

ITV plc Full-Year results for the twelve months ended 31 December 2025

Carolyn McCall, ITV Chief Executive, said:

“ITV delivered a good performance in 2025, ahead of current market expectations and against a challenging market backdrop. With a strong digital platform, we have successfully capitalised on growth opportunities, delivered resilient profits and generated good levels of cash.

“Our results demonstrate the scale of our transformation as we continue to successfully execute our More Than TV strategy. As part of the strategy, in 2022 we set intentionally ambitious targets and have been adapting as necessary in a rapidly evolving media and entertainment market. These targets are helping us transform ITV - creating a much more entrepreneurial, ambitious culture. Our strategy is yielding clear results, generating strong outcomes across both ITV Studios and M&E. And in doing so, we have achieved a key strategic goal with two-thirds of our revenues now coming from ITV Studios and our digital M&E business.

“ITV Studios continues to outperform the wider market, a testament to its world-class talent, global scale, diversification, and unique IP library. At the same time, ITVM is successfully driving profitable growth in digital viewing and revenue. This growth is underpinned by the reach and strong cash generation of our broadcast business. We have an exceptional content line-up for 2026, and are the only commercial streamer and broadcaster in the UK with rights to both the significantly expanded Men’s Football World Cup, and every England Men’s rugby match.

“In line with ITV’s dividend policy, the Board is proposing a 5.0p per share full year ordinary dividend, bringing the total paid for this financial year to around £190m.

“We have created two resilient and attractive businesses, and ITV today is a demonstrably leaner, more agile and increasingly digital business, well adapted to deliver future growth. As we head into 2026 and beyond, we are focused on delivering continued strategic progress, driving profitable growth and strong cash generation, underpinned by our unwavering value creation strategy.”

Highlights:

Full year 2025 - financial performance ahead of current market expectations

Group total external revenue was up 1% and Group total revenue was flat year on year, with 5% growth in ITV Studios' total revenues and 10% growth in digital revenues, offsetting the decline in linear advertising against a strong 2024 comparative. Group adjusted EBITA¹ was down only 1% year-on-year, with tight cost management largely offsetting the decline in TAR. Group adjusted EPS was down 11% to 8.5p.

ITV Studios reported a strong performance with 10% growth in external revenue, reflecting strong demand from global streaming platforms. In addition, we generated double-digit revenue growth in Zoo 55, as we maximised the value of our high-value content library through digital distribution. ITV Studios' adjusted EBITA was £297m (2024: £299m), with an adjusted EBITA margin of 13.9% (2024: 14.7%), which reflects the change in revenue mix year-on-year as previously guided.

M&E delivered a solid performance in 2025, as ITVM continues to drive strong viewing, up 16%, and digital advertising revenues, up 12%. Total revenue was down 5%, as a result of a 5% decline in ITV TAR (vs guidance of down 6%), against a strong advertising performance in 2024, driven by the Men’s Euros. M&E adjusted EBITA was down 6%, due to the decrease in TAR offset by significant cost savings.

¹ Our APMs are defined within the APMs section of this report. It also includes a full reconciliation between adjusted and statutory results. Statutory profit before tax was down 35% to £338m, and statutory EPS was down 43% to 5.9p. The decline reflects the prior year including £194m from the profit on sale of BritBox International

In total across the Group, we achieved £63m of permanent non-content cost savings which funded investments and offset inflation, along with £15m of temporary savings in M&E in response to the softer advertising demand in Q4 2025, as previously guided. In total, ITV has now delivered £253m of permanent cost savings since the start of 2019.

Following our announcement in November 2025, we remain in discussions with Sky regarding a possible sale of the M&E business. There can be no certainty as to whether a transaction will take place and an update will be made in due course.

Outlook - Confident in delivering profitable revenue growth in ITV Studios and ITVX, with continued cost management and strong cash generation, underpinned by our leading linear broadcast business

ITV Studios is on track for another year of good growth in total revenue in 2026, ahead of the market, driven by external revenue. Full-year adjusted EBITA margin is expected to be at the lower end of the 13% to 15% range, reflecting the revenue mix in the year. Revenue, margin and profit will be weighted to H2, due to the phasing of scripted deliveries and timing of high-margin licensing deals.

We expect M&E to continue to generate strong, profitable digital advertising revenue growth driven by the success of ITVX, which has already recouped its entire investment, four years earlier than expected. We will continue to expand our non-advertising digital revenues, building on our progress to date.

Q1 TAR is forecast to be down around 2%, which is better than we expected. As is normal, advertisers are holding back budgets in order to spend in Q2 and Q3 around the expanded Men's Football World Cup. We are showing 19 more matches than in 2022, and with more matches at peak time. We are confident that the football will deliver a strong advertising performance.

As part of the continuing cost-saving programme, we will deliver a further £20m of additional permanent non-content cost savings in 2026 as we continue to create a leaner business. We expect our total content spend to be around £1.225bn in 2026, as we continue to optimise our content spend to best reflect viewer dynamics.

2025 Group Financial Performance

Twelve months to 31 December	2025 £m	2024 £m	Change £m	Change %
ITV Studios total revenue²	2,130	2,038	92	5
Total advertising revenue	1,723	1,820	(97)	(5)
M&E non-advertising revenue	268	282	(14)	(5)
M&E total revenue	1,991	2,102	(111)	(5)
Total group revenue	4,121	4,140	(19)	-
Internal revenue ³	(610)	(652)	42	6
Group external revenue	3,511	3,488	23	1
Total non-advertising revenue	2,398	2,320	78	3
ITV Studios adjusted EBITA	297	299	(2)	(1)
M&E adjusted EBITA	234	250	(16)	(6)
Adjusted EBITA	531	549	(18)	(3)
Unrealised profit in stock adjustment	3	(7)	10	143
Group adjusted EBITA	534	542	(8)	(1)
Group adjusted EBITA margin	15.2%	15.5%	-	(0.3)% points
Profit before tax (statutory)	338	521	(183)	(35)
Profit before tax (adjusted)	448	472	(24)	(5)
Adjusted EPS	8.5p	9.6p	(1.1)p	(11)
Statutory EPS	5.9p	10.4p	(4.5)p	(43)

² Total ITV Studios revenue includes £89 million (31 December 2024: £106 million) of intra-segment revenue derived from trading between Global Partnerships and ITV Studios productions

³ Internal revenue originates mainly in the UK and includes trading between ITV Studios and M&E, and Global Partnerships and ITV Studios productions

Net debt as at 31 December	(566)	(431)	(135)	(31)
Reported net debt to adjusted EBITDA leverage	1.0x	0.7x	-	-

ITV's full preliminary results:

ITV plc's preliminary results for the twelve months ended 31 December 2025 have been submitted in full unedited text to the Financial Conduct Authority's National Storage Mechanism and will be available shortly for inspection at: <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

A copy of the preliminary results will shortly be available on the ITV Plc corporate website: www.itvplc.com/investors/results-centre.

This announcement is made in accordance with Disclosure Guidance and Transparency Rule 6.3.5(1A).

Virtual results presentation webcast and Q&A:

ITV's virtual results presentation and Q&A session will be held for investors and analysts at [9.00] am today (GMT) via the following link: <https://www.investis-live.com/itv/69663a4207020e000f8113d9/bfpft>

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](tel:+442039362999)

United Kingdom (Toll-Free): [+44 808 189 0158](tel:+448081890158)

[Global Dial-In Numbers](#)

Access Code: 183046

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 2025, with the change compared to the same period in 2024.
2. Total advertising revenue (TAR), which includes ITV Family NAR, digital advertising and sponsorship, was down 6% in Q4 and down 5% in FY, which was better than previous guidance. TAR is expected to be down around 2% in Q1 2026 compared to the same period in 2025, which is better than we expected. Figures for ITV plc are based on ITV estimates and current forecasts.
3. Key performance indicators

Twelve months to 31 December	2025	2024	Change
Group adjusted EPS	8.5p	9.6p	(11)%
Cost savings	£63m	£60m	5%
Profit to cash conversion	65%	83%	(18)% pts
ITV Studios total organic revenue growth	1%	(5)%	6% pts
ITV Studios adjusted EBITA margin %	13.9%	14.7%	(0.8)% pts
Total high-end scripted hours	325 hrs	296 hrs	10%
Number of formats sold in 3 or more countries	20	20	-
% of ITV Studios total revenue from streaming platforms	28%	25%	3% pts
Total M&E digital revenue (excluding Zoo55)	£614m	£556m	10%
Total streaming hours	2,304m	1,980m	16%
Monthly active users	16.5m	14.7m	12%
Share of top 1,000 commercial broadcast TV programmes	91%	92%	(1)% pts
Share of commercial viewing (SOCV)	31.7%	32.2%	(0.5)% pts
UK subscribers as at 31 December	0.9m	1.0m	(10)%

- Our definition of total organic revenue excludes the impact of any acquisitions made during the current or prior period and the year-on-year movement in foreign exchange. In 2025, the unfavourable translation impact of foreign exchange on total revenue was £15 million.
- Total digital revenue includes digital advertising revenue and subscription revenue, as well as linear addressable revenue, digital sponsorship and partnership revenue, ITV Win, commission from STV for ITV selling their video-on-demand inventory, social media advertising revenue, and any other revenues from digital business ventures which qualify under the definition. Given the nature of digital revenue, it will evolve over time.

