, targeted advertising at scale, and commercial and creative partnerships in a brand-safe and reliably measured environment.

Our strategic pillars have KPIs and 2026 targets, which measure the key drivers of growth and value. See the Strategy section within the CEO Statement for more details on these KPIs, why they are important, and how they will enable us to grow digital revenues to at least £750 million by 2026, as well as drive non-digital revenues.

Supercharge Streaming

Growing and enhancing our streaming proposition, ITVX

ITVX continued to perform very strongly during 2024. It:

- *Attracted more users* – Monthly active users (MAUs) increased by 14% to 14.3 million year-on-year (2023: 12.5 million)
- *Increased viewing* – Total streaming hours grew by 12% to 1,686 million (2023: 1,506 million[6])
- *Attracted harder-to-reach audiences* – Streaming hours amongst the 25–54 demographic increased by 22%, and among men increased by 26%. Over 50% of ITVX's audience is under 55, compared to 33% for total television
- *Increased engagement and content discovery* – We have seen the power of our key programmes bringing viewers to ITVX, who then go on to watch other content. For example, 77% of those Love Island viewers and 61% of Euro 2024 viewers went on to watch additional content on ITVX

This increased reach and viewing of ITVX, provide advertisers with valuable addressable and scaled audiences, in a brand-safe and measured environment. Our robust data and analytics capabilities enable us to offer high-value, highly targeted inventory and this contributed to a 15% increase in digital advertising revenue, and helped drive 12% growth in digital revenues year-on-year.

In 2024, incremental digital revenues exceeded ITVX incremental costs, two years earlier than expected. By the end of 2025, will have recouped the cumulative incremental investment in ITVX, much earlier than anticipated. We have grown digital revenues in line with our plan, with lower investment in content and technology than originally planned.

This was achieved by optimising spend through having one content budget across linear TV and streaming, enabling us to reach audiences more efficiently, wherever they choose to watch. We reduced the number of ITVX exclusives, and tested different windowing and release patterns to maximise viewing across both linear TV and streaming. We also acquired more content and boxsets for ITVX, which deliver a high volume of hours at a lower cost. Contract renegotiations and the rationalisation of technology partners have led to efficiency gains and reduced costs over time.

To sustain and build on ITVX's performance, we will focus our ITVX investment, which is fully embedded in our cost base, on our key value drivers – content, marketing, distribution, product and monetisation. Data is key to optimising these. We have over 40 million registered users, one of the largest first-party data sets in the UK. Data helps improve our commissioning decisions, maximise the effectiveness of marketing, enhance our distribution and prioritise our product developments. In addition, augmenting our scaled data sets with other first-party data sets has allowed us to deliver targeted advertising at scale. Refer to our recent ITVX webinar for further insight on how we use data to enhance our ITVX key value drivers, available at www.itvplc.com/investors/presentations-and-events/2024.

We have focused our efforts on attracting 25 to 54-year-old viewers to ITVX, as they present the biggest growth and advertising opportunities, with over 26 million in the UK. This age group increasingly turns to streaming first, with a strong preference for Reality, Sport, Drama and Entertainment – genres that closely align with ITV's strengths. They are also commercially valuable, enhancing our monetisation potential.

Content
There are over 27,000 hours of content available on ITVX (including over 5,000 hours exclusively on the premium ad-free tier), curated to attract and retain commercially valuable audiences. This includes live and on-demand content from our five linear TV channels, FAST channels, exclusive ITVX content (including spin-off shows from our linear TV channels, live sport, comedy, true crime and US box sets), ITVX Kids, and over 250 films, creating one of the UK's largest free film libraries.

Since ITVX's launch in 2022, we have dramatically improved the content offering, constantly testing, learning and adapting our content proposition and windowing strategy alongside our linear TV channels, using our data to optimise our content spend and viewing.

2024 PROGRAMME HIGHLIGHTS

ITV's biggest new drama in over 20 years Mr Bates vs The Post Office	**UK's biggest entertainment show** I'm A Celebrity… Get Me Out Of Here!
Biggest peak audience on any channel England vs Netherlands Euros semi-final	**UK's biggest soap** Coronation Street
UK's biggest quiz show on TV The 1% Club	**UK's biggest daytime show** The Chase

ITVX News is an integral part of ITVX and an important driver of viewing, with News streaming hours up 34% year-on-year. ITVX News has proved valuable in delivering public service content to broader audiences, and has recently been named the most influential voice in UK journalism on TikTok.

In 2024, ITVX benefitted from the strong linear TV schedule of drama, sport, entertainment and reality along with a number of Hollywood film franchises and US boxsets, which contributed to the strong growth in viewing metrics during the year.

ITVX's content strategy over the next two years will focus on increasing viewing through a regular cadence of new content, improving viewer retention through the windowing of our new drama releases and our deep and broad content catalogue, as well as optimising scheduling to increase reach, delivering content to viewers wherever and however they choose to watch.

6. In 2023, total streaming hours were reported as 1,505 million hours, which included some estimates from third-party data providers. This figure has since been updated to reflect the final data.

Marketing
Marketing is an important tool to attract more commercially valuable viewers and getting them to engage with ITVX for longer.

We increased our marketing investment by around £15 million in 2024 to drive both streaming and linear viewing.

During the year, we focused our marketing investment on ITVX brand campaigns and around our high-profile, flagship programmes, while enhancing digital and reactive marketing to promote shows gaining traction through news or social media trends. With improved data capabilities and using generative AI tools, we now target viewers more effectively – especially across social media channels where we have reduced our cost per acquisition by 70%. We also launched ITV Insiders, collaborating with over 120 top UK digital influencers to promote our shows. These efforts have boosted our spontaneous consideration – which measures how many viewers, unprompted, consider ITVX as a viewing destination. We are the only broadcaster to achieve double-digit growth, while some key streaming competitors have declined.

In 2025 we will refresh our brand to attract more 25 to 54-year-old viewers, and continue investing in marketing to increase awareness and engagement of the service. We will also focus on the measurement and effectiveness of our marketing investment, using third-party econometric modelling, to ensure we optimise the efficiency of our spend, and maximise our return on investment.

Distribution
ITVX is available in nearly all UK homes through broad distribution including Sky Q, PlayStation 4 and 5, Apple Vision Pro and Freely – a new TV streaming service which combines live TV and on-demand services of the FTA broadcasters.

We partner with third-party platforms to drive the prominence and discoverability of ITV content with improved data integration. Making it easier for viewers to find and access our content on other platforms plays a key role in driving additional viewing to ITVX. For example, one of our top dramas being supported editorially by Sky led to a 70% increase in viewing performance versus other comparable dramas.

There remains an opportunity for further integration with third-party platforms as we look to introduce new continue-watching features on these platforms, and embed more of our content to drive viewer growth.

Product
In 2024, we focused on enhancing the user journey and personalisation on ITVX to keep viewers engaged for longer. We integrated an industry-leading recommendations engine which drove over 20 million incremental streaming hours since implementation.

Building on this momentum, in 2025, we will leverage our extensive viewing data to further refine the personalisation and recommendations offering, to drive even greater growth in viewing and retention.

Monetisation
To increase the monetisation of our inventory on ITVX, during 2024, we introduced Pause Ads, which seamlessly plays static ads when a user pauses content; on our FAST channels, we rolled out ad replacement to almost 80% of users; and we also launched linear addressable advertising on YouView and Virgin Media. We were also the first UK broadcaster to introduce subtitles on adverts, something that is extremely important to our advertising clients.

In 2025, we will continue to innovate for our advertisers creating more monetisable digital inventory. We will launch digital ad insertion on simulcast viewing for our family of channels[7] and linear addressable on Sky Glass and Sky Stream.

ITVX Premium
ITVX Premium offers users the opportunity to enjoy all ITVX programming ad-free, in addition to exclusive content and access to BritBox UK (content from the ITV and BBC libraries).

As previously announced, during 2024 we simplified our ITVX Premium offering by closing the BritBox UK service on Amazon Prime Video Channels along with the BritBox UK standalone app. This has allowed us to improve the overall user experience for those subscribers who migrated to ITVX Premium. The actions we have taken have had a short-term impact on subscriptions and our subscription revenue. At 31 December 2024, UK streaming subscriptions declined to 1.0 million from 1.3 million at 31 December 2023.

Since ITVX's launch, our priority has been the ad-funded service to deliver the best return and drive digital revenues. While this will continue, we will also focus on driving profitable subscription revenue growth by minimising churn and maximising value from new and existing subscribers.

Optimise Broadcast

Continuing to deliver unrivalled audiences with high-quality programming

We operate the largest family of free-to-air commercial television channels in the UK. These channels provide unparalleled audience scale and reach, as well as targeted demographics demanded by advertisers. Despite the growth in streaming viewing, linear TV remains important for both our viewers and advertisers.

To optimise Broadcast and maintain our USP of delivering mass audiences for advertisers, we continue to invest in live content, such as sports and large entertainment shows, as well as drama, factual and news. In 2024, we invested £1.268 billion in our content budget across all our linear TV channels and ITVX in order to drive these mass audiences on our linear TV channels, and live and on demand viewing on ITVX. We saw good performances from programmes such as Mr Bates vs The Post Office, which was the UK's biggest drama in 2024, I'm A Celebrity… Get Me Out Of Here!, which was the UK's biggest entertainment show, and England vs Netherlands Euros semi-final, the biggest peak audience on any channel.

We have maintained our significant share of the top 1,000 commercial broadcast TV programmes, delivering 92% in 2024 (2023: 91%). Our share of commercial viewing was 32.2% (2023: 32.6%) and we continue to have the largest share of commercial viewing versus our commercial competitors.

7. Excluding ITV1

Over the last few years, linear TV audiences in the UK have gradually declined, with audiences spending an increasing amount of time on streaming platforms, both ad-funded and paid. In 2024, total ITV viewing (which includes viewing of all ITV content, across all devices) was down 6% to 12.3 billion hours[8]. Total broadcaster viewing (broadcaster viewing across all devices) declined by 2%, and total broadcaster and subscription streaming service viewing (viewing of all broadcaster and subscription streaming service content across all devices) was down 1% year–on–year (Source: BARB). ITV's decline was greater than the market, due to a stronger viewing performance year on year from other broadcasters, who saw an increase in the volume of sport in their schedule. This included the Paralympics on Channel 4 and the Olympics on the BBC which significantly boosted their viewing hours.

ITV has prioritised its content investment on driving valuable mass commercial audiences and digital viewing, this has impacted total viewing to our off-peak linear TV schedule.

We have an exciting schedule for 2025 to engage, inform and entertain our audiences. This includes new and returning entertainment and reality programmes such as Shark! Celebrity Infested Waters (made by ITV Studios) and The Fortune Hotel, new and returning dramas including Code of Silence and Unforgotten, along with sporting events including the women's Euros, the FA Cup and Carabao Cup.

Strong linear and online advertising proposition

While the advertising market is becoming more competitive, ITV is in a good position to be able to compete for advertising in a long-term growing advertising market with its unique combination of mass reach, targeted advertising and commercial and creative partnerships. ITV has deep relationships with agencies and advertisers; provides brand-safe and measured advertising and has a strong track record of commissioning and producing content which appeals to UK audiences.

Mass reach
As the viewing and advertising landscape becomes increasingly fragmented, the mass scale and reach offered by television, and particularly ITV, becomes even more valuable to advertisers. To support this, we have built, and continue to invest in, a range of measurement tools focused on measuring and demonstrating the outcome and effectiveness of advertising, which is key to growing our advertising revenues. Additionally, we have recently partnered with Sky and Channel 4 to launch a pilot joint measurement panel, called Lantern, aimed at tracking the short-term impact of TV advertising on sales. Recent research[9] confirms that TV advertising remains the most effective advertising channel for brands, with the return on investment being 1.5x higher than digital.

With global streaming platforms entering the advertising market and introducing ad-supported tiers to their subscription plans, ITV's USP as the largest commercial public service broadcaster in the UK remains incredibly important and the advertising proposition ITV offers clients is unparalleled, and something that no streamer can match.

Targeted advertising – Planet V
Planet V is ITV's wholly owned programmatic addressable advertising platform. It is a self-service platform allowing agencies and advertisers to seamlessly and cost-effectively buy highly targeted video advertising on ITVX. Planet V utilises ITV's extensive data assets and capabilities to provide compelling advertising products for advertisers, which it augmented with other first-party data sets. Being wholly owned ensures that all the returns generated by the platform go directly to ITV without any value leakage through third-party commissions.

The platform is used by over 2,000 users in the UK and offers agencies and advertisers access to over 20,000 data-targeting options to create sophisticated audience segments. Advertisers can also incorporate their own first-party data in a GDPR-compliant environment using our data provider, InfoSum (an identity infrastructure provider) and monitor their campaigns through a custom-built user interface. We are able to drive higher-value CPMs through this increasingly sophisticated and valuable ad inventory.

With the expansion of ITVX's online inventory and reach, ITV is well positioned to meet the increasing demand for targeted advertising. Planet V has attracted over 1,000 new advertisers to ITV since its launch, delivered double-digit growth in our CPMs and we have booked nearly £1.5 billion in revenue through the platform.

Planet V provides access to our growing range of innovative addressable products (ITV Ad Labs Products). This includes:

- *Automated Contextual Targeting*, which is an AI-powered solution to analyse scenes in our shows to identify the most perfect content environment for advertisers to sit adjacent to
- *Retail Match (previously Matchmaker)*, which securely matches ITV's existing registered first-party audience, with profiles from Boots' Advantage Card and Tesco's Dunnhumby Clubcard databases, creating category shopper audience segments for targeting in ITVX (e.g. ice cream buyers)
- *Proximity Shopper*, which identifies optimal postcodes to target your ITVX advertising using Circana sales data from all major supermarkets, convenience stores and service stations. Advertisers can utilise a range of variables to optimise their campaign, including brand and competitor sales, targeting the areas with the greatest opportunity.

Commercial and creative partnerships
ITV's Commercial team delivers strategic commercial and creative partnerships to advertisers, who want to use ITV's unrivalled scale, reach and targeting capabilities to establish and grow their own brands. This includes product placement, and ad-funded programming that leverage the strength of our programme brands to help advertisers connect with audiences in unique ways. As a vertically integrated producer broadcaster and streamer, we have the advantage of owning the IP of programming, and having editorial, commercial, creative, and production teams working together, creating valuable opportunities for advertisers.

Advertising partnerships
In Q4 2024, ITV entered into a new distribution and commercial partnership with YouTube, bringing hundreds more hours of long and short-form ITV content to the platform. This is aligned with our strategy to maximise reach and offer viewers greater choice, ensuring our content is accessible to all audiences wherever they choose to watch. ITV Studios' Zoo 55 will manage the content on these channels (refer to the earlier ITV Studios section for further details).

8. In 2024, total ITV viewing was measured exclusively using BARB data. Previously, this data was not available and total ITV viewing was measured using a combination of BARB data and ITV's internal data. BARB data for total ITV viewing has now been made available for 2023 and 2022. The 2023 base has been restated to 13.0 billion hours versus 13.1 billion hours previously reported. 2022 is 13.6 billion hours versus 13.8 billion hours previously reported.
9. Profitability 2: The New Business Case for Advertisers

ITV Commercial will sell advertising around ITV's content on YouTube and has launched a dedicated YouTube sales team. For advertisers this offers the opportunity to engage with ITV's unparalleled premium brand safe content on YouTube and for ITV this increases our addressable market.

To date on YouTube, ITV Commercial has:

- Extended our reach to key valuable demographics with younger and more male audiences
- Attracted new to TV advertisers
- Secured budgets that would have otherwise been invested directly with YouTube

We are also developing opportunities beyond advertising. Using our brand, IP, marketing capabilities, first-party data, talent, and partnerships, we see opportunities to drive engagement and profitable revenue growth. This includes accelerating our strategy within our Interactive business by further developing ITV Win as a premium destination for competitions and gaming, and Kerching, a consumer-facing affiliate marketing brand in partnership with Kindred, which we launched last year, designed to save online shoppers money.

Refer to our recent ITV Commercial webinar for further insight on our commercial proposition, available at: www.itvplc.com/investors/presentations-and-events/2024.

M&E financial performance

Twelve months to 31 December	**2024 £m**	2023 £m	Change £m	Change %
Total advertising revenue	**1,820**	1,778	42	2
Subscription revenue	**48**	59	(11)	(19)
SDN	**43**	48	(5)	(10)
Partnerships and other revenue	**191**	205	(14)	(7)
M&E non-advertising revenue	**282**	312	(30)	(10)
Total M&E revenue	**2,102**	2,090	12	1
Content costs	**(1,268)**	(1,293)	25	2
Variable costs	**(153)**	(153)	–	–
M&E infrastructure and overheads	**(431)**	(439)	8	2
Total M&E costs	**(1,852)**	(1,885)	33	2
Total M&E adjusted EBITA[10]	**250**	205	45	22
Total adjusted EBITA margin	**11.9%**	9.8%	–	2.1% pts

Twelve months to 31 December	**2024 £m**	2023 £m	Change £m	Change %
Digital advertising revenue[11]	**482**	420	62	15
Subscription revenue	**48**	59	(11)	(19)
Other	**26**	19	7	37
Total digital revenue	**556**	498	58	12

Total M&E revenue was up 1% in 2024 with total advertising revenue (TAR) up 2% and broadly in line with expectations. Digital revenue was up 12% in the year to £556 million (2023: £498 million). Within this, digital advertising revenue saw strong growth, up 15% year-on-year. M&E non-advertising revenues were down 10%, driven by the expected decline in subscription and partnership revenues, as we improved the viewer proposition and monetisation of ITVX. Further detail on the year-on-year movement in revenue is detailed below.

Total M&E costs were down 2% in 2024. Within this, content costs were down 2%, as we have optimised our spend and windowing strategy across linear TV and ITVX with one content budget.

Variable costs were flat year-on-year, with the planned increase in marketing and an increase in our variable costs of streaming, offset by cost savings.

M&E infrastructure and overhead costs decreased by 2%, with staff and linear supply chain inflation and investments in our Commercial outcome proposition, being more than offset by the delivery of permanent cost savings. Across M&E, we delivered £35 million of savings which relate to operational efficiencies associated with our transponders, organisational redesign and a reduction in discretionary spend.

As a result of the revenue growth and reduction in costs, M&E adjusted EBITA grew 22% and the margin increased from 9.8% to 11.9%.

10. Refer to APMs for key adjustments to EBITA and adjusted EBITA
11. Digital advertising revenue (a component of digital 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. The prior years have been restated to reflect the change in categorisation. Given the nature of digital revenue it will evolve over time. 2023 digital advertising revenue was previously reported as £415 million and digital revenue was reported as £490 million.

Total advertising revenue (TAR)
TAR was up 3% in Q1 and up 17% in Q2 with strong advertiser demand for the Euros. Q3 was flat and Q4 was down 7%, impacted by the 2023 Rugby World Cup comparative, which gave ITV1 and ITVX their biggest audiences of the year. In addition, Q4 2024 advertising bookings were impacted by the uncertainty in the lead-up to and post the UK budget.

Most TAR categories were up year-on-year. FMCG-related categories were up, with Household Stores up 32% and Food up 5%. Entertainment and Leisure was up 13% and within that, gambling was up 22% with increased spend around the Euros. Retail was up 15%, with increased spend from the supermarkets, which was up 11%, and Cars grew by 7% with increased spend by electric vehicle brands.

Categories which saw a decrease in spend year-on-year include Telecommunications, down 28% with lower spend from some mobile operators. Finance was down 3% with a decline in spend from some insurance companies and retail banks. After seeing annual growth in advertising spend since the COVID-19 pandemic, Airlines and Travel was down 4% year-on-year. E-commerce companies, excluding gambling, decreased 8% in the year with the largest declines from online holiday companies.

Subscription revenue
Subscription revenue is generated directly from the premium tier of ITVX, and prior to their closure in 2024, revenue also came from the standalone BritBox UK app, and BritBox UK and ITV catch-up services on Amazon Prime Video Channels.

We took the decision to close these services to simplify the paid streaming proposition for customers, which impacted our subscription revenue in 2024, decreasing by 19% to £48 million (2023: £59 million).

SDN
SDN generates revenue by licensing multiplex capacity to broadcast channels, radio stations and data providers on digital terrestrial television (DTT) or Freeview. SDN customers include ITV and third parties. SDN's current multiplex licence has been renewed until 2034.

In 2024, external revenue (non-ITV) declined by 10% to £43 million (2023: £48 million), as expected. This decrease is primarily due to long-term contracts with third parties coming to an end and being renewed at current market rates. This trend is expected to continue, with additional long-term contracts set to end during 2026.

Partnerships and other revenue
Partnerships and other revenue includes revenue from platforms, such as Sky and Virgin Media O2, competition revenue, third-party commission, e.g. for services we provide to STV.

As expected, Partnerships and other revenues declined by 7% to £191 million (2023: £205 million), following our decision to revise our partnership agreements to enable us to deliver digital advertising to a larger proportion of ITVX viewers through Planet V. In addition, competition revenue was lower year–on–year. 2024 also included some one-off net payments from Global Partnerships for content broadcast on our channels; this is not expected to repeat at the same level in 2025.

BritBox International
On 1 March 2024, ITV announced the sale of its 50% shareholding in BritBox International to the BBC Studios for £255 million. ITV Studios will continue to receive an ongoing revenue stream from BritBox International similar to 2023 levels for the use of ITV-owned content under new extended licensing agreements.

Prior to its sale, BritBox International was ITV's joint venture with the BBC. It provided an ad-free subscription streaming service offering the most comprehensive collection of British content available in the US, Canada, Australia, South Africa and the Nordics (made up of Sweden, Finland, Denmark and Norway).

Outlook

- We will continue to deliver good growth in digital viewing and revenue and remain on track to deliver at least £750 million of digital revenues by 2026

- TAR is expected to be broadly flat year-on-year for the four months to the end of April 2025, with Q1 down around 2% year-on-year. TAR will be impacted by tough comparatives against the Euros in June/July and the introduction of tighter advertising restrictions on less healthy foods (LHF) in October 2025

- We expect content costs to be around £1.250 billion in 2025, down £15 million year-on-year, as we further optimise our content spend across our linear TV channels and ITVX, with lower sports costs following the men's Euros in 2024. First half content costs will be broadly flat year on year.

Alternative Performance Measures

The Annual Report and Accounts include both statutory and adjusted measures (Alternative Performance Measures or APMs), the latter of which, in management's view, reflect the underlying performance of the business and provide a more meaningful comparison of how the business is managed and measured on a day-to-day basis.

Our APMs and KPIs are aligned with our strategy and business divisions and together are used to measure the performance of our business and form the basis of the performance measures for remuneration. Adjusted results exclude certain items because, if included, they could distort the understanding of our performance for the period and the comparability between periods. APMs are not defined terms under IFRS and may not be comparable with similarly titled measures reported by other companies.

As adjusted results exclude certain items (such as significant legal, major restructuring and transaction items), they should not be regarded as a complete picture of the Group's financial performance. The exclusion of adjusting items may result in adjusted earnings being materially higher or lower than statutory earnings. In particular, when significant impairments, restructuring charges and legal costs are excluded, adjusted earnings will be higher than statutory earnings.

The Audit and Risk Committee has oversight of ITV's APMs and actively reviews, challenges, revises and approves the policy for classifying adjustments and exceptional items. Further detail is included in the following section.

Key adjustments for EBITA, adjusted EBITA, profit before tax and EPS

EBITA is calculated by adjusting statutory operating profit for operating exceptional items and amortisation and impairment.

Adjusted EBITA is calculated by adding back high-end production tax credits to EBITA. Further adjustments, which include the gain/loss on the sale of non-current assets, amortisation and impairment of assets acquired through business combinations and investments, and certain net financing costs, are made to remove their effect from adjusted profit before tax and adjusted EPS. The tax effects of all these adjustments are reflected in the adjusted tax charge. These adjustments are detailed below.

Adjusted EBITDA, which is used to calculate the Group's leverage, is calculated by adding back depreciation to adjusted EBITA.

Production tax credits

The ability to access tax credits, which are rebates based on production spend, is fundamental to our ITV Studios business across the world when assessing the viability of investment decisions, especially with regard to drama and comedy. ITV reports tax credits generated in the US and other countries (e.g. Italy, Canada and Spain) within cost of sales, whereas in the UK, tax credits claimed under the High-End TV (HETV) regime must be classified as a corporation tax item. In 2024, following the changes to Audio-Visual Expenditure Credits (AVEC) adopted by ITV (see below), tax credits claimed under this regime are also reported within cost of sales. In our view, all tax credits relate directly to the production of programmes. Therefore, to align treatment, regardless of production location, and to reflect the way the business is managed and measured on a day-to-day basis, UK HETV tax credits have been recognised in adjusted EBITA. Our cash measures, including profit to cash conversion and free cashflow are also adjusted for the impact of production tax credits.

Changes to the current UK system of Creative Industry tax credits

On 29 November 2023, the UK government issued final legislation to reform the current system of Creative Industry tax credits to merge the four existing schemes (Film, High-End Television (HETV), Children's Television and Animation) into a single Audio-Visual Expenditure Credit (AVEC) scheme and has reviewed the qualifying criteria. The AVEC legislation was substantively enacted on 5 February 2024 and can be claimed on expenditure incurred from 1 January 2024.

The new scheme is one of expenditure credits as opposed to corporate tax relief, requiring a change to the accounting treatment to include them within statutory operating profit rather than within the consolidated tax charge.

Under the HETV regime the tax credits are treated as a credit to the tax line which results in the Group in the UK generally having a reported effective tax rate below the OECD Pillar Two minimum tax rate of 15%. The new AVEC regime treats the credits as a taxable EBITA amount and has been designed to ensure that entities are in the same post-tax position as under the old regime.

The new AVEC regime has been utilised by ITV on production expenditure incurred in 2024 at the earliest opportunity possible. See the tax section of the Finance Review and note 2.3 for further details.

Exceptional items

These items are excluded to reflect performance in a consistent manner and in line with how the business is managed and measured on a day-to-day basis. They are typically material amounts related to costs, gains or losses arising from events that are not considered part of the core operations of the business, though they may cross several accounting periods. These include, but are not limited to, costs directly related to acquisition activity, costs related to major reorganisation and restructuring programmes, material onerous contracts, significant impairments, employee-related tax provisions related to earlier financial periods (IR35) and other items such as legal settlements and non-routine legal costs (e.g. legal costs related to items which are themselves considered to be exceptional items). We also adjust for the tax effect of these items.

See note 2.2 to the financial information for further detail.

Acquisition-related costs

We structure our acquisitions with earnouts or put and call options, to allow part of the consideration to be based on the future performance of the business as well as to lock in and incentivise creative talent. Where consideration paid or contingent consideration payable in the future is employment-linked, it is treated as an expense (under accounting rules) and therefore part of our statutory results. However, we exclude all consideration of this type from adjusted EBITA, adjusted profit after tax and adjusted EPS as, in our view, these items are part of the capital transaction and do not form part of the Group's core operations. The Finance Review explains this further. Acquisition-related costs, including legal and advisory fees on completed deals or significant deals that do not complete, are also treated as an expense (under accounting rules) and therefore on a statutory basis form part of our statutory results. In our view, these items also form part of the capital transaction or are one-off and material in nature and are therefore excluded from our adjusted measures.

Restructuring and reorganisation costs

Where there has been a material change in the organisational structure of a business area or a material initiative, these costs are highlighted and are excluded from our adjusted measures. These costs arise from significant initiatives (likely to span more than one year) to reduce the ongoing cost base and improve efficiency in the business to enable the delivery of our strategic priorities. We consider each project individually to determine whether its size and nature warrant separate treatment and disclosure.

Amortisation and impairment

Amortisation and any initial impairment of assets acquired through business combinations and investments are not included within adjusted earnings. As these costs are acquisition-related, and in line with our treatment of other acquisition-related costs, we consider them to be capital in nature as they do not reflect the underlying trading performance of the Group. Amortisation of software licences and development is included within our adjusted profit before tax as management consider these assets to be core to supporting the operations of the business.

Net financing costs

Net financing costs are adjusted to reflect the underlying cash cost of interest for the business, providing a more meaningful comparison of how the business is managed and funded on a day-to-day basis. The adjustments made remove the impact of mark-to-market gains or losses on swaps and foreign exchange, one-off fees and premiums relating to the buyback of bonds, exceptional interest and other finance costs on acquisitions, imputed pension interest and other financial gains and losses that do not reflect the relevant interest cash cost to the business and are not yet realised balances.

Reconciliation between statutory and adjusted results

Twelve months to 31 December	**2024 Statutory £m**	**2024 Adjustments £m**	**2024 Adjusted £m**	2023 Statutory £m	2023 Adjustments £m	2023 Adjusted £m
EBITA[1]	**526**	**16**	**542**	404	85	489
Exceptional items (operating)[2]	**(65)**	**65**	**–**	(77)	77	–
Amortisation and impairment[3]	**(143)**	**107**	**(36)**	(89)	25	(64)
Operating profit	**318**	**188**	**506**	238	187	425
Net financing costs[4]	**–**	**(25)**	**(25)**	(45)	16	(29)
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**	193	203	396
Tax[5]	**(115)**	**17**	**(98)**	16	(101)	(85)
Profit after tax	**406**	**(32)**	**374**	209	102	311
Non-controlling interests	**2**	**–**	**2**	1	–	1
Earnings	**408**	**(32)**	**376**	210	102	312
Shares (million), weighted average	**3,935**		**3,935**	4,023	–	4,023
EPS (p)	**10.4p**	**–**	**9.6p**	5.2p	–	7.8p
Diluted EPS (p)[6]	**10.3p**	**–**	**9.5p**	5.2p	–	7.7p

1. The £16 million (2023: £85 million) adjustment relates to production tax credits which we consider to be a contribution to production costs and working capital in nature rather than a corporate tax item. EBITA is not a statutory measure
2. Exceptional items of £65 million (2023: £77 million) largely relate to acquisition-related expenses and restructuring and transformation costs. Refer to the Finance Review
3. £107 million (2023: £25 million) adjustment relates to amortisation and impairment of assets acquired through business combinations and investments. We include only amortisation on purchased intangibles, such as software within adjusted profit before tax
4. £25 million adjustment is for non-cash interest income (2023: £16 million non-cash interest cost). This provides a more meaningful comparison of how the business is managed and funded on a day-to-day basis
5. Tax adjustments are the tax effects of the adjustments made to reconcile profit before tax and adjusted profit before tax. A full reconciliation is included in the Finance Review
6. Weighted average diluted number of shares in the year was 3,977 million (2023: 4,059 million)

OTHER ALTERNATIVE PERFORMANCE MEASURES

Total revenue

As a vertically integrated producer broadcaster and streamer, we look at the total revenue generated by the business including internal revenue, which is predominantly made up of sales from ITV Studios to M&E. ITV Studios selling programmes to the M&E business is an important part of our strategy as a vertically integrated business and it ensures we own all the rights to the content.

A reconciliation between external revenue and total revenue is provided below.

Twelve months to 31 December	**2024 £m**	2023 £m
External revenue (Statutory)	**3,488**	3,624
Internal revenue	**652**	636
Total revenue (Adjusted)	**4,140**	4,260

ITV Studios organic revenue growth

ITV Studios organic revenue growth adjusts revenue growth for the impacts of foreign currency and acquisitions in the current or comparative period. Current period revenues are measured at constant currency which assumes exchange rates remain consistent with the comparative period. The table below shows the calculation of our organic revenue growth within ITV Studios:

Twelve months to 31 December	**2024 £m**	2023 £m	Change £m	Change %
ITV Studios total revenue*	**2,038**	2,170	(132)	(6)
Adjustment for constant currency	**30**	–	30	–
Adjustment for acquisitions and disposals	**(20)**	(9)	(11)	122
ITV Studios total revenue – organic basis	**2,048**	2,161	(113)	(5)

* Included within ITV Studios total organic revenue for 2024 is a £55 million revenue benefit following the transfer of ITV sports production from Media & Entertainment to ITV Studios UK with effect from 1 January 2024. £53 million is eliminated in intersegment revenue.

Net pension surplus/deficit

This is our defined benefit pension scheme surplus or deficit under IAS 19 adjusted for other pension assets, mainly gilts, which are held by the Group as security for future unfunded pension payments for four Granada executives and over which the unfunded pension scheme holds a charge. See note 3.8 to the financial information.

Profit to cash conversion

This is the measure of our effectiveness at working capital management. It is calculated as our adjusted cash flow as a proportion of adjusted EBITA. Adjusted cash flow, which reflects the cash generation of our underlying business, is calculated on our statutory cash generated from operations and adjusted for exceptional items, net of capex on property, plant and equipment and intangible assets, and including the cash impact of high-end production tax credits.

Covenant net debt and covenant liquidity

Covenant net debt is our leverage as defined in our Revolving Credit Facility (RCF) agreement. This calculation is materially different to how net debt is defined on a statutory and APM basis and is relevant in demonstrating we have met the required RCF financial covenants at our reporting date and as part of the Board's viability statement assessment.

Covenant adjusted EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) is used to calculate our covenant compliance and our leverage, and is defined in the RCF agreement. The calculations of covenant adjusted EBITDA, covenant net debt and covenant liquidity are detailed in the tables below:

	31 December 2024 £m	31 December 2023 £m
Statutory operating profit	**318**	238
Exceptional items	**65**	77
Amortisation and impairment	**143**	89
EBITA	**526**	404
Depreciation	**47**	46
Right of use assets depreciation	**(20)**	(19)
Interest charged on lease liabilities	**(5)**	(4)
Covenant adjusted EBITDA	**548**	427

	31 December 2024 £m	31 December 2023 £m
Net debt (including IFRS 16 lease liabilities)	**(431)**	(553)
Impact of IFRS 16 lease liabilities	**105**	115
Long-term trade payables	**(33)**	(25)
Other pension asset	**45**	48
Covenant net debt	**(314)**	(415)
Covenant adjusted EBITDA*	**548**	427
Covenant net debt to adjusted EBITDA*	**0.6x**	1.0x
Cash and cash equivalents	**427**	340
Undrawn RCF	**600**	600
Undrawn CDS facility	**350**	300
Covenant liquidity**	**1,377**	1,240

* Covenant adjusted EBITDA is defined per the facility agreement. The Finance Review includes further detail on our covenant ratios
** Covenant liquidity is defined as cash and cash equivalents plus undrawn committed facilities

Finance review

This Finance Review focuses on the more technical aspects of our financial results while the operating and financial performance of the Group, M&E and ITV Studios has been discussed within the Operating and Financial Performance Review.

Chris Kennedy
Group Chief Financial Officer and Chief Operating Officer

Our Alternative Performance Measures (APMs) section, explains the adjustments we make to our statutory results. This enables focus on the key measures that we report on and use as KPIs across the business. See earlier sections for further details.

Twelve months to 31 December	**2024 £m**	2023 £m	Change £m	Change %
ITV Studios total revenue*	**2,038**	2,170	(132)	(6)
Total advertising revenue	**1,820**	1,778	42	2
M&E non-advertising revenue	**282**	312	(30)	(10)
M&E total revenue	**2,102**	2,090	12	1
Total non-advertising revenue	**2,320**	2,482	(162)	(7)
Total Group revenue	**4,140**	4,260	(120)	(3)
Internal revenue	**(652)**	(636)	(16)	(3)
Group external revenue	**3,488**	3,624	(136)	(4)
Group adjusted EBITA	**542**	489	53	11
Group adjusted EBITA margin	**16%**	13%		3
Statutory operating profit	**318**	238	80	34
Adjusted EPS	**9.6p**	7.8p	1.8p	23
Statutory EPS	**10.4p**	5.2p	5.2p	100
Dividend per share	**5.0p**	5.0p		
Net debt as at 31 December	**(431)**	(553)	122	22

* ITV sports production transferred from M&E to ITV Studios UK with effect from 1 January 2024. Revenue of £55 million relating to sports production for M&E has been recognised in ITV Studios total revenue for the year, of which £53 million is eliminated in intersegment revenue.

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	**–**	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)

Total exceptional items in the year were £65 million (2023: £77 million), in line with previous guidance.

Acquisition-related expenses of £8 million (2023: £24 million) are predominantly performance-based, employment-linked consideration to former owners, and professional fees related to acquisitions and potential acquisitions.

Restructuring and transformation costs of £50 million (2023: £25 million) include restructuring and other costs associated with our ongoing transformation and efficiency programme announced in March 2024 to reshape the cost base and enhance profitability across the Group. During the year, there were also transformation programme costs associated with delivering our strategy, including our new programme rights, finance and HR systems. In 2025, we expect a further £35 million of costs associated with delivering our digital transformation (c.£10 million) and ongoing transformation and efficiency programme (c.£25 million).

In the prior year, Property costs related to the London office move to Broadcast Centre and the insured trade receivable related to an exceptional credit resulting from the settlement of the remaining claim in relation to The Voice of China.

Transponder onerous contract relates to the recognition of an onerous contract provision for transponder capacity that is no longer generating revenue.

Employee tax provision is the release of £1 million of a provision that is no longer required.

Legal settlements of £13 million in 2023, related to settlements or proposed settlements on a number of significant legal cases which were considered to be outside the normal course of business.

Legal and other costs relate primarily to legal costs for matters considered to be outside the normal course of business, including Box Clever and the UK Competition and Markets Authority (CMA) investigation.

Net financing costs

Twelve months to 31 December	**2024 £m**	2023 £m
Financing costs directly attributable to loans and bonds	**(34)**	(24)
Cash-related net financing income/(costs)	**9**	(5)
Adjusted financing costs	**(25)**	(29)
Net pension interest	**8**	8
Other net financial losses and unrealised foreign exchange	**17**	(24)
Statutory net financing costs	**–**	(45)

Adjusted financing costs were £25 million (2023: £29 million) largely due to financing costs attributable to loans and bonds. Statutory net financing costs were £nil (2023: £45 million) mainly driven by fair value gains on bonds that were repaid in the year, interest accrued on acquisition-related exceptional expenses, unrealised foreign exchange losses, imputed pension interest income and fair value adjustments on financial assets and acquisition-related put option liabilities.

JVs and associates

Our share of losses from JVs and associates in the year was £9 million (2023: £nil). This was our share of the net profits and losses arising from our investments, such as Blumhouse Television and BritBox International prior to their sale and our investment in Bedrock Entertainment. The increase in losses year-on-year primarily results from BritBox International which was profitable in the prior year, and the phasing of the delivery of productions for Blumhouse Television and Bedrock Entertainment.

Profit before tax

Statutory profit before tax increased year-on-year to £521 million (2023: £193 million) as a result of the growth in total advertising, cost savings across the Group, and a £212 million profit on disposal of joint ventures and subsidiary undertakings.

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*	**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

* 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. See note 3.3 to the Financial information for further details.

Tax

Adjusted tax charge

The total adjusted tax charge for the year was £98 million (2023: £85 million), corresponding to an effective tax rate on adjusted PBT of 20.8% (2023: 21.5%), which is lower than the standard UK corporation tax rate of 25% (2023: 23.5%) due to the repayment of £12 million of corporation tax that became recoverable following the successful case against the European Commission in respect of State Aid. We expect the adjusted effective tax rate to be around 26% in 2025 as previously guided, and it will remain slightly above the UK statutory rate of 25% in the medium term.

On a statutory basis, there is a tax charge of £115 million (2023: £16 million credit) which corresponds to an effective tax rate of 22.1% (2023: (8.3)%). This rate is higher in 2024 than in previous years due to the impact of Audio-Visual Expenditure Credits (AVEC) being claimed on new productions with expenditure credits in 2024, which are accounted for as a reduction to cost of sales compared to HETV tax credits, which are accounted for in the tax line and depress the effective tax rate. The reported effective tax rate of 22.1% is lower than the UK statutory rate of 25% due to residual HETV tax credits included in the tax line on productions where AVEC was not available due to the timing of production spend.

The adjustments made to reconcile the statutory tax charge with the adjusted tax charge are the tax effects of the adjustments made to reconcile PBT and adjusted PBT, as detailed in the previous table.

Twelve months to 31 December	2024 £m	2024 Effective tax rate £m	2023 £m	2023 Effective tax rate %
Statutory tax charge/(credit)	**115**	22.1%	(16)	(8.3)%
Production tax credits	**16**	100%	85	100%
Charge for exceptional operating items	**13**	20.0%	12	15.6%
Credit for profit on disposal of associates, joint ventures and subsidiary undertakings	**(49)**	22.6%	–	0.0%
Charge in respect of amortisation and impairment*	**8**	7.5%	6	24.0%
Credit in respect of adjustments to net financing costs	**(5)**	20.0%	(2)	(12.5)%
Adjusted tax charge**	**98**	20.8%	85	21.5%

* In respect of intangible assets arising from business combinations and investments. Also reflects the cash tax benefit of tax deductions for US goodwill.
** As a percentage of adjusted profit before tax.

Cash tax

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). The majority of the cash tax payments were made in the UK. The cash tax paid is lower compared to the previous year due to the large volume of tax credits received during the year. A reconciliation between the tax charge for the year and the cash tax paid in the year is shown below.

Twelve months to 31 December	2024 £m	2023 £m
Tax (charge)/credit (statutory)	**(115)**	16
Temporary differences recognised through deferred tax*	**32**	7
Prior year adjustments to current tax	**(22)**	12
Current tax, current year	**(105)**	35
Phasing of tax payments	**16**	(20)
Production tax credits – timing of receipt	**62**	(47)
Cash tax paid (statutory)	**(27)**	(32)

* Further detail is included within Note 2.3 of the financial information.

Changes to the current UK system of Creative Industry tax credits

ITV has chosen to opt into the new expenditure credit regime, on production expenditure incurred in 2024, at the earliest opportunity where possible. Due to the timing of when expenditure occurred on productions, we will be claiming under both the HETV and AVEC regime for a period of time. The impact on statutory and adjusted results is shown in the following table.

Twelve months to 31 December	Pro-forma statutory result* £m	Impact of new AVEC treatment £m	Statutory result £m	HETV and other Adjustments £m	Adjusted result £m
EBITA	**473**	53	526	16	542
Exceptional items (operating)	**(65)**	–	(65)	65	–
Amortisation and impairment	**(143)**	–	(143)	107	(36)
Operating profit	**265**	53	318	188	506
Net financing income/(costs)	**–**	–	–	(25)	(25)
Share of losses on JVs and associates	**(9)**	–	(9)	–	(9)
Profit on disposal of joint ventures and subsidiary undertakings	**212**	–	212	(212)	–
Profit before tax	**468**	53	521	(49)	472
Tax	**(118)**	(13)	(131)	33	(98)
HETV tax credits	**56**	(40)	16	(16)	–
Profit after tax	**406**	–	406	(32)	374

* Pro-forma statutory result shows the statutory result if the new AVEC treatment had not been implemented.

In 2024, total tax credits of £56 million were claimed, of which £16 million were claimed under the old HETV regime and £40 million (£53 million gross) were claimed under the AVEC regime. The impact of this has been to increase statutory EBITA by £53 million and statutory tax charge by £13 million, whilst increasing adjusted EBITA by a further £16 million where HETV tax credits continue to be reclassed from the tax charge to EBITA. Adjusted EBITA has increased by £13 million compared to the old HETV regime due to the AVEC claim being grossed up from £40 million to £53 million.

Base Erosion and Profit Shifting (BEPS) Pillar Two

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15% for large groups and for financial years beginning on or after 31 December 2023.

Based on analysis of the current year financial data, most territories in which the Group operates are expected to qualify for one of the safe harbour exemptions such that top-up taxes should not apply. In territories where this is not the case there is the potential for Pillar Two taxes to apply, but these are not expected to be material. Of the £115 million reported tax charge, less than £2 million is in respect of Pillar Two top-up taxes.

Tax strategy

ITV is a responsible business, and we take a responsible attitude to tax, recognising that it affects all of our stakeholders. To allow those stakeholders to understand our approach to tax, we have published our Global Tax Strategy, which is available on our corporate website.

www.itvplc.com/investors/governance/policies

We have four key strategic tax objectives:

1. Engage with tax authorities in an open and transparent way to minimise uncertainty
2. Proactively partner with the business to provide clear, timely, relevant and business focused advice across all aspects of tax
3. Take an appropriate and balanced approach when considering how to structure tax-sensitive transactions
4. Manage ITV's tax risk by operating effective tax governance and understanding our tax control framework with a view to continuously adjusting our approach to be compliant with our tax obligations.

Our tax strategy is aligned with that of the business and its commercial activities and establishes a clear Group-wide approach based on openness and transparency in all aspects of tax reporting and compliance, wherever the Company and its subsidiaries operate. The strategy confirms that ITV does not engage in or condone tax evasion or the facilitation of tax evasion in any form and that we have in place reasonable procedures to prevent the facilitation of tax evasion. Within our overall governance structure, the governance of tax and tax risk is given a high priority by the Board, and Audit and Risk Committee (ARC). The ITV Global Tax Strategy, approved by the Board and ARC in September 2024, and as published on the ITV plc website, is compliant with the UK tax strategy publication requirement set out in Part 2 Schedule 19 of the Finance Act 2016.

EPS – adjusted and statutory

Adjusted profit after tax was £374 million (2023: £311 million). Non-controlling interest, which is the net result from the non-ITV owned share in entities such as Plimsoll and Tomorrow Studios, was a share of losses of £2 million (2023: share of losses of £1 million).

Adjusted basic EPS was up 23% to 9.6p in the year (2023: 7.8p). The weighted average number of shares decreased year-on-year to 3,935 million (2023: 4,023 million) due to the share buyback programme (see further detail below). Diluted adjusted EPS in the year was 9.5p (2023: 7.7p), reflecting a weighted average diluted number of shares of 3,977 million (2023: 4,059 million).

Statutory EPS increased by 100% to 10.4p (2023: 5.2p).

A full reconciliation between statutory and adjusted EPS is included in the Alternative Performance Measures section.

Dividend per share

The Board recognises the importance of the ordinary dividend to ITV shareholders. Reflecting its confidence in the business and its strategy, as well as the continued strong cash generation, in line with ITV's dividend policy, the Board has proposed a final dividend of 3.3p per share (2023: 3.3p), giving an ordinary dividend of 5.0p per share for the full year 2024, which it expects to grow over the medium term, whilst balancing further investment to support our strategy and our commitment to investment grade metrics over the medium term.

Dividends are distributed based on the realised distributable reserves (within retained earnings) of ITV plc (the Company) and not based on the Group's retained earnings.

The dividend timetable is as follows:

Announcement	
Ex-dividend date	Thursday 10 April 2025
Record date	Friday 11 April 2025
Dividend paid	Thursday 22 May 2025

Share repurchase programme

On 7 March 2024 ITV commenced a share buyback programme to repurchase its ordinary shares up to a maximum consideration of £235 million and thereby returning the entire net proceeds from the sale of BritBox International to shareholders.

As of market close on 31 December 2024, ITV had completed £198 million of buyback, purchasing 270 million shares. Of these shares, 118 million were cancelled, thereby reducing the Group's share capital. In May 2024, 8.5 million shares were transferred to the Group's Employee Benefit Trust, and the remaining shares repurchased remain held in Treasury. The repurchased shares held in Treasury and the shares held by EBT are excluded in calculating the weighted average number of shares in issue used in Earnings per share.

Acquisitions

As part of our strategy to expand Studios, we consider selective value-creating M&A and talent deals in both scripted and unscripted to obtain further creative talent and IP.

We have strict criteria for evaluating potential acquisitions. Financially, we assess ownership of IP, earnings growth and valuation based on return on capital employed and discounted cash flow. Strategically, we ensure an acquisition target has a strong creative track record and pipeline in content genres that return and travel, namely drama, entertainment and factual, as well as retention and succession planning for key individuals in the business.

We have generally structured our deals with earnouts or with put and call options in place for the remainder of the equity, capping the maximum consideration payable by basing a significant part of the consideration on future performance. This has allowed us to lock in creative talent and ensure our incentives are aligned, and also reduce our risk by only paying for the actual, not expected, performance delivered over time.

The majority of earnouts or put and call options are dependent on the seller remaining within the business. Where future payments are directly related to the seller remaining with the business, these payments are treated as employment costs and, therefore, are part of our statutory results. However, we exclude these payments from adjusted profits and adjusted EPS as an exceptional item, as in our view, for the reasons set out above, these items are part of the capital consideration reflecting how we structure our transactions and do not form part of the core operations.

The Group made two acquisitions in the current year. On 25 July 2024, the Group completed the acquisition of a majority shareholding of the scripted independent production company Hartswood Films in the UK, producer of Sherlock, for total consideration of £37 million. Put and call options are in place over the remaining shareholding. The acquisition of Hartswood will further enhance ITV Studios' strength in high quality, UK scripted drama, and provide for further exposure to streamers and future distribution opportunities for ITV Global Partnerships.

On 30 October 2024, the Group completed the acquisition of a majority shareholding in Eagle Eye Drama Limited and its subsidiaries, one of the UK's fastest-growing drama producers, for total consideration of £16 million. As part of the deal, the Group also acquired a majority stake in the Belgium-based production services company Happy Duck Film BV, which services Eagle Eye's global slate.

Acquisition-related liabilities or performance-based employment-linked earnouts are amounts estimated to be payable to previous owners. The estimated undiscounted future payments as at 31 December 2024 are £105 million and are sensitive to forecast profits as they are based on a multiple of earnings. The range of reasonably possible outcomes for the liability is between £85 million and £193 million. The estimated future payments, treated as employment costs, are accrued over the years the sellers are required to remain with the business. Those payments not linked to employment are recognised on acquisition at their time discounted value.

We closely monitor the forecast performance of each acquisition and, where there has been a change in expectations, we adjust our view of potential future commitments. At 31 December 2024, expected future payments were £105 million (2023: £105 million), which includes £60 million for acquisitions made in the year, offset by payments made to previous owners of £54 million, and changes in forecasts.

At 31 December 2024, £34 million of expected future payments had been recorded on the balance sheet, with the balance of £71 million to be accrued over the period in which the sellers are required to remain with the business.

Disposals

During the year, the Group recognised a net profit on disposal of associates, joint ventures and subsidiary undertakings of £212 million from proceeds of £303 million. The carrying value of net assets disposed and related costs was £91 million. On 1 March 2024, the Group announced the sale of its entire 50% interest in BritBox International to its joint venture partner BBC Studios for a cash consideration of £255 million. On 25 July 2024, the Group announced that ITV Studios had sold back its minority shareholding in Blumhouse TV to Blumhouse Holdings, for a consideration of US$60 million. Blumhouse TV and ITV America will continue their unscripted partnership.

Cash generation

Profit to cash conversion

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**	**(49)**	(70)
Lease liability payments (including lease interest)	**(25)**	(26)
Adjusted cash flow	**451**	498
Profit to cash ratio (adjusted cash flow/adjusted EBITA)	**83%**	102%

* Depreciation of £47 million (2023: £46 million) includes £32 million (2023: £28 million) which relates to ITV Studios and £15 million (2023: £18 million) relating to M&E
** Except where disclosed, management views the acquisition of property, plant and equipment and intangibles as business as usual capex, necessary to the ongoing investment in the business.

Cash generated from operations is reconciled to the adjusted cash flow as follows:

Twelve months to 31 December	2024 £m	2023 £m
Cash generated from operations	**386**	488
Cash outflow from exceptional items	**61**	68
Cash generated from operations excluding exceptional items	**447**	556
Adjustment for production tax credits	**78**	38
Acquisition of property, plant and equipment and intangible assets	**(49)**	(70)
Lease liability payments (including lease interest)	**(25)**	(26)
Adjusted cash flow	**451**	498

One of ITV's strengths is its cash generation, reflecting our ongoing tight management of working capital balances. We manage risk when making all investment decisions, particularly in scripted content and ITVX, through having a disciplined approach to cash and costs. Remaining focused on cash and costs means we are in a good position to continue to invest across the business in line with our strategic priorities.

In the year, we generated £451 million of operational cash (2023: £498 million) from £542 million of adjusted EBITA (2023: £489 million), resulting in a profit to cash ratio of 83% (2023: 102%). The decrease in our profit to cash ratio year-on-year reflects a significant increase in working capital during the year as a result of the resumption of productions in the US following the strikes in 2023.

Free cash flow

Twelve months to 31 December	2024 £m	2023 £m
Adjusted cash flow	**451**	498
Net interest paid (excluding lease interest)	**(18)**	(27)
Adjusted cash tax*	**(105)**	(70)
Pension funding	**(3)**	(40)
Free cash flow	**325**	361

* Adjusted cash tax of £105 million (2023: £70 million) is the total net cash tax paid of £27 million (2023: £32 million) plus receipt of production tax credits of £78 million (2023: £38 million), which are included within adjusted cash flow from operations, as these production tax credits relate directly to the production of programmes

Our free cash flow after payments for interest, cash tax and pension funding was £325 million (2023: £361 million).

Funding and liquidity

Debt structure and liquidity

The Group's financing policy is to manage its liquidity and funding risk for the medium to long term. ITV uses debt instruments with a range of maturities, has access to appropriate short-term borrowing facilities and has a policy to maintain a minimum of £250 million of cash and undrawn committed facilities available at all times. We have four committed facilities in place to maintain our financial flexibility, which includes a £500 million multilateral Revolving Credit Facility (RCF). During the year, counterparties to the syndicated £500 million RCF were changed. The new counterparty has acceded to the RCF with a January 2029 maturity, which is in line with all other RCF counterparties. The Group has £100 million of committed funding via a bilateral RCF, which matures in December 2028. The two RCFs are subject to leverage and interest cover semi-annual covenant tests that require the Group to maintain a leverage ratio of below 3.5x and interest cover above 3.0x (measures as defined in the RCF documentation). At 31 December 2024, ITV's financial position was well within its covenants.

In October 2024, the Group entered into a new £200 million bilateral loan facility which matures in December 2030. Utilisation of this facility is also subject to the lender's ability to source ITV Credit Default Swaps (CDS). The new facility has a committed accreting profile which means the full £200 million will be available by 1 January 2026. At 31 December 2024, the Group had £50 million of the facility available.

The Group also has a bilateral financing facility of £300 million, which is free of financial covenants and matures on 30 June 2026.

At 31 December 2024, all facilities were undrawn (31 December 2023: undrawn), which together with cash and cash equivalents of £427 million, provided total liquidity of £1,377 million (31 December 2023: £1,240 million). This provides the Group with sufficient liquidity to meet the requirements of the business in the short to medium term under a variety of severe but plausible downside scenarios reflecting the Group's principal risks.

After acquisition-related costs, pension and tax payments, we ended the year with reported net debt of £431 million (31 December 2023: £553 million).

Net debt includes net proceeds from the sale of BritBox International which funded the £235 million share buyback. Excluding the net proceeds that had been designated to fund the remainder of the buyback, net debt is £468 million at 31 December 2024.

Reported net debt

At 31 December	2024 £m	2023 £m
Gross cash	**427**	340
Gross debt (including IFRS 16 lease liabilities)	**(858)**	(893)
Net debt	**(431)**	(553)

Financing – gross debt

The Group is financed using debt instruments and facilities with a range of maturities.

During the year the Group has extended the maturity profile of ITV's debt through the issuance of a €500 million Eurobond to June 2032. The proceeds have been used to repay the £230 million term loan (that was due to mature in 2027) and retire €240 million of the Group's €600 million Eurobond (due in 2026).

Borrowings at 31 December 2024 were repayable as follows:

Amount repayable as at 31 December 2024	£m	Maturity
€500 million Eurobond*	**419**	2032
€600 million Eurobond (nominal €360 million remaining)*	**316**	2026
Other loans	**18**	Various
Total debt repayable on maturity**	**753**	

* Includes £20 million currency component liability of swaps held against euro-denominated bonds
** Excludes £105 million of IFRS16 Lease Liabilities

Capital allocation and leverage

In line with our capital allocation policy, our priorities remain as follows: to invest organically in line with our strategic priorities; manage our financial metrics consistent with our commitment to investment grade metrics over the medium term; sustain a regular ordinary dividend which can grow over the medium term; continue to consider value-creating inorganic investment against strict financial and strategic criteria; and any surplus capital will be returned to shareholders.

Our objective is to run an efficient balance sheet and manage our financial metrics appropriately, consistent with our commitment to investment grade metrics over the medium term. At 31 December 2024, our leverage, or net debt to adjusted EBITDA, was 0.7x (31 December 2023: 1.0x). Excluding the net proceeds of the sale of BritBox International that had been designated to fund the remainder of the buyback, our leverage was 0.8x at 31 December 2024.

Credit ratings

In March 2024, we published an investment grade credit rating from Fitch (BBB- stable outlook). We continue to be rated investment grade by Standard and Poor's (BBB- stable outlook) and Moody's (Baa3 stable outlook). The factors that are considered in assessing our credit rating include our degree of operational gearing and exposure to the economic cycle, as well as business and geographical diversity.

Foreign exchange

As ITV continues to grow internationally, we are increasingly exposed to foreign exchange on our overseas operations. We do not hedge our exposure to revenues and profits generated overseas, as this is seen as an inherent risk. We may elect to hedge our overseas net assets, where material.

ITV is also exposed to foreign exchange risk on transactions we undertake in a foreign currency. Our policy is to hedge a portion of any known or forecast transaction where there is an underlying cash exposure for the full tenor of that exposure, to a maximum of five years forward, where the portion hedged depends on the level of certainty we have on the final size of the transaction.

Finally, ITV is exposed to foreign exchange risk on the retranslation of foreign currency loans and deposits. Our policy is to keep these balances to a minimum and hedge such exposures where there is an expectation that any changes in the value of these items will result in a realised cash movement over the short to medium term. The foreign exchange and interest rate hedging strategy is set out in our Treasury policies which are approved by the ITV PLC Board.

Production inventories, contract assets and liabilities

In 2024, contract assets decreased by £26 million, production inventories increased by £108 million and contract liabilities increased by £47 million, compared to 31 December 2023. These movements are predominantly driven by ITV Studios, reflecting higher production activity in the US following the strikes in 2023 as well as in the UK and internationally, as a result of scripted production cycles and growing commissioning activity.

Pensions

The net pension surplus of the defined benefit schemes at 31 December 2024 on an accounting basis was £182 million (31 December 2023: £209 million surplus). The decrease in the year was a result of the increase in corporate bond yields and rising gilt yields.

The net pension assets include £45 million (31 December 2023: £48 million) of gilts, which are held by the Group as security for future unfunded pension payments to four former Granada executives, the liabilities of which are included in our pension obligations.

Deficit funding contributions

The triennial valuation of the ITV Pension Scheme (the Scheme) as at 31 December 2022 has been completed. At the valuation date, the Scheme had a surplus of £83 million. This is compared to a deficit of £252 million at the previous valuation date of 31 December 2019.

As the scheme is in surplus, no deficit contributions were payable in 2024 and are not expected to be required in 2025, other than a minimal payment relating to a legacy asset backed scheme (see below). The Group's pension deficit contributions for the year to 31 December 2023 were £40 million, and for the year to 31 December 2022 were £137 million.

In 2024, £3 million was paid under the London Television Centre PFP, while the £16 million annual payment under the SDN PFP was not required. These payments will be assessed annually.

The scheme is well hedged against inflation, interest rate volatility and longevity. Refer to Note 3.8 for further details of the Group's pension schemes.

Box Clever

In December 2024, a settlement agreement was signed between ITV, the Pension Regulator (tPR), the Board of the Pension Protection Fund (PPF) and the Box Clever Trustees (Trustees) setting out the terms agreed to settle the long-running Box Clever pension dispute. Under the settlement, in summary, all current Scheme members will be transferred to the ITV Pension Scheme and will receive their full Scheme benefits. Back-payments of underpaid pension with interest will also be paid. There is also provision for estates of members who have died in the PPF assessment period.

ITV has certain termination rights if, after a data cleanse in relation to the benefits of the Scheme members, the value of the liabilities which are expected to transfer to the ITV Pension Scheme has materially increased since the date of the settlement agreement. If ITV does not proceed with the transfer, tPR will be free to recommence regulatory proceedings. ITV will also reimburse the PPF for certain amounts it has lent to the Trustee during the assessment period.

The transfer of liabilities into the ITV Pension Scheme is subject to the approval of the ITV Pension Scheme Trustee. Non-binding heads of terms have also been agreed between ITV and the ITV Pension Scheme Trustee. These propose that after transfer of the Scheme members, £25 million of additional funding will be paid to the ITV Pension Scheme (to form part of the general assets of the ITV Pension Scheme) and a surety bond provided to cover the value of transferred liabilities (until the earlier of 31 March 2027 or the completion of the next actuarial valuation).

Foreign exchange sensitivity

The following table highlights ITV Studios sensitivity, for 2025 (using internal forecasts), to translation resulting from a 10% appreciation/depreciation in sterling against the US dollar and euro, assuming all other variables are held constant. An appreciation in sterling has a negative effect on revenue and adjusted EBITA; a depreciation has a positive effect.

Currency	Revenue £m	Adjusted EBITA £m
US dollar	+/- 48-60	+/- 7-9
Euro	+/- 42-52	+/- 8-10

Subsequent events

There were no post balance sheet events to report.

Planning assumptions for the full year 2025

The following planning assumptions for 2025 are based on current expectations.

Profit and loss impact:

- Total content costs are 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
- We will deliver £30 million of savings which is a combination of new initiatives and annualised benefits from the 2024 savings
- Adjusted financing costs are expected to be around £40 million
- The adjusted effective tax rate is expected to be 26% over the medium term
- Exceptional items are expected to be around £45 million mainly due to costs associated with our digital transformation (c.£10 million) and ongoing transformation and efficiency programme (c.£25 million). The cash impact is expected to be a similar amount.

Cash impact

- Profit to cash conversion is expected to be around 80% on average over the three years from 2023 to 2025
- Total capex is expected to be around £65million as we further invest in our digital capabilities
- 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, a total of around £190 million

Chris Kennedy
Group Chief Financial Officer and Chief Operating Officer

Risk and Uncertainties Disclosure

The rapid pace of market change, combined with persistent macroeconomic pressures and global uncertainties, requires ITV to take an agile and proactive approach to implementing its strategy and managing associated risks.

Our risk management framework

Our risk management framework empowers our people to make informed, timely decisions that support our strategic objectives. It provides clear guardrails to foster innovation while ensuring risks are appropriately identified, assessed and managed, rather than acting as a constraint.

The framework ensures a strong connection between our central risk domain teams and the broader business, embedding risk management into daily operations and decision-making processes at all levels. The integrated approach strengthens our ability to anticipate and respond to evolving challenges.

How we manage risks

We adopt a dual ‘top-down’ and ‘bottom-up’ approach to risk management to enhance risk prioritisation and mitigation across ITV, ensuring alignment between strategic goals and operational realities.

- **Divisional and Functional Review:** These teams periodically assess their exposure to centrally managed risk categories and identifying significant and emerging risks that could impact performance.
- **Leadership Oversight:** Divisional Leadership teams consolidate their most critical risks and uncertainties, including emerging risks, for discussion and prioritisation.
- **Group Oversight:** The Group Risk team facilitates and oversees this process, ensuring a comprehensive and balanced view of risks across the organisation.

Risk appetite

The Board has defined our risk appetite for each principal risk, ensuring the right balance between risk-taking and mitigation. Our risk appetite reflects a commitment to innovate and pursue opportunities while maintaining low tolerance in critical areas such as duty of care, data protection and corporate compliance. This approach allows us to be agile and responsive while safeguarding our reputation and long-term sustainability.

Continuous improvement

In 2024 we made good progress in strengthening our risk management practices to navigate an increasingly dynamic risk landscape:

- **Integrated Risk Management:** We adopted a unified approach to managing operational and principal risks, breaking down silos and ensuring alignment. This has been critical as we addressed emerging challenges, including generative AI and evolving regulatory requirements, as well as restructuring the business.
- **Risk Appetite:** We advanced our understanding of critical risk events and began refining new Key Risk Indicators (KRIs) to enhance risk monitoring and response.
- **Internal Control Environment:** We refined our financial and technology control frameworks to establish proportionate frameworks that provide stronger links between risks and controls.
- **Crisis Preparedness:** The Group ExCo conducted simulation exercises to test and improve crisis response mechanisms, enhancing decision-making agility in high pressure scenarios.

Risk leadership and governance

Risk management is embedded in our decision-making processes, with each principal risk overseen by a designated Group ExCo member. These sponsors ensure risks are defined, mitigation measures are implemented, effective and aligned with our risk appetite.

To further strengthen oversight, we established a new management-level Risk Committee in 2024, operating under delegated authority from the Group ExCo. This committee, comprising of the Group CFO/COO, the two Divisional COOs and the Group Director of Risk and Assurance, oversees principal and emerging risks, and other significant risk-related matters. Its responsibilities include:

- Conducting systematic evaluations of our Principal Risks
- Delivering actionable insights to support decision-making
- Streamlining risk reporting and communication processes

For further information on our Governance structure, including the Risk Committee’s role, which will be included in our 2024 Annual Report and Accounts.

The Group ExCo undertakes a comprehensive review of principal and emerging risks twice a year. These thorough assessments, which include evaluating potential impacts and likelihoods using a consistent methodology, are then submitted to the Audit and Risk Committee and the PLC Board for review, challenge and subsequent approval, ensuring robust and effective oversight of our risk management processes.

Changes to principal risks during the year

In 2024, ongoing monitoring of ITV's critical risks, informed by internal and external data, led to important updates to our principal risk profile:

- **Artificial Intelligence:** Elevated from an emerging risk to a principal risk. This reflects the rapid development of GenAI technology and its transformative potential, with significant implications for our operations, content creation and overall strategy (both as opportunity and risk).
- **Transformation:** Removed as a standalone principal risk. While transformation remains a key aspect of our business, its various components are now more effectively integrated into relevant individual risks, providing a more granular and accurate reflection of their specific impacts and enabling more targeted mitigation efforts.
- **Changing Viewer Dynamics:** Consolidated four M&E strategic risks into a single principal risk, reflecting the shift in audience engagement. Moving from 'viewer habits' to 'dynamics' highlights that consumption changes are driven by both organic preferences and fundamental media ecosystem transformation.

Principal risks and mitigations

Set out below is a description of each of our principal risks, including an explanation of how they are being managed and mitigated. This information provides transparency into our approach to managing the most significant threats and opportunities facing ITV. These risks are not presented in order of priority or significance:

1. CONTENT MARKET	2. COMMERCIAL	3. CHANGING VIEWER DYNAMICS
Sponsor: Managing Director, ITV Studios	Sponsor: Managing Director, Commercial	Sponsor: Managing Director, M&E
Overview of Risk Fundamental changes in the content market may result in reduced opportunities, non-renewal of premium programmes, and/or impact the profitability of ITV Studios	**Overview of Risk** Increasing competition and challenging advertising market conditions impact our revenue stream	**Overview of Risk** Evolving viewer dynamics, encompassing both shifting audience preferences and broader media ecosystem transformations may impact our ability to deliver the forecasted viewership for both linear and streaming resulting in failure to monetise and deliver against Commercial revenue targets
Evolving Risk Landscape • Content spend cuts from FTA broadcasters and streamers • Inability to grow streamer customer base as they become a growing part of the content market • Increased pressure on our pricing, rights and production premium • Stable tax credit policies are essential to fund and deliver high-quality PSB content	**Evolving Risk Landscape** • Structural decline in broadcast advertising demand • Increased competition for market share from the larger streamer's ad tiers and online video • Challenges in replacing advertising revenue lost as a result of the confirmed restrictions on High in Fat, Salt or Sugar (HFSS) product advertising and potential restrictions on other advertising categories (e.g. gambling and high carbon products)	**Evolving Risk Landscape** • Structural decline in linear viewing • Rising costs associated with delivering a content pipeline needed to meet evolving viewer preferences • Increased competition for digital viewing, impacting our ability to scale ITVX at a pace that meets strategic and financial objectives • Challenges in maximising prominence, inclusion and securing/renegotiating favourable carriage terms • Failure to attract and retain key talent
Actions Taken & Risk Management Approach • Continue to monitor our portfolio mix, resulting in the addition of Hartswood and Eagle Eye to our portfolio • Launched Zoo 55 to boost digital content and extend our IP to new frontiers • Scaled presence and engagement via new channels and improved digital social content • Gained FAST and AVOD market share with brand and thematic channels in key territories • Exploiting our IP across gaming platforms and the metaverse • Continued to invest in our Digital Innovation Hub to enable growth and amplify brands • Continue to review our operating model in light of changing market conditions • Continued to invest in developing, attracting and retaining world-class creative talent • Continued to grow and maintain relationships with a diverse customer base, including global streamers • Continued to seek opportunities to increase market share and drive efficiencies across our productions	**Actions Taken & Risk Management Approach** • Continue to enhance our integrated advertising proposition, offering mass reach, data-driven targeted addressability, creative brand integration and outcome-based advertising products • Continue to invest and extend Planet V to offer unrivalled addressability at scale • Continue to offer a unique creative proposition to advertisers through brand partnerships, product placements, sponsorships, advertiser funded programmes and digital solutions • Continue to invest in an outcomes proposition that enables advertisers to measure the effectiveness of their campaigns • Continue to build strategic partnerships with advertisers and agencies • Continue to monitor the actual and potential advertising restrictions • Continue to explore revenue diversification, including the launch of Kerching, our YouTube Strategy and growing our Media for Equity portfolio	**Actions Taken & Risk Management Approach** • Agreed a new distribution and commercial partnership with YouTube to maximise audience reach and viewing • Continued ITVX investment, including personalisation to drive viewing • Continue to evolve our partnership and distribution strategy to effectively position ourselves where our viewers are • Continue to collaborate with Ofcom to modernise the PSB regulatory regime • Collaborated with the other PSBs to develop a compelling consumer-controlled entry point to our content in readiness for the shift to IP-only viewing through Freely • Focused on commissioning, showcasing and marketing high-quality accessible content across key genres (live sports, drama and entertainment) using audience insights, innovative funding models (e.g. partnerships, advertiser-funded programmes, co-productions) and strong studio relationships to manage rising costs and secure key talent

Performance & Monitoring	Performance & Monitoring	Performance & Monitoring
• ITV Studios total organic revenue growth • ITV Studios adjusted EBITA margin % • Total high-end scripted hours • Number of formats sold in three or more countries • % of ITV Studios total revenue from streaming platforms	• Total Advertising Revenue (TAR) • Digital Revenue • Category spend	• Monthly Active Users (MAUs) • Total Streaming Hours & UK Subscribers • Share of commercial viewing • Share of Top 1,000 commercial broadcast TV Programmes • Ad viewing time trends

4. DATA	5. POLICY & REGULATION	6. CORPORATE COMPLIANCE
Sponsor: General Counsel and Company Secretary	Sponsor: Group Director of Strategy, Policy & Regulation	Sponsor: General Counsel and Company Secretary
Overview of Risk Failure to ensure appropriate access to consistent and trustworthy data and remaining compliant with our regulatory obligations. We must ensure the whole of ITV follows the applicable data regulations while anticipating and adequately preparing for future ones	**Overview of Risk** We engage with regulators and policymakers to shape future regulations that protect viewers while ensuring Public Service Broadcasters (PSBs) can compete fairly and fulfil their obligations. Compliance with evolving regulation is essential to maintaining trust and delivering our strategy	**Overview of Risk** We seek to remain compliant with applicable laws and regulations. Key areas of activity relate to compliance with relevant legislation in respect of anti-bribery & corruption, anti-money laundering, fraud, the prevention of facilitation of tax evasion, sanctions and competition
Evolving Risk Landscape • Using data for decision making without understanding its quality, accuracy, validity, ownership or legality, and retaining data beyond its intended purpose • Failing to comply with data protection laws or regulations that apply to ITV • Unintentional data exposure (corporate or personal) as a result of insufficient employee awareness of data governance and data privacy policies and legislative requirements • Personal data breaches from sophisticated cyber-attacks	**Evolving Risk Landscape** • Regulation failing to keep pace with the market changes • Adapting to evolving regulatory requirements • Political shifts leading to significant policy or regulatory changes • Non-compliance with standards, rules and obligations • Meeting ongoing Public Service Broadcaster (PSB) requirements	**Evolving Risk Landscape** • Third parties or colleagues engaging in unlawful or non-compliant activities while employed by or providing services for or on behalf of ITV • Inadequate operational systems to drive and support the execution of a consistent third-party risk management process • Lack of clear and appropriate communications fostering a culture of compliance in the business
Actions Taken & Risk Management Approach • Data use and management are structured around three core pillars – Privacy by design, Security by design and Value by design • Data Protection Impact Assessments are conducted where the processing of personal data is deemed a ‘high risk’ • A dedicated Data Privacy team partners with business units, monitors data use and provides training on data obligations • Established policies and procedures define expected data handling practices across the organisation • Mandatory data privacy training, awareness campaigns and specific training for teams • Third-party due diligence and contractual agreements are implemented prior to onboarding • An Artificial Intelligence policy and oversight process are in place • Horizon scan and monitoring new regulations, codes of conduct and legislation are performed • Data dependency mapping on the analytics data platform provides transparency and control of data flows	**Actions Taken & Risk Management Approach** • Continuously monitoring potential policy, legal and regulatory developments • Assessing the impact of potential changes and proactively advocating our position during policy and legislative development • Engaging with government and regulators on the PSB regime and other industry-related topics • Actively participating in consultations and collaborating with industry stakeholders where appropriate, in line with competition law (e.g. in relation to the Ofcom and DCMS processes looking at the future of TV distribution) • Conducting horizon scanning to identify future regulatory changes, assessing their impact and defining our strategic response (e.g. engaging on the future framework for AI regulation and Intellectual Property (IP))	**Actions Taken & Risk Management Approach** • A culture of ethical conduct and open communication is fostered through the organisation’s Code of Conduct • The compliance programme is continuously evolved based on findings from risk assessments, monitoring, and internal audits • Support is provided to business units for the adoption and implementation of compliance policies and standards, including the ongoing alignment of international markets and integration of new acquisitions • Due diligence is conducted on third parties, including high-risk suppliers • Horizon scanning is performed to anticipate legislative and regulatory changes, and policies and procedures are developed to address them • Good compliance behaviour is promoted through the organisation’s culture and mandatory training for employees and freelancers • Through the Code of Ethics & Conduct, colleagues are aware of expected standards and encouraged to report concerns
Performance & Monitoring • Mandatory Data Protection Training • Data Subject Requests • Total Investigated Incidents • Data Protection Impact Assessments	**Performance & Monitoring** • Regulatory outlook	**Performance & Monitoring** • Speaking Up reporting statistics • Mandatory Training

7. CYBER SECURITY	8. ARTIFICIAL INTELLIGENCE	9. PEOPLE
Sponsor: Chief Technology Officer	Sponsor: Chief Technology Officer	Sponsor: Chief People Officer
Overview of Risk Failure to protect ITV’s systems, content, colleagues, viewers and partners from cyber security threats could result in financial loss, operational disruption and reputational damage	**Overview of Risk** Failure to adopt and integrate Generative AI (GenAI) effectively could impact our ability to remain competitive in a rapidly evolving market. We are actively learning, experimenting and shaping responsible use of AI to ensure teams can leverage its benefits safely and with confidence	**Overview of Risk** An inability to attract, develop and retain key creative, commercial, technical and managerial talent could adversely affect our business
Evolving Risk Landscape • Increasing cyber-attacks from organised threat groups targeting ITV • Exposure to third-party vulnerabilities that could compromise our systems • Legacy IT infrastructure reaching end-of-life • IT infrastructure within Labels operating independently from Group security controls	**Evolving Risk Landscape** • Ineffective AI adoption could reduce efficiency and competitiveness, limiting innovation and market responsiveness • GenAI misuse risks regulatory breaches, data privacy violations and sensitive information exposure • GenAI use in creative processes may dilute originality, disengaging audiences • IP leaks could undermine exclusivity • Adapting to the evolving AI regulatory requirements, including the EU AI Act	**Evolving Risk Landscape** • Increasing competition for top talent in the industry • Rapid technological advancements creating workforce skill gaps • The actions of on-screen talent impacting ITV’s reputation and brand • Failure to maintain a diverse organisation hindering innovation, creativity and audience engagement
Actions Taken & Risk Management Approach • Implement a robust cyber security risk management framework (aligned with NIST) to protect our applications, systems and networks • Continuously monitoring external threats and gathering intelligence on evolving cyber-attack techniques, tactics and capabilities • Investing in advanced security defences to detect and respond to threats before they escalate into incidents • Promoting a strong security culture through awareness campaigns and mandatory training for colleagues • Conducting due diligence on third parties and continuously monitoring applications and technical security controls • Modelling a severe but plausible hypothetical cyber-attack scenario annually • Facilitating cyber simulation exercises with the Group Executive Committee to test response strategies and drive continuous improvement • Strengthening recovery capabilities to ensure resilience and minimal business disruption in the event of a cyber incident	**Actions Taken & Risk Management Approach** • Established a Responsible Use of GenAI Policy, outlining ethical principles and governance for GenAI adoption. • Developed ethical AI guidelines ensuring GenAI enhances, not replaces, human creativity • Defined approved AI tools and use cases for safe, effective application • Secured licensed GenAI tools protecting content, data and business information • Following a successful pilot, Gemini will be rolled out across ITV in 2025 to increase productivity in daily tasks (e.g. emails) • Our AI Committee supports the ExCo to oversee AI adoption and ensure compliance with legal, ethical and business priorities • AI inventory identified in the technology estate • Strengthening cyber security, monitoring and IP protection measures to prevent leaks • Ongoing AI policy horizon scanning • Commissioned an independent AI governance Internal Audit to enhance our AI strategy and roadmap • Determining the Group’s risk appetite for AI across the range of use cases	**Actions Taken & Risk Management Approach** • Continuously enhancing our Employee Value Proposition to attract and retain top talent • Evolving our approach to mandatory training and speaking up to ensure a safe and inclusive workplace • Developing succession plans for critical roles, including designated deputies • Investing in future talent development, including the High Potential Programme to identify emerging leaders, the RISE Programme to support the career growth of people of colour, Digital Skills Programme to develop key capabilities for the future and the ITV Academy to provide industry-leading production training • A Global Employee Assistance Programme for permanent, fixed-term and freelance colleagues, as well as their dependants • Fostering an inclusive culture and creating opportunities through initiatives such as Disability Access Passports, Amplify, Fresh Cuts and Step Up 60 • Running regular engagement surveys and targeted pulse surveys to gather insights and drive improvements
Performance & Monitoring • Attack path stats (by severity) • Endpoint-related incidents (No. per quarter and trends) • ITVX Bot Attacks • Minimum Viable Company (MVC) Recovery Capability • Third-party assessment (critical suppliers)	**Performance & Monitoring** • Regulatory outlook • GenAI use cases	**Performance & Monitoring** • Resignation Index • New Hires (Women, Disability, People of Colour and LGBTQ+) • Diversity Data (Demographic and disability information)