- Total streaming hours measure the total number of hours viewers spent watching ITV across all streaming platforms at a device level. This includes streaming hours for both ad-funded and subscription streaming. Given the nature of the market and our strategy to grow digital revenues, we will include viewing hours from platforms and services where we serve ITV content, where we can reliably and robustly measure and de-duplicate such hours. In 2025, streaming hours also include users accessing our IP-delivered content, for which data is now available. The prior year figure has been restated to reflect the inclusion of these hours; it was previously reported as 1,686m.
- Total monthly active users (MAUs) measures the reach of ITV's content digitally. Given the nature of the market and our strategy to grow digital revenues, we will continue to evolve our measurement approach as new data and methodologies become available, to include users from platforms and services where we serve ITV content, where we can reliably and robustly measure and de-duplicate such users. To date, total MAUs have captured the average number of identifiable users who accessed our owned and operated ITVX platforms and services each month throughout the period. In 2025, total MAUs also include users accessing our linear channels on devices where we can identify the user, for which data is now available. The prior year figure has been restated to reflect this inclusion; it was previously reported as 14.3m.
- 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, ITV Quiz (previously ITVBe), and associated "HD" and "+1" channels.
- UK subscribers are users of ITVX's premium tier. It includes those who pay ITV directly, pay via a third-party (such as Amazon Prime Video Channels) or 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.
- % change for performance indicators is calculated on rounded numbers.

4. Digital revenue breakdown

Twelve months to 31 December	2025 £m	2024 £m	Change %
Digital advertising revenue	540	482	12
Subscription revenue	48	48	-
Other digital revenue	26	26	-
Total digital revenue	614	556	10

5. Exceptional items: Total operating exceptional items were £107 million (2024: £65 million), which was marginally higher than guidance of £100 million. This total primarily included £69 million of restructuring and transformation costs and £38 million of corporate transaction-related expenses, which are performance-based, employment-linked consideration to former owners, and professional fees related to completed corporate transactions and potential corporate transactions. Further details on total exceptional items are provided in the Finance Review and Section 2.2 of the Financial Statements.

6. Planning assumptions for the full year 2026

- The following planning assumptions are based on our current view:
 - *Profit and Loss Impact:*
 - Total content costs are expected to be around £1.225 billion as we continue to optimise our content spend to best reflect viewer dynamics. H1 content costs will be broadly in line with the prior year
 - In total, we expect to deliver £20 million of non-content savings. These will come from a combination of new initiatives and annualised benefits from the 2025 savings

- Adjusted financing costs are expected to be around £40 million
- The adjusted effective tax rate is expected to be around 27% over the medium-term
- Exceptional items are expected to be around £55 million, comprising corporate transaction-related costs, largely relating to earnout payments for previous acquisitions and restructuring and transformation costs. Cash impact is expected to be similar
- *Cash Impact:*
 - Profit to cash conversion is expected to be around 80% on average over the medium term
 - Total capex is expected to be around £60 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 2026. This gives a full-year dividend of 5.0p, a total of around £190 million.

7. The full-year dividend timetable is as follows:

Ex-dividend date	Thursday 9 April 2026
Record date	Friday 10 April 2026
AGM	Thursday 7 May 2026
Dividend paid	Thursday 21 May 2026

8. 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 (vi) 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 2025 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.

9. The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2025 and 2024, but is derived from the 2025 accounts. A full copy of the 2025 Annual Report and Accounts will be available online at www.itvplc.com in due course. Statutory accounts for 2024 have been delivered to the Registrar of Companies, and those for 2025 will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and (iii) did not contain statements under Sections 498(2) or 498(3) of the Companies Act 2006.

For further enquiries, please contact:

Investor Relations

Pippa Foulds	+44 7778 031097
Faye Dipnarine	+44 20 7157 6581

Media Relations

Paul Moore	+44 7860 794444
Jenny Cummins	+44 7595 106670

Chief Executive's Statement

ITV delivered a good performance in 2025, outperforming current market expectations, against a challenging market backdrop. The results demonstrate the scale of ITV's strategic transformation.

Now, with a strong digital platform, ITV has successfully capitalised on growth opportunities, delivered resilient profits and generated good levels of cash. ITV has also achieved a key strategic target, with two-thirds of revenue now coming from ITV Studios and M&E's digital business.

Financial highlights

Group total external revenue was up 1%, and Group total revenue was flat, a good outcome given a 5% decline in total advertising revenue (TAR), compared with a strong advertising performance in 2024 due to the Men's Euros. 5% growth in ITV Studios' total revenues and 10% growth in digital revenues offset the linear advertising decline, demonstrating the effectiveness of the More than TV strategy.

ITV Studios delivered a strong performance driven by 10% growth in external revenue with significant deliveries to global streaming platforms. We also saw double-digit growth in Zoo 55 revenue, maximising the value of the high-quality content library through digital distribution globally. Within M&E, ITVX continued its momentum with viewing up 16% and digital advertising revenues up 12%. Digital advertising now represents 31% of total advertising revenues.

Group adjusted EBITA was resilient, down only 1% year-on-year, due to tight cost management. Group adjusted EPS was down 11% to 8.5p due to higher financing costs and a higher effective tax rate than in the prior year.

Our statutory results reflect the year-on-year comparison against 2024, which included the one-off profit on the sale of BritBox International; as a result, statutory profit before tax was down 35%, and statutory EPS decreased 43% to 5.9p.

Our balance sheet remains strong, with net debt of £566 million, a net debt to adjusted EBITDA leverage of 1.0x, and good free cash flow of £187 million.

In line with ITV's dividend policy, the Board is proposing a 5.0p per share ordinary dividend for the full year, bringing the total paid for 2025 to c.£190 million. Since 2018, ITV has returned over £1.6 billion to shareholders.

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.

Our strategic vision is to be a leader in UK advertiser-funded broadcasting and streaming and a diversified and expanding global force in content. Our strategy is based on three key pillars:

- **Expand Studios** - *Further diversifying and expanding by genre, geography and customer, and growing faster than the market*
- **Supercharge our Streaming business** - *Driving digital viewing and revenue through ITVX and Planet V, ITV's leading addressable advertising platform*
- **Optimise our Broadcast business** - *Digitally transforming as we continue to attract commercial broadcast audiences of unparalleled scale*

These pillars are underpinned by a clear set of strategic priorities (detailed further in the Operating and Financial Performance Review section). As part of the strategy, we set intentionally ambitious financial and non-financial targets to drive performance and have adapted them as necessary in a rapidly evolving market (detailed in the KPIs section). These targets have been instrumental in transforming ITV, both culturally and operationally, galvanising our teams and creating a more entrepreneurial and ambitious culture. This is yielding clear results.

As we successfully execute our strategy, we continuously assess all options to create the greatest value for shareholders. Following our announcement in November 2025, we remain in discussions with Sky regarding a possible sale of the M&E business. There can be no certainty as to whether a transaction will take place and an update will be made in due course.

Expand Studios

ITV Studios is a distinctive business with a leading position in the global content market. Its core competitive advantages and value drivers – world-class talent, global scale and a unique IP library – are underpinned by a culture of cost discipline. This combination ensures the business is well-positioned to continue to grow ahead of the market and drive attractive margins.

ITV Studios' creative culture attracts and retains the industry's leading talent by offering independence and an entrepreneurial culture backed by global distribution and resources. This has made ITV Studios a destination for top creative talent, a position we continue to enhance through attracting talent and making strategic acquisitions that deliver both creative scale and revenue synergies. This year, ITV Studios acquired Moonage Pictures in the UK (producers of The Gentlemen for Netflix) and Plano a Plano in Spain (producers of Suspicious Minds for Disney+).

The success of this strategy is evident in our creative output. We produce iconic programmes such as The Voice, Love Island, The Graham Norton Show and Line of Duty, while some of our newer labels, such as Happy Prince and Quay Street Productions, are delivering hit scripted shows. For example Rivals for Disney+, which is returning for season 2 following the success of season 1, and Harlan Coben titles including Run Away and Fool Me Once for Netflix. ITV Studios' success in talent retention is clear, reinforcing our position as an environment where the industry's best creative leaders thrive. In the UK, where we conduct the majority of our talent deals and acquisitions, around 75% of our label MDs and creative leads remain with the business post-earnout.