10. DUTY OF CARE	11. THIRD-PARTY RISK MANAGEMENT	12. OPERATIONAL RESILIENCE
Sponsor: Chief Executive Officer	Sponsor: Chief Finance Officer/Chief Operating Officer	Sponsor: Chief Finance Officer/Chief Operating Officer
Overview of Risk Failure to extend an adequate duty of care or the occurrence of a major health and safety incident could result in physical or mental harm, loss of life and reputational damage	**Overview of Risk** ITV's diverse third-party network creates potential risks to operational resilience, data security, regulatory compliance, financial stability and reputation. Robust Third Party Risk Management (TPRM) is essential to mitigate and monitor these risks throughout the third-party lifecycle	**Overview of Risk** ITV's operational resilience is critical. Disruption to key systems or infrastructure could cause service outages, impacting revenue and reputation
Evolving Risk Landscape • Failure to appropriately support individuals working with ITV in our pursuit of editorial content that is relevant and entertaining • Failure to adequately consider the impact our content could have on society	**Evolving Risk Landscape** • Disruptions to broadcasting, content production or critical services due to third-party failure • Unauthorised access, loss or corruption of sensitive data due to vulnerabilities in third-party systems or processes • Non-compliance with relevant laws and regulations by third parties, exposing ITV • Negative publicity or damage to ITV's brand and reputation stemming from actions or failures of associated third parties	**Evolving Risk Landscape** • IT system resilience/redundancy weaknesses could cause service disruptions • Inadequate/untested disaster recovery plans for critical systems may prolong service restoration • Ineffective operational business continuity plans may hinder essential services maintenance • Reliance on third parties for critical services (e.g. broadcast transmission), introduces risks outside of ITV's direct control
Actions Taken & Risk Management Approach • Strengthening awareness of our Speaking Up Framework, allowing anyone working for or with us to raise concerns confidentially, supported by regular communications and mandatory duty of care training • Implementing a comprehensive operational risk management process to identify and mitigate risks to physical and mental wellbeing • Expanding the ITV Feel Good Offering, providing advice, support and resources for colleagues to maintain a balanced and healthy work life • Continuously evolving our Participant Aftercare Programme to provide long-term support for individuals involved in productions • Supporting participants through initiatives such as Participant Crisis Care Stabilisation, an Out-of-Hours Welfare Helpline and access to specialist care through a leading healthcare provider • Partnering with the BBC to develop an Industry Media Psychologist Development Programme • Running social purpose campaigns that support public wellbeing, including the award-winning Britain Get Talking campaign • Proactively monitoring and addressing historical issues to strengthen and evolve our Duty of Care policies	**Actions Taken & Risk Management Approach** • Perform pre-engagement due diligence covering financial stability, operational resilience, security controls and regulatory compliance • Ongoing monitoring of third-party performance and risk profiles, including automated monitoring through the Prevalent platform, to identify emerging risks and trigger appropriate action • Incorporating clear contractual obligations and performance standards into agreements with third parties, including service level agreements (SLAs) and exit strategies • Establishing clear roles and responsibilities for TPRM, with regular reporting to senior management and the Risk Committee • Continuously enhancing the TPRM framework based on industry best practices, regulatory changes, and lessons learned. This includes ongoing input from risk domain leads • Maintaining a Supplier Code of Conduct that sets out the minimum standards expected of all suppliers, covering areas such as ethical conduct, human rights, and environmental sustainability	**Actions Taken & Risk Management Approach** • Regular testing of major incident scenarios, including those related to critical IT systems and broadcast infrastructure, is conducted, particularly ahead of major live events. This testing informs the ongoing development and refinement of business continuity and disaster recovery plans • We are continuously working to define and understand our minimum viable company and ensure our recovery capabilities align with it • We invest in strengthening the resilience and redundancy of our key IT systems and infrastructure to minimise the likelihood and impact of failures • We actively manage our relationships with broadcast chain partners and other critical suppliers, including regular performance reviews and joint contingency planning, to ensure they maintain appropriate levels of operational resilience • We continuously monitor operational performance and review our risk management framework to identify potential vulnerabilities and emerging threats. This includes staying informed of the evolving threat landscape and adapting our strategies accordingly
Performance & Monitoring • Speaking Up data • Accident/Incident data	**Performance & Monitoring** • Critical Third Party Risk Assessments	**Performance & Monitoring** • System Availability • Disaster Recovery Test Outcomes • Business Continuity Plans • Major Operational Incidents

Long-term Viability Statement (LTVS) Disclosure

How we assess prospects and risks

The Board continually assesses ITV's prospects and risks at its meetings, including:

- Holding 'Strategy Days' twice a year, to oversee the delivery of the Strategy and consider changes or new initiatives
- Considering ad hoc topics on aspects of the strategy at Board meetings
- Performing a robust assessment of the principal and emerging risks twice a year.

As part of the assessment of prospects and risks, the Board and management routinely receive briefings and consider topics related to changing viewer habits, competitor strategies, the broadcasting advertising market and developments in the global content market. It is also kept informed of ITV's resilience to environmental and climate-related risks; technological advancements in the areas of Generative Artificial Intelligence (AI) and how the ITV Strategy responds to these; and sessions led by external analysts on investors' perceptions of the ITV business.

The Board and management remained focused on assessing the impact of the current macroeconomic environment on the business. This included identifying cost interventions/mitigations to respond to possible severe downside scenarios, and increasing the focus and detail provided in financial performance reviews and reforecasting to track performance. These efforts have been reinforced by our ongoing efficiency programme, which supports long-term resilience and operational effectiveness.

How we assess viability

When assessing the longer-term viability of ITV, we considered:

- ITV's strategy and business plan
- The principal risks and uncertainties
- The Group's financing facilities including covenant clauses and future funding plans The long-range financial plan and cash forecast
- Other sensitivity factors or risks which have the potential to materially impact liquidity and/or covenant headroom in the assessment period.

Based on this review a set of hypothetical severe but plausible scenarios was developed. These scenarios have then been modelled against the first three years of the long range financial plan and cash forecast, both individually and collectively, in order to assess viability.

Whilst all principal risks identified could have an impact on ITV's performance, the scenarios reflect the specific risks which could potentially impact the Group's financial position and viability during the period to 31 December 2027.

The output from this modelling was reviewed by the Audit and Risk Committee in detail, with a report from the Committee to the Board to support the Board's review and approval. In reaching its view, the Board and Committee also considered external views, including analyst and other industry commentary, to understand the wider market views on the Group's future prospects, and the external auditor's findings and conclusions on this matter.

Assessment period for viability

The Board is of the view that a three year assessment period (to 31 December 2027) continues to be the most appropriate. The factors the Board considered in adopting this timeframe were as follows:

- ITV's long-range financial and strategic planning cycle
- Visibility over ITV's advertising business is short term. Advertising remains cyclical and closely linked to the UK and global economic growth and impacted by the uncertain macroeconomic environment
- The commissioning process and life cycle of programming gives the Studios division a more medium-term outlook. However, while non-returning brands are replaced with new commissions, over time there is less visibility as programmes can experience changes in viewer demand or come to a natural expiration
- Technology in the media industry continues to rapidly change the demand for content and also how it is consumed
- ITV's business model does not typically necessitate investment in large capital projects that would require a longer-term horizon assessment or returns
- Pension funding, which is one of ITV's key funding obligations, is agreed triennially with the Trustees of the pension scheme

Assumptions applied

For the LTVS, we have assumed:

- EBITA impacts from LTVS scenarios flow through to cash in full except for tax savings at 25%, with the exception of settlement impacts (in scenarios 4 and 5) and scenario 5 remedial costs which are assumed to be disallowable for tax purposes
- Any settlements related to ongoing litigation or fines will be treated as exceptional items (and therefore excluded from covenant calculations)
- No acquisitions are made (consistent with 'Base case')
- Dividends of ~5p per share maintained throughout, resulting in ~£186 million of dividends paid out per year

We have also assumed that the Credit Suisse CDS facility of £300 million is available until mid-2026, and is replaced by the Natwest CDS facility, which increased from £50 million to £125 million on 1 January 2025 and will reach £200 million on 1 January 2026. This means CDS capacity is currently £425 million but will be £200 million from H2 2026 onwards.

Assessment scenarios

Taking into account current operational and financial performance, the Board has analysed the impact of the following hypothetically severe but plausible scenarios. These scenarios were assessed in isolation and as combinations of two or three risks. While the simultaneous occurrence of all scenarios is not regarded as plausible, an assessment of this extreme case was undertaken to understand ITV's resilience.

	Scenario Modelled
1+2	**A significant and sustained downturn in advertising revenue from 2025, as a result of a decline in the advertising market and linear viewing, driven by macroeconomic factors or increased competition from large streamers. In this scenario we also fail to replace the advertising revenue lost as result of the confirmed restrictions on High in Fat, Salt or Sugar (HFSS) and potential restrictions on other advertising categories (e.g. gambling and high-carbon products); and** **Additionally, our Streaming strategy fails to fully deliver the expected consumption hours (for the AVOD element) or subscriber growth (for the SVOD element), impacting revenue** Advertising revenues year-on-year (including AVOD) (2025 vs 2024 – 3%; 2026 vs 2025 – 9%; 2027 vs 2026 – 11%) Total EBITA impact in 2025 is £62 million, followed by an impact of £172 million in 2026 and £207 million in 2027. **Business area impacted:** Media & Entertainment **Link to Principal Risks**: Commercial, Changing Viewer Habits and Policy & Regulation
3	**A number of key programme brands within the ITV Studios division are not recommissioned and new format growth does not materialise** The scenario assumes key shows come to an end from 2025 (2025 EBITA impact: c. £16 million; 2026 EBITA impact c. £69 million and 2027 EBITA impact: c. £101 million). **Business area impacted:** Studios **Link to Principal Risks**: Content Market and Changing Viewer Habits
4	**ITV is subject to a cyber-attack which results in a major operational disruption, critical system outage or loss of intellectual property (IP), customer or business data** This scenario assumes that a class action is filed against ITV, following a major cyber-attack which results in a blank screen causing £100m of lost advertising revenue, which requires a substantial compensation payment and results in a £100 million fine from the Information Commissioner's Office (ICO). **Business area impacted:** Group **Link to Principal Risks**: Commercial, Data, Cyber Security and Operational Resilience
5	**Placeholder for major outflows related to litigation** This scenario does not refer to any specific ongoing litigation, with the impacts assessed in last year's statement now either crystallised or in plan, and includes a placeholder of a plausible but severe worst-case scenario outflow resulting from litigation of £30 million in 2026. **Business area impacted:** Group
6	**A combination of scenarios 1 to 3 above occurring simultaneously** This scenario would result in an EBITA impact of £78m in 2025, £241m in 2026 and £308m in 2027. Neither of our Revolving Credit Facility (RCF) covenants (Net Debt or Interest Cover) are breached at any time during the assessment period. **Business area impacted:** Group **Link to Principal Risks**: Content Market, Commercial, Changing Viewer Habits and Policy & Regulation

Further detail on how we mitigate the principal risks is provided in the risk and uncertainties section.

We have considered the impact of climate change risks and do not believe they would have a significant financial impact on the business in the assessment period. Please refer to our Climate-related Financial Disclosures report for further detail.

Viability assessment

Our balance sheet and liquidity position remain strong. At 31 December 2024, this comprised unrestricted cash of £427 million; undrawn Revolving Credit Facilities (RCF) of £500 million and £100 million available throughout the viability period; and undrawn bilateral facility/CDS of £350 million. This facility increased by £75 million to £425 million on 1 January 2025, a level maintained until the end of 2025. It will then increase to £500 million until the removal of one facility in mid-2026, following which we will maintain CDS capacity of £200 million.

During the viability period, the €600 million Eurobond maturing September 2026 is assumed to be refinanced.

We have considered both the individual scenarios and various combinations of the scenarios in order to assess viability. Our modelling concludes that if all scenarios were to occur concurrently (considered implausible), ITV would continue to pass all RCF-related covenants throughout the assessment period and retain considerable liquidity.

Potential mitigations

Mitigations available to management include withholding dividends, reductions or eliminations to staff bonuses or reducing content spend. However, no mitigations are required during the assessment period.

Viability Statement

Based on the above, the Board has a reasonable expectation that ITV will remain viable and be able to continue operations and meet its liabilities as they fall due over the three year period ending 31 December 2027. The assessment has been made with reference to ITV's strategy and the current position and prospects and risks.

The Strategic Report was approved by the Board and signed on its behalf by:

Chris Kennedy
Group CFO and COO
06 March 2025

Financial Information

In this section	The financial information have been presented in a style that attempts to make them less complex and more relevant to shareholders and other stakeholders. We have grouped the note disclosures into five sections: 'Basis of Preparation', 'Results for the Year', 'Operating Assets and Liabilities', 'Capital Structure and Financing Costs' and 'Other Notes'. Each section sets out the accounting policies applied in producing the relevant notes, along with details of any key judgements and estimates used. The purpose of this format is to provide readers with a clearer understanding of what drives financial performance of the Group. The aim of the text in boxes is to provide commentary on each section or note, in plain English.
Keeping it simple	Notes to the financial information provides information required by statute, accounting standards or Listing Rules to explain a particular feature of the financial information. The notes are a part of the financial information and will also provide explanations and additional disclosure to assist readers' understanding and interpretation of the Annual Report and the financial information.

Contents

Consolidated Income Statement

For the year ended 31 December	Note	**2024 £m**	2023 £m
Revenue	2.1	**3,488**	3,624
Operating costs	2.1	**(3,170)**	(3,386)
Operating profit		**318**	238
Presented as:			
Earnings before interest, tax and amortisation (EBITA) before exceptional items	2.1	**526**	404
Operating exceptional items	2.2	**(65)**	(77)
Amortisation and impairment	3.3, 3.6	**(143)**	(89)
Operating profit		**318**	238
Financing income	4.4	**51**	25
Financing costs	4.4	**(51)**	(70)
Net financing costs		**–**	(45)
Share of losses of joint ventures and associated undertakings	3.6	**(9)**	–
Profit on disposal of associates, joint ventures and subsidiary undertakings	3.5	**212**	–
Profit before tax		**521**	193
Taxation	2.3	**(115)**	16
Profit for the year		**406**	209
Profit/(loss) attributable to:			
Owners of the Company		**408**	210
Non-controlling interests	4.7.6	**(2)**	(1)
Profit for the year		**406**	209
Earnings per share			
Basic earnings per share	2.4	**10.4p**	5.2p
Diluted earnings per share	2.4	**10.3p**	5.2p

Consolidated Statement of Comprehensive Income

For the year ended 31 December	Note	2024 £m	2023 £m
Profit for the year		**406**	209
Other comprehensive (expense)/income:			
Items that are or may be reclassified to profit or loss			
Revaluation of financial assets	4.7.4	**(6)**	(1)
Net gain on cash flow hedges and costs of hedging	4.7.3	**7**	12
Exchange differences on translation of foreign operations	4.7.3	**(4)**	(42)
Income tax charge on items that may be reclassified to profit or loss	2.3	**(1)**	(3)
Items that will never be reclassified to profit or loss			
Remeasurement losses on defined benefit pension schemes	3.8	**(31)**	(35)
Income tax credit on items that will never be reclassified to profit or loss	2.3	**6**	9
Other comprehensive expense for the year, net of income tax		**(29)**	(60)
Total comprehensive income for the year		**377**	149
Total comprehensive income/(expense) attributable to:			
Owners of the Company		**379**	154
Non-controlling interests	4.7.6	**(2)**	(5)
Total comprehensive income for the year		**377**	149

Consolidated Statement of Financial Position

	Note	31 December 2024 £m	31 December 2023 £m
Non-current assets			
Property, plant and equipment	3.2	**237**	263
Intangible assets	3.3	**1,498**	1,542
Investments in joint ventures, associates and equity investments	3.6	**31**	68
Derivative financial instruments	4.3	**1**	1
Distribution rights	3.1.2	**35**	14
Contract assets	3.1.6	**4**	13
Defined benefit pension surplus	3.8	**162**	187
Other pension asset	3.8	**45**	48
Deferred tax asset	2.3	**7**	6
		2,020	2,142
Current assets			
Programme rights and other inventory	3.1.1	**371**	413
Trade and other receivables due within one year	3.1.3	**682**	630
Trade and other receivables due after more than one year	3.1.3	**81**	62
Trade and other receivables		**763**	692
Contract assets	3.1.6	**172**	189
Production inventories	3.1.7	**342**	234
Current tax receivable	2.3	**87**	111
Derivative financial instruments	4.3	**4**	4
Assets classified as held for sale	3.5	**–**	66
Cash and cash equivalents	4.1	**427**	340
		2,166	2,049
Current liabilities			
Borrowings	4.1, 4.2	**(10)**	(5)
Lease liabilities	4.6	**(15)**	(18)
Derivative financial instruments	4.3	**(3)**	(1)
Trade and other payables due within one year	3.1.4	**(899)**	(950)
Trade payables due after more than one year	3.1.5	**(33)**	(25)
Trade and other payables		**(932)**	(975)
Contract liabilities	3.1.6	**(234)**	(187)
Current tax liabilities	2.3	**(1)**	–
Provisions	3.7	**(134)**	(137)
		(1,329)	(1,323)
Net current assets		**837**	726
Non-current liabilities			
Borrowings	4.1, 4.2	**(723)**	(758)
Lease liabilities	4.6	**(90)**	(97)
Derivative financial instruments	4.3	**(20)**	(16)
Defined benefit pension deficit	3.8	**(25)**	(26)
Deferred tax liabilities	2.3	**(92)**	(59)
Other payables	3.1.5	**(63)**	(67)
Provisions	3.7	**(12)**	(17)
		(1,025)	(1,040)
Net assets		**1,832**	1,828

Attributable to equity shareholders of the parent company			
Share capital	4.7.1	**394**	406
Share premium	4.7.1	**174**	174
Merger and other reserves	4.7.2	**245**	211
Translation reserve	4.7.3	**79**	78
Fair value reserve	4.7.4	**(7)**	(2)
Retained earnings	4.7.5	**923**	919
Total equity attributable to equity shareholders of the parent company		**1,808**	1,786
Non-controlling interests	4.7.6	**24**	42
Total equity		**1,832**	1,828

Consolidated Statement of Changes in Equity

	Note	Attributable to equity shareholders of the parent company Share capital £m	Share premium £m	Merger and other reserves £m	Translation reserve* £m	Fair value reserve £m	Retained earnings £m	Total £m	Non-controlling interests £m	**Total equity £m**
Balance at 1 January 2024	4.7	**406**	**174**	**211**	**78**	**(2)**	**919**	**1,786**	**42**	**1,828**
Total comprehensive income/(expense) for the year										
Profit/(loss) for the year		–	–	–	–	–	408	408	(2)	**406**
Other comprehensive (expense)/income										
Revaluation of financial assets	4.7.4	–	–	–	–	(6)	–	(6)	–	**(6)**
Net gain on cash flow hedges and costs of hedging	4.7.3	–	–	–	7	–	–	7	–	**7**
Exchange differences on translation of foreign operations	4.7.3	–	–	–	(4)	–	–	(4)	–	**(4)**
Remeasurement loss on defined benefit pension schemes	3.8	–	–	–	–	–	(31)	(31)	–	**(31)**
Income tax (charge)/credit on other comprehensive (expense)/income	2.3	–	–	–	(2)	1	6	5	–	**5**
Total other comprehensive income/(expense)		–	–	–	1	(5)	(25)	(29)	–	**(29)**
Total comprehensive income/(expense) for the year		**–**	**–**	**–**	**1**	**(5)**	**383**	**379**	**(2)**	**377**
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Equity dividends		–	–	–	–	–	(198)	(198)	(9)	**(207)**
Movements due to share-based compensation	4.8	–	–	–	–	–	18	18	–	**18**
Movements in the employee benefit trust		–	–	–	–	–	(1)	(1)	–	**(1)**
Repurchase of shares	4.7.5	(12)	–	12	–	–	(200)	(200)	–	**(200)**
Tax on items taken directly to equity	2.3	–	–	–	–	–	2	2	–	**2**
Total transactions with owners		**(12)**	**–**	**12**	**–**	**–**	**(379)**	**(379)**	**(9)**	**(388)**
Changes in non-controlling interests	4.7.6	**–**	**–**	**22**	**–**	**–**	**–**	**22**	**(7)**	**15**
Balance at 31 December 2024	4.7	**394**	**174**	**245**	**79**	**(7)**	**923**	**1,808**	**24**	**1,832**

* See note 4.3 for further breakdown of Translation Reserve, including Hedging Reserve and Cost of Hedging Reserve

Consolidated Statement of Changes in Equity continued

	Note	Share capital £m	Share premium £m	Merger and other reserves £m	Translation reserve* £m	Fair value reserve £m	Retained earnings £m	Total £m	Non-controlling interests £m	**Total equity £m**
		Attributable to equity shareholders of the parent company								
Balance at 1 January 2023	4.7	**403**	**174**	**211**	**107**	**(1)**	**928**	**1,822**	**54**	**1,876**
Total comprehensive income/(expense) for the year										
Profit/(loss) for the year		–	–	–	–	–	210	210	(1)	**209**
Other comprehensive (expense)/income										
Revaluation of financial assets	4.7.4	–	–	–	–	(1)	–	(1)	–	**(1)**
Net gain on cash flow hedges and costs of hedging	4.7.3	–	–	–	12	–	–	12	–	**12**
Exchange differences on translation of foreign operations	4.7.3	–	–	–	(38)	–	–	(38)	(4)	**(42)**
Remeasurement loss on defined benefit pension schemes	3.8	–	–	–	–	–	(35)	(35)	–	**(35)**
Income tax (charge)/credit on other comprehensive income/(expense)	2.3	–	–	–	(3)	–	9	6	–	**6**
Total other comprehensive expense		–	–	–	(29)	(1)	(26)	(56)	(4)	**(60)**
Total comprehensive (expense)/income for the year		**–**	**–**	**–**	**(29)**	**(1)**	**184**	**154**	**(5)**	**149**
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Issue of shares	4.7.1	3	–	–	–	–	(2)	1	–	**1**
Equity dividends		–	–	–	–	–	(201)	(201)	(1)	**(202)**
Movements due to share-based compensation	4.8	–	–	–	–	–	16	16	–	**16**
Movements in the employee benefit trust		–	–	–	–	–	(5)	(5)	–	**(5)**
Tax on items taken directly to equity	2.3	–	–	–	–	–	(2)	(2)	–	**(2)**
Total transactions with owners		**3**	**–**	**–**	**–**	**–**	**(194)**	**(191)**	**(1)**	**(192)**
Changes in non-controlling interests	4.7.6	**–**	**–**	**–**	**–**	**–**	**1**	**1**	**(6)**	**(5)**
Balance at 31 December 2023	4.7	**406**	**174**	**211**	**78**	**(2)**	**919**	**1,786**	**42**	**1,828**

* See note 4.3 for further breakdown of Translation Reserve, including Hedging Reserve and Cost of Hedging Reserve

Consolidated Statement of Cash Flows

For the year ended 31 December	Note	£m	2024 £m	£m	2023 £m
Cash flows from operating activities					
Cash generated from operations before exceptional items	2.1		**447**		556
Cash flow relating to operating exceptional items:					
Operating exceptional items	2.2	**(65)**		(77)	
Increase in exceptional payables		**4**		9	
Cash outflow from exceptional items			**(61)**		(68)
Cash generated from operations			**386**		488
Defined benefit pension deficit funding	3.8	**(3)**		(40)	
Interest received		**25**		20	
Interest paid*		**(48)**		(51)	
Net taxation paid		**(27)**		(32)	
			(53)		(103)
Net cash inflow from operating activities			**333**		385
Cash flows from investing activities					
Acquisition of property, plant and equipment		**(14)**		(31)	
Acquisition of intangible assets		**(35)**		(39)	
Acquisition of subsidiary undertakings, net of cash acquired	3.4	**(13)**		(1)	
Acquisition of investments		**(11)**		(19)	
Proceeds from disposal of associates, joint ventures and subsidiary undertakings	3.5	**295**		–	
Dividends received from investments		**1**		3	
Loans granted to associates and joint ventures		**–**		(13)	
Loans repaid by associates and joint ventures		**23**		3	
Net cash inflow/(outflow) from investing activities			**246**		(97)
Cash flows from financing activities					
Bank and other loans – amounts repaid		**(437)**		(401)	
Settlement of derivatives***		**(10)**		(10)	
Bank and other loans – amounts raised		**431**		351	
Payment of lease liabilities**		**(20)**		(22)	
Issue of share capital		**–**		1	
Acquisition of non-controlling interests		**(47)**		(4)	
Dividends paid to non-controlling interests		**(9)**		(1)	
Equity dividends paid	4.7.5	**(198)**		(201)	
Repurchase of shares	4.7.5	**(199)**		–	
Net cash outflow from financing activities			**(489)**		(287)
Net increase in cash and cash equivalents			**90**		1
Cash and cash equivalents at 1 January	4.1		**340**		348
Effects of exchange rate changes and fair value movements			**(3)**		(9)
Cash and cash equivalents at 31 December	4.1		**427**		340

* Interest paid includes interest on bank, other loans, derivative financial instruments and lease liabilities

** Net cash flow on lease liabilities in note 4.1 and 4.6 of £25 million (2023: £26 million) includes interest on lease liabilities of £5 million (2023: £4 million), included in interest paid

*** Net cash flow from forwards and swaps held against the euro-denominated bond repaid in the year

Notes to the Financial Information
Section 1: Basis of Preparation

In this section	This section sets out the Group's accounting policies that relate to the financial information as a whole. Where an accounting policy is specific to one note, the policy is described in the note to which it relates. This section also shows new UK-adopted accounting standards, amendments and interpretations, and whether they are effective in 2024 or later years. We explain how these changes are expected to impact the financial position and performance of the Group.

The financial information consolidates ITV plc ('the Company') and its subsidiaries (together referred to as the 'Group') and the Group's interests in associates and jointly controlled entities. The Company is registered in England and Wales.

This Group financial information was prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The accounting policies have been applied consistently in the financial years presented, other than where new policies have been adopted.

The financial information is principally prepared on the basis of historical cost. Where other bases are applied, these are identified in the relevant accounting policy.

The parent company financial information has been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101').

The notes form part of the financial information.

Going concern
As at 31 December 2024, the Group was in a net debt position of £431 million (2023: £553 million), including gross borrowings of £858 million (2023: £893 million) offset by cash and cash equivalents of £427 million (2023: £340 million).

The Group has four committed facilities in place to maintain its financial flexibility, which includes a £500 million multilateral Revolving Credit Facility (RCF) which matures in January 2029. The Group also has £100 million of committed funding via a bilateral RCF, which matures in December 2028.

In October 2024, the Group entered into a new £200 million bilateral loan facility which matures in December 2030. Utilisations on this facility are also subject to the lender's ability to source ITV Credit Default Swaps (CDS). The new facility has a committed accreting profile which means the full £200 million will be available by 1 January 2026. At 31 December 2024, the Group had £50 million of the facility available.

The Group also has a bilateral financing facility of £300 million, which is free of financial covenants and matures on 30 June 2026.

At 31 December 2024, all of the facilities noted above were undrawn (31 December 2023: undrawn), which with cash and cash equivalents of £427 million, provided total liquidity of £1,377 million (31 December 2023: £1,240 million). This provides the Group with sufficient liquidity to meet the requirements of the business in the short to medium term under a variety of scenarios, including a severe but plausible downside scenario related to the Group's principal risks.

The two RCFs are subject to leverage and interest cover semi-annual covenant tests that require the Group to maintain a leverage ratio of below 3.5x and interest cover above 3.0x (measures as defined in the RCF documentation). As at 31 December 2024, the Group had covenant net debt of £314 million (2023: £415 million) and its financial position was well within its covenants. The leverage and interest cover tests will be tested again on 30 June 2025. For further information on covenants, see section 4.1.

In June 2024, the Group issued a €500 million bond, at a fixed coupon of 4.25% which matures in April 2032. The bond has been swapped back to £422 million using cross-currency swaps with 50% having a fixed coupon of 5.8% and 50% paying 184bps over SONIA. In conjunction with this bond issue, a liability management exercise was undertaken on the Group's €600 million 2026 bond in issue, with €240 million of this bond being repaid with the proceeds of the new €500 million bond. The swaps associated with the redeemed portion were also unwound. A £230 million term loan was taken out in August 2023, and drawn-down fully in December 2023. This term loan was fully repaid with the remaining proceeds of the €500 million bond issuance.

The Directors have prepared forecasts for three cash flow scenarios (mid, high and low cases), for the period of three years from 1 January 2025 (in line with the viability assessment period). The mid case scenario is based on the 2025 Board-approved budget and 2026 to 2027 strategic plan, also approved by the Board. The key assumptions in the scenarios relate to fluctuations in the advertising market due to audience and/or market decline and the evolving demand in the content market, specifically relating to content pipeline.

All scenarios have embedded inflationary impacts with increased production costs in the short to medium term as well as continued structural changes in the advertising market and viewing habits with increased focus on streaming. The Directors have also considered a number of sensitivities to the mid case scenario to arrive at severe but plausible downside scenarios that have been used to assess the appropriateness of preparing this consolidated financial information using the going concern basis. These sensitivities include settlements in respect of ongoing litigation, lost and/or delayed Studios productions, a failure to deliver the expected consumption hours or subscriber growth for Streaming and a decline in advertising revenue in comparison to 2024. The severe but plausible scenarios do not assume the adoption of a range of mitigations available to the Board.

The Directors propose a final dividend of 3.3 pence per share (2023: 3.3 pence), which equates to a full year dividend of 5.0 pence per share, subject to approval by shareholders at the AGM on 13 May 2025. The Directors intend to at least maintain this dividend over the medium term (this was included in all scenarios modelled). The Directors will continue to balance shareholder returns with a commitment to maintain investment grade credit metrics over the medium term and to continue to invest in the Group's strategy.

Consequently, after considering the severe but plausible scenarios, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of this consolidated financial information and therefore have prepared the consolidated financial information on a going concern basis.

Subsidiaries, joint ventures, associates and investments

Subsidiaries are entities that are directly or indirectly controlled by the Group. Control exists where the Group is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, potential voting rights that are currently exercisable or convertible are considered.

A joint venture is a joint arrangement in which the Group holds an interest under a contractual arrangement where the Group and one or more other parties undertake an economic activity that is subject to joint control. The Group accounts for its interests in joint ventures using the equity method. Under the equity method, the investment in the entity is stated as one line item at cost plus the investor's share of retained post-acquisition profits or losses, less any dividends received and other changes in net assets.

An associate is an entity, other than a subsidiary or joint venture, over which the Group has significant influence. Significant influence is the power to participate in, but not control or jointly control, the financial and operating decisions of an entity. These investments are also accounted for using the equity method.

Investments are entities where the Group concludes it does not have significant influence and are held at fair value unless the investment is a start-up business, in which case it is valued initially at cost as a proxy for fair value.

Current/non-current distinction

Current assets include assets held primarily for trading purposes, cash and cash equivalents, and assets expected to be realised in, or intended for sale or use in, the course of the Group's operating cycle. All other assets are classified as non-current assets.

Current liabilities include liabilities held primarily for trading purposes, liabilities expected to be settled in the course of the Group's operating cycle and those liabilities due within one year from the reporting date. All other liabilities are classified as non-current liabilities.

Classification of financial instruments

The financial assets and liabilities of the Group are classified into the following financial statement captions in the Consolidated Statement of Financial Position in accordance with IFRS 9 'Financial Instruments':

- Financial assets/liabilities at fair value through OCI – measured at fair value through other comprehensive income – separately disclosed as financial assets/liabilities in current and non-current assets and liabilities or equity investments in non-current assets
- Financial assets/liabilities at fair value through profit or loss – separately disclosed as derivative financial instruments in current and non-current assets and liabilities and included in other payables (put option liabilities and contingent consideration) or convertible loan receivable within other receivables
- Financial assets measured at amortised cost – separately disclosed as cash and cash equivalents and trade and other receivables
- Financial liabilities measured at amortised cost – separately disclosed as borrowings and trade and other payables

Judgement is required when determining the appropriate classification of the Group's financial instruments, requiring assessment of contractual provisions that do or may change the timing or amount of contractual cash flows. Details of the accounting policies for measurement of the above instruments are set out in the relevant note. Where unconditional rights to set off financial instruments exist, and the Group intends to either settle on a net basis or realise the asset and settle the liability simultaneously, the Group presents the relevant instruments net in the Consolidated Statement of Financial Position.

Recognition and derecognition of financial assets and liabilities

The Group recognises a financial asset or liability when it becomes a party to the contract. Financial instruments are no longer recognised in the Consolidated Statement of Financial Position when the contractual cash flows expire or when the Group no longer retains control of substantially all the risks and rewards under the instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with a maturity of less than or equal to three months from the date of acquisition. The carrying value of cash and cash equivalents is considered to approximate fair value.

Foreign currencies

The primary economic environment in which the Group operates is the UK and therefore the consolidated financial information is presented in pounds sterling ('£').

Where Group companies based in the UK transact in foreign currencies, these transactions are translated into pounds sterling at the exchange rate on the transaction date. Foreign currency monetary assets and liabilities are translated into pounds sterling at the year end exchange rate. Where there is a movement in the exchange rate between the date of the transaction and the year end, a foreign exchange gain or loss is recognised in the income statement. Non-monetary assets and liabilities measured at historical cost are translated into pounds sterling at the exchange rate on the date of the transaction.

The assets and liabilities of Group companies outside of the UK are translated into pounds sterling at the year end exchange rate. The revenue, expenses and other comprehensive income of these companies are translated into pounds sterling at the average monthly exchange rate during the year. Where differences arise between these rates, they are recognised in the translation reserve within other comprehensive income.

The Group's net investments in companies outside the UK may be hedged where the currency exposure is considered to be material. Hedge accounting is implemented on certain foreign currency firm commitments, for which the effective portion of any foreign exchange gains or losses is recognised in other comprehensive income (note 4.3).

Exchange differences arising on the translation of the Group's interests in joint ventures and associates are recognised in the translation reserve within other comprehensive income.

On disposal of a foreign subsidiary, an interest in a joint venture or an associate, the related translation reserve is released to the income statement as part of the gain or loss on disposal.

Where a forward currency contract is used to manage foreign exchange risk and hedge accounting is not applied, any impact of movements in currency for both the forward currency contracts and the assets and liabilities is taken to the income statement.

Accounting judgements and estimates

The preparation of financial information requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The current macroeconomic environment has caused considerable estimation and judgement to be applied, particularly in respect of pension obligations and discount rates used for impairment reviews.

Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

The areas involving material judgement or complexity and therefore may have a material impact on the financial information in the next 12 months are set out below. Additional detail on the judgements and sources of estimation uncertainty applied by management are set out in the accounting policies section of the relevant notes:

Area	Key judgements	Key sources of estimation uncertainty
Exceptional items (See note 2.2)	The classification of income or expenses as exceptional items	
Defined benefit pension (See note 3.8)		Estimates of the assumptions for valuing the defined benefit obligation
Provisions related to Box Clever (see note 3.7)	The basis for calculating the provision	Estimates of the amount required to settle the potential liability
Employee-related provisions (See note 3.7)	The individuals who are included in the calculation	Estimates of the amounts required to settle or assume the liability
Acquisition-related liabilities (See note 3.1.4 and 3.1.5)	Whether future amounts payable are linked to employment	Estimates of cash flow forecasts to support the calculation of the future liabilities
Transmission commitments (See note 3.1.1)	Whether the transponder capacity contracts should be classified as leases in accordance with IFRS 16	

In addition to the above, there are a number of areas which involve a high degree of estimation and are significant to the financial information but are not expected to have a material impact on them in the next 12 months. The key areas underlying estimation uncertainty include the estimation of net realisable values for programme rights, allocation of programme rights between linear and ITVX, impairment of goodwill and intangible assets and taxation. More detail on each of these items is given in the relevant notes.

The Directors recognise the climate crisis and the potential impact it may have on both the wider world and the success of ITV. The threat continues to evolve and businesses globally have a responsibility to take meaningful action to mitigate and prevent further climate change. The Directors are committed to reducing the impact of ITV on the environment. Climate-related risks have been identified as an emerging business risk; however, the Directors do not view them as a source of material estimation uncertainty for the Group. For further detail, see the Risks and Uncertainties section of the Strategic Report.

New or amended accounting standards

The following new standards and/or amendments were effective 1 January 2024, but have not had a significant impact on the Group's results or Consolidated Statement of Financial Position.

Accounting standard	Requirement	Impact on financial information
Amendments to IAS 1 'Presentation of Financial Statements'	The amendment clarifies the criteria for classifying liabilities with covenants as current or non-current. The amendment also requires additional disclosures for loan arrangements disclosed as non-current where the loans are subject to compliance with covenants within 12 months after the reporting date.	No material changes to the Group's classification of debt or related disclosures.
Amendments to IFRS 16 'Leases'	The amendments outline how a seller-lessee should account for a sale and leaseback after the date of the transaction.	No material changes to the Group's financial position or performance.
Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures'	The amendments enhance the disclosure requirements for supplier financing arrangements and their effects on a company's liabilities, cash flows and exposures to liquidity risk.	No material changes to the Group's financial position or performance.

Accounting standards effective in future periods

The Directors have considered the impact on the Group of new and revised accounting standards, interpretations or amendments that are not yet effective and do not expect them to have a significant impact on the Group's results and Consolidated Statement of Financial Position.

Base Erosion and Profit Shifting (BEPS) Pillar Two

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15% for large groups and for financial years beginning on or after 31 December 2023.

Based on analysis of the current year financial data, most territories in which the Group operates are expected to qualify for one of the safe harbour exemptions such that top-up taxes should not apply. In territories where this is not the case there is the potential for Pillar Two taxes to apply, but these are not expected to be material. Of the £115 million reported tax charge, £2 million is in respect of Pillar Two top-up taxes.

Changes to the current UK system of Creative Industry tax credits

On 29 November 2023, the UK government issued legislation to reform the then current system of Creative Industry tax credits to merge the four existing schemes (Film, High-End Television (HETV), Children's Television and Animation) into a single Audio-Visual Expenditure Credit (AVEC) scheme and has reviewed the qualifying criteria. The AVEC legislation was substantively enacted on 5 February 2024 and can be claimed on expenditure incurred from 1 January 2024.

The new scheme is one of expenditure credits as opposed to corporate tax relief, requiring a change to the accounting treatment to include them within statutory operating profit rather than within the consolidated tax charge.

Under the HETV regime the tax credits are treated as a credit to the tax line which results in the Group in the UK generally having a much reduced reported effective tax rate. The new AVEC regime treats the credits as taxable EBITA and has been designed to ensure that entities are in the same economic position post-tax as under the HETV regime.

The new AVEC regime can be utilised from 1 January 2024, however companies can continue to claim under the existing HETV regime until mid-2025. ITV has chosen to opt into the new expenditure credit regime, on production expenditure incurred in 2024, at the earliest opportunity where possible. Due to the timing of when expenditure occurred on productions, we will be claiming under both the HETV and AVEC regime for a period of time.

In 2024, total tax credits of £56 million were claimed, of which £16 million were claimed under the old HETV regime and £40 million (£53 million gross) were claimed under the AVEC regime. The impact of this has been to increase statutory EBITA by £53 million and statutory tax charge by £13 million, whilst increasing adjusted EBITA (one of the Group's APMs) by a further £16 million where HETV tax credits continue to be reclassed from the tax charge to Adjusted EBITA. Consequently, adjusted EBITA has increased by £13 million compared to the old HETV regime due to the AVEC claim being grossed up from £40 million to £53 million.

Section 2: Results for the Year

In this section	This section focuses on the results and performance of the Group. On the following pages, you will find disclosures explaining the Group's results for the year, segmental information, exceptional items, taxation and earnings per share.

2.1 Profit before tax

Keeping it simple	This section analyses the Group's profit before tax by reference to the activities performed by the Group and an analysis of key operating costs. Total revenue and adjusted earnings before interest, tax and amortisation (adjusted EBITA) (both as defined in the APMs section) are the Group's key performance and profit indicators. They reflect the way the business is managed and how the Directors assess the performance of the Group. This section therefore also shows each division's contribution to total revenue and adjusted EBITA.

The Group is a vertically integrated producer broadcaster and streamer, consisting of ITV Studios and Media & Entertainment (M&E).

ITV Studios

ITV Studios is a scaled and global creator, owner and distributor of high-quality TV content. It operates in 13 countries, across more than 60 labels, and has a global distribution network. It is diversified by genre, geography and customer in the key creative markets around the world. ITV Studios is the largest producer in the UK, one of the largest unscripted producers in the US and one of the top three producers in the majority of the international markets in which it operates. ITV Studios has established relationships with key content buyers and leading creative talent in those markets, and with a combined content library of over 95,000 hours, it is also one of the pre-eminent global distributors.

ITV Studios UK produces a diverse range of new and established scripted and unscripted titles for global streaming platforms and FTA broadcasters.

ITV Studios US provides scripted and unscripted content to all the major networks and cable channels in the US, along with every major streaming platform.

ITV Studios International produces original scripted and unscripted content across our non-UK and non-US production bases.

Global Partnerships monetises our portfolio of some of the world's most successful unscripted formats, as well as supporting the creation of new global formats. It also maximises commercial opportunities from its extensive catalogue of 95,000 hours, including through Zoo 55, its digital content business, and invests in the funding of scripted content produced by ITV Studios and selective third parties.

Media & Entertainment

ITV is the largest commercial broadcaster and streamer in the UK, delivering unrivalled audience scale and reach. Through M&E, we make content available to viewers through ITVX, our free advertiser-funded streaming service, our free-to-air linear TV channels and our third-party partners, enabling them to watch however and wherever they choose.

ITV offers advertisers a unique combination of mass reach, targeted advertising, and commercial and creative partnerships, in a brand-safe environment across ITVX and our linear TV channels. ITV also offers advertising around ITV's content on YouTube, providing increased scale and reach for advertisers.

Accounting policies

Revenue measurement and recognition

The Group derives revenue from the transfer of goods and services. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

Customer contracts can have a wide variety of performance obligations, from production contracts to format licences and distribution activities. For these contracts, each performance obligation is identified and evaluated. Under IFRS 15 the Group needs to evaluate if a format or licence represents a right to access the content (revenue recognised over time) or represents a right to use the content (revenue recognised at a point in time). The Group has determined that most format and licence revenues are satisfied at a point in time due to there being limited ongoing involvement in the use of the licence following its transfer to the customer.

The transaction price, being the amount to which the Group expects to be entitled and has rights to under the contract, is allocated to the identified performance obligations. The transaction price will also include an estimate of any variable consideration where the Group's performance may result in additional revenues. Variable consideration is estimated based on the achievement of agreed targets, such as audience targets. Variable consideration is recognised only to the extent that it is highly probable that a significant reversal of revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Revenue is stated exclusive of VAT and equivalent sales taxes.

Complexity in advertising revenue measurement and recognition is driven by a combination of automated and manual processes involved in measuring the value delivered to the customer and therefore the value of variable consideration due.

In assessing the transaction price, any non-cash consideration received from a customer is included. Non-cash consideration is measured at fair value. It takes into account the value of what the Group is receiving rather than the value of what the Group is giving up.

Complex one-off contracts in all classes of revenue are assessed individually and judgement is exercised in identifying performance obligations and allocating price to them. Timing of revenue recognition is another area of judgement particularly in respect of contracts in the ITV Studios division to assess whether revenue should be recognised at a point in time or over time.

Revenue recognition criteria for the key classes of revenue are as follows:

Segment	Major classes of revenue and revenue recognition policy	Payment terms
ITV Studios		
Programme production	• Revenue generated from the programmes produced for broadcasters and streaming platforms in the UK, US and internationally is recognised at the point of delivery of an episode and acceptance by the customer. Revenue from producer for hire contracts, where in an event of cancellation, cost is recovered plus a margin, is recognised over time, over the term of the contract	• Payment term is over the term of the contract
Format licences	• A licence is granted for the exploitation of a format in a stated territory, media and period. Licence revenue is recognised when the licence period has commenced (point in time)	• Payment term is over the term of the contract
Programme distribution rights	• A licence is granted for the transmission of a programme in a stated territory, media and period and revenue is recognised at the point when the contract is signed, the content is available for download and the licence period has started (point in time)	• Payment term is over the term of the contract

Segment	Major classes of revenue and revenue recognition policy	Payment terms
Media & Entertainment		
Total advertising revenue	• Net advertising revenue is generated from selling spot airtime on linear TV and is recognised at the point of transmission • Online advertising revenue from video on demand is generated from selling advertising on ITVX and is recognised at the point of delivery • Revenue from the sponsorship of programmes across ITV linear channels and online is recognised over the period of transmission	• Received in the month after transmission • Received in the month after campaign is delivered • Received prior to transmission
Subscriptions	• Revenue from subscription services is recognised over the subscription period	• Payment term is over the term of the contract or subscription period
SDN	• Revenue is generated from the carriage fee or capacity of the digital multiplex and is recognised over the term of the contract	• Payment term is over the term of the contract
Partnerships and other revenue	• Revenue from platforms such as Sky and Virgin Media O2, and third-party commissions. Revenue related to performance obligations delivered over time (e.g. provision of HD and SD channels and updated library content) are recognised over the term of the contract while revenues related to one-time provision of content are recognised on delivery of the content (point in time) • Interactive revenue is earned from entries to competitions and is recognised as the event occurs (point in time) • Minorities revenues is the revenue received from Channel 3 licencees that are not part of the ITV Group. The performance obligations are delivered as programming is delivered to the licensee and revenue is recognised over the term of the contract (over time) • Other categories of revenues within 'Partnerships and other revenue' are individually immaterial	• Payment term is over the term of the contract • Payment term is within two months of the competition being aired • Payment term is over the term of the contract

The results for the year aggregate these classes of revenue into the following categories:

	2024 £m	2024 % of total	2023 £m	2023 % of total
ITV Studios UK*	**868**		962	
ITV Studios US	**391**		395	
ITV Studios International	**380**		445	
Global Partnerships	**399**		368	
Total ITV Studios**	**2,038**	**49%**	2,170	51%
Total advertising revenue (TAR)	**1,820**	**44%**	1,778	42%
Subscriptions	**48**		59	
SDN	**43**		48	
Partnerships and other revenue	**191**		205	
Media & Entertainment	**2,102**	**51%**	2,090	49%
Total revenue***	**4,140**		4,260	

* ITV sports production transferred from Media & Entertainment to ITV Studios UK with effect from 1 January 2024. Revenue of £55 million relating to sports production has been recognised in ITV Studios total revenue for the year, of which £53 million is eliminated in intersegment revenue below

** ITV Studios UK, ITV Studios US and Studios International revenues are mainly programme production. Global Partnerships revenue is from programme distribution rights, format licences and gaming, live events and merchandising

*** Includes internal supply as discussed in the APMs

Digital revenues, which is reported within M&E revenue, of £556 million (2023: restated £498 million) include digital advertising revenue and subscription revenue, digital sponsorship and partnership revenue, ITV Win and other revenues from digital business ventures. 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.

Segmental information

Operating segments, which have not been aggregated, are determined in a manner that is consistent with how the business is managed and reported to the Executive Committee and Board. The Executive Committee is regarded as the chief operating decision-maker and considers the business, primarily from an operating activity perspective.

The Group's segments are Media & Entertainment and ITV Studios, the results of which are outlined in the following tables:

	ITV Studios 2024 £m	Media & Entertainment 2024 £m	Consolidated 2024 £m
Total segment revenue	**2,038**	**2,102**	**4,140**
Intersegment revenue*	**(646)**	**(6)**	**(652)**
Revenue from external customers	**1,392**	**2,096**	**3,488**
Adjusted EBITA**	**299**	**250**	**549**
Unrealised profit in stock adjustment			**(7)**
Group adjusted EBITA***			**542**

	ITV Studios 2023 £m	Media & Entertainment 2023 £m	Consolidated 2023 £m
Total segment revenue	2,170	2,090	4,260
Intersegment revenue*	(629)	(7)	(636)
Revenue from external customers	1,541	2,083	3,624
Adjusted EBITA**	286	205	491
Unrealised profit in stock adjustment			(2)
Group adjusted EBITA***			489

* Intersegment revenue originates mainly in the UK

** Adjusted EBITA is EBITA adjusted to exclude exceptional items and includes the benefit of production tax credits under the HETV scheme. Expenditure credits under the new Audio-Visual Expenditure Credit ('AVEC') are now reported within EBITA. Further details on AVEC are provided in the APMs and in Section 1. Adjusted EBITA is also stated after the elimination of intersegment revenue and costs

*** Group adjusted EBITA removes the profit recorded in the ITV Studios business related to content sold to the Media & Entertainment business but unutilised and held on the balance sheet at the year end. A reconciliation of Group adjusted EBITA to statutory profit before tax is provided in the Finance Review

The Group's principal operations are in the United Kingdom. Revenue from external customers in the United Kingdom is £2,204 million (2023: £2,272 million) and revenue from external customers in other countries is £1,284 million (2023: £1,352 million), of which revenue of £662 million (2023: £641 million) was generated in the US. The Operating and Financial Performance Review provides further detail on ITV's international revenues.

Intersegment revenue, which is earned on arm's length terms, is predominantly generated from the supply of ITV Studios programmes to Media & Entertainment for transmission primarily on the ITV network. This revenue stream is a measure that informs the Group's strategic priority of building a strong international content business, as producing and retaining rights to the shows broadcast on the ITV network benefits the Group further from subsequent international content and format sales.

In preparing the segmental information, centrally managed costs have been allocated between reportable segments on a methodology driven principally by revenue, headcount or building occupancy of each segment. This is consistent with the basis of reporting to the Board of Directors.

There are two media buying agencies (2023: one) acting on behalf of a number of advertisers that represent the Group's major customers. These agencies are the only customers that individually represent over 10% of the Group's revenue from external customers. Revenue of approximately £481 million (2023: £478 million) and £371 million respectively was derived from these customers in 2024. This revenue is attributable to the Media & Entertainment segment.

The following table shows the total of non-current assets other than financial instruments, deferred tax assets, and pension assets broken down by location of the assets:

	2024 £m	2023 £m
UK	**1,352**	1,372
US	**336**	391
Rest of the world	**117**	137
Total non-current assets	**1,805**	1,900

Timing of revenue recognition

The following table includes classes of revenue from contracts disaggregated by the timing of recognition:

	2024 £m	2023 £m	**2024 £m**	2023 £m
	Products and services transferred at a point in time		Products and services transferred over time	
Total advertising revenue, subscriptions, SDN and other M&E revenue	**1,797**	1,755	**299**	328
Programme production, programme distribution rights	**970**	1,187	**342**	266
Format licences	**76**	82	**4**	6
Total external revenue	**2,843**	3,024	**645**	600

Forward bookings

The following table includes revenue from contracts signed before the reporting date that is to be recognised in periods after the reporting date (i.e. the performance obligations remain unsatisfied or partially unsatisfied at the reporting date):

	2025 £m	2026 £m	2027 £m	Beyond £m
Media & Entertainment	83	62	32	14
ITV Studios	192	34	10	–
Total revenue	**275**	**96**	**42**	**14**
Internal supply	**(52)**	**–**	**–**	**–**
Total external revenue	**223**	**96**	**42**	**14**

The Group applies the practical expedients in IFRS 15 and, therefore, does not disclose information about remaining performance obligations that have original expected durations of less than one year or where the price is not yet known (e.g. net advertising revenue (NAR)).

Group adjusted EBITA

The Directors assess the performance of the reportable segments based on a measure of adjusted EBITA. The Directors use this non-IFRS measurement basis as it excludes the effect of transactions that could distort the understanding of the Group's performance for the year and comparability between periods. See the Operating and Financial Performance Review on pages 16 to 30 for the detailed explanation of the Group's use of adjusted performance measures.

A reconciliation of Group adjusted EBITA to statutory profit before tax is provided as follows:

	Note	2024 £m	2023 £m
Group adjusted EBITA		**542**	489
Production tax credits		**(16)**	(85)
EBITA before exceptional items*		**526**	404
Operating exceptional items	2.2	**(65)**	(77)
Amortisation and impairment		**(143)**	(89)
Operating profit		**318**	238
Net financing costs	4.4	**–**	(45)
Share of losses of joint ventures and associated undertakings		**(9)**	–
Profit on disposal of associates, joint ventures and subsidiary undertakings		**212**	–
Statutory profit before tax		**521**	193

* The new Audio-Visual Expenditure Credit ('AVEC') legislation was substantively enacted on 5 February 2024 and can be claimed on expenditure incurred from 1 January 2024. The new scheme is one of expenditure credits as opposed to corporate tax relief therefore requiring a change to the accounting treatment. These credits are now reported within EBITA before exceptional items rather than within the consolidated tax charge. The impact of adopting the new legislation for production expenditure incurred in 2024 has resulted in an increase of £53 million to EBITA before exceptional items and an increase to Group adjusted EBITA of £13 million. Further details on AVEC are provided in the APMs and Section 1.

Cash generated from operations

A reconciliation of profit before tax to cash generated from operations before exceptional items is as follows:

	Note	2024 £m	2023 £m
Cash flows from operating activities			
Statutory profit before tax		**521**	193
Add back:			
Profit on disposal of associates, joint ventures and subsidiary undertakings		**(212)**	–
Share of losses of joint ventures and associated undertakings		**9**	–
Net financing costs	4.4	**–**	45
Operating exceptional items	2.2	**65**	77
Depreciation of property, plant and equipment (net of exceptional items)	3.2	**47**	46
Amortisation and impairment		**143**	89
Share-based compensation	4.8	**18**	16
Decrease/(increase) in programme rights and distribution rights		**18**	(33)
(Increase)/decrease in receivables, contract assets and production inventories		**(177)**	274
Increase/(decrease) in payables and contract liabilities		**15**	(151)
Movement in working capital		**(144)**	90
Cash generated from operations before exceptional items		**447**	556

Operating costs

The major components of operating costs of £3,170 million (2023: £3,386 million) are content costs of £1,268 million (2023: £1,293 million), other net costs of production of £1,245 million (2023: £1,496 million), staff costs of £402 million (2023: £385 million), depreciation, amortisation and impairment of £190 million (2023: £135 million) and operating exceptional items of £65 million (2023: £77 million).

Staff costs

Staff costs can be analysed as follows:

	2024 £m	2023 £m
Wages and salaries	**548**	548
Social security and other costs	**86**	98
Share-based compensation (see note 4.8)	**18**	16
Pension costs	**29**	31
Total staff costs*	**681**	693
Less: staff costs allocated to productions, exceptional items or capitalised	**(279)**	(308)
Net staff costs	**402**	385

* Staff costs includes the costs of the Executive Committee including two Executive Directors but excludes the Non-executive Directors and the Chairman of the Board

Full-time equivalent employees (FTEE) include those FTEEs that are allocated to the cost of productions during the year; however, they exclude short-term contractors and freelancers who are engaged on productions. The weighted average FTEE over the year is:

	2024	2023
ITV Studios	**4,018**	4,017
Media & Entertainment	**2,595**	2,852
	6,613	6,869

The monthly average number of people employed over the year is:

	2024	2023
ITV Studios	**4,239**	4,248
Media & Entertainment	**2,726**	2,939
	6,965	7,187

The decrease in headcount is due to the Group's cost saving programme, predominantly in the Media & Entertainment division.

Depreciation
Depreciation in the year was £47 million (2023: £46 million), of which £32 million (2023: £28 million) relates to ITV Studios and £15 million (2023: £18 million) to Media & Entertainment. In 2023, a further £6 million charge in respect of accelerated depreciation following a change in useful life of the related assets in relation to the move to a new London site was included in exceptional items. See notes 2.2 and 3.2 for further details.

Audit fees
The Group's external auditor is PricewaterhouseCoopers LLP. The Group may engage PricewaterhouseCoopers LLP on assignments additional to its statutory audit duties where its expertise and experience with the Group are important and are in line with the Group's policy on auditor independence. Non-audit fees of £0.1 million were paid to PricewaterhouseCoopers LLP for agreed upon procedures relating to specific transactions such as the bond issue. In 2023, the non-audit fees of £1.3 million related to a proposed acquisition. Fees for audit-related assurance services of £0.2 million (2023: £0.2 million), being the review of the interim results for the six months to 30 June 2024 were also incurred. Fees paid to PricewaterhouseCoopers LLP and its associates during the year are set out below:

	PwC 2024 £m	PwC 2023 £m
For the audit of the Group's annual financial statements	**2.1**	2.1
For the audit of subsidiaries of the Group	**1.5**	1.7
Audit-related assurance services	**0.2**	0.2
Total audit and audit-related assurance services	**3.8**	4.0
Other assurance services	**0.1**	1.3
Total non-audit services*	**0.1**	1.3
Total fees paid to auditors	**3.9**	5.3

* See details of non-audit services policy in the Audit and Risk Committee Report in the 2024 Annual Report & Accounts

Other than noted above, there were no fees payable in 2024 or 2023 to PricewaterhouseCoopers LLP or its associates for the audit of financial statements of any associate or pension scheme of the Group, or internal audit activities.

2.2 Exceptional items

Keeping it simple

Exceptional items are excluded from management's assessment of profit because by their size or nature they could distort the Group's underlying quality of earnings. They are typically gains or losses arising from events that are not considered part of the core operations of the business. These items are excluded to reflect performance in a consistent manner and are in line with how the business is managed and measured on a day-to-day basis.

Accounting policies
Exceptional items as described above are highlighted on the face of the Consolidated Income Statement. See the Operating and Financial Performance Review for the detailed explanation of the Group's use of adjusted performance measures. Gains or losses on disposal of non-core assets are also considered exceptional due to their nature and impact on the Group's underlying quality of earnings.

Exceptional items

Operating exceptional items are analysed as follows:

(Charge)/credit	Ref.	**2024 £m**	2023 £m
Operating exceptional items:			
Acquisition-related expenses	A	**(8)**	(24)
Restructuring and transformation costs	B	**(50)**	(25)
Property costs	C	**1**	(10)
Employee-related tax provision	D	**1**	3
Insured trade receivable provision	E	**–**	3
Transponder onerous contract	F	**(4)**	–
Legal settlements	G	**–**	(13)
Legal and other costs	H	**(5)**	(11)
Total operating exceptional items		**(65)**	(77)
Tax on operating exceptional items		**13**	12
Total operating exceptional items net of tax		**(52)**	(65)

A. Acquisition-related expenses
Acquisition-related expenses of £8 million (2023: £24 million) are predominantly performance-based, employment-linked consideration to former owners and professional fees related to acquisitions and potential acquisitions.

B. Restructuring and transformation costs
Restructuring and transformation costs of £50 million (2023: £25 million) relate to one-off significant restructuring and transformation programmes of the business.

The Group's new strategic restructuring and efficiency programme commenced in 2024. This programme is across the Group and is reshaping the cost base, enhancing profitability, and supporting the growth drivers of the business. Redundancy costs, consultancy fees and other related costs of £36 million have been recognised in the year.

During the year, £14 million was incurred in relation to the Group's transformation programmes associated with delivering our strategy including our new programme rights, finance and HR systems.

In 2025, the Group expects a further £35 million of costs associated with delivering its digital transformation and strategic restructuring and efficiency programmes.

C. Property costs
Following the decision to move to Broadcast Centre in early 2022, property costs and move-related costs were treated as exceptional. A rebate received in the current year in relation to one of the properties we exited, has been recognised in exceptional items.

D. Employee-related tax provisions
During the year £1 million was released for an exceptional provision for employee-related taxes that is no longer required (2023: £3 million released). See note 3.7 for further details of the provisions held.

E. Insured trade receivable provision
In 2023, a settlement of the claim from trade credit insurance was agreed and received from the insurers in relation to the trade receivables for The Voice of China.

F. Transponder onerous contract
The Group has continued to review the efficiency of its transponder capacity usage with a view to reducing its capacity requirements. The Group reorganised its channels over fewer transponders with the result that it has recognised onerous contracts for additional transponder capacity it no longer utilises. In 2024, a third transponder was cleared and the Group recognised an onerous contract provision of £4 million (2023: £nil) for capacity that is no longer generating revenue. The provisions were fully utilised in the year.

G. Legal settlements
Legal settlements of £13 million in 2023, related to settlements or proposed settlements on a number of significant legal cases which were considered to be outside the normal course of business.

H. Legal and other costs
Legal and other costs of £5 million (2023: £11 million) relates primarily to legal costs for matters considered to be outside the normal course of business, including Box Clever and the UK Competition and Markets Authority (CMA) investigation.

2.3 Taxation

Keeping it simple	This section sets out the Group's tax accounting policies, the current and deferred tax charges or credits in the year (which together make up the total tax charge or credit in the Consolidated Income Statement), a reconciliation of profit before tax to the tax charge for the year and the movements in deferred tax assets and liabilities.

Accounting policies

The tax charge for the year is recognised in the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income and directly in equity, according to the accounting treatment of the related transactions. The tax charge comprises both current and deferred tax. The calculation of the Group's tax charge involves estimation and judgement in respect of certain items whose tax treatment cannot be fully determined until a resolution has been reached by the relevant tax authority.

Current tax
Current tax is the expected tax payable or receivable on the taxable income or loss for the year and any adjustment in respect of previous years.

The Group recognises liabilities for anticipated tax issues based on estimates and judgement of the additional taxes that are likely to become due. Amounts are accrued based on management's interpretation of specific tax law and the likelihood of settlement. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the period in which such determination is made.

Deferred tax
Deferred tax arises due to certain temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and those for taxation purposes.

The following temporary differences are not provided for:
- The initial recognition of goodwill
- The initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination
- Differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. Deferred tax is calculated using tax rates that are enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that sufficient taxable profit will be available to utilise the temporary difference. Recognition of deferred tax assets, therefore, involves judgement regarding the timing and level of future taxable income.

Deferred tax assets and liabilities are disclosed net to the extent that they relate to taxes levied by the same authority and the Group has the right of set-off.

Taxation – Consolidated Income Statement

The total taxation charge in the Consolidated Income Statement is analysed as follows:

	2024 £m	2023 £m
Current tax:		
Current tax (charge)/credit on profit before exceptional items	**(94)**	24
Current tax credit on exceptional operating items	**13**	11
Current tax charge on the profit on disposal of associates, joint ventures and subsidiary undertakings	**(22)**	–
	(103)	35
Adjustments related to prior periods	**20**	(12)
	(83)	23
Deferred tax:		
Origination and reversal of temporary differences	**(7)**	(7)
Deferred tax credit on exceptional operating items	**–**	1
Deferred tax charge on the profit on disposal of associates, joint ventures and subsidiary undertakings	**(27)**	–
Impact of changes to statutory tax rates	**–**	1
	(34)	(5)
Adjustments related to prior periods	**2**	(2)
	(32)	(7)
Total taxation (charge)/credit in the Consolidated Income Statement	**(115)**	16

In order to understand how, in the Consolidated Income Statement, a tax charge of £115 million (2023: £16 million credit) arises on a profit before tax of £521 million (2023: £193 million), the taxation charge that would arise at the standard rate of UK corporation tax is reconciled to the actual tax (charge)/credit as follows:

	2024 £m	2023 £m
Profit before tax	**521**	193
Notional taxation charge at UK corporation tax rate of 25% (2023: 23.5%) on profit before tax	**(130)**	(45)
Non-taxable income/non-deductible expenses	**(17)**	(10)
Prior year adjustments	**22**	(14)
Other taxes	**(11)**	(8)
Previously unrecognised deferred tax assets	**–**	6
Current year losses not recognised	**(10)**	(17)
Impact of overseas tax rates	**6**	2
Impact of changes in tax rates	**–**	1
Movement on tax provisions	**–**	(1)
Pillar 2 top-up tax	**(2)**	–
Production tax credits	**27**	102
Statutory taxation (charge)/credit in the Consolidated Income Statement	**(115)**	16

Non-deductible expenses are expenses that are not expected to be allowable for tax purposes. Similarly, non-taxable income is income that is not expected to be taxable.

Adjustments to prior periods primarily arise where an outcome is obtained on certain tax matters, which differs from expectations held when the related provision was made. Where the outcome is more favourable than the provision made, the difference is released, lowering the current year tax charge. Where the outcome is less favourable than our provision, an additional charge to current year tax will occur.

The total current tax charge of £83 million (2023: £23 million credit) includes a £20 million credit (2023: £12 million charge) relating to prior years, and the deferred tax charge of £32 million (2023: £7 million charge) includes a £2 million credit (2023: £2 million charge) relating to prior years. This adjustment has arisen following changes in estimates of taxes that have already become due, or will become due in the future.

Other taxes of £11 million (2023: £8 million) includes state taxes of £10 million in the US and £1 million of irrecoverable withholding tax in the UK.

No previously unrecognised deferred tax assets were recognised in 2024. In 2023 £6 million relating to historical capital losses, was recognised, and was utilised in 2024 against the capital profits realised on the sale of BritBox International.

The tax impact of current year losses not recognised is £10 million (2023: £17 million) and relates to £1 million (2023: £1 million) in France and £9 million (2023: £13 million) in Italy. In 2023, it also included £3 million in other overseas jurisdictions. No deferred tax on these losses has been recognised as we do not have certainty over future taxable profits in those jurisdictions nor are there suitable taxable temporary differences against which the losses can unwind.

The impact of overseas tax rates reflects the fact that some of our profits are earned in territories other than the UK and taxed at rates different from the UK corporation tax rate. In 2024, the total impact is £6 million credit (2023: £2 million credit) due to profits arising in lower tax jurisdictions.

The enactment of the Finance (No2) Act 2023 (Pillar 2) in June 2023 introduced a global minimum effective tax rate of 15% for large groups for financial years beginning on or after 31 December 2023. Most territories in which the ITV Group operates qualify for one of the safe harbour exemptions such that Pillar 2 top-up tax should not apply. In 2024 territories that failed to meet the exemptions will incur Pillar 2 taxes of £2 million. The amendments to IAS 12 'Income Taxes' Pillar Two income taxes provide an exemption from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules.

In line with our accounting policy on current tax, provisions are held on the balance sheet within current tax liabilities in respect of uncertain tax positions where management believes that it is probable that future payments of tax will be required.

ITV has chosen to opt into the new expenditure credit regime, on production expenditure incurred in 2024, at the earliest opportunity where possible. Production tax credits were £27 million in 2024 (2023: £102 million).

The impact on adjusted EBITA for the period of moving to Audio-Visual Expenditure Credits (AVEC) from HETV tax credits is £13 million. The impact on statutory EBITA for the period is £53 million. See Finance Review for further details.

The effective tax rate is 22.1% (2023: (8.3)%), and is the statutory tax charge on the face of the Consolidated Income Statement expressed as a percentage of the statutory profit before tax. The tax rate is higher than in 2023 primarily due to the move to Audio Visual Expenditure Credits which are recorded in cost of sales as opposed to HETV tax credits which are recorded in the tax line. As explained in the Finance Review, the Group uses an adjusted tax rate to show how tax impacts total adjusted earnings in a way that is more aligned with the Group's cash tax position. The adjusted tax rate is 20.8% (2023: 21.5%).

In 2024, the current year movement recognised in the Consolidated Income Statement on origination and reversal of temporary differences (excluding exceptional items) is a charge of £7 million, compared with a charge of £7 million in 2023.

Taxation – Other comprehensive income (OCI) and equity

As analysed in the table below a deferred tax credit of £6 million (2023: £2 million charge) has been recognised on actuarial movements on pensions. Other temporary differences recognised in other comprehensive income include: £1 million deferred tax credit (2023: £nil) on gilts, £2 million deferred tax charge on derivatives (2023: £1 million charge) and no deferred tax was recognised on the cost of hedging (2023: £2 million charge). No deferred tax (2023: £3 million charge) has been recognised in equity in respect of share-based payments.

There has been no current tax (2023: £11 million credit) recognised in other comprehensive income in the current year on pensions. There has been no current tax on foreign exchange movements net of hedging (2023: £nil). There has been £2 million current tax credit recognised in equity in the current year in relation to share-based compensation (2023: £1 million credit).

Taxation – Consolidated Statement of Financial Position

The table below outlines the deferred tax assets/(liabilities) that are recognised in the Consolidated Statement of Financial Position, together with their movements in the year:

	At 1 January 2024 £m	Recognised in the income statement £m	Recognised in OCI and equity £m	Other £m	Foreign exchange £m	**At 31 December 2024 £m**
Tangible assets	(5)	–	–	–	–	**(5)**
Intangible assets	(49)	(6)	–	(6)	(1)	**(62)**
Pension scheme	(59)	(1)	6	–	–	**(54)**
Tax losses	32	(23)	–	–	–	**9**
Share-based compensation	5	1	–	–	–	**6**
Other temporary differences	23	(3)	(1)	2	–	**21**
	(53)	(32)	5	(4)	(1)	**(85)**

	At 1 January 2023 £m	Recognised in the income statement £m	Recognised in OCI and equity £m	Other £m	Foreign exchange £m	At 31 December 2023 £m
Tangible assets	1	(6)	–	–	–	(5)
Intangible assets	(49)	(1)	–	–	1	(49)
Pension scheme	(56)	(1)	(2)	–	–	(59)
Tax losses	27	7	–	–	(2)	32
Share-based compensation	9	(1)	(3)	–	–	5
Other temporary differences	30	(5)	(3)	1	–	23
	(38)	(7)	(8)	1	(1)	(53)

At 31 December 2024, the net deferred tax liability position is £85 million (2023: £53 million liability), consisting of total deferred tax assets of £85 million (2023: £106 million) and total deferred tax liabilities of £170 million (2023: £159 million). The Consolidated Statement of Financial Position presents deferred tax after netting off balances within countries – a deferred tax asset of £7 million and a deferred tax liability of £92 million (2023: deferred tax asset of £6 million and a deferred tax liability of £59 million).

The deferred tax balances relate to:
- Property, plant and equipment temporary differences arising on assets qualifying for tax depreciation
- Temporary differences on intangible assets, including those arising on business combinations
- Programme rights – temporary differences on intercompany profits on stock
- Pension scheme temporary differences on the IAS 19 pension surplus and SDN and LTVC pension funding partnerships
- Temporary differences arising from the timing of the use of tax losses
- Share-based compensation temporary differences on share schemes
- Other temporary differences on provisions and financial instruments

The deferred tax balance associated with the pension surplus is partially driven by the employer contributions to the Group's defined benefit pension scheme made during the year. The adjustment in other comprehensive income to the deferred tax balances relates to the actuarial loss recognised in the year.

A deferred tax asset of £9 million (2023: £32 million) has been recognised for tax losses where a full recovery is expected based on forecasted taxable profits. A deferred tax asset of £371 million (2023: £371 million) in respect of capital losses of £1,483 million (2023: £1,483 million) has not been recognised due to uncertainties as to whether capital gains will arise in the appropriate form and relevant territories against which such losses could be utilised. Due to uncertainty over the timing and extent of their utilisation, the Group has not recognised deferred tax assets of £6 million (2023: £10 million) in respect of UK losses of £22 million (2023: £38 million) and £33 million (2023: £25 million) in respect of overseas losses of £133 million (2023: £106 million) including £2 million in respect of losses that expire between 2025 and 2028. In addition to this the Group has not recognised £4 million (2023: £5 million) in respect of other overseas short-term timing differences of £18 million (2023: £21 million).

Subsidiaries of ITV plc have undistributed earnings of £50 million (2023: £42 million) which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as ITV plc is able to control the timing of the distributions from these subsidiaries and is not expected to distribute these profits in the foreseeable future.

2.4 Earnings per share

Keeping it simple

Earnings per share (EPS) is the amount of post-tax profit attributable to each share.

Basic EPS is calculated on the Group profit for the year attributable to equity shareholders of £408 million (2023: £210 million) divided by 3,935 million (2023: 4,023 million), being the weighted average number of shares in issue during the year, which excludes Employee Benefit Trust (EBT) shares held in trust and shares bought back during the year (see note 4.8).

Diluted EPS reflects any commitments made by the Group to issue shares in the future and so it includes the impact of share options.

Adjusted EPS is presented in order to show the business performance of the Group in a consistent manner and reflect how the business is managed and measured on a day-to-day basis. Adjusted EPS reflects the impact of operating and non-operating exceptional items on Basic EPS. Other items excluded from Adjusted EPS are amortisation and impairment of intangible assets acquired through business combinations; net financing cost adjustments; and the tax adjustments relating to these items. Each of these adjustments is explained in detail in the section below.

The calculation of Basic EPS and Adjusted EPS, together with the diluted impact on each, is set out below:

Basic earnings per share

	2024	2023
Statutory profit for the year attributable to equity shareholders of ITV plc (£m)	**408**	210
Weighted average number of ordinary shares in issue – million	**3,935**	4,023
Basic earnings per ordinary share	**10.4p**	5.2p

Diluted earnings per share

	2024	2023
Statutory profit for the year attributable to equity shareholders of ITV plc (£m)	**408**	210
Weighted average number of ordinary shares in issue – million	**3,935**	4,023
Dilution due to share options – million	**42**	36
Total weighted average number of ordinary shares in issue – million	**3,977**	4,059
Diluted earnings per ordinary share	**10.3p**	5.2p

Adjusted earnings per share

	Ref.	2024 £m	2023 £m
Statutory profit for the year attributable to equity shareholders of ITV plc		**408**	210
Exceptional items (net of tax)	A	**52**	65
Profit for the year before exceptional items		**460**	275
Amortisation and impairment of acquired intangible assets	B	**99**	19
Adjustments to net financing (income)/costs	C	**(20)**	18
Profit on disposal of associates, joint ventures and subsidiary undertakings	D	**(163)**	–
Adjusted profit for the year attributable to ITV shareholders		**376**	312
Total weighted average number of ordinary shares in issue – million		**3,935**	4,023
Adjusted earnings per ordinary share		**9.6p**	7.8p

Diluted adjusted earnings per share

	2024	2023
Adjusted profit (£m)	**376**	312
Weighted average number of ordinary shares in issue – million	**3,935**	4,023
Dilution due to share options – million	**42**	36
Total weighted average number of ordinary shares in issue – million	**3,977**	4,059
Diluted adjusted earnings per ordinary share	**9.5p**	7.7p

Details of the adjustments to earnings are as follows:

A. Exceptional items (net of tax) £52 million (2023: £65 million)
Exceptional items of £65 million (2023: £77 million), net of related tax credit of £13 million (2023: £12 million). The exceptional items have been taxed in accordance with the tax treatment of the underlying transaction at the tax rate of the jurisdiction to which they relate. The £65 million exceptional charge comprises exceptional costs of £67 million and an exceptional credit of £2 million. £10 million of the net exceptional costs were disallowed for tax purposes and so there is no associated tax credit. See note 2.2 for the detailed composition of exceptional items.

B. Amortisation and impairment of acquired intangible assets (net of tax) of £99 million (2023: £19 million)
Amortisation and impairment of assets acquired through business combinations and investments of £143 million (2023: £89 million), excluding amortisation of software licences and development of £36 million (2023: £64 million), net of related tax credit of £8 million (2023: £6 million).

C. Adjustments to net financing income (net of tax) £20 million (2023: net financing costs (net of tax) of £18 million)
Net financing costs of £nil (2023: £45 million), is adjusted to reflect the underlying cash cost of interest for the business. These adjustments of £25 million (2023: £16 million) relates principally to finance costs on acquisitions, imputed pension interest and other financial gains and losses that do not reflect the relevant interest cash cost to the business and are not yet realised balances. The tax charge in relation to these adjustments is £5 million (2023: £2 million).

D. Profit on disposal of associates, joint ventures and subsidiary undertakings £163 million (2023: £nil)
Profit on disposal of associates, joint ventures and subsidiary undertaking of £212 million (2023: £nil), net of a related tax charge of £49 million (2023: £nil).

Section 3: Operating Assets and Liabilities

In this section

This section shows the assets used to generate the Group's trading performance and the liabilities incurred as a result. On the following pages, there are notes covering working capital, non-current assets and liabilities, acquisitions and disposals, provisions and pensions.

Liabilities relating to the Group's financing activities are addressed in section 4. Deferred tax assets and liabilities are shown in note 2.3.