The global content market remains large and attractive. As a scaled and diversified business, ITV Studios is well-positioned to outperform the highly fragmented global market. ITV Studios is the largest TV producer in the UK, one of the world's largest studio groups, and a key player in the markets in which it operates.

Chief Executive's Statement (continued)

ITV Studios' strength lies in its diversification across geography, genre, and customer base. Today, 59% of our revenue is generated internationally, and 28% comes from the growing streaming market as we build a strong track record for successful content. We maintain deep, strategic relationships with the world's leading content buyers, with active projects in development for every major global streaming platform and an exciting pipeline of new and returning hits that demonstrate our creative reach.

ITV Studios' unique library of over 100,000 hours of scripted and unscripted content is a significant strategic asset. Each year, thousands of hours of new IP are added, which is licensed to over 350 customers globally. This scale allows ITV Studios to maximise the lifetime value of its content. The team are also taking advantage of the fast-growing digital distribution market through our digital label, Zoo 55.

Zoo 55 enables ITV Studios to expand the reach of its long and short-form content, distributing it across social video, FAST, and AVOD (ad-supported video on demand) channels globally. By using data-driven audience insights and AI to curate content, Zoo 55 can engage wider global audiences across a broader range of platforms. In 2025, Zoo 55 generated over 47 billion global views, up over 30% year-on-year, which drove double-digit revenue growth.

ITV Studios' operating model as a creator, owner, producer and distributor of IP ensures it captures the full value of the content lifecycle. This enables the business to drive above-market growth and deliver attractive margins. Our strategy of diversifying revenues has resulted in a stable foundation of c.60% recurring revenues, supported by a low-risk model that delivers high-quality earnings and strong cash generation.

ITV Studios has consistently grown ahead of the market at an attractive margin. We made a corporate viewer-led and efficiency-driven decision to implement a new scheduling pattern for the Soaps and production changes for our Daytime schedule. These were the right decisions for ITV, delivering significant savings in M&E, but have reduced ITV Studios' internal revenue by c.£80 million effective from 2026. We remain on track to deliver our 2026 financial target of 5% average annual total organic revenue growth from 2021, excluding Daytime and Soaps. Furthermore, we remain on track to deliver an adjusted EBITA margin within our 13% to 15% range.

Media & Entertainment (M&E)

As the UK's largest commercial broadcaster and BVOD¹ streamer, M&E's success is underpinned by two strategic pillars: Supercharge Streaming and Optimise Broadcast, both of which are critical in a rapidly changing market.

By leveraging ITV's scale, trusted brand, and high-quality content, M&E is well-positioned to deliver profitable digital revenue growth and strong cash generation. We combine our reach with an extensive first-party dataset to offer a compelling commercial proposition: mass audiences alongside sophisticated targeted advertising and integrated creative partnerships – all within a brand-safe, measured environment. A tightly disciplined, agile cost base remains central to M&E's resilience.

Supercharge Streaming

ITVX and Planet V have fundamentally transformed our streaming offering, driving fast-growing, profitable digital advertising revenues. ITVX is the fastest-growing broadcaster streaming platform in the UK and, since launch in 2022, has delivered 25% CAGR in total streaming hours and 16% CAGR in digital advertising revenues.

In addition, by using data on audience behaviour and preferences, the team have optimised content spend across ITVX and the linear TV channels to ensure our curated offering attracts and retains the most commercially valuable viewers.

Planet V, our first-class addressable advertising platform, provides access to over 40 million registered users, with 20,000 targeting options which can be further augmented with data from third-party providers such as Tesco and Carwow. Since launch, Planet V has attracted over 1,500 new advertisers to ITV.

With this momentum, digital advertising revenue is outperforming our original plan. Given the strong performance of advertiser-funded streaming on ITVX and our focus on profitable growth, we have pivoted our digital strategy by doubling down on this model and deprioritising subscription video on demand. Therefore, it will take slightly longer than initially anticipated to reach the overall £750 million digital revenue target.

Importantly, this has saved significant incremental content and marketing spend. As a result, we reached break-even two years earlier than planned, recouping our entire investment in ITVX four years earlier than projected. In doing so, we have created a more resilient, focused and profitable ITVX platform, with very attractive growth prospects.

Building on the foundations of the strategic investments in ITVX and Planet V, we are competing effectively in the £9.5 billion online video advertising segment, attracting 'new-to-ITV' advertisers and growing our share of the market.

We are removing barriers to entry and simplifying the buying process for TV advertising for small and medium-sized enterprises (SMEs). We have onboarded new SME advertisers, who are not represented by agencies through our recently established direct sales team. In addition, we are making good progress towards the launch of our self-serve advertising platform in collaboration with Sky, Channel 4, and Comcast's Universal Ads platform which we will be testing later this year.

1. Broadcaster video on demand

ITV is also extending its reach and monetisation through strategic content and commercial partnerships. Through our YouTube partnership, over 40% of the viewing to ITV's content on the platform is from under 35-year-olds, driving incremental reach without cannibalising ITVX viewing. The newly created ITV YouTube sales team, which sells advertising around ITV content on the platform, continues to grow, partnering with over 800 brands and products today, up from six at launch. In early 2026, we announced a partnership with Banijay to sell all their advertising around their content on YouTube.

Our partnership with Disney+ has successfully driven fresh consideration for both platforms, and we are now expanding this relationship to bring selected Disney+ titles to ITV1's peak schedule. We also have a new collaboration with TikTok, which is further driving engagement and monetisation around curated ITV content.

Chief Executive's Statement (continued)

We are leveraging our IP and first-party data to drive growth in digital non-advertising revenue. We launched The Birthday Draw in January 2026, a partnership with Global for a £1 million cash prize, and are evolving ITV Win into a premium destination for competitions, most recently with the introduction of ITV Win Bingo & Spins. While it is early days, we expect these two initiatives to drive double-digit growth in interactive revenues and will broadly break-even in year one.

Optimise Broadcast

While we Supercharge Streaming, we continue to Optimise Broadcast, increasing productivity and efficiency, and remain the only commercial platform capable of delivering mass cultural moments at scale, a reach that is increasingly valuable for advertisers in a fragmented market. In 2025, ITV delivered 91% of the top 1,000 commercial audiences.

To reinforce this value, we are collaborating with Channel 4 and Sky on 'Lantern' (launching in 2027), an outcomes program to measure the effectiveness of TV advertising. This enables advertisers to track the short-term impact of TV campaigns on sales, and has been welcomed by advertising agencies and clients, reinforcing ITV's leading high-performance and brand safe environment.

We are optimising our 2026 content spend to best reflect viewer dynamics and deliver the most valuable audiences for advertisers. We have an extraordinary programme schedule across Drama, Entertainment and Reality, while scaling live Sport. ITV is the only commercial broadcaster with the rights to the Men's Football World Cup, which includes 19 more matches on ITV. We also have the rights to all England men's rugby games this year.

Strategic cost programme

Through our ongoing strategic cost programme, we continue to drive productivity and efficiency gains, as we reprioritise our resource allocation to better align with our strategy.

In 2025, we delivered £50 million of permanent savings, £5 million ahead of plan, alongside £13 million of annualised transmission savings from our previous cost programme. Since the start of 2019, we have achieved £253 million of cumulative non-content savings.

Savings during the year were driven by operational and technology efficiencies and organisational redesign. We are also increasingly using AI across the business to drive efficiencies, as well as create revenue opportunities. These savings have funded investments and more than offset inflation in both businesses.

In 2026, we expect a further £20 million of savings, which is a combination of new initiatives and the annualised benefits from our 2025 savings. Our structured and disciplined approach to cost ensures that ITV remains a lean, agile business, optimising our cost base to enhance profitability and invest in the growth drivers.

Our Social Purpose

ITV has an incredible history of reflecting and shaping culture for good. From championing the stories that need to be told to fostering an inclusive and creative workplace, we remain committed to our social purpose, which is focused across four areas:

- *Mental Wellbeing:* We encouraged the nation to prioritise their health through our 'Britain Get Talking' and 'Role of a Lifetime' campaigns. We also relaunched our Head First Award, which awards £1 million of airtime to an advertiser promoting positive mental wellbeing.
- *Better Futures:* Our audiences raised over £15 million for Soccer Aid for UNICEF this year. We also reached a milestone in our Creative Access partnership, matching over 500 mentoring partnerships to support the next generation of industry talent.
- *Climate Action:* ITV earned an 'A' score from CDP, placing us in the top 4% of companies globally for climate performance and transparency. We continue to innovate on-screen, including Emmerdale's award-winning climate storytelling and recent sustainable partnership with the Department for Energy Security and Net Zero.
- *Diversity, Equity and Inclusion:* We committed a further £80 million to our Diversity Commissioning Spend, which created high-impact content such as the successful drama Code of Silence. Through our Diversity Development Fund and Fresh Cuts series, we continue to champion underrepresented creatives and enhance accessibility support on shows such as The Assembly. Our colleague networks continue to thrive, helping us create an inclusive culture at ITV.