3.1 Working capital

Keeping it simple

Working capital represents the assets and liabilities the Group generates through its trading activity. The Group therefore defines working capital as distribution rights, programme rights, trade and other receivables, trade and other payables, contract assets and liabilities and production inventories.

Careful management of working capital ensures that the Group can meet its trading and financing obligations within its ordinary operating cycle.

Working capital is a driver of the profit to cash conversion ratio, a key performance indicator for the Group. For those subsidiaries acquired during the year, working capital at the date of acquisition is excluded from the profit to cash calculation so that only subsequent working capital movements in the period controlled by ITV are reflected in this metric.

In the following note, you will find further information regarding working capital management and analysis of the elements of working capital.

3.1.1 Programme rights and commitments

Accounting policies

Rights are recognised when the Group controls the respective rights and the risks and rewards associated with them.

Programme rights not yet utilised are included in the Consolidated Statement of Financial Position at the lower of cost and net realisable value. In assessing net realisable value for programmes in production, judgement is required when considering the contracted sales price and estimated costs to complete.

Programme rights

The Group's policies with respect to programme rights recognise that the pattern of consumption on linear and streaming (ITVX) varies. Consumption of content varies based on the type of programme right as well as the type of platform it is transmitted on. Programme rights are expensed through operating costs reflecting the pattern in which management expects the right to be consumed.

The Group has defined policies on how programme rights are allocated to linear and streaming based on a pattern of viewing. There are also distinct policies across the platforms when these programme rights are recognised in the Consolidated Statement of Financial Position; when these costs are released to the Consolidated Income Statement; and the impairment review of the carrying values of programme rights held.

Type of programme	Streaming policy	Linear policy
Acquired content	Cost charged to the Income Statement on a declining-balance method over the licence period	Cost charged to the Income Statement over a number of linear transmissions (episodic)
Commissioned content	Cost charged to the Income Statement on a declining-balance method over the licence period	Cost charged to the Income Statement on first linear transmission (episodic)
Sports rights	Cost charged to the Income Statement on first transmission	Cost charged to the Income Statement on first linear transmission
Current affairs, live events, soaps	Cost charged to the Income Statement on first transmission	Cost charged to the Income Statement on first linear transmission
Library of content (ITVX only)	Straight-line amortisation over licence windows	

Acquired programme rights are purchased for the primary purpose of broadcasting on the ITV family of channels, including ad-funded streaming service and subscription streaming service platforms. These are recognised within current assets the earlier of when payments are made or when the rights are ready for exploitation.

Commissions, which primarily comprise programmes purchased, based on editorial specification and over which the Group has some control, are recognised in current assets as payments are made.

The net realisable value assessment for acquired, commissioned and sports rights is based on estimated airtime value. The net realisable value is assessed on a portfolio basis unless specific indicators of impairment are identified. During the pandemic, sports rights were reviewed separately for impairment following the impact of the pandemic on the planned sporting schedule and the consequential impact on TAR and audience mix for certain sporting events. There are no current specific indicators of impairment, therefore sports rights have now reverted to being assessed with all other content on a portfolio basis.

Programme rights and other inventory at the year end are shown in the table below:

	2024 £m	2023 £m
Acquired programme rights	**273**	284
Commissions	**72**	83
Sports rights	**26**	46
	371	413

£13 million relates to programme rights and other inventory that will be transmitted in 2026 and beyond (2023: £nil transmitted in 2025 and beyond).

Included within programme rights and other inventory is £26 million (2023: £46 million) relating to programme rights that have been paid for but that are not yet in licence. These amounts are considered to be prepayments but are included within programme rights and other inventory as it is more useful to the reader to show all such rights together.

Programme and transmission commitments
In 2024, the Group negotiated a new contract for transponder capacity for a period up to three years. Payments increase over time, limited by specific RPI caps. There is judgement in assessing whether the transponder capacity contract should be classified as a lease in accordance with IFRS 16 'Leases'. The Group has concluded that this contract does not constitute a lease, as the Group does not control the underlying assets due to the nature of the operation of the assets and the rights retained by the supplier under the contract. The contracted future payments are therefore commitments and included in the table below.

Programming commitments are transactions entered into in the ordinary course of business with programme suppliers, sports organisations and film distributors in respect of rights to broadcast on the ITV network including ITVX.

The Group has onerous contract provisions of £6 million in respect of sports rights commitments (31 December 2023: £18 million for transponder capacity usage and sports rights commitments). See note 3.7 for further details.

Commitments in respect of these transactions, which are not reflected in the Consolidated Statement of Financial Position, are due for payment as follows:

2024	Transmission £m	Programme £m	Total £m
Within one year	**10**	**628**	**638**
Later than one year and not more than five years	**19**	**321**	**340**
	29	**949**	**978**

2023	Transmission £m	Programme £m	Total £m
Within one year	20	488	508
Later than one year and not more than five years	–	380	380
	20	868	888

3.1.2 Distribution rights

Accounting policies
Distribution rights are programme rights the Group buys from producers to derive future revenue, principally through licensing to other broadcasters. These are classified as non-current assets as these rights are used to derive long-term economic benefit for the Group.

Distribution rights are recognised initially at cost and charged through operating costs in the Consolidated Income Statement over a period not exceeding five years, reflecting the value and pattern in which the right is consumed. Advances paid for the acquisition of distribution rights are disclosed as distribution rights as soon as they are contracted. These advances are not expensed until the programme is available for distribution. Up to that point, they are assessed annually for impairment through the reassessment of the future sales expected to be earned from that title.

The following table provides movements in distribution rights in the year:

	2024 £m	2023 £m
At 1 January	**14**	16
Additions	**35**	16
Charged to the Income Statement	**(14)**	(18)
At 31 December	**35**	14

The increase in the year primarily relates to a higher volume of hours being purchased from external producers as the business continues to grow.

3.1.3 Trade and other receivables

Accounting policies

Trade receivables are recognised initially at the value of the invoice sent to the customer and subsequently at the amounts considered recoverable (amortised cost). Where payments are not due for more than one year, they are shown in the financial information at their net present value to reflect the economic cost of delayed payment. The Group provides goods and services to substantially all of its customers on credit terms.

The credit risk management practices of the Group include internal review and reporting of the ageing of trade and other receivables by days past due. The Group applies the IFRS 9 simplified approach in measuring expected credit losses, which use a lifetime expected credit loss allowance for all trade receivables. To measure expected credit losses, trade receivables and contract assets have been grouped by shared credit risk characteristics and days past due. As part of the expected credit losses, the Group may make additional provisions for the receivables of particular customers if the deterioration of financial position was observed.

The carrying value of trade receivables is considered to approximate fair value. Trade and other receivables can be analysed as follows:

	2024 £m	2023 £m
Due within one year:		
Trade receivables	**397**	427
Other receivables	**207**	145
Prepayments	**78**	58
	682	630
Due after more than one year:		
Trade receivables	**51**	37
Other receivables	**30**	25
	81	62
Total trade and other receivables	**763**	692

Following the new AVEC regime, receivables in relation to expenditure credits are now recognised within other receivables over the production period with the corresponding entry within production inventories in note 3.1.7. This is primarily the reason for the increase in other receivables due within one year.

£448 million (2023: £464 million) of total trade receivables, stated net of provisions for impairment, are aged as follows:

	2024 £m	2023 £m
Current	**397**	408
Up to 30 days overdue	**29**	29
Between 30 and 90 days overdue	**16**	21
Over 90 days overdue	**6**	6
	448	464

Movements in the Group’s provision for impairment of trade receivables and contract assets can be shown as follows:

	2024 £m	2023 £m
At 1 January	**9**	24
Charged during the year	**3**	4
Bad debts written off	**–**	(8)
Release of provision	**(2)**	(11)
At 31 December*	**10**	9

* £1 million (2023: £1 million) of the provision relates to contract assets and is included in the balance disclosed in note 3.1.6

Of the provision total, £7 million relates to balances overdue by more than 90 days (2023: £7 million) and £3 million relates to current balances (2023: £2 million).

3.1.4 Trade and other payables due within one year

Accounting policies

Trade payables are recognised at the value of the invoice received from a supplier. The carrying value of current and non-current trade payables are considered to approximate fair value. Trade and other payables due within one year can be analysed as follows:

	2024 £m	2023* £m
Trade payables	**166**	181
VAT and social security	**36**	35
Other payables	**180**	170
Acquisition-related liabilities – employment-linked contingent consideration	**1**	5
Acquisition-related liabilities – payable to sellers under put options agreed on acquisition	**2**	39
Accruals	**514**	520
	899	950

* Royalty creditors have been re-presented in the above table in Trade Payables. The balance was previously included in Accruals

3.1.5 Trade and other payables due after more than one year

Trade and other payables due after more than one year can be analysed as follows:

	2024 £m	2023 £m
Trade payables	**33**	25
Other payables	**32**	33
Acquisition-related liabilities – employment-linked contingent consideration	**12**	10
Acquisition-related liabilities – payable to sellers under put options agreed on acquisition	**19**	24
	63	67
Total trade and other payables due after more than one year	**96**	92

Trade payables due after more than one year relates primarily to royalty creditors in both 2024 and 2023. Other payables due after more than one year relates primarily to film creditors.

Acquisition-related liabilities or performance-based employment-linked earnouts are the estimated amounts payable to previous owners. The estimated future payments that are accrued over the period the sellers are required to remain with the business are treated as exceptional costs (see note 2.2). Those amounts not linked to employment are estimated and recognised at acquisition at their time discounted value, with the unwind of the discount recorded as part of finance costs.

Acquisition-related liabilities at 31 December 2024 were £34 million (2023: £78 million) which represents the amount accrued to date at their time discounted value. The total undiscounted estimated future payments of £105 million (2023: £105 million) are sensitive to forecast profits as they are based on a multiple of earnings. The range of reasonably possible outcomes for the undiscounted liability is between £85 million and £193 million. The liabilities due after more than one year are expected to be settled between 2026 and 2032.

All earnouts are sensitive to forecast profits as they are based on a multiple of earnings and judgement is required where there may be adjustments to forecasted profits for actual outcomes or when earnouts are negotiated, hence the reason for the range noted above.

3.1.6 Contract assets and liabilities

Many of the programmes the Studios division produces are sold internationally and also used within the ITV network. Contract assets (accrued income) primarily relate to the Group's right to consideration for work unbilled at the reporting date. Contract liabilities (deferred income) primarily relate to the consideration received from customers in advance of transferring a good or service.

The following table provides movements in contract assets and liabilities in the year:

	2024		2023	
	Contract assets £m	Contract liabilities £m	Contract assets £m	Contract liabilities £m
Balance at 1 January	**202**	**(187)**	185	(372)
Decrease due to balance transferred to trade receivables	**(166)**	**–**	(152)	–
Increases as a result of the changes in the measure of progress	**136**	**–**	169	–
Decreases due to revenue recognised in the year	**–**	**150**	–	332
Increase due to cash received	**–**	**(170)**	–	(147)
Acquisitions	**4**	**(27)**	–	–
Balance at 31 December*	**176**	**(234)**	202	(187)

* Contract assets is stated net of provisions for impairment of £1 million (2023: £1 million) which have been included in the reconciliation in note 3.1.3. Non-current contract assets of £4 million (2023: £13 million) is included in the above reconciliation

3.1.7 Production inventories

Production inventories includes work in progress and finished programmes in relation to costs capitalised by ITV Studios in the course of fulfilling production contracts. These costs are capitalised when they relate directly to a contract or to a specifically identifiable anticipated contract, the costs generate or enhance the resources of the entity that will be used in satisfying or continuing to satisfy performance obligations in the future, and the costs are expected to be recovered.

These costs are presented as production inventories assets and represent actual costs incurred on the production. The asset is charged to the income statement as the performance obligations are satisfied.

Production inventories at the year end is detailed below:

	2024 £m	2023 £m
Production inventories	**342**	234

During the year, £230 million was charged to the Consolidated Income Statement for completed productions delivered (2023: £498 million).

Following the new AVEC regime, receivables in relation to expenditure credits are now recognised within other receivables in note 3.1.3 over the production period with the corresponding entry within production inventories.

3.1.8 Working capital management

Cash and working capital management has been a critical area of focus during 2024 and 2023. During the year, the cash outflow from working capital was £144 million (2023: inflow of £90 million) derived as follows:

	2024 £m	2023 £m
Decrease/(increase) in programme rights and distribution rights	**18**	(33)
(Increase)/decrease in receivables, contract assets and production inventories	**(177)**	274
Increase/(decrease) in payables and contract liabilities	**15**	(151)
Working capital (outflow)/inflow	**(144)**	90

3.2 Property, plant and equipment

Keeping it simple

The following note shows the physical assets used by the Group to operate the business, generating revenues and profits. These assets include office buildings and studios, as well as equipment used in broadcast transmission, programme production and support activities.

The cost of these assets is the amount initially paid for them or for right of use assets, the discounted future lease payments. A depreciation expense is charged to the Consolidated Income Statement to reflect annual wear and tear and the reduced value of the asset over time. Depreciation is calculated by estimating the number of years the Group expects the asset to be used (useful economic life). If there has been a technological change or decline in business performance, the Directors review the value of the assets to the business to ensure they have not fallen below their depreciated value. If an asset's value falls below its depreciated value, an additional impairment charge is made against profit.

This note also explains the accounting policies followed by ITV and the specific estimates made in arriving at the net book value of these assets.

Accounting policies

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Certain items of property, plant and equipment that were revalued to fair value prior to 1 January 2004 (the date of transition to IFRS) are measured on the basis of deemed cost, being the revalued amount less depreciation up to the date of transition.

Right of use assets

A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. These assets are called right of use assets and have been included on the Group's balance sheet at a value equal to the discounted future lease payments. For leases recognised on transition to IFRS 16 'Leases' the value is also adjusted by any prepayments or lease incentives recognised immediately before the date of initial application.

Impairment of assets

Property, plant and equipment that is subject to depreciation is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Indicators of impairment may include changes in technology and business.

Depreciation

Depreciation is provided to write off the cost of property, plant and equipment less estimated residual value, on a straight-line basis over their estimated useful lives. The annual depreciation charge is sensitive to the estimated useful life of each asset and the expected residual value at the end of its life. The major categories of property, plant and equipment are depreciated as follows:

Asset class	Depreciation policy
Freehold land	not depreciated
Freehold buildings	up to 60 years
Leasehold improvements	shorter of residual lease term or estimated useful life
Vehicles, equipment and fittings*	3 to 20 years
Right of use assets	over the term of the lease

* Equipment includes studio production and technology assets

Assets under construction are not depreciated until the point at which the asset comes into use by the Group.

Property, plant and equipment can be analysed as follows:

		Improvements to leasehold land and buildings		Vehicles, equipment and fittings		
	Freehold land and buildings £m	Long £m	Short £m	Owned £m	Right of use assets £m	**Total £m**
Cost						
At 1 January 2023	12	85	26	214	208	545
Prior year restatement	–	–	–	40	–	40
Restated at 1 January 2023	12	85	26	254	208	585
Additions	–	2	–	28	12	42
Derecognition of right of use asset	–	–	–	–	(14)	(14)
Foreign exchange	–	(1)	–	(2)	(3)	(6)
Disposals and retirements	–	(2)	(8)	(33)	(43)	(86)
Restated at 31 December 2023	12	84	18	247	160	521
Additions	–	–	–	14	12	26
Reclassifications	(1)	(3)	–	4	–	–
Foreign exchange	–	–	–	1	(1)	–
Disposals and retirements	–	–	–	–	(10)	(10)
At 31 December 2024	**11**	**81**	**18**	**266**	**161**	**537**
Depreciation						
At 1 January 2023	1	27	20	124	87	259
Prior year restatement	–	–	–	40	–	40
Restated at 1 January 2023	1	27	20	164	87	299
Charge for the year	1	3	1	25	22	52
Derecognition of right of use asset	–	–	–	–	(6)	(6)
Foreign exchange	–	–	–	(2)	(1)	(3)
Disposals and retirements	–	(2)	(8)	(32)	(42)	(84)
Restated at 31 December 2023	2	28	13	155	60	258
Charge for the year	1	3	1	22	20	47
Reclassifications	2	(4)	2	–	–	–
Foreign exchange	–	–	–	1	1	2
Disposals and retirements	–	–	–	–	(7)	(7)
At 31 December 2024	**5**	**27**	**16**	**178**	**74**	**300**
Net book value						
At 31 December 2024	**6**	**54**	**2**	**88**	**87**	**237**
At 31 December 2023	10	56	5	92	100	263

Included within property, plant and equipment are assets in the course of construction of £11 million (2023: £19 million).

During the year, the Group carried out an extensive review of the fixed asset register and identified historical disposals and retirements that had been incorrectly recorded within property, plant and equipment rather than software licences and development. These assets were fully depreciated and therefore did not result in a change to the Consolidated Income Statement or the Consolidated Statement of Financial Position. The cost and depreciation at 1 January 2023 have been restated.

Disposals and retirements for the year include the early exit from lease obligations and assets written off with nil net book value that are not expected to generate any future economic benefits.

The net book value of right of use assets of £87 million (2023: £100 million) relates primarily to properties.

Capital commitments
The Group has capital commitments of £2 million at 31 December 2024 (2023: £2 million).

3.3 Intangible assets

Keeping it simple

The following note identifies the non-physical assets used by the Group to generate revenue and profits.

These assets include formats and brands, customer contracts and relationships, contractual arrangements, licences, software development, film libraries and goodwill. The cost of these assets is the amount that the Group has paid or, where there has been a business combination, the fair value of the specific intangible assets that could be sold separately or which arise from legal rights. In the case of goodwill, its cost is the amount the Group has paid in acquiring a business over and above the fair value of the individual assets and liabilities acquired. The value of goodwill is the 'intangible' value that comes from, for example, a uniquely strong market position and the outstanding productivity of its employees.

The value of intangible assets, with the exception of goodwill, reduces over the number of years the Group expects to use the asset, the useful economic life, via an annual amortisation charge to the Consolidated Income Statement. Where there has been a technological change or decline in business performance, the Directors review the value of assets, including goodwill, to ensure they have not fallen below their amortised value. Should an asset's value fall below its amortised value, an additional impairment charge is made against profit.

This note explains the accounting policies applied and the specific judgements and estimates made by the Directors in arriving at the net book value of these assets.

Accounting policies

Goodwill
Goodwill represents the future economic benefits that arise from assets that are not capable of being individually identified and separately recognised. Goodwill is stated at its recoverable amount being cost less any accumulated impairment losses and is allocated to the business to which it relates.

All business combinations that have occurred since 1 January 2009 were accounted for using the acquisition method. Under this method, goodwill is measured as the fair value of the consideration transferred (including the recognition of any part of the business not yet owned (non-controlling interests)), less the fair value of the identifiable assets acquired and liabilities assumed, all measured at the acquisition date. The identification of acquired assets and liabilities and the allocation of the purchase price to them is considered a key judgement and is based on the Group's understanding and experience of the media business. Any contingent consideration expected to be transferred in the future is recognised at fair value at the acquisition date and recognised within other payables. Contingent consideration classified as an asset or liability that is a financial instrument is measured at fair value with changes in fair value recognised in the Consolidated Income Statement. The determination of fair value is based on an estimate of discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount rate.

Where less than 100% of a subsidiary is acquired, and call and put options are granted over the remaining interest, a non-controlling interest is initially recognised in equity at fair value, which is established based on the value of the put option. A call option is recognised as a derivative financial instrument, carried at fair value. The put option is recognised as a liability within other payables, carried at the present value of the put option exercise price, and a corresponding charge is included in merger and other reserves. Any subsequent remeasurement of the put option liability is recognised within finance income or cost.

Subsequent adjustments to the fair value of net assets acquired can only be made within 12 months of the acquisition date, and only if fair values were determined provisionally at an earlier reporting date. These adjustments are accounted for from the date of acquisition.

Acquisitions of non-controlling interests are accounted for as transactions with owners and therefore no goodwill is recognised as a result of such transactions. Transaction costs incurred in connection with those business combinations, such as legal fees, due diligence fees and other professional fees, are expensed as incurred. The Directors consider these costs to reflect the cost of acquisition and to form a part of the capital transaction, and highlight them separately as exceptional items.

Other intangible assets

Intangible assets other than goodwill are those that are distinct and can be sold separately or which arise from legal rights.

The main intangible assets the Group has valued are formats, brands, licences, contractual arrangements, customer contracts and relationships and libraries.

Within ITV, there are two types of other intangible assets: those assets directly purchased by the Group for day-to-day operational purposes (such as software licences and development) and intangible assets identified as part of an acquisition of a business.

Intangible assets acquired directly by the Group are stated at cost less accumulated amortisation. Those separately identified intangible assets acquired as part of an acquisition or business combination are shown at fair value at the date of acquisition less accumulated amortisation.

Each class of intangible assets' valuation method on initial recognition, amortisation method and estimated useful life is set out in the table below:

Class of intangible asset	Amortisation method	Estimated useful life	Valuation method
Brands	Straight-line	8 to 14 years	Applying a royalty rate to the expected future revenue over the life of the brand
Formats	Straight-line	up to 8 years	Expected future cash flows from those assets existing at the date of acquisition are estimated. If applicable, a contributory charge is deducted for the use of other assets needed to exploit the cash flow. The net cash flow is then discounted back to present value
Customer contracts	Straight-line or reducing balance as appropriate	up to 6 years	
Customer relationships	Straight-line	5 to 10 years	
Contractual arrangements	Straight-line	up to 13 years depending on the contract terms	Expected future cash flows from those contracts existing at the date of acquisition are estimated. If applicable, a contributory charge is deducted for the use of other assets needed to exploit the cash flow. The net cash flow is then discounted back to present value
Licences	Straight-line	11 to 29 years depending on term of licence	Start-up basis of expected future cash flows existing at the date of acquisition. If applicable, a contributory charge is deducted for the use of other assets needed to exploit the cash flow. The net cash flow is then discounted back to present value. Public service broadcasting (PSB) licences are valued as a start-up business with only the licence in place
Libraries and other	Sum of digits or straight-line as appropriate	up to 20 years	Initially at cost and subsequently at cost less accumulated amortisation
Software licences and development	Straight-line	1 to 10 years	Initially at cost and subsequently at cost less accumulated amortisation

Cloud computing arrangements

Cloud computing arrangements are reviewed to determine if they are within the scope of IAS 38 'Intangible Assets', IFRS 16 'Leases', or a service contract. This is to determine if the Group has control of the software intangible asset. Control is assumed if the Group has the right to take possession of the software and run it on its own or a third-party's computer infrastructure or if the Group has exclusive rights to use the software whereby the supplier cannot make the software available to other customers.

Configuration of the software involves the setting of various flags or switches within the application software or defining values to set up the software's existing code to function in a specified way. Customisation involves modifying the software code in the application or writing additional code. Customisation generally changes or creates additional functionalities within the software. In both situations, the Group also needs to assess if there is a separate intangible asset. If no separate intangible asset is identified, then these costs are expensed when incurred. If an asset is identified, it is capitalised and amortised over the life of the asset.

Fair value on acquisition

Determining the fair value of the purchase consideration allocated to intangible assets arising on acquisition requires judgement. The Directors make estimates regarding the timing and amount of future cash flows derived from exploiting the assets being acquired. The Directors then estimate an appropriate discount rate to apply to the forecast cash flows. Such estimates are based on current budgets and forecasts, extrapolated for an appropriate period taking into account growth rates, operating costs and the expected useful lives of assets. Judgements are also made regarding whether, and for how long, licences will be renewed; this drives our amortisation policy for those assets.

The Directors estimate the appropriate discount rate that reflects current market assessments of the time value of money and the risks specific to the assets or businesses being acquired.

Amortisation
Amortisation is charged to the Consolidated Income Statement over the estimated useful lives of intangible assets unless such lives are judged to be indefinite. Indefinite life assets, such as goodwill, are not amortised but are tested for impairment at each year end.

Impairment
Goodwill is not subject to amortisation and is tested annually for impairment and when circumstances indicate that the carrying value may be impaired.

Other intangible assets are subject to amortisation and are reviewed for impairment whenever events or changes in circumstances indicate that the amount carried in the Consolidated Statement of Financial Position is less than its recoverable amount.

Determining whether the carrying amount of intangible assets has any indication of impairment requires judgement. Any impairment is recognised in the Consolidated Income Statement.

An impairment test is performed by assessing the recoverable amount of each asset, or for goodwill the cash-generating unit ('CGU'), or group of CGUs, related to the goodwill. Total assets (which include goodwill) are grouped at the lowest levels for which there are separately identifiable cash flows. The Directors have identified three CGUs, Media & Entertainment, ITV Studios and SDN.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The value in use is based on the present value of the future cash flows expected to arise from the asset.

In testing for impairment, estimates are used in deriving cash flows and the discount rates. Such estimates reflect current market assessments of the risks specific to the asset and the time value of money. The estimation process is complex due to the inherent risks and uncertainties associated with long-term forecasting. If different estimates of the projected future cash flows or a different selection of an appropriate discount rate or long-term growth rate were made, these changes could materially alter the projected value of the cash flows of the asset, and as a consequence materially different amounts would be reported in the financial information.

Impairment losses in respect of goodwill cannot be reversed. In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Intangible assets

Intangible assets can be analysed as follows:

	Goodwill £m	Formats and brands £m	Customer contracts and relationships £m	Contractual arrangements £m	Licences £m	Libraries and other £m	Software licences and development £m	**Total £m**
Cost								
At 1 January 2023	4,037	549	462	11	176	106	280	5,621
Prior year restatement	–	–	–	–	–	–	(40)	(40)
Restated at 1 January 2023	4,037	549	462	11	176	106	240	5,581
Additions	–	–	–	–	–	–	39	39
Disposals	–	–	(1)	–	–	–	(63)	(64)
Foreign exchange	(18)	(9)	(4)	–	–	(1)	–	(32)
Restated at 31 December 2023	4,019	540	457	11	176	105	216	5,524
Additions	22	1	3	–	–	21	35	82
Reclassifications	–	–	1	–	–	(1)	–	–
Disposals	–	–	(5)	–	–	–	(18)	(23)
Foreign exchange	–	(15)	(1)	–	–	–	(1)	(17)
At 31 December 2024	**4,041**	**526**	**455**	**11**	**176**	**125**	**232**	**5,566**
Amortisation and impairment								
At 1 January 2023	2,654	520	446	11	131	93	157	4,012
Prior year restatement	–	–	–	–	–	–	(40)	(40)
Restated at 1 January 2023	2,654	520	446	11	131	93	117	3,972
Charge for the year	–	17	4	–	2	–	64	87
Disposals	–	–	(1)	–	–	–	(63)	(64)
Foreign exchange	–	(8)	(4)	–	–	(1)	–	(13)
Restated at 31 December 2023	2,654	529	445	11	133	92	118	3,982
Charge for the year	76	3	5	–	2	1	36	123
Reclassifications	–	–	1	–	–	(1)	–	–
Disposals	–	–	(5)	–	–	–	(18)	(23)
Foreign exchange	–	(14)	–	–	–	–	–	(14)
At 31 December 2024	**2,730**	**518**	**446**	**11**	**135**	**92**	**136**	**4,068**
Net book value								
At 31 December 2024	**1,311**	**8**	**9**	**–**	**41**	**33**	**96**	**1,498**
At 31 December 2023	1,365	11	12	–	43	13	98	1,542

During the year, the Group carried out an extensive review of the fixed asset register and identified historical disposals and retirements that had been incorrectly recorded within property, plant and equipment rather than software licences and development. These assets were fully depreciated and therefore did not result in a change to the Consolidated Income Statement or the Consolidated Statement of Financial Position. The cost and amortisation at 1 January 2023 have been restated.

Disposals and retirements for the year include assets written off with nil net book value that are not expected to generate any future economic benefits.

Goodwill impairment tests

The carrying amount of goodwill for each CGU is represented as follows:

	2024 £m	2023 £m
ITV Studios	**925**	903
Media & Entertainment	**386**	386
SDN	**–**	76
	1,311	1,365

There is a wide range of potential outcomes regarding the possible future performance of each of ITV Group's cash-generating units, Media & Entertainment, ITV Studios and SDN. In the impairment review the Directors used the severe but plausible downside scenarios utilised for the viability statement. When assessing impairment, the recoverable amount of each CGU is based on value in use calculations. These calculations require the use of estimates, specifically: pre-tax cash flow projections; long-term growth rates; and a pre-tax market discount rate. Cash flow projections are based on the Group's current long-term plan. Beyond the plan, these projections are extrapolated using an estimated nominal long-term growth rate of 1% (2023: 1.5%). The growth rate used is consistent with the long-term average growth rates for both the industry and the countries in which the CGUs are located and is appropriate because these are long-term businesses.

The discount rate has been updated for each CGU to reflect the latest market assumptions for the risk-free rate, the equity risk premium and the net cost of debt.

ITV Studios
The goodwill for ITV Studios has arisen as a result of the acquisition of production businesses since 1999. Significant balances were created from the acquisition by Granada of United News and Media's production businesses in 2000 and the merger of Granada and Carlton in 2004 to form ITV plc. ITV Studios goodwill also includes the goodwill arising from acquisitions since 2012, with the largest acquisitions being Leftfield in 2014, followed by Talpa in 2015, Plimsoll in 2022 and Hartswood and Eagle Eye in 2024.

The key assumptions on which the forecast cash flows for the whole CGU were based (as represented by the approved financial budget for 2025 and forecast to 2027) include revenue (including international revenue and the ITV Studios share of M&E content budget, growth in commissions and hours produced), margins and the pre-tax market discount rate.
These assumptions have been determined by using a combination of extrapolation of historical trends within the business, industry estimates and in-house estimates of growth rates in all markets. No impairment was identified.

A pre-tax discount rate of 11.5% (2023: 10.7%) has been used in discounting the projected cash flows. No reasonably possible change in assumptions or discount rate would lead to an impairment.

Media & Entertainment
The goodwill in this CGU arose as a result of the acquisition of broadcasting businesses since 1999, the largest of which was the merger of Carlton and Granada in 2004 to form ITV plc, which was treated as an acquisition of Carlton for accounting purposes. Media & Entertainment goodwill also includes the goodwill arising on acquisition of UTV Limited in February 2016.

The main assumptions on which the forecast cash flow projections for this CGU are based (as represented by the approved financial budget for 2025 and forecast to 2027) include: the size, performance and share of the television and streaming advertising market; share of commercial impacts; programme and other costs; and the pre-tax market discount rate.

In forming its assumptions about the television and streaming advertising market, the Group has used a combination of long-term trends, industry forecasts and in-house estimates, which place greater emphasis on recent experience. No impairment was identified.

A pre-tax discount rate of 11.4% (2023: 10.4%) has been used in discounting the projected cash flows. No reasonably possible change in assumptions or discount rate would lead to an impairment.

SDN
Goodwill was recognised when the Group acquired SDN (the licence operator for DTT Multiplex A) in 2005. It represented the wider strategic benefits of the acquisition specific to the Group, principally the enhanced ability to promote Freeview as a platform, business relationships with the channels which are on Multiplex A and additional capacity available from 2010. SDN's multiplex licence was renewed during 2022 and expires in 2034.

In 2024, the Group fully impaired £76 million of goodwill allocated to the SDN CGU. The impairment charge arose as a result of a further unforeseen downturn in the long-term outlook for the digital terrestrial television market. Revenue continues to decline in this business primarily due to the renewal of long-term contracts with third parties at much lower market rates than previously anticipated and additional competition due to further oversupply in the market during 2024. The accelerated decline in the DTT market coupled with increasing costs have significantly impacted the profitability of the business and as such, the Group has taken the decision to fully impair the related goodwill.

3.4 Acquisitions

Keeping it simple

The following section outlines what the Group has acquired in the year.

Most of the deals are structured so that a large part of the payment due to the sellers ('consideration') is determined based on future performance. This is done so that the Group can both align incentives for growth, while reducing risk so that total consideration reflects actual performance, not expected.

The Group considers the income statement impact of all consideration to be capital in nature and so excludes it from adjusted profit. Therefore, for each acquisition below, the distinction between the types of consideration has been explained in detail.

Accounting policies

The Group measures the cost of the acquisition at the fair value of the consideration paid; allocates that cost to the acquired identifiable assets and liabilities based on their fair values; and allocates the rest of the cost to goodwill. The Group also recognises any excess of acquired assets and liabilities over the consideration paid in the Consolidated Income Statement immediately.

IFRS accounting standards require that when consideration is based on future performance, some of this consideration is to be included in the purchase price used in determining goodwill ('contingent consideration'). Examples of contingent consideration include top-up payments and recoupable performance adjustments. Any remaining consideration is recognised as a liability or expense outside of acquisition accounting (put option liabilities and employment-linked contingent payments known as 'earnout' payments).

Where a payment is employment-linked, it is treated as a cash-settled share-based payment. The liability is measured at fair value taking into account the terms and conditions of the arrangement and the extent to which employees have rendered service to date. The liability is remeasured at each reporting date with changes in the carrying value recognised in the Income Statement for the period.

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The valuation choice is made on an acquisition by acquisition basis.

Acquisitions in 2024

The Group made two acquisitions in 2024 for cash consideration totalling £49 million. These new businesses are reported within the ITV Studios operating segment. The businesses align with the strategy of strengthening the Group's existing position as a producer and global distributor of world-class content. Details of the acquisitions are included below:

Hartswood Films Limited

On 25 July 2024, the Group completed the acquisition of a majority shareholding of the scripted independent production company Hartswood Films Limited and its subsidiaries in the UK. The company is behind a raft of landmark scripted series, including Douglas is Cancelled, The Devil's Hour and the Emmy award-winning Sherlock. The acquisition is a further milestone in ITV Studios' strategy of expanding its international content business and deepening its relationship with streamers.

Key terms

At acquisition, the Group made a total payment of £34 million for the 51% shareholding, which included adjustments for a share of cash acquired. A further £3 million of contingent consideration in respect of the share purchase was recognised.

Based on the assessment of non-controlling interest, the Group has control over 62.38% of the business acquired and a non-controlling interest of £16 million was recognised. Put and call options are in place over the remaining shareholding, with exercise prices based on a multiple of the average EBITA for the years 2025 to 2031.

The maximum total potential consideration, including the initial payment and the additional subscription of shares, is £110 million (undiscounted). This includes put and call options over the non-controlling interests and earnouts. These additional earnout payments are dependent on future performance of the business and linked to ongoing employment, therefore are accounted for as an expense. The Group considers these payments as capital in nature, and expenses in relation to these payments are excluded from adjusted profits as exceptional items.

Acquisition accounting

Intangible assets of £23 million were identified, being the value placed on brands, customer contracts, and libraries. £10 million of surplus of consideration over the current fair value of the share of net assets acquired was allocated to goodwill. The Group recognised the non-controlling interests at the proportionate share of the acquired entity's net identifiable assets of £16 million. Performance-based employment-linked earnouts will be accrued over the period the sellers are required to remain with the business and will be treated as exceptional costs.

Effect of acquisition

The amounts recognised in respect of the estimated fair value of identifiable assets and liabilities have been included below:

	2024 Total £m
Consideration transferred:	
Initial consideration	**34**
Contingent consideration	**3**
Total consideration	**37**
Fair value of net assets acquired:	
Cash	**30**
Intangible assets	**23**
Production inventories	**12**
Trade and other receivables	**10**
Contract assets	**4**
Deferred tax liabilities	**(6)**
Trade and other payables	**(13)**
Contract liabilities	**(17)**
Fair value of net assets acquired	**43**
Non-controlling interest measured at the proportionate share of net assets	**16**
Goodwill	**10**
Purchase consideration – cash outflow	
Cash consideration	**34**
Cash acquired	**(30)**
Net cash outflow – investing activities	**4**
Other information	
Present value of the expected liability on put options	**2**

Contributions to the Group's performance:	
From date of acquisition	
Revenue	**10**
EBITA before exceptional items	**3**
Operating profit	**3**
Proforma – January to December	
Revenue	**30**
EBITA before exceptional items	**3**
Operating profit	**3**

Acquisition costs charged to operating exceptional items in the Consolidated Income Statement amounted to £1 million for financial due diligence and legal costs.

Eagle Eye Drama Limited

On 30 October 2024, the Group completed the acquisition of a majority shareholding in Eagle Eye Drama Limited and its subsidiaries, one of the UK's fastest-growing drama producers. The company was part of Channel 4's Indie Growth Fund since 2019 and produces a wide breadth of scripted content from original dramas to adaptations of critically acclaimed international series for English-speaking audiences, including hit returning shows such as ITV's Professor T and Hotel Portofino, Channel 4's Before We Die and Suspect, as well as The Couple Next Door, which was Channel 4's biggest ever scripted streaming launch.

As part of the deal, the Group also acquired a majority stake in the Belgium-based production services company Happy Duck Film BV, led by producer and director Dries Vos (Professor T, The Couple Next Door), which services Eagle Eye's global slate.

Key terms
At acquisition, the Group made a total payment of £15 million for 62.5% of shareholding of Eagle Eye and 56.4% of shareholding of Happy Duck. A further £1 million of deferred consideration in respect of the share purchase was recognised.

Based on the assessment of non-controlling interest, the Group has control over 62.5% of Eagle Eye and 100% of Happy Duck and a non-controlling interest of £2 million was recognised. Put and call options are in place over the remaining shareholdings, with exercise prices based on a multiple of the average EBITA for the years 2024 to 2032.

Acquisition accounting
The Group is still completing its valuation of the intangible and tangible assets acquired with the businesses. Provisional net assets including cash of £6 million has been recognised in the Group results and Statement of Financial Position at 31 December 2024 with the surplus of consideration over the current fair value of the share of net assets acquired allocated to goodwill. The Group expects to complete the valuation of intangible assets and other acquired assets and liabilities in the first half of 2025. The value of goodwill will be adjusted by a corresponding amount for the value of intangible assets identified and the difference between the market and book values of the assets and liabilities.

3.5 Disposal of associates, joint ventures and subsidiary undertakings

Keeping it simple

The following section outlines disposals and related profit or loss made by the Group in the period.

Accounting policies
The Group recognises a profit or loss on a disposal of non-current assets such as investments in associates, joint ventures and subsidiary undertakings at the date the asset was disposed of or control of the asset is lost. The Group derecognises assets and liabilities in relation to the assets disposed of as well as any non-controlling interests where applicable and cumulative translation differences recognised in equity. The resultant profit or loss on disposal recognised in the Consolidated Income Statement is excluded from Adjusted results.

Disposals made in the current year
During the year, the Group recognised a net profit on disposal of joint ventures and subsidiary undertakings of £212 million from proceeds of £303 million. The carrying value of net assets disposed and related costs was £91 million.

On 1 March 2024, the Group announced that it had sold its 50% interest in digital subscription streaming service BritBox International to its joint venture partner BBC Studios for a cash consideration of £255 million. The transaction was effected by the Group disposing of its 50% interests in BritBox LLC, BB Rights LLC, Denipurna Limited and BritBox International Limited and its 100% holding of ITV SVOD Australia Pty Ltd.

As part of the transaction, loans from ITV plc to BritBox International Limited of £17 million and to ITV SVOD Australia Pty Ltd of AUD 3 million (£2 million) were repaid.

At 31 December 2023, the Group recognised an asset held for sale of £66 million, being the carrying value of the investments. Dividends received and losses for the period offset by an increase in the capital investment and foreign currency translation differences to the date of disposal reduced the carrying value to £62 million.

Net liabilities and related costs of £1 million were also included in determining the profit on disposal of £194 million, which was recognised in the Group's Consolidated Income Statement.

	31 December 2024 £m
Consideration received for the Group's interest in BritBox International	**255**
Less carrying value of net assets / (liabilities) sold:	**61**
Joint venture investments	**62**
Other net liabilities and related costs	**(1)**
Profit on disposal	**194**

On 25 July 2024, the Group announced that ITV Studios had sold back its minority shareholding in Blumhouse TV to Blumhouse Holdings, for a consideration of US$60 million. The carrying value of the investment prior to sale was £30 million. A profit on disposal of £18 million was subsequently recognised in the Group's Consolidated Income Statement. Blumhouse TV and ITV America will continue their unscripted partnership.

3.6 Investments

Keeping it simple

The Group holds non-controlling interests in a number of different entities. Accounting for these investments, and the Group's share of any profits and losses, depends on the level of control or influence the Group is granted via its interest. The three principal types of non-consolidated investments are joint arrangements (joint ventures or joint operations), associates, and equity investments.

A joint arrangement is an investment where the Group has joint control, with one or more third parties. An associate is an entity over which the Group has significant influence (i.e. power to participate in the investee's financial and operating decisions). Any other investment is an equity investment.

Accounting policies

For joint ventures and associates, the Group applies equity accounting. Under this method, it recognises the investment in the entity at cost and subsequently adjusts this for its share of profits or losses, which are recognised in the Consolidated Income Statement within non-operating items and included in adjusted profit.

Where the Group has invested in associates by acquiring preference shares or convertible debt instruments, the share of profit recognised is usually £nil as no equity interest exists.

Equity investments are held at fair value unless the investment is a start-up business, in which case it is valued initially at cost as a proxy for fair value.

The carrying amount of each category of our investments is represented as follows:

	Joint ventures £m	Associates £m	Equity investments £m	**Total £m**
At 1 January 2023	59	60	11	130
Additions	5	3	10	18
Share of profits/(losses)	8	(8)	–	–
Impairments/fair value adjustments	–	(5)	–	(5)
Dividends received	(3)	–	–	(3)
Foreign exchange	(3)	(3)	–	(6)
Classified as held for sale	(66)	–	–	(66)
At 31 December 2023	**–**	**47**	**21**	**68**
Additions	–	4	12	16
Share of losses	–	(3)	–	(3)
Impairments/fair value adjustments	–	(18)	(2)	(20)
Disposals	–	(30)	–	(30)
At 31 December 2024	**–**	**–**	**31**	**31**

On 25 July 2024, the Group announced the sale of its minority investment in Blumhouse TV for a consideration of US$60 million. The investment in Blumhouse TV was recorded as an associate on the Group's Statement of Financial Position, with a carrying value of £30 million prior to the sale. See note 3.5 for further information.

In the current year, the carrying amount of an investment in a scripted production business in the US was impaired following a review of the outlook for the business.

The equity investments relate primarily to the Group's Media for Equity programme. No individual investment is considered material to the Group. These investments are held at fair value and a fair value loss was recognised in Other Comprehensive Income in the year.

3.7 Provisions

Keeping it simple

A provision is recognised by the Group where an obligation exists relating to events in the past and it is probable that cash will be paid to settle it.

A provision is made where the Group is not certain how much cash will be required to settle a liability, so an estimate is required. The main estimates relate to the cost of holding properties that are no longer in use by the Group, the likelihood of settling legal claims and contracts the Group has entered into that are now unprofitable.

Accounting policies

A provision is recognised in the Consolidated Statement of Financial Position when the Group has a present legal or constructive obligation arising from past events, it is probable cash will be paid to settle it and the amount can be estimated reliably. Provisions are determined by discounting the expected future cash flows by a rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a financing cost in the Consolidated Income Statement. The value of the provision is determined based on assumptions and estimates in relation to the amount and timing of actual cash flows, which are dependent on future events.

Provisions

The movements in provisions during the year are as follows:

	Contract provisions £m	Property provisions £m	Legal and other provisions £m	**Total £m**
At 1 January 2024	18	10	126	154
Additions	4	1	19	24
Utilised	(16)	–	(13)	(29)
Released	–	–	(2)	(2)
Foreign exchange	–	(1)	–	(1)
At 31 December 2024	**6**	**10**	**130**	**146**

Analysed between:

Current	6	1	127	134
Non-current	–	9	3	12

Provisions of £134 million are classified as current liabilities (2023: £137 million). Unwind of the discount is £nil in 2024 and 2023.

Contract provisions £6 million (2023: £18 million)
Contract provisions of £6 million (2023: £11 million), represent liabilities in respect of onerous contracts in relation to individual sports rights. The transmission capacity supply contracts provision (2023: £7 million) has been fully utilised in the year.

Property provisions £10 million (2023: £10 million)
These provisions primarily relate to expected dilapidation costs at the Group's rental properties.

Legal and other provisions £130 million (2023: £126 million)
Represents provisions for potential liabilities (arising from legal disputes and claims) and their related legal costs. These include £52 million (2023: £52 million) for the potential liability that may arise as a result of a settlement agreed in relation to the Box Clever Pension Scheme, employee-related tax and other provisions of £64 million (2023: £61 million) and other legal and related costs.

Box Clever Pension Scheme
The Pensions Regulator (tPR) took regulatory action in relation to Financial Support Directions issued to ITV and certain Group companies on 17 March 2020 in respect of the Box Clever Pension Scheme (Scheme). This was the pension scheme in relation to a TV rental business joint venture set up by Granada UK Rental and Retail Limited and Carmelite Investments Limited (parent company of Thorn Limited (Thorn)) in 1999. An agreement to settle the regulatory action was reached on 2 December 2024 between those ITV companies, tPR, the Pension Protection Fund and the Scheme trustee, Box Clever Pension Trustees Limited.

Under the settlement, in summary, all current Scheme members (both ex-Granada and ex-Thorn) will be transferred to the ITV Pension Scheme and receive their full Scheme benefits. Back-payments of underpaid pension with interest will also be paid. There is also provision for estates of members who have died in the PPF assessment period. ITV has certain termination rights if, after a data cleanse in relation to the benefits of Scheme members, the value of the liabilities which are expected to transfer to the ITV Scheme has materially increased since the settlement. If ITV does not proceed with the transfer, tPR will be free to recommence regulatory proceedings. ITV will also reimburse the PPF for certain amounts it has lent to the Scheme trustee during the assessment period.

The transfer of liabilities into the ITV Pension Scheme is subject to the approval of the ITV Pension Scheme Trustee. Non-binding Heads of Terms have also been agreed between ITV and the ITV Pension Scheme Trustee. These propose that after transfer of the Scheme members, £25 million of additional funding will be paid to the ITV Pension Scheme (to form part of the general assets of the ITV Pension Scheme) and a surety bond will be provided to cover the value of the transferred liabilities (until the earlier of 31 March 2027 or the completion of the next actuarial valuation).

The provision held at 31 December 2024 remains at £52 million (31 December 2023: £52 million). It is based on an IAS 19 valuation of the cost to ITV of the settlement. As noted above, a data cleanse in relation to the benefits of the Scheme members is required to be undertaken before the value of the liabilities to be transferred into the ITV Pension Scheme can be calculated and as such, no adjustment has been made to the provision as at 31 December 2024.

Employee-related

The determination of the employment tax status of some individuals contracted by the Group is complex. HMRC has issued assessments to the Group for several individuals engaged by the Group during the tax years 2016/17 to 2018/19 as employed for tax purposes.

During 2024, we continued to review the provision, which resulted in an increase in the provision of £5 million (2023: £2 million). This related to current year risk on continuing drama/Soap Actors and interest on the existing provision which would be payable to HMRC. £1 million of the provision was released through exceptional items as it was no longer required (2023: £3 million release) as this relates to periods up to 31 December 2023 and therefore does not relate to the current year.

Due to ongoing reviews by HMRC and court cases in this matter, the final amount payable could be significantly different to the £61 million currently provided (2023: £58 million). It is difficult to provide a range for the expected final amounts payable as case law is continually evolving on this matter, particularly in relation to Front of Camera presenters. Very few cases have reached the higher courts and fact patterns can be very different in individual cases, so determination of employment status for tax purposes remains very subjective.

A further £3 million (2023: £3 million) is provided in relation to other employment-related matters.

Other

Other provisions relate to settlements or proposed settlements on a number of legal cases as well as historical environmental provisions in relation to our production sites, closure costs and provision for legal fees for other ongoing litigation.

3.8 Pensions

Keeping it simple

In this note, we explain the accounting policies governing the Group's pension schemes, followed by analysis of the components of the net defined benefit pension surplus or deficit, including assumptions made, and where the related movements have been recognised in the financial information. In addition, we have placed text boxes to explain some of the technical terms used in the disclosure.

What are the Group's pension schemes?
There are two types of pension schemes. A 'Defined Contribution' scheme that is open to ITV employees, and a number of 'Defined Benefit' schemes that have been closed to new members since 2006 and closed to future accrual in 2017. In 2016, on acquisition of UTV Limited, the Group took over the UTV Defined Benefit Scheme, which closed to future accrual at the end of March 2019.

What is a Defined Contribution scheme?
The Defined Contribution scheme is where the Group makes fixed payments into a separate fund on behalf of those employees participating in saving for their retirement. ITV has no further obligation to the participating employee and the risks and rewards associated with this type of scheme are assumed by the members rather than the Group. Although the Trustee of the scheme makes available a range of investment options, it is the members' responsibility to make investment decisions relating to their retirement benefits.

What is a Defined Benefit scheme?
In a Defined Benefit scheme, members receive payments during retirement, the value of which is dependent on factors such as salary and length of service. The Group makes contributions to the scheme, a separate Trustee-administered fund that is not consolidated in this financial information, but is reflected on the defined benefit pension surplus or deficit line in the Consolidated Statement of Financial Position.

The Trustee, appointed according to the terms of the Schemes' documentation, is required to act in the best interest of the beneficiaries and is responsible for managing and investing the assets of the Scheme and its funding position. Schemes can be funded, where regular cash contributions are made by the employer into a fund which is invested. In the event of poor investment returns or increases in liabilities, the Group may need to address this through increased levels of contribution. Alternatively, schemes can be unfunded, where no regular money or assets are required to be put aside to cover future payments but, in some cases, security is required.

The accounting defined benefit pension surplus or deficit (IAS 19) is different from the actuarial valuation surplus or deficit as they are calculated on the basis of different assumptions, such as discount rate. The accounting defined benefit pension surplus or deficit (IAS 19) figure is calculated as at the balance sheet date, while the actuarial surplus or deficit (which drives cash funding requirements) is calculated as part of the triennial valuations. The triennial valuations at 31 December 2022 for the ITV Pension Scheme and at 30 June 2023 for the UTV Pension Scheme were agreed during the year.

Accounting policies

Defined contribution scheme

Obligations under the Group's defined contribution schemes are recognised as an operating cost in the Consolidated Income Statement as incurred. For 2024, total contributions expensed were £23 million (2023: £25 million).

Defined benefit scheme

The Group's obligation in respect of the Defined Benefit Scheme is calculated by estimating the amount of future retirement benefit that eligible employees ('beneficiaries') have earned during their services. That benefit payable in the future is discounted to today's value and then the fair value of scheme assets is deducted to measure the defined benefit pension position.

Unless otherwise stated, references to Defined Benefit Schemes ('the Schemes') within this note refer to the ITV Pension Scheme, the Unfunded Scheme, the Granada supplementary scheme and the UTV Pension Scheme combined. Details on each scheme are provided below.

The liabilities of the Schemes are measured by discounting the best estimate of future cash flows to be paid using the 'projected unit' method. These calculations are complex and are performed by a qualified actuary. There are many judgements and estimates necessary to calculate the Group's estimated liabilities, the main assumptions are set out later in this note. Movements in assumptions during the year are called 'actuarial gains and losses' and these are recognised in the period in which they arise through the Consolidated Statement of Comprehensive Income.

The accounting defined benefit pension surplus or deficit (IAS 19) is different from the actuarial valuation surplus or deficit as they are calculated on the basis of different assumptions, such as discount rate. The accounting defined benefit pension surplus or deficit (IAS 19) figure is calculated as at the balance sheet date, and the actuarial valuation surplus or deficit (or funding surplus or deficit) is calculated per the last triennial valuation.

The triennial valuation of the ITV Pension Scheme (the Scheme) as at 31 December 2022 was completed in the period. At the valuation date, the Scheme had a surplus of £83 million. This is compared to a deficit of £252 million at the previous valuation date of 31 December 2019.

As the Scheme is in surplus, there are no deficit contributions payable. The Group will continue contributing the annual payment under the London Television Centre Pension Funding Partnership. For 2024, contributions under this partnership were £3 million. The Group's pension deficit contributions for the year to 31 December 2023 were £40 million.

The IAS 19 surplus or deficit does not drive the deficit funding contribution.

An unfunded scheme in relation to former beneficiaries who accrued benefits in excess of the maximum allowed for tax purposes is accounted for under IAS 19 and the Group is responsible for meeting the pension obligations as they fall due. For the four former Granada executives within the unfunded scheme, there is additional security in the form of a charge over £45 million (2023: £48 million) of securitised gilts held by the Group, which are classified as other pension assets to reflect the Group's net pension surplus or deficit.

Due to the size of the UTV Pension Scheme, the Directors present the results and position of the UTV Pension Scheme within this note combined with the existing ITV Schemes. In January 2024, the triennial valuation of the UTV Scheme as at 30 June 2023 was completed. At the valuation date the Scheme had a surplus of £3 million.

The principal employer of the ITV Pension Scheme and the Unfunded Scheme is ITV Services Limited, the Granada supplementary scheme is Granada Group Limited and the UTV Pension Scheme is UTV Limited.

The defined benefit pension surplus (under IAS 19)

Net pension surplus of £182 million at 31 December 2024 (2023: £209 million) is stated after including the unfunded scheme security asset of £45 million (2023: £48 million). The totals recognised in 2024 and 2023 are:

	2024 £m	2023 £m
Total defined benefit scheme obligations	**(1,998)**	(2,194)
Total defined benefit scheme assets	**2,135**	2,355
Defined benefit pension surplus (IAS 19)	**137**	161
Presented as:		
Defined benefit pension surplus*	**162**	187
Defined benefit pension deficit	**(25)**	(26)
Defined benefit pension surplus / (deficit) (IAS 19)	**137**	161
Other pension asset	**45**	48
Net pension surplus	**182**	209

* Included with the defined benefit pension surplus is the UTV Scheme. The defined benefit scheme assets in the UTV Scheme were valued at £86 million as at 31 December 2024 (2023: £94 million) and the defined benefit scheme obligations were £78 million (2023: £85 million)

The following notes provide further detail on the value of the Schemes' assets and liabilities, how these are accounted for and their impact on the financial information.

Defined benefit scheme obligations

Keeping it simple	
	What causes movements in the defined benefit pension obligations? The areas that impact the defined benefit obligation (the pension scheme liabilities) position at the year end are as follows: • **Past service cost** – is a change in present value of the benefits built up by the beneficiaries in the prior periods; can be positive or negative resulting from changes to the existing plan as a result of an agreement between ITV and employees or legislative change (including legal rulings) or as a result of significant reduction by ITV in the number of employees covered by the plan (curtailment) • **Interest cost** – the pension obligations payable in the future are discounted to the present value at year end. A discount factor is used to determine the current value today of the future cost. The interest cost is the unwinding of one year's movement in the present value of the obligation. It is broadly determined by multiplying the discount rate at the beginning of the year by the updated present value of the obligation during the year. The discount rate is a key assumption explained later in this note. This interest cost is recognised through net financing costs in the Consolidated Income Statement (see note 4.4) • **Actuarial gains or losses** – there are broadly two causes of actuarial movements: 'experience' adjustments, which arise when comparing assumptions made when estimating the liabilities and what has actually occurred, and adjustments resulting from changes in actuarial assumptions, e.g. movements in corporate bond yields or change in mortality. Key assumptions are explained in detail later in this note. Actuarial gains or losses are recognised through other comprehensive income • **Benefits paid** – any cash benefits paid out by the Scheme will reduce the obligation

The movement in the present value of the Group's defined benefit obligation is analysed below:

	2024 £m	2023 £m
Defined benefit obligation at 1 January	**2,194**	2,292
Interest cost	**100**	112
Actuarial gain	**(149)**	(63)
Benefits paid	**(147)**	(147)
Defined benefit obligation at 31 December	**1,998**	2,194

Of the above total defined benefit obligation at 31 December 2024, £37 million relates to the unfunded schemes (2023: £39 million).

Assumptions used to estimate the Scheme obligations

Keeping it simple	
	What are the main assumptions used to estimate the Scheme obligations? The main assumptions are: • An estimate of increases in pension payments and the effect of inflation • The life expectancy of beneficiaries • The discount rate used to estimate the present day fair value of these obligations **How do we determine the appropriate assumptions?** The Group takes independent actuarial advice relating to the appropriateness of the assumptions used. IFRS requires that we estimate a discount rate by reference to high-quality fixed income investments in the UK that match the estimated term of the pension obligations. The inflation assumption has been set by looking at the difference between the yields on fixed and index-linked government bonds. The inflation assumption is used as a basis for the remaining financial assumptions, except where caps have been implemented. The discount rate has therefore been obtained using the yields available on AA rated corporate bonds, which match projected cash flows. The Group's estimate of the weighted average term of the liabilities is 11 years (2023: 11 years).

The principal assumptions used in the Schemes' valuations at the year end were:

	2024	2023
Discount rate	**5.45%**	4.75%
Inflation assumption (RPI)	**3.15%**	3.05%
	Deferred/ Pensioner	Deferred/ Pensioner
Rate of increase in pension payment (LPI* 5% pension increases)	**2.75%/3.05%**	2.80%/3.00%
Rate of increase to deferred pensions (CPI)	**2.70%**	2.50%

* Limited Price Index

From February 2030 onwards, increases in the RPI will be aligned with those under the Consumer Price Index including owner occupier housing costs (CPIH). The gap between CPIH and Consumer Price Index (CPI), to which some benefits are linked, is assumed to be zero. For Defined Benefit schemes, it means that members with RPI-linked pension increases will see future retirement benefits increase more slowly from 2030 than they otherwise would. The Group's approach to setting RPI and CPI inflation assumptions is as follows:

- The Group continued to set RPI inflation in line with the market break-even expectations for inflation less an inflation risk premium of 0.3%
- The assumptions linked to RPI and CPI as at 31 December 2024 have been determined by weighting the cash flows to which the link applies

The table below reflects published mortality investigation data in conjunction with the results of investigations into the mortality experience of Scheme beneficiaries. The assumed life expectations on retirement for Section A are:

	2024	2024	2023	2023
Retiring today at age	**60**	**65**	60	65
Males	**25.6**	**21.1**	25.7	21.1
Females	**27.4**	**22.6**	27.3	22.6
Retiring in 20 years at age			60	65
Males	**27.1**	**22.3**	27.1	22.3
Females	**28.9**	**24.1**	28.9	24.0

The net pension surplus is sensitive to changes in assumptions. These are disclosed further in this note.

Total defined benefit scheme assets

Keeping it simple

The Scheme holds assets across a number of different classes, which are managed by the Trustee, who consults with the Group on changes to its investment policy.

What are the Pension Scheme assets?
At 31 December 2024, the Schemes' assets were invested in a diversified portfolio that consisted primarily of debt securities, infrastructure, property and insurance policies matching the pensions due to certain beneficiaries. The tables below set out the major categories of assets.

Financial instruments are in place in order to provide protection against changes in market factors (interest rates and inflation), which could act to increase the net pension surplus/deficit.

One such instrument is the longevity swap, which the Scheme transacted in 2011 to obtain protection against the effect of increases in the life expectancy of the majority of pensioner beneficiaries at that date. Under the swap, the Trustee agreed to make pre-determined payments in return for payments to meet the specified pension obligations as they fall due, irrespective of how long the beneficiaries and their dependants live. The difference in the present values of these two streams of payments is reflected in the Scheme assets. The swap had a nil valuation at inception and, using market-based assumptions, is subsequently adjusted for changes in the market life expectancy and market discount rates, in line with its fair value.

How do we measure the pension Scheme assets?
Defined benefit scheme assets are measured at their fair value and can change due to the following:

- Interest income on scheme assets – this is determined by multiplying the fair value of the Scheme assets by the discount rate, both taken as of the beginning of the year. This is recognised through net financing costs in the Consolidated Income Statement
- Return on assets arise from differences between the actual return and interest income on Scheme assets and are recognised in the Consolidated Statement of Other Comprehensive Income
- Employer's contributions are paid into the Scheme to be managed and invested
- Benefits and administrative expenses paid out by the Schemes will lower the fair value of the Schemes' assets

The movement in the fair value of the defined benefit schemes' assets is analysed below:

	2024 £m	2023 £m
Fair value of Scheme assets at 1 January	**2,355**	2,437
Interest income on Scheme assets	**108**	120
Loss on assets, excluding interest income	**(180)**	(98)
Employer contributions	**6**	50
Benefits paid	**(147)**	(147)
Administrative expenses paid	**(7)**	(7)
Fair value of Scheme assets at 31 December	**2,135**	2,355

How are the Schemes' assets invested?

At 31 December 2024, the Schemes' assets were invested in a diversified portfolio that consisted primarily of debt securities, infrastructure, property and insurance policies matching pensions due to certain beneficiaries. The Trustee is responsible for deciding the investment strategy for the Schemes' assets, although changes in investment policies require consultation with the Group. The assets are invested in different classes to hedge against unfavourable movements in the funding obligation. When selecting the mix of assets to hold, and considering their related risks and returns, the Trustee will weigh up the variability of returns against the target long-term rate of return on the overall portfolio.

The fair value of the Schemes' assets is shown in the following table by major category:

	Market value 2024 £m	Quoted 2024 £m	Market value 2024 %	Market value 2023 £m	Quoted 2023 £m	Market value 2023 %
Liability hedging assets						
Fixed interest gilts	**464**	**463**		449	449	
Index-linked interest gilts	**499**	**494**		516	516	
Interest rate and inflation hedging derivatives (swaps, repos and reverse repos)	**(290)**	**(312)**		(112)	(142)	
	673	**645**	**32%**	853	823	36%
Other bonds	**1,284**	**60**	**60%**	1,456	62	62%
Return-seeking investments						
Infrastructure	**174**			175		
Property	**146**			149		
	320		**15%**	324		14%
Other investments						
Cash and cash equivalents	**136**			41		
Insurance policies*	**41**			41		
Longevity swap fair value	**(319)**			(360)		
	(142)		**(7%)**	(278)		(12%)
Total Scheme assets	**2,135**	**705**	**100%**	2,355	885	100%

* Insurance policies includes a surrender value of £30 million (2023: £27 million) invested in Cash Accumulated with Profits Fund

Included in the above are overseas assets of £118 million (2023: £46 million). None of these assets are quoted.

The Trustee entered into a longevity swap in 2011, which hedges the risk of increasing life expectancy over the next 70 years for 11,700 current pensioners at inception covering £1.7 billion of the pension obligation. The fair value of the longevity swap is negative due to declining mortality assumptions and equals the discounted value of the projected net cash flows resulting from the contract. The fair value loss has reduced in 2024 primarily due to the increase in gilt yields over the period.

Defined pension deficit sensitivities

Keeping it simple	**Which assumptions have the biggest impact on the Scheme?** It is important to note that comparatively small changes in the assumptions used may have a significant effect on the Consolidated Income Statement and Consolidated Statement of Financial Position. This 'sensitivity' to change is analysed below to demonstrate how small changes in assumptions can have a large impact on the estimation of the defined benefit pension obligation. The Trustee manages the investment, mortality and inflation risks to ensure the pension obligations are met as they fall due. The investment strategy is aimed at the Trustee's actuarial valuation liabilities rather than IAS 19 defined pension liabilities. As such, the effectiveness of the risk hedging strategies on a valuation basis will not be the same as on an accounting basis. Those hedging strategies have significant impact on the movement in the net pension deficit as assumptions change, offsetting the impacts on the obligation disclosed below. In practice, changes in one assumption may be accompanied by offsetting changes in another assumption (although this is not always the case). Changes in the assumptions may occur at the same time as changes in the market value of Scheme assets, which may or may not offset the changes in assumptions. Changes in assumptions have a different level of impact as the value of the net pension surplus/(deficit) fluctuates, because the relationship between them is not linear.

The analysis below considers the impact of a single change in principal assumptions on the defined benefit obligation while keeping the other assumptions unchanged and does not take into account any risk hedging strategies:

Assumption	Change in assumption	Impact on defined benefit obligation
Discount rate	Increase by 0.1%	Decrease by £20 million
	Decrease by 0.1%	Increase by £20 million
	Increase by 0.5%	Decrease by £100 million
	Decrease by 0.5%	Increase by £110 million
Rate of inflation (Retail Price Index)	Increase by 0.1%	Increase by £10 million
	Decrease by 0.1%	Decrease by £5 million
Rate of inflation (Consumer Price Index)	Increase by 0.1%	Increase by £5 million
	Decrease by 0.1%	Decrease by £5 million
Life expectancies	Increase by one year	Increase by £60 million

The sensitivity analysis has been determined by extrapolating the impact on the defined benefit obligation at the year end with changes in key assumptions that might reasonably occur.

While the Schemes' risk hedging strategy is aimed at a valuation basis, the Directors estimate that on an accounting basis any change in asset values would significantly offset the above impact on the defined benefit obligation.

In particular, while an increase in assumption of life expectancies by one year would increase the defined benefit obligation by £60 million, the assets would benefit from an estimated increase of the value of the longevity swap by £55 million, resulting in a net decrease in the defined pension surplus of £5 million.

Further, the ITV Pension Scheme invests in UK government bonds and interest rate and inflation swap contracts and therefore movements in the defined benefit obligation are typically offset, to an extent, by asset movements.

Keeping it simple	**What was the impact of movements on the Schemes' assets and liabilities?** The notes above describe how the Scheme obligations and assets are comprised and measured. The following note sets out the impact of various movements and expenses of the Scheme on the Group's financial information.

Amounts recognised through the Consolidated Income Statement

Amounts recognised through the Consolidated Income Statement are as follows:

	2024 £m	2023 £m
Amount charged to operating costs:		
Scheme administration expenses	**(7)**	(7)
	(7)	(7)
Amounts credited to net financing cost		
Net interest on Scheme assets and defined benefit obligation	**8**	8
Total credit in the Consolidated Income Statement	**1**	1

Amounts recognised through the Consolidated Statement of Comprehensive Income
The amounts recognised through the Consolidated Statement of Comprehensive Income are:

	2024 £m	2023 £m
Remeasurement (losses)/gains		
Loss on scheme assets excluding interest income	**(180)**	(98)
Actuarial (losses)/gains on liabilities arising from change in:		
– experience adjustments	**(7)**	45
– financial assumptions	**142**	(68)
– demographic assumptions	**14**	86
	149	63
Total recognised in the Consolidated Statement of Comprehensive Income	**(31)**	(35)

The £149 million actuarial gain (2023: £63 million actuarial gain) on the Schemes' liabilities was principally due to the increase in bond yields which reduced the value of the liabilities. This actuarial gain was partially offset by the increase in market implied inflation which increased the value of the liabilities.

The £180 million loss (2023: £98 million loss) on the Schemes' assets was principally due to the rise in gilts yields leading to a decrease in the value of the assets. This has been partially offset by the increase in market implied inflation, increasing the value of the inflation-linked assets, and an increase in the fair value of the longevity swap.

Addressing the defined benefit pension deficit

Keeping it simple

The Group works closely with the Trustee to agree appropriate levels of funding for the Scheme. This involves agreeing a Schedule of Contributions at each triennial valuation, which specifies the contribution rates for the employer and, where relevant, scheme beneficiaries and the date these contributions are due. A recovery plan setting out the steps that will be taken to address a funding shortfall is also agreed.

In the event that the Group's defined benefit scheme is in a net liability position, the Directors must take steps to manage the size of the deficit. Apart from the funding agreements mentioned above, this could involve pledging additional assets to the Scheme, as was the case in the SDN and London Television Centre pension funding partnerships.

The levels of ongoing contributions to the Scheme are based on the expected future cash flows of the Scheme. Contributions in 2024 for administration expenses are £7 million (2023: £7 million).

The Group has two asset-backed pension funding agreements with the Trustee – the SDN pension funding partnership and the London Television Centre pension funding partnership which were set up in 2010 and 2014 respectively to address the pension deficit at that time.

SDN Pension Funding Partnership
In 2010, ITV established a Pension Funding Partnership (PFP) with the Trustees backed by SDN, which was subsequently extended in 2011. The PFP addressed £200 million of the funding deficit in Section A of the defined benefit pension scheme and under the original agreement, a payment of up to £200 million was due in 2022. The existing PFP agreement was amended and extended to 2031. As a result of this agreement, payments of £94 million were made under the SDN PFP arrangement in 2022. The Group is committed to up to nine annual payments of £16 million from 2023. These payments are required if the Scheme is calculated to be in a technical deficit. This calculation is based upon the most recent triennial valuation updated for current market conditions. The partnership's interest in SDN provides collateral for these payments.

The £16 million payment under the SDN PFP was not required to be paid in 2024. However, this assessment is made on an annual basis and therefore the £16 million payment may resume in 2025. The Group retains day to day operational control of SDN and SDN's revenues, profits and cashflows continue to be consolidated in the Group's financial information. On completion of the final payment in 2031, the Scheme's partnership interest will have been repaid in full and it will have no right to any further payments.

London Television Centre Pension Funding Partnership
In 2014, ITV established a Pension Funding Partnership with the Trustees backed by the London Television Centre, which resulted in the assets of Section A of the defined benefit pension scheme being increased by £50 million.
In November 2019, the London Television Centre was sold. £50 million of the proceeds was previously held in a restricted bank account as a replacement asset in the pension funding arrangement. In 2022, this security was replaced with a surety bond and the cash was released to the Group. This structure continues to be reviewed.

The Scheme's interest in these Partnerships reduces any deficit on a funding basis but does not impact any deficit on an IAS 19 basis as the Scheme's interest is not a transferrable financial instrument.

Deficit funding contributions
The accounting surplus or deficit does not drive the deficit funding contribution. The Group's deficit funding contributions in 2024 were £3 million (31 December 2023: £40 million). This related to the £3 million annual payment under the London Television Centre PFP. The 2023 amount included a £37 million deficit contribution agreed as part of the triennial valuation and £3 million annual payment under the London Television Centre PFP.

Deficit contributions are agreed with the Trustees following the triennial valuations. The ITV Pension Scheme and the UTV Pension Scheme are in surplus following the latest triennial valuations, therefore no deficit contributions are payable. The payments due under the SDN PFP and London Television Centre PFP (£16 million and £3 million respectively) will be assessed annually.

IFRIC 14 clarifies how the asset ceiling rules should be applied if the Schemes are expected to be in surplus, for example as a result of deficit funding agreements. The Group has determined that it has an unconditional right to a refund of any surplus assets if the Schemes are run off until the last member dies. On this basis, IFRIC 14 rules do not cause any change in the pension deficit accounting or disclosures.

In June 2023, the High Court ruled in the Virgin Media case that some historical rule amendments made between 1997 and 2016, without the correct actuarial certification, were not valid. In July 2024, the Court of Appeal upheld the High Court's decision that based on the relevant legislation at the time, a written actuarial confirmation was required where an alteration to the scheme's rules affected pension benefits attributable to past or future service benefits. Without a written confirmation, an amendment would be void. The decision does not give any guidance on what evidence would be sufficient. The Trustees of the Group's defined benefit pension schemes have taken advice on the implications of the Virgin Media decision with the first step being the gathering details of amendments made during the 1997 to 2016 period and to search for the relevant confirmation from the actuary. This review has not been completed and therefore no conclusions can be drawn. As a result, the Group does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in this financial information.

Section 4: Capital Structure and Financing Costs

In this section	

This section outlines how the Group manages its capital structure and related financing costs, including its balance sheet liquidity and access to capital markets.

The Directors determine the appropriate capital structure of ITV; specifically, how much is raised from shareholders (equity) and how much is borrowed from financial institutions (debt) in order to finance the Group's activities both now and in the future. Maintaining capital discipline and balance sheet efficiency remains important to the Group. Any potential courses of action in relation to this will take into account the Group's liquidity needs, flexibility to invest in the business, pension deficit initiatives and impact on credit ratings.

The Directors consider the Group's capital structure and dividend policy at least twice a year ahead of announcing results. The Directors take into account the available realised distributable reserves from which a dividend would be paid in addition to liquidity and solvency of the Group. The Directors also consider the capital structure and dividend policy in the context of the Group's ability to continue as a going concern, to execute the strategy and to invest in opportunities to grow the business and enhance shareholder value. The ITV plc Board oversees governance and approves tax and treasury-related policies and procedures.

4.1 Net debt

Keeping it simple

Net debt is the Group's key measure used to evaluate total outstanding debt, including our discounted lease liabilities net of current cash resources. A full analysis and discussion of net debt and covenant net debt is included in the Operating and Financial Performance Review.

The tables below analyse movements in the components of net debt during the year:

	1 January 2024 £m	Acquisitions** £m	Net cash flow £m	Currency and non-cash movements £m	**31 December 2024 £m**
Loans and facilities due within one year	(5)	(6)	1	–	**(10)**
Loans and facilities due after one year	(758)	–	5	30	**(723)**
Total loans and facilities	(763)	(6)	6	30	**(733)**
Currency component of forwards and swaps held against euro-denominated bonds*	(15)	–	10	(15)	**(20)**
Lease liabilities	(115)	–	25	(15)	**(105)**
Total debt	(893)	(6)	41	–	**(858)**
Cash	215	–	86	(5)	**296**
Cash equivalents	125	–	4	2	**131**
Total cash and cash equivalents	340	–	90	(3)	**427**
Net debt	(553)	(6)	131	(3)	**(431)**

* Net cash flow from currency component of forwards and swaps relates to the euro-denominated bond repaid in the year
** Loans on acquisitions includes £6 million from the acquisition of Eagle Eye

	1 January 2023 £m	Net cash flow £m	Currency and non-cash movements £m	31 December 2023 £m
Loans and facilities due within one year	(289)	278	6	(5)
Loans and facilities due after one year	(541)	(228)	11	(758)
Total loans and facilities	(830)	50	17	(763)
Currency component of forwards and swaps held against euro-denominated bonds*	(9)	10	(16)	(15)
Lease liabilities	(132)	26	(9)	(115)
Total debt	(971)	86	(8)	(893)
Cash	257	(37)	(5)	215
Cash equivalents	91	38	(4)	125
Total cash and cash equivalents	348	1	(9)	340
Net debt	(623)	87	(17)	(553)

* Net cash flow from currency component of forwards and swaps relates to the euro-denominated bond repaid in the year

Loans and loan notes due after one year

In June 2024 the Group issued a €500 million bond at a fixed coupon of 4.25% which matures in April 2032. This Eurobond was swapped back to £422 million using cross currency swaps with 50% having a fixed coupon of 5.8% and 50% paying 184bps over SONIA. In conjunction with this transaction a liability management exercise was undertaken on the €600 million 2026 Eurobond in issue, with €240 million being repaid from the proceeds of the 2032 issuance and the swaps associated with the redeemed portion were also unwound. The remaining €360 million in issue remains at a fixed coupon of 1.375%, with maturity in September 2026, swapped to sterling (£320 million) with the original cross-currency interest rate swaps. The fixed rate payable in sterling is c.2.9%.

A £230 million term loan was taken out in August 2023, and was fully drawn-down in December 2023. This term loan was fully repaid during 2024 with the remaining proceeds of the €500 million bond issuance.

Available facilities

The Group has good access to liquidity:

- The Group has £500 million of committed funding through an RCF with a group of relationship banks. During the year, one of the counterparties to the RCF was changed and the new counterparty acceded to the RCF with a January 2029 maturity, which is in line with the other counterparties. At 31 December 2024, the facility was undrawn (2023: undrawn). The RCF documentation defines a leverage covenant (which has to be maintained at less than 3.5x) and an interest cover covenant (which has to be maintained at greater than 3.0x). Both are tested at 30 June and 31 December each year. All financial covenants were met and the facility remains available at 31 December 2024. This RCF contains Scope 1, 2 and 3 greenhouse gas emissions targets which align to ITV's stated objective to have Net Zero carbon emissions by 2030. These targets are measured at the end of each financial year and independently verified in July following the relevant December year end. Scope 1 and 2 emissions are measured separately to Scope 3 emissions. The margin on the facility reduces by 2.5bps if Scope 1, 2 and 3 targets are met, by 1.25bps if either Scope 1 and 2 targets are met or Scope 3 targets are met, and increases by 2.5bps if neither target is met. Failing to meet targets does not impact the availability of the RCF. The Group met Scope 1, 2 and 3 targets for 2023; those emissions were verified in July 2024. Over the life of the facility, it may be necessary to recalibrate the baseline emissions level set in 2019, particularly in relation to Scope 3 emissions and there is a mechanism in the RCF documentation that allows for this.
- The Group has £100 million of committed funding via a bilateral RCF, which matures in December 2028. The terms and conditions, including financial covenants but not emissions targets, are aligned to the £500 million RCF facility. The facility was undrawn at 31 December 2024 (2023: undrawn).
- In October 2024, the Group entered into a new £200 million bilateral loan facility which matures December 2030. Utilisations on this facility are subject to the lender's ability to source ITV Credit Default Swaps (CDS). The new facility has a committed accreting profile which will mean the full £200 million will be available by 1 January 2026. At 31 December 2024, the Group had £50 million of the facility available. The facility is free of financial covenants and is currently undrawn.
- The Group has a £300 million bilateral loan facility, which matures on 30 June 2026. Utilisation requests are subject to the lender's ability to source ITV Credit Default Swaps (CDS) in the market at the time the utilisation request is made. The facility remains free of financial covenants. The facility is currently undrawn (2023: undrawn).

4.2 Borrowings

Keeping it simple

The Group borrows money from financial institutions in the form of bonds, bank facilities and other financial instruments. The interest payable on these instruments is shown in the net financing costs note (note 4.4).