Regulation

New restrictions on less healthy food (LHF) advertising on Ofcom-regulated TV and streaming services before 9 p.m., and all day online, came into effect on 5 January 2026. ITV voluntarily implemented these restrictions from 1 October 2025, in line with a pan-industry commitment. We have worked proactively with advertisers to mitigate the impact on advertising revenues.

We continue to work with Ofcom as it implements the Media Act, including crucial provisions on prominence, inclusion and dispute resolution for public service broadcaster (PSB) streaming services.

Chief Executive's Statement (continued)

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 investigate all complaints raised.

During 2025, ITV continued its focus on Duty of Care, building on Dr Paul Litchfield's (Independent Chief Medical Adviser to ITV) 2024 review that confirmed ITV's high standards of programme participant care. We streamlined access to specialist advice, simplified documentation, strengthened the risk team, and launched a new support framework for victims of stalking and harassment. Our Speaking Up efforts included raising awareness about the Complaints Handling Unit (CHU), implementing internal audit recommendations and revising the Complaints Handling Framework with updated case tracking and expanded board reporting to capture the CHU's work and identify trends.

Further details can be found in the Risks and Uncertainties section.

Colleagues

ITV's 70th anniversary was a moment to celebrate the generations of talent who have built this company. I am immensely proud of all our colleagues and very grateful to them for all the achievements, creative, commercial and operational. They have navigated a year of industry change and internal restructuring with unwavering professionalism.

The resilience of our culture is clear. Our Engagement Index rose six points to 63% this year, and I am particularly pleased that 75% of our people feel that diversity is valued and opportunities are equal. Despite the pace of change in our industry, our people remain motivated and proud to be part of ITV's story.

In 2025, we rolled out new AI tools to improve productivity and enhance our world-class creativity. We also embedded 'Making What Matters' as our internal brand and strengthened the link between the Board and our Ambassador network, who serve as a vital link to our global workforce. In 2026, we will continue to prioritise an open dialogue through structured Executive Committee town halls in all our offices and increasing interaction between our Ambassadors and senior leaders to ensure colleague voices drive action year-round.

ITV's success has always been built on a unique blend of creativity and commercialism, fuelled by the talent of our people. I am confident that this collective spirit will drive our future success.

Outlook

Our More than TV strategy is yielding clear results and generating strong outcomes across both ITV Studios and M&E.

We have created two resilient and attractive businesses that are demonstrably leaner, more agile, increasingly digital and well-positioned to deliver future growth. As we head into 2026 and beyond, our strategic pillars remain constant, but our priorities will evolve and adapt to meet changing industry dynamics. This ensures we build on the significant momentum achieved to date.

We remain focused on retaining the right people and ensuring we have an open dialogue within ITV.

With the profitable growth of ITV Studios and the digital M&E business, along with strong cash generation, we will continue to deliver attractive returns to shareholders.

Carolyn McCall

Chief Executive

Key Performance Indicators

Our KPIs and 2026 targets, which were set as part of Phase Two of our More than TV strategy in 2022, align our performance and accountability with our strategic priorities. This is detailed further in the Chief Executive's Statement and Operating and Financial Performance Review.

All KPIs are reported externally on a six-month basis (but monitored internally by the Board and management on a monthly basis). The following are reported externally 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 EPS¹

8.5p

-11% on 2024

Adjusted EPS represents the adjusted profit after tax¹ attributable to each equity share in the year.

Why it's important

It is an important measure, as we aim to create long-term value for our shareholders.

Performance

Adjusted EPS decreased by 11% to 8.5p, reflecting lower total advertising revenue year-on-year, partially offset by content and non-content cost savings across the Group. Higher adjusted financing costs and an increase in the adjusted effective tax rate further impacted the decline. Refer to the Finance Review for further details.

2026 Target

There was no target set for Adjusted EPS.

COST SAVINGS

£253m

cumulative permanent savings since the start of 2019

Cost savings are permanent savings to the business.

Why it's important

We aim to run our business as efficiently as possible. Managing our cost base and mitigating the impact of inflation is key, and funding investments in line with our strategic priorities.

Performance

We delivered £50 million of permanent efficiencies in 2025 as part of our strategic cost programme, alongside £13 million of annualised transmission savings from our previous plan. We have delivered £253 million of cumulative savings since the start of 2019.

We expect to deliver a further £20 million of non-content savings in 2026, which is a combination of new initiatives and 2025 annualised savings.

2026 Target

Deliver over £150 million of cumulative savings from the start of 2019 to the end of 2026.

PROFIT TO CASH CONVERSION¹

65%

-18 basis points on 2024

Profit to cash is our adjusted cash flow as a proportion of adjusted EBITA.

Why it's important

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.

Performance

Profit to cash conversion was 65% in the year, reflecting an increase in working capital, predominantly in ITV Studios from an increase in programmes in production.

Over the three years from 2023 to 2025, cash conversion has averaged around 80%

2026 Target

Maintain at around 85%.

1. A full reconciliation between our adjusted and statutory results is provided in the APMs section

Key Performance Indicators (continued)

EXPAND STUDIOS UK AND GLOBAL PRODUCTION

ITV STUDIOS TOTAL ORGANIC REVENUE GROWTH²

+1%

on 2024

ITV Studios organic revenue includes revenues from programmes sold to networks, streaming platforms, cable operators and free-to-air broadcasters, including M&E. It excludes the impact of any acquisitions made during the current or prior period and the year-on-year movement in foreign exchange.

Why it's important

ITV Studios total organic revenue measures the scale and success of our global Studios business.

Performance

Total organic revenue was up 1%, with scripted deliveries to global streaming platforms and UK free-to-air broadcasters offset by a decline in internal revenue.

Organic revenue excludes the impact of a £15 million unfavourable foreign exchange movement and £114 million of acquisitions in the year.

2026 Target

Grow by 5% on average per annum (from 2021).

ITV STUDIOS ADJUSTED EBITA² MARGIN %

13.9%

-0.8 basis points on 2024

ITV Studios margin is calculated on Studios total revenue.

Why it's important

This is a key profitability measure used across ITV Studios.

Performance

ITV Studios adjusted EBITA margin was 13.9% (2024: 14.7%). This decline in margin reflects the change in revenue mix year-on-year. 2025 had an increase in scripted deliveries to global streaming platforms which generate higher revenue but at a lower margin than catalogue sales. In 2024 catalogue sales were unusually high due to the absence of original commissions as a result of the 2023 US writers' and actors' strike.

2026 Target

Deliver in the 13% to 15% range.

TOTAL HIGH-END SCRIPTED HOURS

325 hrs

+10% on 2024

High-end scripted hours include new commissions or returning franchises that have a higher cost per hour than continuing drama.

Why it's important

It is an important measure in assessing the success of our strategic priority, to grow our scripted business. We aim to meet the growing global demand for scripted content, particularly from streaming platforms.

Performance

The number of high-end scripted hours produced by ITV Studios increased by 10% to 325 hours in 2025, driven predominantly by Studios UK and Studios International, following a lower volume of scripted deliveries to the streaming platforms in the prior year.

2026 Target

Grow to 400 hours.

% OF ITV STUDIOS TOTAL REVENUE FROM STREAMING PLATFORMS

28%

+3 basis points on 2024

This is the total revenue from streaming platforms as a proportion of total Studios revenue.

Why it's important

Over the medium term, the key driver of growth in the global content market is expected to be from local and global streaming platforms. This metric enables us to deliver our strategic priority of further diversifying our customer base.

Performance

The percentage of ITV Studios total revenue from streaming platforms increased to 28%. This was driven by scripted and unscripted deliveries in the UK and internationally for new and returning titles, including The Devil's Hour for Amazon Prime Video, Run Away for Netflix, the part-delivery of Rivals for Disney+ and The Reluctant Traveller for Apple TV+.

2026 Target

Grow to 30% of ITV Studios total revenue.

NUMBER OF FORMATS SOLD IN THREE OR MORE COUNTRIES

20 formats

flat on 2024

This includes ITV Studios formats that have been sold to three or more countries during the year. Spin-offs, such as Love Island Games, are considered distinct from the original format (i.e. Love Island) for the purpose of this indicator.

Why it's important

ITV Studios is focused on maximising the international monetisation of some of the world's most successful travelling entertainment formats. A good measure of international success is when a format is sold in three or more countries.

Performance

The number of formats sold in three or more countries was flat at 20 and in line with our 2026 target. Formats that have sold in three or more countries include: The Voice, Hell's Kitchen, The Chase and Love Island.

2026 Target

Grow to 20 formats.

2. Our APMs are defined within the APMs section of this report

Key Performance Indicators (continued)

M&E SUPERCHARGE STREAMING

TOTAL DIGITAL REVENUE³

£614m

+10% on 2024

Total digital revenue comprises all revenue streams from our M&E digital businesses, and is predominantly digital advertising.

Why it's important

It is an important measure of the acceleration of our digital strategy as we Supercharge Streaming.

Performance

Total digital revenue grew 10% to £614 million. The growth was driven by digital advertising revenue, which was up 12%.

Refer to the Operating and Financial Performance Review for further details.

2026 Target

More than double (compared to 2021) to at least £750 million.

MONTHLY ACTIVE USERS (MAU)⁴

16.5m

+12% on 2024

Monthly active users measures the reach of ITV's content digitally.

Why it's important

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 12% to 16.5 million. As with total streaming hours, the growth in monthly active users has been driven by increased user engagement from the investment we have made 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 20 million.

TOTAL STREAMING HOURS⁵

2,304m hrs

+16% on 2024

Total streaming hours measure the total number of hours viewers spent watching ITV across all streaming platforms at a device level. This includes streaming hours for both ad-funded and subscription streaming.

Why it's important

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 16% to 2,304 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 2 billion hours.

UK SUBSCRIBERS⁶

0.9m

+10% on 2024

UK subscribers are users of ITVX's premium tier. It includes those who pay ITV directly, pay via a third-party (such as Amazon Prime Video Channels) or an operator, and free trialists.

Why it's important

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 2025 was marginally down year-on-year. In 2024, we took actions to simplify our ITVX Premium offering, which has had a short-term negative impact in 2025 on subscriptions and subscription revenue.

2026 Target

Double (compared to 2021) to 2.5 billion.

- Total digital revenue includes digital advertising revenue and subscription revenue, as well as linear addressable revenue, digital sponsorship and partnership revenue, ITV Win, commission from STV for ITV selling their video-on-demand inventory, social media advertising revenue, and any other revenues from digital business ventures which qualify under the definition. Given the nature of digital revenue, it will evolve over time
- Given the nature of the market and our strategy to grow digital revenues, we will continue to evolve our measurement approach as new data and methodologies become available, to include users from platforms and services where we serve ITV content where we can reliably and robustly measure and de-duplicate such users. To date, total MAUs have captured the average number of identifiable users who accessed our owned and operated ITVX platforms and services each month throughout the period. In 2025, total MAUs also include users accessing our linear channels on devices where we can identify the user, for which data is now available. The prior year figure has been restated to reflect this inclusion; it was previously reported as 14.3 million
- Given the nature of the market and our strategy to grow digital revenues, we will include viewing hours from platforms and services where we serve ITV content, where we can reliably and robustly measure and de-duplicate such hours. In 2025, streaming hours also include users accessing our IP-delivered content, for which data is now available. The prior year figure has been restated to reflect the inclusion of these hours; it was previously reported as 1,686 million
- 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

Key Performance Indicators (continued)

M&E OPTIMISE BROADCAST

SHARE OF TOP 1,000 COMMERCIAL BROADCAST TV PROGRAMMES⁷

91%

-1 basis points on 2024

The share of top 1,000 commercial broadcast TV programmes is measured by BARB based on viewing figures.

Why it's important

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 2025 share was 91%, which was down marginally by 1% point year-on-year. A strong slate of new dramas, including *Playing Nice*, *I Fought The Law and Protection*, alongside entertainment shows, such as *Love Island* and *I'm A Celebrity...Get Me Out Of Here!* and sport, including the Women's Euros and Men's Football World Cup Qualifiers, helped maintain ITV's strong commercial mass proposition.

2026 Target

Maintain a share of at least 80%.

SHARE OF COMMERCIAL VIEWING⁸

31.7%

-0.5 basis points on 2024

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.

Why it's important

Maintaining ITV's number one position in the UK broadcast market is important for us to attract and retain advertisers, and is vital to maximising advertising revenues.

Performance

Our share of commercial viewing decreased marginally by 0.5% points to 31.7%. ITV continues to have the largest share of commercial viewing versus our commercial competitors.

2026 Target

Maintain at 33%.

7. 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

8. 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, ITV Quiz (which was previously ITVBe), and associated 'HD' and '+1' channels

Operating and Financial Performance Review

ITV delivered a good performance in 2025, ahead of current market expectations, against a challenging market backdrop. Both ITV Studios and M&E performed well, reflecting the significant strategic transformation the business has delivered.

Key financials

Group external revenue

£3,511m

+1% vs 2024

Total digital revenue

£614m

+10% vs 2024

Statutory operating profit

£363m

+14% vs 2024

Statutory EPS

5.9p

-43% vs 2024

Total ITV Studios revenue

£2,130m

+5% vs 2024

Group adjusted EBITA

£534m

-1% vs 2024

Adjusted EPS

8.5p

-11% vs 2024

Net debt

£566m

31 Dec 2024: £431m

Operating and Financial Performance Review (continued)

FINANCIAL HIGHLIGHTS					
Twelve months to 31 December	2025 £m	2024 £m	Change £m	Change %	
ITV Studios ²	2,130	2,038	92	5	
M&E	1,991	2,102	(111)	(5)	
Total Revenue	4,121	4,140	(19)	-	
Internal revenue ³	(610)	(652)	42	6	
Total External Revenue	3,511	3,488	23	1	
Total non-advertising revenue	2,398	2,320	78	3	
ITV Studios adjusted EBITA ²	297	299	(2)	(1)	
M&E adjusted EBITA	234	250	(16)	(6)	
Adjusted EBITA	531	549	(18)	(3)	
Unrealised profit in stock adjustment	3	(7)	10	143	
Group adjusted EBITA⁴	534	542	(8)	(1)	
Group adjusted EBITA margin	15.2%	15.5%	-	(0.3)% pts	
Statutory operating profit	363	318	45	14	
Adjusted EPS (p)	8.5p	9.6p	(1.1)p	(11)	
Statutory EPS (p)	5.9p	10.4p	(4.5)p	(43)	
Net Debt at 31 December	(566)	(431)	(135)	(31)	
Leverage	1.0x	0.7x	-	-	

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. Total ITV Studios revenue includes £89 million (31 December 2024: £106 million) of intra-segment revenue derived from trading between Global Partnerships and ITV Studios productions

3. Internal revenue originates mainly in the UK and includes trading between ITV Studios and M&E, and Global Partnerships and ITV Studios productions

4. Refer to APMs for key adjustments to EBITA and adjusted EBITA

Group financial overview¹

Total revenue was flat, with growth in ITV Studios offset by a decline in total advertising revenue (TAR). This reflects the strong advertising period in 2024 from the Men's Euros, and the impact of macroeconomic uncertainty on advertiser demand in the lead-up to the UK budget in Q4 2025. Total Group external revenue was up 1%, with strong growth in ITV Studios external revenue. Group adjusted EBITA declined by only 1%, with the decrease in TAR partially mitigated by cost savings achieved across the Group.

ITV Studios delivered good total revenue growth up 5%, which was ahead of the global content market, leveraging its world-class talent, global scale and diversification, and unique IP library. External revenue grew 10%, driven by significant deliveries to global streaming platforms. As expected, ITV Studios adjusted EBITA decreased by 1%, with the margin reducing by 0.8% points to 13.9%, reflecting the change in revenue mix year-on-year.

In M&E, total revenue declined by 5%, driven by TAR which was down 5% (vs guidance of -6%). ITVX maintained its strong performance with digital viewing up 16% and digital advertising revenues up 12%. M&E adjusted EBITA decreased by 6%, reflecting the decline in TAR, partially offset by a combination of lower content costs and the delivery of significant permanent and temporary cost savings.

Operating and Financial Performance Review (continued)

We continue to transform and restructure our operations in response to our evolving media landscape and to best reflect viewer dynamics. Through our strategic cost programme, we are reshaping our cost base, enhancing profitability and investing in the growth drivers of ITV Studios and Streaming. In 2025, we delivered £50 million of incremental in-year cost savings across the Group, which was ahead of our previous guidance of £45 million. These savings have come from across the business, including technology and operational efficiencies and organisational redesign. The one-off cost to deliver our permanent savings was £43 million. £13 million of annualised transmission efficiencies were also delivered from our previous £150 million cost savings programme.