There are Board-approved policies in place to manage the Group's financial risks. Macroeconomic market risks, which impact currency transactions and interest rates, are discussed in note 4.3. Credit and liquidity risks are set out below.

- Credit risk: the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations
- Liquidity risk: the risk that the Group will not be able to meet its financial obligations as they fall due

The Group is required to disclose the fair value of its debt instruments. The fair value is the amount the Group would pay a third party to transfer the liability. This estimation of fair value is consistent with instruments included in note 4.5.

Accounting policies

Borrowings

Borrowings are recognised initially at fair value less directly attributable transaction costs, with subsequent measurement at amortised cost using the effective interest rate method. Under the amortised cost method, the difference between the amount initially recognised and the redemption value is recorded in the Consolidated Income Statement over the period of the borrowing on an effective interest rate basis.

Managing credit and liquidity risk

Credit risk

The Group's maximum exposure to credit risk is represented by the carrying amount of derivative financial assets (see note 4.3), trade receivables (see note 3.1.3), contract assets (see note 3.1.6) and cash and cash equivalents (see note 4.1).

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The majority of trade receivables relate to airtime sales contracts with advertising agencies and advertisers. Credit insurance has been taken out against these companies to minimise the impact on the Group in the event of a possible default. The Group also reviews other significant receivables and will seek to take out credit insurance on an individual basis where appropriate. Credit risk over contract assets is monitored proactively using daily reports from an external credit risk company. These reports are used to determine contractual obligations, monitor risk and amend terms where required.

Cash and cash equivalents and derivative financial instruments

The Group operates investment guidelines with respect to surplus cash that emphasise preservation of capital. The guidelines set out procedures and limits on counterparty risk and maturity profile of cash placed. Counterparty limits for cash deposits are largely based upon long-term ratings published by the major credit rating agencies. Cash and cash equivalents include money market funds valued at fair value through profit and loss.

Cash and cash equivalents and derivative financial instruments exposure are limited to high credit quality financial institutions rated by two of the key rating agencies used by the Group. Counterparty credit limits are set in relation to these ratings, in order to limit the concentration of exposure to individual counterparties based on their credit quality. As such, investments are sufficiently spread across high credit quality rated counterparties.

Counterparty credit limits are reviewed by the Group's Board on an annual basis and may be updated throughout the year subject to approval of the Group's Audit & Risk Committee. Investment exposure with external counterparties is made only with Board-approved counterparties and within credit limits assigned to each counterparty. The credit quality of financial counterparties and the outstanding exposure is monitored throughout the year by the Group's Treasury function in accordance with the Group's policy.

Borrowings

ITV is rated as investment grade by Moody's, S&P and Fitch. ITV's credit ratings, which in turn are affected by key metrics, such as leverage, the cost of credit default swap hedging, and the absolute level of interest rates are key determinants in the cost of new borrowings for ITV.

Liquidity risk

The Group's financing policy is to fund itself for the medium to long-term by using debt instruments with a range of maturities and to ensure access to appropriate short-term borrowing facilities with a minimum of £250 million of undrawn facilities available at all times.

Long-term funding comes from the UK and European capital markets, while any short to medium-term debt requirements were provided throughout 2024 through bank credit facilities detailed above. At 31 December 2024, the Group had £950 million bank credit facilities available. This includes £50 million of the new £200 million bilateral loan facility which has a committed accreting profile increasing to £125 million on 1 January 2025 and £200 million on 1 January 2026. Management monitors rolling forecasts of the Group's liquidity reserve (comprising undrawn bank facilities and cash and cash equivalents) on the basis of expected cash flows. This monitoring includes financial ratios to assess any possible future impact on credit ratings and headroom and takes into account the accessibility of cash and cash equivalents.

Fair value versus book value

The tables below provide fair value information for the Group's borrowings:

		Book value		Fair value	
	Maturity	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Loans due within one year					
Other short-term loans	Various	**10**	5	**10**	5
		10	5	**10**	5
Loans due in more than one year					
€600 million Eurobond	Sept 2026	**298**	520	**292**	490
€500 million Eurobond	June 2032	**417**	–	**420**	–
£230 million Term Loan	July 2027	**–**	230	**–**	230
Other long-term loans	Various	**8**	8	**8**	8
		723	758	**720**	728
		733	763	**730**	733

4.3 Managing market risks: derivative financial instruments

Keeping it simple

What is a derivative?
A derivative is a type of financial instrument typically used to manage risk. A derivative's value changes over time in response to underlying variables, such as exchange rates or interest rates and is entered into for a fixed period. A hedge is where a derivative is used to manage exposure in an underlying variable.

The Group is exposed to certain market risks. In accordance with Board-approved policies, which are set out in this note, the Group manages these risks by using derivative financial instruments to hedge the underlying exposures.

Why do we need them?
The key market risks facing the Group are:

- Currency risk arising from:

i. Translation risk, that is the risk in the period of adverse currency fluctuations in the translation of foreign currency profits, assets and liabilities (balance sheet risk) and non-functional currency monetary assets and liabilities (income statement risk)

ii. Transaction risk, that is the risk that currency fluctuations will have a negative effect on the value of the Group's non-functional currency trading cash flows. A non-functional currency transaction is a transaction in any currency other than the reporting currency of the subsidiary

- Interest rate risk to the Group arises from significant changes in interest rates on borrowings issued at or swapped to floating rates

How do we use them?
The Group mainly employs three types of derivative financial instruments when managing its currency and interest rate risk:

- Foreign exchange swap contracts are derivative instruments used to hedge income statement translation risk arising from short-term intercompany loans denominated in a foreign currency
- Forward foreign exchange contracts are derivative instruments used to hedge transaction risk so they enable the sale or purchase of foreign currency at a known fixed rate on an agreed future date
- Cross-currency interest rate swaps are derivative instruments used to exchange the principal and interest coupons in a debt instrument from one currency to another

Analysis of the derivatives used by the Group to hedge its exposure and the various methods used to calculate their respective fair values are detailed in this section.

Accounting policies
Derivative financial instruments are initially recognised at fair value and are subsequently remeasured at fair value with the movement recorded in the Consolidated Income Statement, except where derivatives qualify for cash flow hedge accounting. In this case, the effective portion of a cash flow hedge is recognised in other comprehensive income and presented in the hedging reserve within equity. The cumulative gain or loss is later reclassified to the Consolidated Income Statement in the same period as the relevant hedged transaction is realised. Derivatives with positive fair values are recorded as assets and negative fair values as liabilities.

Determining fair value
The fair value of forward foreign exchange contracts is determined by the change in price between the contracted rates and the market rates at the reporting date. The contracted cash flows are then discounted by the time remaining to the settlement date of the contract, with a discount curve that incorporates credit risk. The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to exit the swap at the reporting date, taking into account current interest rates and the Group's current creditworthiness, as well as that of the swap counterparties.

Third-party valuations are used to fair value the Group's cross-currency interest rate derivatives. The valuation techniques use inputs, such as interest rate yield curves and currency prices/yields, volatilities of underlying instruments and correlations between inputs.

How do we manage our currency and interest rate risk?
Currency risk
As the Group expands its international operations, the performance of the business becomes increasingly sensitive to movements in foreign exchange rates, primarily with respect to the US dollar and the euro.

The Group's foreign exchange policy is to use forward foreign exchange contracts to hedge material non-functional currency-denominated costs or revenue for up to five years forward.

The Group ensures that its net exposure to foreign currency-denominated cash balances is kept to a minimal level, where necessary using foreign currency swaps to exchange balances back into sterling or by buying or selling foreign currencies at spot rates.

The Group also utilises foreign exchange swaps and cross-currency interest rate swaps both to manage foreign currency cash flow timing differences and to hedge foreign currency-denominated monetary items.

The following table highlights the Group's exposure to foreign currency risk resulting from a 10% strengthening/weakening in sterling against the US dollar, euro and Australian dollar, assuming all other variables are held constant:

	Impact on profit before tax 2024 £m	Impact on profit before tax 2023 £m	**Impact on Equity 2024 £m**	Impact on Equity 2023 £m
US dollar – increase 10%	**(9)**	(6)	**8**	7
US dollar – decrease 10%	**11**	7	**(9)**	(8)
Euro – increase 10%	**(1)**	(1)	**3**	1
Euro – decrease 10%	**2**	2	**(2)**	–
Australian dollar – increase 10%	**(2)**	(1)	**1**	(2)
Australian dollar – decrease 10%	**3**	1	**(1)**	2

Interest rate risk
The Group's interest rate policy is to allow fixed rate gross debt to vary between 20% and 100% of total gross debt to accommodate floating rate borrowings under the Revolving Credit Facility.

For financial assets and liabilities classified at fair value through profit or loss, the movements in the year relating to changes in fair value and interest are not separated.

At 31 December 2024, the Group's fixed rate debt represented 71% of total gross debt (2023: 69.9%), therefore the majority of debt is issued at fixed rates, and changes in the floating rates of interest do not materially affect the Group's net interest charge.

What is the value of our derivative financial instruments?

The following table shows the fair value of derivative financial instruments analysed by type of contract. Interest rate swap fair values exclude accrued interest.

At 31 December 2024	**Assets £m**	**Liabilities £m**
Current		
Foreign exchange forward contracts and swaps – cash flow hedges	**3**	**(2)**
Foreign exchange forward contracts and swaps – fair value through profit or loss	**1**	**(1)**
Non-current		
Cross-currency interest swaps – cash flow hedges	**–**	**(18)**
Cross-currency interest swaps – fair value hedges	**–**	**(2)**
Foreign exchange forward contracts and swaps – cash flow hedges	**1**	**–**
	5	**(23)**

At 31 December 2023	Assets £m	Liabilities £m
Current		
Foreign exchange forward contracts and swaps – cash flow hedges	3	(1)
Foreign exchange forward contracts and swaps – fair value through profit or loss	1	–
Non-current		
Cross-currency interest swaps – cash flow hedges	–	(15)
Foreign exchange forward contracts and swaps – cash flow hedges	1	(1)
	5	(17)

Cash flow hedges
The Group applies hedge accounting for certain foreign currency firm commitments and highly probable cash flows where the underlying cash flows are payable within the next five years. In order to fix the sterling cash outflows associated with the commitments and interest payments – which are mainly denominated in US dollars or euros – the Group has taken out forward foreign exchange contracts and cross-currency interest rate swaps for the same foreign currency amount and maturity date as the expected foreign currency outflow.

There is an economic relationship between the hedged items (being between 60% to 100% of the total exposure) and the hedging instruments as the terms of the foreign exchange forward contracts and cross-currency interest rate swaps match the terms of the expected highly probable forecast transactions or firm commitments (i.e. % notional amount and expected receipt or payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange forward contracts are identical to the hedged risk components.

Sources of ineffectiveness include:

- Different interest rate curve applied to discounting the hedged items and hedging instruments
- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- The counterparties’ credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The Group uses the hedge relationship, credit risk and hedge ratio to measure the hedge effectiveness.

The amount recognised in other comprehensive income during the year all relates to the effective portion of the revaluation loss associated with these contracts. A cumulative loss of £20 million (2023: £28 million of cumulative loss) was recycled to the Consolidated Income statement to offset movements on the hedged item, a residual value of less than a million (2023: £7 million loss) remained on the income statement which was not offset.

Under IFRS 9, the Group has adopted the ‘cost of hedging’ approach which allows the recognition of the value of the currency basis at inception of the hedge to be recorded on the Consolidated Statement of Financial Position and amortised through net financing costs in the Consolidated Income Statement over the life of the bond. Any mark-to-market change in fair value of the currency basis is recognised in ‘cost of hedging’ in the Consolidated Statement of Comprehensive Income.

Fair value hedges

The Group has interest rate swaps and cross-currency interest rate swaps to hedge the exposure to changes in the fair value of fixed rate borrowings due to interest rate and foreign currency movements which could affect the income statement. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Consolidated Income Statement together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the Consolidated Income Statement within net financing costs together with changes in the fair value of the hedged fixed-rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in the Consolidated Income Statement. All fair value hedges were highly effective throughout the year.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the Consolidated Income Statement over the period to maturity using a recalculated effective interest rate.

Undiscounted financial liabilities

Keeping it simple	The Group is required to disclose the expected timings of cash outflows for each of its financial liabilities (including derivatives). The amounts disclosed in the table are the contractual undiscounted cash flows (including interest), so will not always reconcile with the amounts disclosed on the Statement of Financial Position.

At 31 December 2024	Carrying value £m	Total contractual cash flows £m	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m
Non-derivative financial liabilities						
Borrowings	**(733)**	**(878)**	**(32)**	**(321)**	**(58)**	**(467)**
Lease liabilities	**(105)**	**(175)**	**(19)**	**(21)**	**(63)**	**(72)**
Trade and other payables	**(929)**	**(929)**	**(896)**	**(18)**	**(15)**	**–**
Other payables – non-current	**(32)**	**(32)**	**–**	**(32)**	**–**	**–**
Other payables – commitments on acquisitions	**(34)**	**(105)***	**(5)**	**(15)**	**(42)**	**(43)**
Derivative financial instruments						
Foreign exchange forward contracts and swaps – cash flow hedges						
Inflow	**4**	**198**	**154**	**40**	**4**	**–**
Outflow	**(2)**	**(197)**	**(153)**	**(40)**	**(4)**	**–**
Cross-currency swaps – cash flow hedges						
Inflow	**–**	**583**	**13**	**311**	**26**	**233**
Outflow	**(18)**	**(641)**	**(22)**	**(341)**	**(37)**	**(241)**
Cross-currency swaps – fair value hedges						
Inflow	**–**	**277**	**9**	**9**	**26**	**233**
Outflow	**(2)**	**(320)**	**(14)**	**(15)**	**(43)**	**(248)**
Foreign exchange forward contracts and swaps – fair value through profit or loss						
Inflow	**1**	**173**	**166**	**7**	**–**	**–**
Outflow	**(1)**	**(172)**	**(165)**	**(7)**	–	**–**
	(1,851)	**(2,218)**	**(964)**	**(443)**	**(206)**	**(605)**

At 31 December 2023	Carrying value £m	Total contractual cash flows £m	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m
Non-derivative financial liabilities						
Borrowings	(763)	(785)	(12)	(8)	(763)	(2)
Lease liabilities	(115)	(140)	(18)	(19)	(52)	(51)
Trade and other payables	(931)	(931)	(906)	(25)	–	–
Other payables – non-current	(33)	(33)	–	(33)	–	–
Other payables – commitments on acquisitions	(78)	(105)*	(47)	–	(55)	(3)
Derivative financial instruments						
Foreign exchange forward contracts and swaps – cash flow hedges						
Inflow	4	195	150	45	–	–
Outflow	(2)	(193)	(149)	(44)	–	–
Cross-currency swaps – cash flow hedges						
Inflow	–	542	7	7	528	–
Outflow	(15)	(580)	(16)	(16)	(548)	–
Foreign exchange forward contracts and swaps – fair value through profit or loss						
Inflow	1	177	171	6	–	–
Outflow	–	(176)	(170)	(6)	–	–
	(1,932)	(2,029)	(990)	(93)	(890)	(56)

* Undiscounted expected future payments depending on performance of acquisitions

Timing profile of hedging instrument

Keeping it simple	The Group is required to provide a breakdown that discloses a profile of the timing of the nominal amount of the hedging instrument and if applicable, the average price or rate (for example strike or forward prices, etc.) of the hedging instrument.

The Group holds the following foreign exchange and cross-currency interest rate swap contracts. Material currency pairs are disclosed in full, whilst immaterial pairs are aggregated.

At 31 December 2024	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Greater than 5 years	Total
Foreign exchange forward contracts and swaps					
Notional amount (£m)	**(13)**	**8**	**–**	**–**	**(5)**
Average forward rate (AUD/GBP)	**1.8937**	**1.9324**	**–**	**–**	
Foreign exchange forward contracts and swaps					
Notional amount (£m)	**24**	**8**	**–**	**–**	**32**
Average forward rate (EUR/GBP)	**1.1495**	**1.1725**	**–**	**–**	
Foreign exchange forward contracts and swaps					
Notional amount (£m)	**(21)**	**18**	**(1)**	**–**	**(4)**
Average forward rate (USD/GBP)	**1.2601**	**1.2970**	**1.2892**	**–**	
Foreign exchange forward contracts and swaps					
Notional amount (£m)	**10**	**9**	**3**	**–**	**22**
Various currency pairs					
Cross-currency interest rate swaps					
Notional amount (£m)	**–**	**320**	**–**	**421**	**741**
Average hedge rate (EUR/GBP)	**–**	**1.1264**	**–**	**1.1854**	

At 31 December 2023*	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Greater than 5 years	Total
Foreign exchange forward contracts and swaps					
Notional amount (£m)	(1)	(11)	–	–	(12)
Average forward rate (AUD/GBP)	1.2773	1.7559	–	–	
Foreign exchange forward contracts and swaps					
Notional amount (£m)	1	8	–	–	9
Average forward rate (EUR/GBP)	1.1278	1.1272	–	–	
Foreign exchange forward contracts and swaps					
Notional amount (£m)	(56)	20	–	–	(36)
Average forward rate (USD/GBP)	1.3431	1.2188	–	–	
Foreign exchange forward contracts and swaps					
Notional amount (£m)	(3)	2	–	–	(1)
Various currency pairs					
Cross-currency interest rate swaps					
Notional amount (£m)	–	–	533	–	533
Average hedge rate (EUR/GBP)	–	–	1.1264	–	

* 2023 has been re-presented in line with the current year

Impact of hedged items on Consolidated Statement of Financial Position, Consolidated Statement of Other Comprehensive Income and Consolidated Statement of Changes in Equity

Keeping it simple	This table provides the following details in relation to cash flow hedges and fair value hedges: • The change in value of the hedged item used as the basis for recognising hedge ineffectiveness for the year • The balance in the cash flow hedge reserve relating to continuing hedges

The impact of hedged items on the Consolidated Statement of Financial Position is as follows:

Cash flow hedge

	2024			2023		
At 31 December	**Change in fair value used for measuring ineffectiveness £m**	**Pre-tax closing cash flow hedge reserve £m**	**Pre-tax closing cost of hedging reserve £m**	Change in fair value used for measuring ineffectiveness £m	Pre-tax closing cash flow hedge reserve £m	Pre-tax closing cost of hedging reserve £m
Highly probable/firm commitment forecast transactions	**(2)**	**1**	**–**	1	3	–
Borrowings	**9**	**12**	**(4)**	11	1	(2)

The hedging gain recognised in the Consolidated Statement of Changes in Equity before tax is equal to the change in fair value used for measuring effectiveness. There is less than a million pounds of ineffectiveness recognised in the Consolidated Income Statement.

Fair value hedge

	2024			2023		
At 31 December	**Change in fair value of hedged item £m**	**Change in fair value of hedging instrument £m**	**Pre-tax closing cost of hedging reserve £m**	Change in fair value of hedged item £m	Change in fair value of hedging instrument £m	Pre-tax closing cost of hedging reserve £m
Borrowings	**(3)**	**(1)**	**(2)**	–	–	–

Keeping it simple	This table details the effect of the cash flow hedge in the Consolidated Income Statement and Consolidated Statement of Comprehensive Income.

The effect of the cash flow hedge in the Consolidated Income Statement and Consolidated Statement of Comprehensive Income is as follows:

At 31 December 2024	**Total hedging gain/(loss) recognised in OCI £m**	**Ineffectiveness recognised in Income Statement £m**	**Line item in the Income Statement**	**Cost of hedging recognised in OCI £m**	**Amounts reclassified from OCI to Income Statement £m**	**Line item in the Income Statement**
Highly probable/firm commitment forecast transactions	**(2)**	**–**	**–**	**–**	**(3)**	**Cost of sales/ overheads**
Borrowings	**9**	**(1)**	**Net financing cost**	**(2)**	**23**	**Net financing cost**

At 31 December 2023	Total hedging gain/(loss) recognised in OCI £m	Ineffectiveness recognised in Income Statement £m	Line item in the Income Statement	Cost of hedging recognised in OCI £m	Amounts reclassified from OCI to Income Statement £m	Line item in the Income Statement
Highly probable/firm commitment forecast transactions	1	–	–	4	2	Cost of sales/ overheads
Borrowings	11	7	Net financing cost	2	26	Net financing cost

Keeping it simple	This table provides a reconciliation of each component of the translation reserve reported within equity and an analysis of other comprehensive income in accordance with IAS 1.

Set out below is the reconciliation of each component of the translation reserve reported in the Consolidated Statement of Changes in Equity and the analysis of other comprehensive income:

	Cash flow hedge reserve £m	Cost of hedge reserve £m	Foreign currency reserve £m	Translation reserve £m
As at 1 January 2023	2	(7)	112	107
Effective portion of changes in fair value arising from:				
Foreign exchange forward contracts	(13)	4	–	(9)
Cross-currency interest rate swaps – borrowings:				
• Change in fair value from the effective hedge instrument	(9)	2	–	(7)
Amount reclassified to Income Statement				
• FX forward reclassified to cost of sales/overheads	2	–	–	2
• FX forward and swaps reclassified to finance costs	15	–	–	15
• CCIRS reclassified to finance costs	11	–	–	11
Net gain on cash flow hedges and cost of hedging	6	6	–	12
Exchange differences on translation of foreign operations	–	–	(38)	(38)
Income tax charge on other comprehensive income/(expense)	(1)	(2)	–	(3)
As at 31 December 2023	**7**	**(3)**	**74**	**78**
Effective portion of changes in fair value arising from:				
Foreign exchange forward contracts	1	–	–	1
Cross-currency interest rate swaps – borrowings:				
• Change in fair value from the effective hedge instrument	(12)	(2)	–	(14)
Amount reclassified to Income Statement				
• FX forward reclassified to cost of sales/overheads	(3)	–	–	(3)
• CCIRS reclassified to finance costs	23	–	–	23
Net gain on cash flow hedges and cost of hedging	9	(2)	–	7
Exchange differences on translation of foreign operations	–	–	(4)	(4)
Income tax charge on other comprehensive income/(expense)	(2)	–	–	(2)
As at 31 December 2024	**14**	**(5)**	**70**	**79**

Netting arrangements of financial instruments

Keeping it simple

This section details the Group's financial assets and financial liabilities that are subject to netting and set-off arrangements. Financial assets and liabilities that do not meet the criteria for offsetting on the Consolidated Statement of Financial Position but could be settled net in certain circumstances principally relate to derivative transactions executed under ISDA agreements where each party has the option to settle amounts on a net basis in the event of default of the other party.

At 31 December 2024	Gross financial assets/liabilities £m	Gross collateral assets/liabilities set-off £m	Net financial assets/liabilities per balance sheet £m	Related amounts not set-off in the balance sheet £m	Net £m
Assets					
Derivative financial instruments	**5**	**–**	**5**	**(4)**	**1**
Cash and cash equivalents	**427**	**–**	**427**	**–**	**427**
Liabilities					
Derivative financial instruments	**(23)**	**–**	**(23)**	**4**	**(19)**
Loans and facilities	**(733)**	**–**	**(733)**	**–**	**(733)**

At 31 December 2023	Gross financial assets/liabilities £m	Gross collateral assets/liabilities set-off £m	Net financial assets/liabilities per balance sheet £m	Related amounts not set-off in the balance sheet £m	Net £m
Assets					
Derivative financial instruments	5	–	5	(2)	3
Cash and cash equivalents	340	–	340	–	340
Liabilities					
Derivative financial instruments	(17)	–	(17)	2	(15)
Loans and facilities	(763)	–	(763)	–	(763)

4.4 Net financing costs

Keeping it simple

This section details the interest income generated on the Group's cash and other financial assets and the interest expense incurred on borrowings and other financial liabilities.

In reporting 'adjusted profit', the Group adjusts net financing costs to exclude unrealised mark-to-market movements on interest rate and foreign exchange derivatives, gains/losses on bond buybacks, net pension interest, interest and fair value movements in acquisition-related liabilities and other financing costs.

Our rationale for adjustments made to financing costs is set out in the Finance Review.

Accounting policies

Net financing costs comprise interest income on funds invested, gains/losses on the disposal of financial instruments, changes in the fair value of financial instruments, interest expense on borrowings, unwinding of the discount on provisions, unwinding of the discount on liabilities to non-controlling interest, foreign exchange gain/losses, and imputed interest on pension assets and liabilities. Interest income and expense is recognised as it accrues in profit or loss, using the effective interest method.

Net financing costs

Net financing costs can be analysed as follows:

	2024 £m	2023 £m
Financing income		
Interest income	**22**	14
Foreign exchange gain	**2**	2
Pension interest income (see note 3.8)	**9**	9
Other finance income	**18**	–
	51	25
Financing costs		
Pension interest expense (see note 3.8)	**(1)**	(1)
Interest expense on financial liabilities measured at amortised cost	**(22)**	(15)
Foreign exchange loss	**–**	(7)
Other finance expense	**(28)**	(47)
	(51)	(70)
Net financing costs	**–**	(45)

Other finance income primarily relates to fair value gains on bonds that were repaid in the year and fair value adjustments on acquisition-related liabilities. Other finance expense includes lease interest payments, finance costs including fair value adjustments on acquisition-related liabilities and bank charges.

4.5 Fair value hierarchy

Keeping it simple

The financial instruments included in the Consolidated Statement of Financial Position are measured at either fair value or amortised cost. The measurement of this fair value can in some cases be subjective, and can depend on the inputs used in the calculations. The Group generally uses external valuations using market inputs or market values (e.g. external share prices). The different valuation methods are called 'hierarchies' and are described below.

Level 1
Fair values are measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2
Fair values are measured using inputs, other than quoted prices included within Level 1, which are observable for the asset or liability either directly or indirectly.

Interest rate swaps and options are accounted for at their fair value based upon exit prices at the current reporting period. Forward foreign exchange contracts are accounted for at the difference between the contract exchange rate and the quoted forward exchange rate at the reporting date.

Level 3
Fair values are measured using inputs for the asset or liability that are not based on observable market data.

The tables below set out the financial instruments included on the Consolidated Statement of Financial Position at fair value:

	Fair value 31 December 2024 £m	Level 1 31 December 2024 £m	Level 2 31 December 2024 £m	Level 3 31 December 2024 £m
Assets measured at fair value				
Financial instruments at fair value through reserves				
Other pension assets – gilts (see note 3.8)	45	45	–	–
Financial instruments at fair value through profit or loss				
Money market funds	131	131	–	–
Equity investments (see note 3.6)	31	–	–	31
Financial assets at fair value through profit or loss				
Foreign exchange forward contracts and swaps	1	–	1	–
Convertible loan receivable	2	–	–	2
Financial assets at fair value through reserves				
Cash flow hedges	4	–	4	–
	214	176	5	33

	Fair value 31 December 2024 £m	Level 1 31 December 2024 £m	Level 2 31 December 2024 £m	Level 3 31 December 2024 £m
Liabilities measured at fair value				
Financial liabilities at fair value through profit or loss				
Acquisition-related liabilities – payable to sellers under put options agreed on acquisition (see notes 3.1.4 and 3.1.5)	(21)	–	–	(21)
Foreign exchange forward contracts and swaps	(1)	–	(1)	–
Cross-currency interest rate swaps – fair value hedges	(2)	–	(2)	–
Financial liabilities at fair value through reserves				
Cash flow hedges	(20)	–	(20)	–
	(44)	–	(23)	(21)

There have been no changes in the classification of assets and liabilities and there have been no movements within levels. Information on the fair value measurements of level 3 assets and liabilities is detailed in the relevant notes referenced above.

	Fair value 31 December 2023 £m	Level 1 31 December 2023 £m	Level 2 31 December 2023 £m	Level 3 31 December 2023 £m
Assets measured at fair value				
Financial instruments at fair value through reserves				
Other pension assets – gilts (see note 3.8)	48	48	–	–
Financial instruments at fair value through profit or loss				
Money market funds	125	125	–	–
Equity investments (see note 3.6)	21	–	–	21
Financial assets at fair value through profit or loss				
Foreign exchange forward contracts and swaps	1	–	1	–
Convertible loan receivable	2	–	–	2
Financial assets at fair value through reserves				
Cash flow hedges	4	–	4	–
	201	173	5	23

	Fair value 31 December 2023 £m	Level 1 31 December 2023 £m	Level 2 31 December 2023 £m	Level 3 31 December 2023 £m
Liabilities measured at fair value				
Financial liabilities at fair value through profit or loss				
Acquisition-related liabilities – payable to sellers under put options agreed on acquisition (see notes 3.1.4 and 3.1.5)	(63)	–	–	(63)
Financial liabilities at fair value through reserves				
Cash flow hedges	(17)	–	(17)	–
	(80)	–	(17)	(63)

Refer to note 4.3 for how we value interest rate swaps and forward foreign currency contracts.

4.6 Lease liabilities

Keeping it simple

The Group accounts for operating leases under IFRS 16 'Leases'. Lease liabilities representing the discounted future lease payments and right of use assets are recognised in the Consolidated Statement of Financial Position. Lease costs such as property rent are recognised in the form of depreciation and interest in the Consolidated Income Statement.

Accounting policies

Lease liabilities represent the discounted future lease payments. Discount rates are calculated for similar assets, in similar economic environments, taking into account the length of the lease. The unwinding of the discounting is recognised in net financing costs in the Consolidated Income Statement. The following table outlines the maturity analysis of the lease liabilities:

	2024 £m	2023 £m
Contractual discounted cash flows		
Less than one year	**15**	18
Two to five years	**58**	57
More than five years	**32**	40
Lease liabilities at 31 December	**105**	115

	1 January 2024 £m	**Net cash flow £m**	**Currency and non-cash movements £m**	**31 December 2024 £m**
Lease liabilities	**(115)**	**25**	**(15)**	**(105)**
Total lease liabilities	**(115)**	**25**	**(15)**	**(105)**

	1 January 2023 £m	Net cash flow £m	Currency and non-cash movements £m	31 December 2023 £m
Lease liabilities	(132)	26	(9)	(115)
Total lease liabilities	(132)	26	(9)	(115)

The following amounts have been included in the Consolidated Income Statement:

	2024 £m	2023 £m
Interest expense on lease liabilities	**(5)**	(4)
Amounts recognised in the Consolidated Income Statement	**(5)**	(4)

The Group has elected not to recognise right of use assets and lease liabilities for short-term leases (i.e. lease term less than 12 months) or low-value assets (i.e. under £5,000). The Group will continue to expense the lease payments associated with these leases on a straight-line basis over the lease term. At 31 December 2024, this was less than £1 million (2023: less than £1 million).

Variable lease payments that depend on an index or a rate are also less than £1 million (2023: less than £1 million).

Some property leases contain extension options beyond the non-cancellable period. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The lease liability at 31 December 2024 does not include any such extension options beyond the non-cancellable period.

4.7 Equity

Keeping it simple

This section explains material movements recorded in shareholders' equity, presented in the Consolidated Statement of Changes in Equity, which are not explained elsewhere in the financial information.

Accounting policies

Fair value reserve

Financial assets are stated at fair value, with any gain or loss recognised directly in the fair value reserve in equity, unless the loss is a permanent impairment, when it is then recorded in the Consolidated Income Statement.

Dividends

Dividends are recognised through equity on the earlier of their approval by the Company's shareholders or their payment. Dividends are distributed based on the realised distributable reserves (within retained earnings) of ITV plc (the Company) and not based on the Group's retained earnings.

4.7.1 Share capital and share premium

The Group's share capital at 31 December 2024 of £394 million (2023: £406 million) and share premium of £174 million (2023: £174 million) is the same as that of ITV plc. Details of this are given in the ITV plc Company financial information section.

On 1 March 2024 the Group announced its intention to return the entire net proceeds from the disposal of BritBox International up to a maximum consideration of £235 million to the Group's shareholders through a share buyback. This was launched immediately following the announcement of the Group's results for the year ended 31 December 2023 in March 2024 (see 4.7.5 for further details)

At 31 December 2024, 270 million 10p shares had been bought back at a cost of £198 million. Of these shares, 118 million were cancelled, reducing the Group's share capital. When such shares are cancelled they are transferred to the capital redemption reserve.

4.7.2 Merger and other reserves

Merger and other reserves at 31 December include the following reserves:

	2024 £m	2023 £m
Merger reserves	**95**	95
Capital reserves	**112**	112
Capital redemption reserves	**48**	36
Revaluation reserves	**2**	2
Put option liabilities arising on acquisition of subsidiaries	**(12)**	(34)
Total	**245**	211

Merger reserves, Capital reserves and Capital redemption reserves relate primarily to balances arising on previous mergers and acquisitions, including the merger of Granada and Carlton in 2003. The movement in the capital redemption reserves in the year relates to the cancellation of shares associated with the Group's share buyback programme.

Put option liabilities arising on acquisition of subsidiaries relates to options and forward contracts over shares relating to non-controlling interests.

4.7.3 Translation reserve

The translation reserve comprises:

- All foreign exchange differences arising on the translation of the accounts of, and investments in, foreign operations
- The gains or losses on the portion of cash flow hedges that have been deemed effective and costs of hedging under IFRS 9 (see note 4.3)
- The net movement in the cash flow hedge reserve was a gain of £6 million (2023: gain of £5 million). This is made up of a gain on cash flow hedges in the year of £9 million (2023: gain of £6 million) and a related tax charge of £3 million (2023: charge of £1 million)
- The net movement in the cost of hedging reserve was a loss of £1 million (2023: £4 million). This is made up of a loss on the cost of hedging in the year of £2 million (2023: a gain of £6 million) and a related tax credit of £1 million (2023: charge of £2 million)
- The amount in the foreign currency translation reserve relating to discontinued hedges at 31 December 2024 is a loss of £19 million (2023: £19 million loss)

4.7.4 Fair value reserve

The fair value reserve comprises all movements arising on the revaluation of gilts and equity investments under the media for equity programme, accounted for at fair value through OCI. The movement in 2024 is a £6 million loss on revaluation (2023: loss of £1 million) and a related tax credit of £1 million (2023: £nil). See notes 2.3, 3.6 and 3.8.

4.7.5 Retained earnings

The retained earnings reserve comprises profit for the year attributable to owners of the Company of £408 million (2023: £210 million) and other items recognised directly through equity as presented in the Consolidated Statement of Changes in Equity. Other items include the credit for the Group's share-based compensation schemes, which are described in note 4.8.

The Board recognises the importance of the ordinary dividend to ITV shareholders. Reflecting its confidence in the business and its strategy, as well as the continued strong cash generation, the Board proposes a final dividend of 3.3p (2023: 3.3p), giving a full year dividend of 5.0p (2023: 5.0p) per share. £198 million of dividends were paid (2023: £201 million), representing a final 2023 dividend of 3.3p per share and an interim 2024 dividend of 1.7p per share.

Share buyback programme

At 31 December 2024, 270 million 10p shares had been bought back at a cost of £198 million. Of these shares, 118 million were cancelled, reducing the Group's share capital. When such shares are cancelled they are transferred to the capital redemption reserve.

In May 2024, 8.5 million of the shares bought back were transferred to the Group's Employee Benefit Trust (EBT) to satisfy maturing share awards.

The stamp duty costs were £1 million and the associated fees charged for the repurchase programme were £1 million. The total cost of the shares including the directly attributable fees, have reduced the Group's retained earnings.

The repurchased shares held in Treasury and the shares held by the EBT are excluded in calculating the weighted average number of shares in issue used in Earnings per share.

4.7.6 Non-controlling interests

Non-controlling interest (NCI) represents the share of non-wholly owned subsidiaries' net assets that are not directly attributable to the shareholders of ITV. The movement for 2024 comprises:

- The share of loss attributable to NCI of £2 million (2023: share of loss attributable to NCI of £1 million)
- Foreign exchange differences of £nil (2023: losses of £4 million)
- The distributions made to NCI of £9 million (2023: £1 million)
- The share of net assets attributable to NCI relating to subsidiaries acquired, disposed or changes in ownership interest in 2024 of £7 million (2023: £6 million)

4.8 Share-based compensation

Keeping it simple

The Group utilises share award schemes as part of its employee remuneration packages, and therefore operates a number of share-based compensation schemes, namely the Deferred Share Award (DSA), Executive Share Plan (ESP), Performance Share Plan (PSP), Long Term Incentive Plan (LTIP) and Save As You Earn (SAYE) schemes. The share-based compensation is not pensionable.

A transaction will be classed as share-based compensation where the Group receives services from employees and pays for these in shares or similar equity instruments. If the Group incurs a liability linked to the price or value of the Group's shares, this will also fall under a share-based transaction.

Accounting policies

For each of the Group's share-based compensation schemes, the fair value of the equity instrument granted is measured at grant date and spread over the vesting period via a charge to the Consolidated Income Statement with a corresponding increase in equity.

The fair value of the share options and awards is measured using either market price at grant date or, for the SAYE scheme, a Black-Scholes model, taking into account the terms and conditions of the individual scheme. Expected volatility is based on the historical volatility of ITV plc shares over a three or five year period, based on the life of the options.

Vesting conditions are limited to service conditions and performance conditions. For performance-based schemes, the relevant Group performance measures are projected to the end of the performance period in order to determine the number of options expected to vest. This estimate of the performance measures is used to determine the option fair value, discounted to present value. The Group revises the number of options that are expected to vest, including an estimate of forfeitures at each reporting date based on forecast performance measures. The impact of the revision to original estimates, if any, is recognised in the Consolidated Income Statement, with a corresponding adjustment to equity.

Exercises of share options granted to employees can be satisfied by market purchase or issue of new shares. No new shares may be issued to satisfy exercises under the terms of the DSA. During the year, exercises were satisfied by using shares purchased in the market and held in the ITV Employees' Benefit Trust as well as the issue of new shares.

Share-based compensation charges totalled £18 million in 2024 (2023: £16 million).

Share options outstanding

The table below summarises the movements in the number of share options outstanding for the Group and their weighted average exercise price:

	2024 Number of options ('000)	**2024 Weighted average exercise price (pence)**	2023 Number of options ('000)	2023 Weighted average exercise price (pence)
Outstanding at 1 January	**90,234**	**25.88**	104,729	24.74
Granted during the year – nil priced	**22,701**	**–**	20,993	–
Granted during the year – other	**9,603**	**57.27**	16,395	59.21
Forfeited during the year	**(3,570)**	**36.22**	(4,210)	68.61
Exercised during the year – nil priced	**(8,991)**	**–**	(15,551)	–
Exercised during the year – other	**(8,929)**	**49.38**	(12,954)	49.31
Expired during the year	**(6,119)**	**45.49**	(19,168)	15.57
Outstanding at 31 December	**94,929**	**21.45**	90,234	25.88
Exercisable at 31 December	**4,469**	**9.45**	12,933	34.88

The average share price during 2024 was 72.87 pence (2023: 73.10 pence).