In addition to the permanent cost savings, we also delivered £15 million of temporary cost savings in M&E, which we announced in November 2025 to proactively align our cost base with the softer advertiser demand seen in Q4. These savings primarily came from reduced discretionary spend, the rephasing of marketing spend and marketing efficiencies.

Unrealised profit in stock was a £3 million credit (2024: £7 million debit), with the year-on-year movement reflecting the release of profit from internally supplied content utilised in the year, alongside lower volumes of ITV Studios content held in M&E.

Total operating exceptional items were £107 million (2024: £65 million), which was marginally higher than guidance of £100 million. This total primarily included £69 million of restructuring and transformation costs and £38 million of corporate transaction-related expenses, which are performance-based, employment-linked consideration to former owners and professional fees related to completed corporate transactions and potential corporate transactions. Further details on total exceptional items are provided in the Finance Review and section 2.2 of the notes to the Financial Information.

Adjusted financing costs increased in the year to £43 million (2024: £25 million) and statutory net financing costs were £25 million (2024: nil). Both measures were impacted by cash-related net financing costs, which included realised foreign exchange losses and lower interest on deposits compared to the prior year.

Adjusted profit before tax decreased by 5% to £448 million (2024: £472 million). Statutory profit before tax decreased by 35% to £338 million (2024: £521 million) with the prior year benefiting from the profit on the sale of BritBox International, which was sold to the BBC for £255 million, with a profit on disposal of £194 million (pre-tax).

The adjusted effective tax rate (ETR) was 27.7% (2024: 20.8%) and the statutory ETR was 33.4% (2024: 22.1%), with the higher year-on-year tax rates impacted by overseas taxes. The statutory ETR also included non-deductible exceptional expenses of £40 million which were disallowed for tax purposes, resulting in no associated tax credit.

Adjusted EPS for the year was 8.5p (2024: 9.6p), with statutory EPS decreasing from 10.4p to 5.9p. See the Finance Review for further details on movements in our adjusted and statutory results.

Our profit to cash conversion was 65% (31 December 2024: 83%), with free cash flow of £187 million (31 December 2024: £325 million).

ITV has a robust balance sheet with net debt of £566 million (31 December 2024: £431 million) and a net debt to adjusted EBITDA of 1.0x (2024: 0.7x). The year-on-year increase reflects a lower cash balance following the completion of the 2024 share buyback programme and a higher working capital outflow in the year.

We have good access to liquidity. At 31 December 2025, we had cash and committed undrawn facilities totalling £1,327 million (31 December 2024: £1,377 million), which included total cash of £302 million (31 December 2024: £427 million).

During 2025, we extended the maturity profile of ITV's debt through the issuance of a £300 million term loan facility (maturing in 2029). The proceeds will be used to refinance our €360 million bond when it becomes due in September 2026.

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

In line with ITV's dividend policy, the Board is proposing a final dividend of 3.3p (2024: 3.3p), giving a full year ordinary dividend of 5.0p per share for 2025 (2024: 5.0p).

We are focused on delivering continued strategic progress, driving profitable growth and strong cash generation, underpinned by our unwavering value creation strategy.

A range of downside scenarios reflecting ITV's principal risks has been modelled and considered in the assessment of ITV's long-term viability. Refer to the Long-term Viability Statement Disclosure for further details.

Operating and Financial Performance Review (continued)

ITV STUDIOS

ITV Studios is a scaled global creator, owner and distributor of high-quality TV content, producing some of the world's most successful shows. It operates in 13 countries, across 60+ labels and is diversified by genre, geography and customer in the key creative markets around the world.

It benefits significantly from its global scale in a large and fragmented market, being the largest producer in the UK, one of the world's largest studio groups, and a key player in the markets in which it operates. ITV Studios is a trusted supplier and has well-established relationships with major content buyers and leading creative talent. With a high-quality content library of over 100,000 hours and a digital distribution network through Zoo 55, its digital label, it is also one of the pre-eminent global distributors of content.

The global content market is large and attractive, defined by a diverse mix of content and customers in a highly competitive landscape. It was estimated to be c.\$235 billion¹ in 2025, growing 1% year-on-year. While overall market growth has slowed compared to historical levels, we expect continued growth in key segments in which ITV Studios is well-positioned, including content licensing (particularly digital and FAST channels), as well as sustained demand from streaming platforms for scripted and unscripted content. The highly fragmented nature of the content market means that ITV Studios remains relatively small compared to the total addressable market, presenting a significant opportunity to capture further market share. By leveraging its key competitive advantages and value drivers – world-class talent, global scale, and unique IP library – underpinned by a culture of cost discipline, the business is well-positioned to continue to grow ahead of the market and deliver attractive margins.

2025 – ITV STUDIOS HIGHLIGHTS

Production Group of the Year

2025 Edinburgh TV Festival

Three awards at the International Emmys

Best Drama – Rivals, Best Comedy – Ludwig, Lead Actress – Anna Maxwell-Martin in Until I Kill You

47 billion+ global views for ITV Studios content

Zoo 55 portfolio across all local and owned and operated channels and platforms

Biggest new unscripted launch in 2025

Destination X for the BBC in the UK

Biggest entertainment launch of 2025

S25 of I'm A Celebrity...Get Me Out Of Here! for ITV in the UK

Most-watched streaming original TV season in the US

Love Island USA S7 for Peacock (Source: Luminate)

1. Source: Ampere Analysis: Feb 2026 – excluding spend from film studios

Operating and Financial Performance Review (continued)

EXPAND STUDIOS

ITV Studios strategy

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

- Growing our scripted business to meet the growth in global demand
- Growing our global formats business to maximise the monetisation of high-value formats
- Diversifying our customer base to capture the growth in content spend from local and global streaming platforms
- Attracting and retaining leading creative talent

Our priorities are underpinned by KPIs and targets which reflect the key drivers of growth and value.

Refer to the CEO Statement and KPIs section for more details on our KPIs, why they are important, and how they enable us to deliver value.

Growing our scripted business

Scripted content plays a key role in attracting and retaining viewers and subscribers across both free-to-air and streaming platforms. This, coupled with the proliferation of streaming platforms, has driven a global increase in original scripted commissions in recent years. With ITV Studios' global production presence, strong track record for delivering high-quality scripted content, and an expansive scripted library, it is well-positioned to meet this ongoing demand and, importantly, grow its market share.

ITV has a portfolio of scripted labels in the UK, US and internationally, which creates and produces high-quality content with global appeal for both pay TV and free-to-air (FTA) broadcasters and streaming platforms.

We continue to see good momentum in our scripted pipeline into 2026 and beyond, with many scripted titles that performed well on their respective platforms being recommissioned.

This includes Rivals for Disney+, The Gentlemen for Netflix, Code of Silence for ITV and Line of Duty and Ludwig for the BBC.

In 2025, ITV Studios' high-end scripted hours increased by 10% year-on-year to 325 hours (2024: 296 hours), driven by Studios UK and Studios International, following a lower volume of scripted deliveries to the streaming platforms in the prior year due to the phasing of productions.

Growing our Global Formats business

Unscripted content is also important to ITV Studios. Through its Global Partnerships business, ITV Studios monetises its portfolio of some of the world's most successful entertainment formats and maximises commercial opportunities from its brands. The key focus is on driving growth by monetising existing high-value formats and supporting the creation of new global formats.

ITV Studios' portfolio of world-class brands includes established formats, such as The Voice (the biggest entertainment show in the world with over 150 adaptations), Love Island (in 28 markets), The Chase (in 22 countries), and Come Dine With Me (in 50 countries, with over 20,000 episodes worldwide). 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 broadcasters and streaming platforms, offering cost-effective content with a proven audience success. ITV Studios also has several new formats with the potential to be global hits. These include Nobody's Fool, The Neighbourhood, and Celebrity Sabotage.

During the year, Global Partnerships sold 60 unique formats globally (2024: 65), 20 of which were sold to three or more countries (2024: 20).

Further diversifying our customer base

ITV Studios has strong relationships with all the key buyers globally. The demand from streaming platforms for scripted and unscripted content has provided ITV Studios with a significant opportunity to further diversify its customer base and grow its overall market share. Between 2021 and 2025, ITV Studios has grown its scripted and unscripted revenues from streaming platforms by 21% CAGR and 43% CAGR respectively, which is ahead of market growth of around 10% for both genres¹.

In 2025, the percentage of ITV Studios' total revenues from streaming platforms increased by three percentage points to 28% (2024: 25%). This was driven by scripted and unscripted deliveries in the UK and US for new and returning titles. See the financial performance section for further details.

ITV Studios has a strong creative pipeline of scripted and unscripted titles for streaming platforms in the UK, US, and internationally, reflecting the trust in ITV Studios' creativity, the strength of its ideas, and the proven success of its content with audiences. Upcoming titles include: So Far Gone and Squid Game: The Challenge S3 for Netflix, and Love Island USA S8 for Peacock.

1. Source: Ampere Analysis: Feb 2026 – excluding spend from film studios

Operating and Financial Performance Review (continued)

Digital Studio – Zoo 55

ITV Studios' Global Partnerships business leverages its unique content library of over 100,000 hours of scripted and unscripted content to maximise the value of its IP. In early 2025, ITV Studios launched Zoo 55, a new digital label designed to drive high-margin growth from the global digital distribution market. Zoo 55 enables ITV Studios to expand the reach of both its long and short-form content across a broader range of platforms, engaging wider global audiences within this fast-growing segment of the content market. Zoo 55 distributes ITV Studios IP across three areas:

- **Social Video:** Operates over 200 owned and operated channels (across platforms like YouTube, Meta and TikTok), with new partnerships in 2025 with Spotify and Merzigo, to further support growth and expand reach. Engagement has accelerated in 2025, with over 24 billion views globally, up 40% year-on-year
- **FAST & AVOD:** Operates 28 channels across 24 platforms in over 40 countries. With over 310 channel streams on services such as Tubi, Pluto and Xumo. In 2025, this included the launch of a new live ITVX FAST channel with the Space Exploration Network. Viewing across FAST and AVOD grew 28% year-on-year
- **Games & Gaming:** Manages 40 games live on multiple platforms, where we license our IP to third-party game producers, e.g. Love Island, The Chase, Coronation Street. The Love Island Game was the eighth most downloaded mobile game in the US in the summer of 2025

Overall in 2025, Zoo 55 generated over 47 billion global views, up over 30% year-on-year, driving double-digit revenue growth.

Zoo 55 leverages digital innovation to optimise content delivery. By automating subtitling and the content clipping for social platforms, it reaches global audiences more effectively and efficiently.

In February 2026, ITV Studios launched Studio 55, a global brand partnership studio connecting brands, marketing agencies and content creators with ITV Studios' world-class portfolio of IP to further maximise value. The studio operates across two core pillars — brand licensing and the co-creation of digital-first formats.

This expansion of our brand partnerships business – alongside the launch of further channels and games in to more territories – ensures Zoo 55 remains on track to deliver c.£120 million in revenue by the end of 2027 (this is not included in the digital revenue target within M&E).

Attracting and retaining leading talent

A key part of ITV Studios' investment strategy and its success is its ability to attract and retain the best creative talent through talent deals and strategic acquisitions. ITV Studios offers talent a unique combination of creative independence, an entrepreneurial culture, a label structure, and the resources of a global studio business.

ITV Studios has successfully established a number of new labels through recent talent deals, delivering an impressive slate of programmes with many more commissions in development.

Recent and upcoming programmes include: Run Away, After the Flood and The Guest from Quay Street Productions; Adultery from Poison Pen Studios; and Number 10 from Hartswood Films. This strong pipeline demonstrates ITV Studios' commitment and success in nurturing top creative talent to produce engaging, high-quality content.

ITV Studios continuously manages its portfolio of labels to strengthen its creativity. During the year, ITV Studios acquired Moonage Pictures, a UK-based independent scripted producer of titles such as The Gentlemen (for Netflix) and A Good Girl's Guide to Murder (for Netflix and the BBC). In addition, ITV Studios added a leading Spanish scripted producer, Plano a Plano, to their portfolio, with titles including Valeria (for Netflix) and Suspicious Minds (for Disney+).

Operating and Financial Performance Review (continued)

ITV STUDIOS FINANCIAL PERFORMANCE

Twelve months to 31 December	2025 £m	2024 £m	Change £m	Change %	Organic Change ¹ %
ITV Studios UK	989	868	121	14	4
ITV Studios US	310	391	(81)	(21)	(18)
ITV Studios International	434	380	54	14	11
Global Partnerships	397	399	(2)	(1)	2
Total ITV Studios revenue²	2,130	2,038	92	5	1
Total ITV Studios costs	(1,833)	(1,739)	(94)	(5)	–
Total ITV Studios adjusted EBITA¹	297	299	(2)	(1)	–
ITV Studios adjusted EBITA margin	13.9%	14.7%	–	(0.8)% pts	–

Twelve months to 31 December	2025 £m	2024 £m	Change £m	Change %
Internal revenue ³	605	646	(41)	(6)
External revenue	1,525	1,392	133	10
Total ITV Studios revenue	2,130	2,038	92	5

Twelve months to 31 December	2025 £m	2024 £m	Change £m	Change %
Scripted ⁴	685	621	64	10
Unscripted	1,101	1,054	47	4
Core ITV ⁵ and Other	344	363	(19)	(5)
Total ITV Studios revenue	2,130	2,038	92	5

1. Refer to Alternative Performance Measures for organic revenue definition and key adjustments to EBITA and adjusted EBITA

2. Total ITV Studios revenue includes £89 million (31 December 2024: £106 million) of intra-segment revenue derived from trading between Global Partnerships and ITV Studios productions

3. Internal revenue originates mainly in the UK and includes trading between ITV Studios and M&E, and Global Partnerships and ITV Studios productions

4. Includes high-end scripted and other scripted revenues

5. Core ITV includes the Soaps and Daytime shows produced by ITV Studios for ITV1, along with sports production for ITV linear TV channels

Operating and Financial Performance Review (continued)

ITV Studios saw good total revenue growth of 5% in 2025, ahead of the market, with external revenue up 10%, reflecting strong demand from global streaming platforms. Internal revenue declined by 6% due in part to the absence of programming such as Saturday Night Takeaway, and sports production revenue from the 2024 Men's Euros.

Total organic revenue at constant currency was up 1%, adjusting for acquisitions and a £15 million unfavourable foreign exchange impact.

Reflecting our global presence, 59% of ITV Studios' revenue was generated from clients outside the UK (2024: 59%).

ITV Studios adjusted EBITA decreased by 1% year-on-year, with an adjusted EBITA margin of 13.9%. The lower margin reflects the change in revenue mix year-on-year as previously guided, with 2024 revenues including significantly high-value library sales due to the absence of original commissions following the US actors' and writers' strike. During 2025, ITV Studios delivered £31 million of permanent cost savings from production efficiencies and organisational redesign.

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

ITV Studios continues to explore ways to drive efficiencies, create flexibility 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. We are taking further steps to digitise our production processes, as well as using remote editing more routinely and, where possible, the operational use of AI to support creativity and optimise production processes.

ITV Studios UK

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

In 2025, ITV Studios UK revenue increased by 14% to £989 million (2024: £868 million). The growth was driven by significant scripted titles, particularly for streaming platforms. Deliveries included The Devil's Hour for Amazon Prime Video, Run Away for Netflix, the part-delivery of Rivals for Disney+, The Reluctant Traveller for Apple TV+, Frauds for ITV and The Guest for the BBC. On an organic basis, which excludes the impact of acquisitions in the current or prior period, revenue was up 4%.

ITV Studios US

ITV Studios US produces scripted and unscripted content for all major US networks, cable channels, and streaming platforms. To better align with evolving market dynamics, during the year, we brought our US scripted and unscripted businesses under single leadership. This strengthens our creative agility, creates synergies and operational efficiencies, and provides a robust platform to drive future growth in the US market.

In 2025, ITV Studios US revenue decreased 21% to £310 million (2024: £391 million). While the year benefited from content such as The Voice US for NBC, Love Island USA for Peacock, and One Piece for Netflix, performance was impacted by the phasing of deliveries and some short term softness in the US market.

Going into 2026, ITV Studios US has good momentum, with a robust pipeline of scripted and unscripted content for both new and returning titles, along with a diversified development slate with all the major streaming platforms.

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 enables us to capitalise on the demand for locally produced content with global appeal. We have scripted projects in production and development with global and local streaming platforms.

Revenue within ITV Studios International increased by 14% to £434 million in 2025 (2024: £380 million). The year-on-year growth reflects an increase in deliveries to streaming platforms and FTA broadcasters. Deliveries included Gomorrah – The Origins for Sky Italia, Il Falsario for Netflix, Cooking Academy for ProSieben, and I'm A Celebrity...Get Me Out Of Here!, The Voice and Love Island across multiple territories during the year.

Global Partnerships

Global Partnerships revenue decreased by 1% to £397 million in 2025 (2024: £399 million). On an organic basis however, revenue was up 2%.

The business saw good growth from the international distribution of new scripted titles, such as The Guest, Cold Water, and Code of Silence, combined with double-digit growth in Zoo 55 revenues. This was offset by a lower level of licensing deals of our library content year-on-year. 2024 had an unusually high volume of library deals due to the US writers and actors strikes, which reduced commissioning and temporarily boosted demand for high-quality library content.