Of the options still outstanding, the range of exercise prices and weighted average remaining contractual life of these options can be analysed as follows:

Range of exercise prices (pence)	**2024 Weighted average exercise price (pence)**	**2024 Number of options ('000)**	**2024 Weighted average remaining contractual life (years)**	2023 Weighted average exercise price (pence)	2023 Number of options ('000)	2023 Weighted average remaining contractual life (years)
Nil	**–**	**59,640**	**1.25**	–	49,386	0.33
20.00 – 49.99	**49.17**	**6,002**	**1.33**	49.17	15,330	1.17
50.00 – 69.99	**58.05**	**26,937**	**2.09**	58.51	21,454	2.79
70.00 – 99.99	**75.76**	**2,343**	**1.45**	79.42	3,965	2.12
100.00 – 109.99	**105.98**	**7**	**–**	105.98	61	0.92
120.00 – 149.99	**–**	**–**	**–**	135.20	38	0.33

Assumptions

ESP, DSA, LTIP and PSP options are valued directly by reference to the share price at date of grant.

The options granted in the current and prior year for the HMRC approved SAYE scheme, are valued using the Black-Scholes model, using the assumptions below:

Scheme name	Date of grant	Share price at grant (pence)	Exercise price (pence)	Expected volatility %	Expected life (years)	Gross dividend yield %	Risk-free rate %	Fair value (pence)
3 Year	5 April 2023	79.78	70.12	45.43	3.25	–	3.40	21.53
5 Year	5 April 2023	79.78	70.12	42.41	5.25	–	3.28	20.99
3 Year	13 September 2023	72.34	56.37	40.60	3.25	–	4.47	20.17
5 Year	13 September 2023	72.34	56.37	42.27	5.25	–	4.29	20.57
3 Year	15 April 2024	70.45	57.27	39.43	3.25	–	3.40	17.80
5 Year	15 April 2024	70.45	57.27	42.66	5.25	–	3.28	18.24

Employees' Benefit Trust

The Group has investments in its own shares as a result of shares purchased by the ITV Employees' Benefit Trust (EBT). Transactions with the Group-sponsored EBT are included in this financial information and consist of the EBT's purchases of shares in ITV plc, which is accounted for as a reduction to retained earnings.

The table below shows the number of ITV plc shares held in the EBT at 31 December 2024 and the releases from the EBT made in the year to satisfy awards under the Group's share schemes:

Scheme	Shares held at	Number of shares (released)/purchased	Nominal value £
	1 January 2024	28,515,166	2,851,517
LTIP releases		(590,347)	
DSA releases		(469,674)	
ESP releases		(8,099,002)	
PSP releases		(387,132)	
SAYE releases		(8,940,112)	
Market purchased shares		5,791,953	
Transferred from Treasury		8,500,000	
	31 December 2024	**24,320,852**	**2,432,085**

The total number of shares held by the EBT at 31 December 2024 represents 0.62% (2023: 0.77%) of ITV's issued share capital. The market value of own shares held at 31 December 2024 is £18 million (2023: £18 million).

In May 2024, 8.5 million of the shares bought back in the year, were transferred to the Group's Employee Benefit Trust (EBT) to satisfy maturing share awards.

The shares will be held in the EBT until such time as they may be transferred to participants of the various Group share schemes. Rights to dividends have been waived by the EBT in respect of shares held that do not relate to restricted shares under the DSA. In accordance with the Trust Deed, the Trustees of the EBT have the power to exercise all voting rights in relation to any investment (including shares) held within that trust. The Trust is accounted for as a separate entity and therefore is only accounted for in the consolidated financial information and not included in the ITV plc Company financial information.

Section 5: Other Notes

5.1 Related party transactions

Keeping it simple

The related parties identified by the Directors include joint ventures, associated undertakings, fixed asset investments and key management personnel.

To enable users of our financial information to form a view about the effects of related party relationships on the Group, we disclose the Group's transactions with those related parties during the year and any associated year end trading balances.

Transactions with joint ventures and associated undertakings

Transactions with joint ventures and associated undertakings during the year were:

	2024 £m	2023 £m
Sales to joint ventures	**4**	60
Sales to associated undertakings	**20**	13
Purchases from joint ventures	**35**	33
Purchases from associated undertakings	**81**	78

The transactions with joint ventures primarily relate to sales and purchases of digital multiplex services with Digital 3&4 Limited. Sales to associated undertakings include airtime sales to DTV Services Limited, and the recognition of airtime sales as part of the Group's Media for Equity scheme. Purchases from associated undertakings primarily relate to the purchase of news services from ITN Limited.

All transactions with associated undertakings and joint ventures arise in the normal course of business on an arm's length basis. The amounts owed by and to these related parties at 31 December were:

	2024 £m	2023 £m
Amounts owed by joint ventures	**–**	41
Amounts owed by associated undertakings	**11**	10
Amounts owed to joint ventures	**3**	6
Amounts owed to associated undertakings	**8**	8

None of the balances are secured.

Balances owed by associated undertakings largely relate to Bedrock Entertainment LLC and South Shore Productions Limited. Balances owed to associated undertakings primarily relate to amounts owed to Bedrock Entertainment LLC.

Amounts paid to the Group's pension benefit plans are set out in note 3.8.

Transactions with key management personnel

Key management consists of ITV plc Executive and Non-executive Directors and the other members of the ITV Executive Committee. Key management personnel compensation is as follows:

	2024 £m	2023 £m
Short-term employee benefits	**13**	11
Share-based compensation	**6**	6
	19	17

5.2 Contingent assets and liabilities

Keeping it simple	
	A contingent asset or liability is an asset or liability that is not sufficiently certain to qualify for recognition as an asset or provision where uncertainty may exist regarding the outcome of future events.

Contingent liabilities

There are contingent liabilities in respect of certain litigation and guarantees, broadcasting issues, and in respect of warranties given in connection with certain disposals of businesses. In addition, the determination of employment tax status of some individuals contracted by ITV is complex and a future liability could arise in relation to this. None of these items are expected to have a material effect on the Group's results or financial position.

On 11 October 2023, the CMA opened an investigation into certain conduct of ITV and other named companies in the sector relating to the production and broadcasting of television content in the UK, excluding sports content. In November 2024, the CMA stated that it would assess the information gathered to date and that a further update will be provided by the end of March 2025. It is not currently possible to reliably quantify any liability that might result from the investigation. ITV is committed to complying with competition law, and is cooperating with the CMA's enquiries in relation to the investigation.

5.3 Subsequent events

Keeping it simple	
	Where the Group receives information in the period between 31 December 2024 and the date of this report about conditions related to certain events that existed at 31 December 2024, we update our disclosures that relate to those conditions in light of the new information. Such events can be categorised as adjusting or non-adjusting depending on whether the condition existed at 31 December 2024. If non-adjusting events are material, non-disclosure could influence the economic decisions that users make on the basis of the financial information. Accordingly, for each material category of non-adjusting event after the reporting period we disclose in this section the nature of the event and an estimate of its financial effect, or a statement that such an estimate cannot be made.

There are no subsequent events to report.

5.4 Subsidiaries exempt from audit

Keeping it simple

Certain subsidiaries of the Group can take an exemption from having an audit. Strict criteria must be met for this exemption to be taken, and it must be agreed by the Directors of that subsidiary entity.

Listed below are subsidiaries controlled and consolidated by the Group, where the Directors have taken the exemption from having an audit of its financial statements. This exemption is taken in accordance with the Companies Act 2006 s479A.

Company number	Company name	Company number	Company name
04195187	12 Yard Productions (Investments) Limited	08554937	ITV Shetland Limited
04145307	12 Yard Productions Limited	15800942	ITV SPP Limited
10058419	Back Productions Limited	11723826	ITV Spy Limited
13087812	Big Talk Alone Limited	2203983	ITV Studios Global Partnerships Limited
10496857	Big Talk Cold Feet Limited	09498877	ITV TFG Holdings Limited
12092620	Big Talk Friday Limited	11107934	ITV The Bay Limited
11109596	Big Talk Goes Wrong Limited	13087693	ITV The Reckoning Limited
16116907	Big Talk Help Limited	12368504	ITV TLC Limited
13087733	Big Talk Horseface Limited	15801118	ITV TSP Limited
13087735	Big Talk I Hate You Limited	14048049	ITV Venturer Limited
07037447	Big Talk Investments Limited	03089273	ITV Ventures Limited
10528952	Big Talk Living the Dream Limited	11107431	ITV Vera Limited
13813181	Big Talk Ludwig Limited	13087699	ITV Y&M Limited
11723899	Big Talk Offenders Limited	05518785	Juice Music UK Limited
11109572	Big Talk Peacock Limited	08297277	Mainstreet Pictures Limited
02897434	Big Talk Pictures Limited	16117245	Mammoth Screen (Betrayal) Limited
15718662	Big Talk Secret Limited	15502127	Mammoth Screen (COS) Limited
06567813	Big Talk Studios Limited	09355455	Mammoth Screen (End) Limited
15869612	Big Talk Transaction Limited	08546227	Mammoth Screen (End2) Limited
02936337	Boom Cymru TV Ltd	11109917	Mammoth Screen (End6) Limited
07922831	Boom Pictures Limited	11908267	Mammoth Screen (End7) Limited
03866274	Box Clever Technology Limited	12368766	Mammoth Screen (End8) Limited
11801341	BritBox SVOD Limited	10528827	Mammoth Screen (End9) Limited
01891539	Broad Street Films Limited	13087685	Mammoth Screen (Evans) Limited
02285229	Campania Limited	12368661	Mammoth Screen (FS) Limited
04159249	Carlton Content Holdings Limited	13989267	Mammoth Screen (GK) Limited
00301188	Carlton Film Distributors Limited	11995990	Mammoth Screen (MD) Limited
01692483	Carlton Finance Limited	12735978	Mammoth Screen (MD2) Limited
03984490	Carlton Food Network Limited	13989179	Mammoth Screen (MIE) Limited
03053908	Carlton Programmes Development Limited	11062257	Mammoth Screen (NC) Limited
03210452	Carlton Screen Advertising (Holdings) Limited	09660486	Mammoth Screen (Pol2) Limited
03210363	Carltonco Ninety-Six Limited	10031005	Mammoth Screen (Pol3) Limited
02280048	Castlefield Properties Limited	10528763	Mammoth Screen (Pol4) Limited
06409013	Cat's on the Roof Media Limited	11108289	Mammoth Screen (Pol5) Limited
04257248	Channel Television Holdings Limited	08799982	Mammoth Screen (Poldark) Limited
08195508	Cirkus Limited	09646520	Mammoth Screen (QV) Limited
10240192	Cloth Cat LBB Limited	NI678277	Mammoth Screen (TJ) Limited
02852812	Cosgrove Hall Films Limited	13087656	Mammoth Screen (Tower) Limited
08479545	Double Double Limited	15502121	Mammoth Screen (TZ) Limited
07821062	EQ Pictures Limited	10528702	Mammoth Screen (VF) Limited
15078072	Fifteen Days Limited	11108322	Mammoth Screen (Vic3) Limited
05946785	Gorilla TV Group Limited	11108320	Mammoth Screen (WOF) Limited
03776018	Gorilla TV Limited	NI687412	Mammoth Screen (WOF2) Limited
00290076	Granada Group Limited	05976348	Mammoth Screen Limited
03962410	Granada Limited	13412337	Metavision Limited
03106798	Granada Media Limited	09477931	Monumental Television Limited
05344772	Granada Screen (2005) Limited	04201477	Morning TV Limited
00733063	Granada Television Overseas Limited	15986342	MT Frauds Limited
00250311	Granada UK Rental and Retail Limited	12368748	MT Ghosts Limited
04842712	Interactive Telephony Limited	14764613	MT Marlow Murder Club Limited
00608490	ITC Entertainment Group Limited	13989060	MT Maryland Limited
00510330	ITC Entertainment Holdings Limited	13813329	MT Mrs Sidhu Limited
SC375274	ITV (Scotland) Limited	14763338	Output Productions Limited
11516620	ITV 112 Limited	07473151	Oxford Scientific Films Limited
12956892	ITV AdVentures Limited	15175627	Planet V Limited
14047839	ITV Archie Limited	13506403	Planet Woo Limited
02578005	ITV Breakfast Limited	09020906	Possessed Limited
02937518	ITV Consumer	14163547	QSP ATF Limited
13087759	ITV Duneen Limited	14784655	QSP Buried Limited
10494684	ITV Enterprises Limited	15502132	QSP Coach House Limited
14133299	ITV Grace Limited	14163654	QSP FMO Limited
04159210	ITV Holdings Limited	14460916	QSP Ghosted Limited
15800907	ITV HP Limited	14496123	QSP Men Up Limited
04159213	ITV International Channels Limited	14462220	QSP MY Limited
14846610	ITV JCDM Limited	13714204	QSP Nolly Limited
SC473179	ITV LTVC (Scotland) Limited	14460933	QSP PD Limited
14863612	ITV Mandrake Limited	15782700	QSP Run Away Limited
13989147	ITV Maternal Limited	14048037	QSP SO limited
00603893	ITV Network Limited	14460663	QSP TRK Limited
15800988	ITV Newco1 Limited	12350991	Second Act (Grace) Limited
15801483	ITV Newco2 Limited	09366311	Second Act Productions Limited
11723842	ITV Nightingale Limited	07714999	Sightseers Film Limited
00603471	ITV Pension Scheme Limited	03991026	So Television Limited
14461569	ITV POS Limited	15546550	TGP Critical Limited
01565625	ITV Properties (Developments) Limited	11423826	The Addressable Platform Limited
13087782	ITV Ralph and Katie Limited	07155077	The Garden Productions Limited
14460328	ITV RE Limited	02351132	TwoFour Broadcast Limited

Company number	Company name	Company number	Company name
08602993	TwoFour Group Holdings Limited	11109287	WP LOD5 Limited
05493388	TwoFour Group Limited	12116457	WP LOD6 Limited
11816700	Unforgotten Productions Limited	13087865	WP Malpractice Limited
02483078	World Productions Limited	12116461	WP Pembrokeshire Limited
11109744	WP Anne Limited	13087860	WP RM Limited
10796122	WP Bodyguard Limited	11109929	WP Save Me 2 Limited
14360979	WP Delia Limited	12368475	WP Showtrial Limited
12368643	WP Diplomat Limited	14653603	WP The Gathering Limited
13988864	WP Fifteen Limited	12368477	WP The Suspect Limited
12116627	WP Karen Pirie Limited	11109437	WP Vigil Limited
14988579	WP Lockerbie		

ITV Properties (Jersey) Limited is exempt from audit under article 113 of the Companies Act (Jersey) Law 1991.

ITV plc Company Financial Information

Statement of Financial Position

As at 31 December	Note	2024 £m	2023 £m
Non-current assets			
Investments in subsidiary undertakings	iii	**3,238**	3,224
Derivative financial instruments	vi	**1**	2
Other receivables		**4**	4
Deferred tax asset		**–**	2
		3,243	3,232
Current assets			
Amounts owed by subsidiary undertakings due within one year	iv	**3,522**	3,569
Amounts owed by subsidiary undertakings due after more than one year	iv	**86**	97
Amounts owed by subsidiary undertakings	iv	**3,608**	3,666
Derivative financial instruments	vi	**7**	5
Other receivables		**17**	28
Cash and cash equivalents	v	**259**	226
		3,891	3,925
Amounts owed to subsidiary undertakings	iv	**(2,203)**	(3,563)
Accruals		**(7)**	(9)
Derivative financial instruments	vi	**(7)**	(5)
Current liabilities		**(2,217)**	(3,577)
Net current assets		**1,674**	348
Borrowings	v	**(715)**	(750)
Derivative financial instruments	vi	**(20)**	(16)
Non-current liabilities		**(735)**	(766)
Net assets		**4,182**	2,814
Share capital	vii	**394**	406
Share premium	viii	**174**	174
Other reserves	viii	**55**	34
Retained earnings	viii	**3,559**	2,200
Total shareholders' funds		**4,182**	2,814

The Company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the parent company Income Statement. The Company's profit for the year was £1,740 million (2023: £7 million).

Company Statement of Changes in Equity

	Note	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	**Total £m**
Balance at 1 January 2024	vii/viii	406	174	34	2,200	2,814
Total comprehensive income for the year						
Profit for the year		–	–	–	1,740	1,740
Net gain on cash flow hedges and cost of hedging		–	–	9	–	9
Total comprehensive income for the year		**–**	**–**	**9**	**1,740**	**1,749**
Transactions with owners recorded directly in equity						
Contributions by and distributions to owners						
Equity dividends		–	–	–	(198)	(198)
Movements due to share-based compensation		–	–	–	18	18
Repurchase of shares		(12)	–	12	(199)	(199)
Tax on items taken directly to equity		–	–	–	(2)	(2)
Total transactions with owners		**(12)**	**–**	**12**	**(381)**	**(381)**
Balance at 31 December 2024		**394**	**174**	**55**	**3,559**	**4,182**

	Note	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	**Total £m**
Balance at 1 January 2023	vii/viii	403	174	29	2,377	2,983
Total comprehensive income for the year						
Profit for the year		–	–	–	7	7
Net gain on cash flow hedges and cost of hedging		–	–	5	–	5
Total comprehensive income for the year		–	–	5	7	12
Transactions with owners recorded directly in equity						
Contributions by and distributions to owners						
Issue of shares		3	–	–	–	3
Equity dividends		–	–	–	(201)	(201)
Movements due to share-based compensation		–	–	–	16	16
Tax on items taken directly to equity		–	–	–	1	1
Total transactions with owners		3	–	–	(184)	(181)
Balance at 31 December 2023		406	174	34	2,200	2,814

Notes to the ITV Company Financial Information

Note i Accounting policies

In this section

This section sets out the notes to the ITV plc Company-only financial information. Those statements form the basis of the dividend decisions made by the Directors, as explained in detail in note viii below. The notes form part of the financial information.

Basis of preparation

The Company is a qualifying entity as it is a member of the ITV plc Group where ITV plc, the ultimate parent, prepares publicly available consolidated financial information. This financial information was prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101'). The Company is registered in England and Wales.

In preparing this financial information, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 (Adopted IFRSs), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Exemptions applied

The following exemptions from the requirements of IFRS have been applied in the preparation of this financial information, in accordance with FRS 101:

- Presentation of a Statement of Cash Flows and related notes
- Disclosure in respect of capital management
- Disclosure of related party transactions between wholly-owned subsidiaries and parents within a group
- Disclosures required under IFRS 2 'Share Based Payments' in respect of group settled share-based compensation
- Disclosures required by IFRS 7 'Financial Instruments: Disclosure'
- Certain disclosures required under IFRS 13 'Fair Value Measurement'
- Disclosure of information in relation to new standards not yet applied

The Company proposes to continue to apply the reduced disclosure framework of FRS 101 in its next financial statements.

The financial information have been prepared on a going concern basis.

Changes in accounting policy

New accounting standards, interpretations and amendments that are effective from 1 January 2024 have not had a significant impact on the Company's results or Statement of Financial Position.

Accounting standards effective in future periods

The Directors have considered the impact on the Company of new and revised accounting standards, interpretations or amendments that are not yet effective and do not expect them to have a significant impact on the Company's future results and Statement of Financial Position.

Accounting judgements and estimates

The preparation of financial information requires management to exercise judgement in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Expected credit losses on amounts due from subsidiary undertakings is considered a key source of estimation uncertainty.

Subsidiaries

Subsidiaries are entities that are directly or indirectly controlled by the Company. Control exists where the Company has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. The investment in the Company's subsidiaries is recorded at cost.

Foreign currency transactions

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Foreign currency monetary assets and liabilities at the balance sheet date are translated into sterling at the rate of exchange ruling at that date. Foreign exchange differences arising on translation are recognised in the Income Statement. Non-monetary assets and liabilities measured at historical cost are translated into sterling at the rate of exchange on the date of the transaction.

Borrowings

Borrowings are recognised initially at fair value including directly attributable transaction costs, with subsequent measurement at amortised cost using the effective interest rate method. The difference between initial fair value and the redemption value is recorded in the Income Statement over the period of the liability on an effective interest basis.

Derivatives and other financial instruments

The Company uses a limited number of derivative financial instruments to hedge its exposure to fluctuations in interest and other foreign exchange rates. The Company does not hold or issue derivative instruments for speculative purposes.

Derivative financial instruments are initially recognised at fair value and are subsequently remeasured at fair value with the movement recorded in the Income Statement within net financing costs, except where derivatives qualify for cash flow hedge accounting. In this case, the effective portion of cash flow hedge is recognised in other reserves within equity.

The cumulative gain or loss is later reclassified to the Income Statement in the same period as the relevant hedged transaction is realised. Derivatives with positive fair values are recorded as assets and negative fair values as liabilities.

The fair value of foreign currency forward contracts is determined by using the difference between the contract exchange rate and the quoted forward exchange rate at the balance sheet date.

The fair value of interest rate swaps is the estimated amount that the Company would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of swap counterparties.

Third-party valuations are used to fair value the Company's derivatives. The valuation techniques use inputs such as interest rate yield curves and currency prices/yields, volatilities of underlying instruments and correlations between inputs. For financial assets and liabilities classified at fair value through profit or loss, the fair value change and interest income/expense are not separated.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year and any adjustment in respect of previous years.

The Company recognises liabilities for anticipated tax issues based on estimates of the additional taxes that are likely to become due, which require judgement. Amounts are accrued based on management's interpretation of specific tax law and the likelihood of settlement. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the period in which such determination is made.

Deferred tax

The tax charge for the year is recognised in the Income Statement or directly in equity according to the accounting treatment of the related transaction.

Deferred tax arises due to certain temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and those for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. A deferred tax asset is recognised only to the extent that it is probable that sufficient taxable profit will be available to utilise the temporary difference. Recognition of deferred tax assets therefore involves judgement regarding timing and level of future taxable income.

Share-based compensation

The Company utilises share award schemes as part of its employee remuneration packages, and therefore operates a number of share-based compensation schemes, namely the Deferred Share Award (DSA), Executive Share Plan (ESP) Performance Share Plan (PSP), Long Term Incentive Plan (LTIP) and Save As You Earn (SAYE) schemes.

A transaction will be classed as share-based compensation where the Company receives services from employees and pays for these in shares or similar equity instruments. If the Company incurs a liability based on the price or value of the shares, this will also fall under a share-based transaction. The Company recognises the retained earnings impact of the share-based compensation for the Group as awards are settled in ITV plc shares. The cost of providing those awards is recognised as a cost of investment to the subsidiaries that receive the service from employees.

The fair value of the equity instrument granted is measured at grant date and spread over the vesting period via a charge to the Income Statement with a corresponding increase in equity. The fair value of the share options and awards is measured using either market price at grant date or, for the SAYE scheme, a Black-Scholes model, taking into account the terms and conditions of the individual scheme.

Vesting conditions are limited to service conditions and performance conditions. For performance-based schemes, the relevant performance measures are projected to the end of the performance period in order to determine the number of options expected to vest. The estimate is then used to determine the option fair value, discounted to present value. The Company revises its estimates of the number of options that are expected to vest, including an estimate of forfeitures at each reporting date. The impact of the revision to original estimates, if any, is recognised in the Income Statement, with a corresponding adjustment to equity.

Exercises of share options granted to employees can be satisfied by market purchase or issue of new shares. No new shares may be issued to satisfy exercises under the terms of the DSA.

During the year, all exercises were satisfied by using shares held in the ITV Employees' Benefit Trust. The Trust is accounted for as a separate entity and therefore is only accounted for in the consolidated ITV financial information.

Dividends to shareholders

Dividends payable to shareholders are recognised through equity on the earlier of their approval by the Company's shareholders or their payment. Dividends are distributed based on the realised distributable reserves (within retained earnings) of ITV plc (Company) and not based on the Group's retained earnings.

Note ii Employees and share-based compensation

Employees

Two (2023: two) Directors of ITV plc (i.e. the Executive Directors) were employees of the Company during the year, both of whom remain employed at the year end. The costs relating to these Directors are disclosed in the Remuneration Report.

Share-based compensation

The weighted average share price of share options exercised during the year was 49.4 pence (2023: 49.3 pence) (excluding nil priced share options). The options outstanding at the year end have an exercise price in the range of nil to 105.98 pence (2023: nil to 135.20 pence) and a weighted average contractual life of one year (2023: one year) for all the schemes in place for the Group.

Note iii Investments in subsidiary undertakings

The carrying value of the Company's investments in subsidiary undertakings at 31 December 2024 was £3,238 million (2023: £3,224 million).

The carrying value of the Company's investments in subsidiary undertakings is assessed for impairment on an annual basis. Determining whether the carrying amount has any indication of impairment requires judgement. In testing for impairment, estimates are used in deriving cash flows and the discount rates. The estimation process is complex due to the inherent risks and uncertainties associated with long-term forecasting. The outcome of the value in use calculation including borrowings supports the carrying value of the investments in subsidiary undertakings.

Due to the significant headroom, there is no reasonably possible scenario that would result in a material adjustment to the amounts reported in the financial information.

The Company's review resulted in no impairment for 2024 (2023: no impairment).

Note iv Amounts owed (to)/from subsidiary undertakings

The Company operates an intra-group cash pool policy with certain 100% owned UK subsidiaries. The pool applies to bank accounts where there is an unconditional right of set off and involves the daily closing cash position for participating subsidiaries, whether positive or negative, being cleared to £nil via daily bank transfers to/from ITV plc. These daily transactions create a corresponding intercompany creditor or debtor, which can result in significant movements in amounts owed to and from subsidiary undertakings in the Company balance sheet. Interest is payable on intra-group cash pool balances at 0.5% above base rate per annum and the balances are repayable on demand. Other loans to subsidiary undertakings are repayable according to contractual terms. The classification of balances as due after more than one year is based on the intention of when the balances are expected to be settled rather than the contractual terms.

The credit risk management practices of the Company include internal review and reporting of the historical credit losses and forward-looking data. The Company applies the IFRS 9 simplified approach in measuring expected credit losses, which use a lifetime expected credit loss allowance for amounts due from subsidiary undertakings, and other receivables.

To measure expected credit losses, amounts due from subsidiary undertakings, and other receivables, have been grouped by shared credit risk characteristics. In addition to the expected credit losses, the Company may make additional provisions for the particular receivables if the deterioration of financial position is observed.

During the year, the Company provided for £2 million (2023: £22 million) of doubtful debts for amounts owed by its subsidiary undertakings. £15 million (2023: £2 million) was written back to the Income Statement for provisions for doubtful debts no longer required.

The recoverability of the amounts owed by subsidiary undertakings is assessed on an annual basis, or more frequently when an indication of impairment exists. Determining whether there is an indication of impairment requires judgement as the assessment is based on either net assets of the undertaking or forecast future performance.

Note v
Net debt

Keeping it simple

The Directors manage the Group's capital structure as disclosed in section 4 to the consolidated financial information. Borrowings, cash and derivative financial instruments are mainly held by ITV plc and disclosed in this Company financial information.

Cash and cash equivalents

At 31 December 2024, the Company has a cash position of £259 million (2023: £226 million).

Loans and loan notes due after one year

In June 2024 the Company issued a €500 million bond at a fixed coupon of 4.25% which matures in April 2032. This Eurobond was swapped back to £422 million using cross-currency swaps with 50% having a fixed coupon of 5.8% and 50% paying 184bps over SONIA. In conjunction with this transaction, a liability management exercise was undertaken on the €600 million 2026 Eurobond in issue, with €240 million being repaid from the proceeds of the 2032 issuance; the swaps associated with the redeemed portion were also unwound. The remaining €360 million in issue remains at a fixed coupon of 1.375%, with maturity in September 2026, swapped to sterling (£320 million) with the original cross-currency interest rate swaps. The fixed rate payable in sterling is c.2.9%.

A £230 million term loan was taken out in August 2023, and was fully drawn-down in December 2023. This term loan was fully repaid with the remaining proceeds of the €500 million bond issuance

	2024 £m	2023 £m
€600 million Eurobond	**298**	520
€500 million Eurobond	**417**	–
£230 million Term Loan	**–**	230
Loans due in more than one year	**715**	750

See section 4.1 of the Group Notes for further details of borrowings and available facilities.

Note vi
Managing market risks: derivative financial instruments

What is the value of our derivative financial instruments?

	Assets 2024 £m	**Liabilities 2024 £m**
Current		
Foreign exchange forward contracts and swaps – fair value through profit or loss	**7**	**(7)**
Non-current		
Cross-currency interest swaps – cash flow hedges	**–**	**(18)**
Cross-currency interest swaps – fair value hedges	**–**	**(1)**
Foreign exchange forward contracts and swaps – fair value through profit or loss	**1**	**(1)**
	8	**(27)**

	Assets 2023 £m	Liabilities 2023 £m
Current		
Foreign exchange forward contracts and swaps – fair value through profit or loss	5	(5)
Non-current		
Cross-currency interest swaps – cash flow hedges	–	(15)
Foreign exchange forward contracts and swaps – fair value through profit or loss	2	(1)
	7	(21)

The Company employs cross-currency interest rate swaps to exchange the principal and interest coupons in a debt instrument from one currency to another.

Currency risk

The Company's foreign exchange policy is to use forward foreign exchange contracts and cross-currency interest rate swaps both to manage foreign currency cash flow timing differences and to hedge foreign currency-denominated monetary items.

Cash flow hedges

In order to fix the sterling cash outflows associated with the commitments and interest payments – which are mainly denominated in euros – the Company has taken out forward foreign exchange contracts and cross-currency interest rate swaps for the same foreign currency amount and maturity date as the expected foreign currency outflow.

The amount recognised in other comprehensive income during the year all relates to the effective portion of the revaluation loss associated with these contracts. A cumulative loss of £23 million (2023: £26 million of cumulative loss) was recycled to the Income Statement to off-set movements on the hedged item, a residual value of less than a million (2023: £7 million loss) remained on the Income Statement which was not offset.

Under IFRS 9, the Company has adopted the 'cost of hedging' approach which allows the recognition of the value of the currency basis at inception of the hedge to be recorded on the Statement of Financial Position and amortised through net financing costs in the Income Statement over the life of the bond. Any mark-to-market change in fair value of the currency basis is recognised in 'cost of hedging' in the Statement of Comprehensive Income.

Fair value hedges

The Company has interest rate swaps and cross-currency interest rate swaps to hedge the exposure to changes in the fair value of fixed rate borrowings due to interest rate and foreign currency movements which could affect the income statement. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Income Statement together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the Income Statement within net financing costs together with changes in the fair value of the hedged fixed-rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in the Income Statement.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the Income Statement over the period to maturity using a recalculated effective interest rate.

Undiscounted financial liabilities

The Company is required to disclose the expected timings of cash outflows for each of its derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows (including interest), so will not always reconcile with the amounts disclosed on the Statement of Financial Position.

At 31 December 2024*	**Carrying value £m**	**Total contractual cash flows £m**	**Less than 1 year £m**	**Between 1 and 2 years £m**	**Between 2 and 5 years £m**	**Over 5 years £m**
Non-current and current						
Cross-currency swaps – cash flow hedges						
Inflow	**–**	**583**	**13**	**311**	**26**	**233**
Outflow	**(18)**	**(641)**	**(22)**	**(341)**	**(37)**	**(241)**
Cross-currency swaps – fair value hedges						
Inflow	**–**	**277**	**9**	**9**	**26**	**233**
Outflow	**(1)**	**(320)**	**(14)**	**(15)**	**(43)**	**(248)**
Foreign exchange forward contracts and swaps – fair value through profit or loss						
Inflow	**8**	**614**	**511**	**94**	**9**	**–**
Outflow	**(8)**	**(614)**	**(511)**	**(94)**	**(9)**	**–**
	(19)	**(101)**	**(14)**	**(36)**	**(28)**	**(23)**

At 31 December 2023*	Carrying value £m	Total contractual cash flows £m	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m
Non-current and current						
Cross-currency swaps – cash flow hedges						
Inflow	–	542	7	7	528	–
Outflow	(15)	(580)	(16)	(16)	(548)	–
Foreign exchange forward contracts and swaps – fair value through profit or loss						
Inflow	7	614	514	100	–	–
Outflow	(6)	(614)	(514)	(100)	–	–
	(14)	(38)	(9)	(9)	(20)	–

* The Company is jointly and severally liable for VAT at 31 December 2024 of £40 million (31 December 2023: £43 million)

Note vii Share capital

	Allotted, issued and fully paid 2024 £m	Allotted, issued and fully paid 2023 £m
Allotted, issued and fully paid ordinary shares of 10 pence each	394	406
Total	**394**	**406**

The Company's ordinary shares give shareholders equal rights to vote, receive dividends and to the repayment of capital.

On 1 March 2024 the ITV Group announced its intention to return the entire net proceeds from the disposal of BritBox International to the Group's shareholders through a share buyback. This was launched immediately following the announcement of the Group's results for the year ended 31 December 2023 in March 2024 (see note 4.7 for further details).

At 31 December 2024, 270 million 10p shares had been bought back at a cost of £198 million. Of these shares, 118 million were cancelled, reducing the Company's share capital. When such shares are cancelled they are transferred to the capital redemption reserve. See note 4.7 for further details.

Note viii Equity and dividends

Keeping it simple

ITV plc is a non-trading investment holding company and derives its profits from dividends paid by subsidiary companies.

The Directors consider the Company's capital structure and dividend policy at least twice a year ahead of announcing results and do so in the context of its ability to continue as a going concern, to execute the strategy and to invest in opportunities to grow the business and enhance shareholder value.

The dividend policy is influenced by a number of the principal risks as identified that could have a negative impact on the performance of the Company.

In determining the level of dividend in any year, the Directors follow the dividend policy and also consider a number of other factors that influence the proposed dividend and dividend policy, including:

- The level of retained distributable reserves in ITV plc the Company
- Availability of cash resources (as disclosed in note 4.1 to the consolidated financial information)
- Future cash commitments and investment plans, to deliver the Company's long-term strategic plan
- Consideration of the factors underlying the Directors' viability assessment
- The future availability of funds required to meet longer-term obligations including pension commitments.

Equity

The retained earnings reserve includes profit after tax for the year of £1,740 million (2023: £7 million), which includes dividends of £1,688 million from subsidiaries in 2024 (2023: £nil).

During the year, the Company provided for £2 million (2023: £22 million) of doubtful debts for amounts owed by its subsidiary undertakings. £15 million (2023: £2 million) was written back to the Income Statement for provisions of doubtful debts no longer required.

The recoverability of the amounts owed by subsidiary undertakings is assessed on an annual basis, or more frequently when circumstances indicate that the carrying value may be impaired. Determining whether there is an indication of impairment requires judgement as the assessment is based on either net assets of the undertaking or forecast future performance.

Share buyback programme

On 1 March 2024 the ITV Group announced its intention to return the entire net proceeds from the disposal of BritBox International to the Group's shareholders through a share buyback. This was launched immediately following the announcement of the Group's results for the year ended 31 December 2023 in March 2024.

At 31 December 2024, 270 million 10p shares had been bought back at a cost of £198 million. Of these shares, 118 million were cancelled, reducing the Company's share capital. When such shares are cancelled they are transferred to the capital redemption reserve.

The related stamp duty costs of £1 million have reduced the Company's retained earnings.

In May 2024, 8.5 million of the shares bought back were transferred to the Group's Employee Benefit Trust (EBT) to satisfy maturing share awards.

The repurchased shares held in Treasury and the shares held by the EBT are excluded in calculating the weighted average number of shares in issue used in the Earnings per share.

The share premium of £174 million remains unchanged in the year. Other reserves of £55 million (2023: £34 million) comprises Merger reserves of £36 million (2023: £36 million) which relate to share buybacks in prior years, Translation reserves had a net gain of £7 million (2023: net losses of £2 million) which relate to cash flow hedges and cost of hedging, and the capital redemption reserve was £12 million (with no such reserve in 2023).

Dividends

The Board recognises the importance of the ordinary dividend to ITV shareholders. Reflecting its confidence in the business and its strategy, as well as the continued strong cash generation, the Board proposes a final dividend of 3.3p (2023: 3.3p), giving a full year dividend of 5.0p (2023: 5.0p) per share. In 2024, £198 million of dividends were paid (2023: £201 million), representing a final 2023 dividend of 3.3p per share and an interim 2024 dividend of 1.7p per share.

Note ix Contingent liabilities

Keeping it simple

A contingent liability is a liability that is not sufficiently certain to qualify for recognition as a provision where uncertainty may exist regarding the outcome of future events.

On 11 October 2023, the CMA opened an investigation into certain conduct of ITV and other named companies in the sector relating to the production and broadcasting of television content in the UK, excluding sports content. In November 2024, the CMA stated that it would assess the information gathered to date and that a further update will be provided by the end of March 2025. It is not currently possible to reliably quantify any liability that might result from the investigation. ITV is committed to complying with competition law, and is cooperating with the CMA's enquiries in relation to the investigation.

There are contingent liabilities in respect of certain litigation and guarantees, broadcasting issues, and in respect of warranties given in connection with certain disposals of businesses. None of these items are expected to have a material effect on the Company's results or financial position.

Under a Group registration, the Company is jointly and severally liable for VAT at 31 December 2024 of £40 million (31 December 2023: £43 million).

The Company has guaranteed certain performance and financial obligations of subsidiary undertakings.

Note x Capital and other commitments

There are contingent liabilities in respect of certain litigation and guarantees, broadcasting issues, and in respect of warranties given in connection with certain disposals of businesses. None of these items is expected to have a material effect on the Company's results or financial position.

The Company enters into guarantee contracts to guarantee the performance and/or financial obligations of other companies within the Group. In this respect, the Company treats these guarantee contracts as contingent liabilities until it becomes probable that the Company will be required to make a payment under the relevant guarantee.

There are no capital commitments at 31 December 2024 (2023: none).

Note xi Related party transactions

Keeping it simple

The related parties identified by the Directors include amounts owed to and from subsidiary undertakings that are not wholly owned within the Group as well as transactions with key management. The Company is a holding company with no commercial activity.

To enable the users of the financial information to form a view about the effects of related party relationships on the Company, we disclose the Company's transactions with those during the year.

Transactions with subsidiary undertakings that are not wholly owned

The amounts owed by and to these related parties at the year end were:

	2024 £m	2023 £m
Amounts owed by subsidiary undertakings that are not wholly owned	**4**	42
Amounts owed to subsidiary undertakings that are not wholly owned	**(3)**	(24)

Amounts owed by subsidiary undertakings that are not wholly owned relate mainly to funding provided to production companies in our Studios division.

Amounts owed to subsidiary undertakings that are not wholly owned, relate mainly to amounts owed to 3sixtymedia Limited and other entities within our Studios division.

Transactions with key management personnel

Key management consists of ITV plc Executive Directors.

Key management personnel compensation, on an accounting basis, is as follows:

	2024 £m	2023 £m
Short-term employee benefits	**4**	3
Share-based compensation	**3**	2
	7	5

Total emoluments and gains on share options received by key management personnel in the year were:

	2024 £m	2023 £m
Emoluments	**3**	2
Gains on exercise of share options	**1**	1
	4	3