Operating and Financial Performance Review (continued)

Outlook

- In 2026, we expect to deliver good revenue growth over the full year, ahead of the market, driven by external revenue
- Internal revenue will be down year-on-year. We expect strong scripted growth, which will be offset by the previously announced scheduling changes to the Soaps and Daytime production, which reduces revenue by c.£80 million effective from 2026
- Full year margin is expected to be at the lower end of the 13% to 15% range, reflecting the revenue mix in the year
- Revenue, margin and profit will be weighted to H2, reflecting the phasing of large scripted deliveries and high-margin licensing deals
- We have an exciting pipeline of productions for 2026 and beyond. This is expected to include:
 - In the UK, The Boys from Brazil and Squid Game: The Challenge S3 for Netflix, Line of Duty and Vigil for the BBC, I'm A Celebrity: South Africa, The Blame and The Box for ITV
 - In the US, Love Island USA: Beyond the Villa S2 for Peacock, So Far Gone and Worst Ever for Netflix, and Hell's Kitchen S25 & S26 for FOX
 - Internationally, Alone Australia for SBS, and key formats such as The Voice, The Chase and Love Island delivering across multiple countries
 - Global Partnerships will see a pipeline of new and returning content produced by ITV Studios, with titles including The Rapture, Ludwig, and Vigil, along with new formats Celebrity Sabotage and The Neighbourhood.

MEDIA & ENTERTAINMENT

ITV is the UK's largest commercial streamer and broadcaster. Through M&E, we make brilliant British-focused content available via ITVX – our free, advertiser-funded streaming service – alongside our free-to-air linear TV channels and third-party partners, allowing viewers to watch whenever and wherever they choose.

ITV invests over £1.2 billion annually in content and has a weekly reach of nearly 40 million viewers across linear TV and ITVX (Source: BARB, All Individuals). ITV provides a compelling and valuable proposition for advertisers to reach mass audiences. This proposition is strengthened by our ability to also offer targeted advertising, via Planet V, our proprietary targeted advertising platform, along with creative and commercial partnerships in a brand-safe, reliably measured environment.

Underlying this is a digitally led strategy that ensures M&E continues to adapt to changing viewer dynamics and the evolving needs of advertisers. Ongoing investment in ITVX, Planet V, and data capabilities is unlocking new monetisation opportunities and positioning the business to continue delivering profitable digital advertising revenue growth. Combined with strong cost and financial discipline, and supported by a highly cash-generative model, M&E has the flexibility to offset the decline in linear advertising revenue, drive margin expansion, and invest for future growth.

2025 – M&E HIGHLIGHTS

3.6 billion streams on ITVX in 2025

Up 10% year-on-year

Biggest live TV audience of the year

Women's Euros semi-final

ITV2 had the most programmes attracting over 1 million 16-34 viewers

More than any other channel or streaming platform in 2025

5 out of the top 10 dramas in the UK were on ITV

More than any other channel or streaming platform in 2025

Biggest share of 16-34s in 2025

I'm A Celebrity...Get Me Out Of Here! on ITV1

Biggest new channel launch in over a decade

ITV Quiz

Operating and Financial Performance Review (continued)

M&E strategy

ITV's M&E strategy is based on two core pillars: Supercharge Streaming and Optimise Broadcast, designed to drive growth in digital revenues while maintaining our strength in linear TV.

Each priority is underpinned by KPIs and targets which reflect the key drivers of growth and value.

Refer to the CEO Statement and KPIs section for more details on our KPIs, why they are important, and how they enable us to deliver value.

SUPERCHARGE STREAMING

Growing and enhancing our streaming proposition, ITVX

Our digital business continues to gain momentum. We have built a strong platform in ITVX, which has already recouped its entire investment four years earlier than expected, and reached break-even two years earlier than we expected. Since launch, it has surpassed ten billion streams, with a 25% CAGR in total streaming hours and delivering a 16% CAGR in digital advertising revenue.

In 2025, ITVX continued to attract more users who watched for longer, with a strong content offering across the key genres. Dramas like *Playing Nice* and *I Fought the Law*, entertainment and reality shows such as *Britain's Got Talent*, *Love Island* and *Romesh Ranganathan's Parent's Evening*, and sports events including the *Women's Euros* and the *Men's Football World Cup Qualifiers*, contributed to a rise in MAUs by 12% to 16.5 million, and in total streaming hours by 16% to 2,304 million. ITVX also continued to attract harder-to-reach audiences, with viewing among 25–54s up 13%, and men up 12%. 54% of ITVX's total audience is under 55, which compares to 44% for total broadcaster and subscription streaming service viewing, making it a valuable platform for advertisers. (Source: BARB, Jan-Dec 2025). Strong growth in ITVX viewing alongside Planet V contributed to a 12% increase in digital advertising revenue and 10% growth in total digital revenues year-on-year in 2025.

To sustain and build on ITVX's momentum, we are focused on optimising our content, maximising reach and diversifying revenue. We will deliver this through our core value drivers of Content, Marketing, Distribution, Product and Monetisation, all underpinned by data. With over 40 million registered ITVX users, ITV has one of the UK's largest first-party data sets. This data set and our strong data capabilities support decision-making and highly targeted advertising at scale, helping to drive both audience growth and digital advertising revenue.

Content: ITVX offers c.27,000 hours of content, 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 (such as sport, true crime and US box sets), ITVX Kids, ITVX News, and one of the UK's largest free film libraries.

Our data-driven approach allows us to understand what our audiences want and respond quickly to changing viewer behaviours, ensuring we optimise investment to maximise engagement, reach and retention.

Consequently, we can allocate spend more effectively, reinvesting into our key genres of drama, entertainment, reality and sport, which deliver the most valuable commercial audiences. This data-led strategy informed our decision during 2025 to replace our ITVBe linear TV channel with *ITV Quiz* – a FAST channel available on both ITVX and linear television. By leveraging reruns of our popular quiz shows, it delivers a higher audience share at a lower operating cost. We also evolved our Daytime, News and Soaps schedules to better reflect the viewing habits of our audience. This has driven efficiencies that are being reinvested into high-quality content our audiences value most.

In 2026, we will focus on prioritising spend on key genres that drive commercially valuable audiences, especially our target audience of 25-54s.

Marketing: Marketing is an important tool in attracting commercially valuable viewers and getting them to engage with ITVX for longer.

In 2025, we continued to enhance our digital marketing capabilities, leading to more efficient spending and increased viewing on ITVX. This included utilising *ITV Insiders*, our influencer marketing programme, to promote key content across social media platforms, and the use of generative AI for better audience targeting with our AI-powered campaigns, which reduced the average cost to acquire a user by nearly 80% year-on-year.

In early 2026, we successfully launched our new brand campaign, 'There's No Place Like ITV', designed to reinforce the strength of our brand and breadth of our content offering. In addition, during 2026, we will optimise our marketing mix to increase our share of 25-54-year-old viewers.

Distribution: During the year, we strengthened our partnerships with third-party platforms to maximise the prominence and discoverability of ITV content and drive incremental revenue opportunities. We rolled out new 'continue-watching' and voice search features on these platforms, as well as integrated personalisation and embedded more of our content to drive additional viewing to ITVX.

Product: We remain focused on continuously enhancing the ITVX platform and optimising the user journey to drive maximum engagement and retention. These improvements contributed to an incremental 26 million streaming hours this year. We are also significantly scaling our technological infrastructure to accommodate increased demand, particularly around live events such as the *Men's Football World Cup*, and continue to leverage our extensive viewing data to further refine the personalisation and recommendations offering.

Monetisation: Refer to the following section for details on how we are scaling our digital revenue streams.

ITVX Premium

ITVX Premium offers users ad-free access to all ITVX programming, plus exclusive content. At 31 December 2025, UK streaming subscriptions were marginally down at 0.9 million (2024: 1.0 million). In 2024, we took actions to simplify our ITVX Premium offering, which has had a short-term negative impact on subscriptions and subscription revenue.

While our priority remains the ITVX ad-funded service for delivering the best return and driving digital revenues, we will focus on growing profitable subscription revenue by minimising churn and maximising value from new and existing subscribers. During the year, we launched an ITVX Premium channel on Amazon Prime Video to extend our reach and contribute to the growth in digital revenues.

Operating and Financial Performance Review (continued)

Delivering fast-growing, profitable digital advertising revenues

Planet V

One of ITV's value drivers is its ability to deliver targetable audiences through Planet V (ITV's wholly owned targeted advertising platform), which is highly demanded by advertisers and supports growth in digital advertising revenues.

Planet V is a self-service platform allowing agencies and advertisers to seamlessly buy highly targeted video advertising on ITVX. Planet V utilises ITV's extensive data assets and capabilities, which it augments with other first-party data sets to provide compelling advertising products for advertisers. 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 has over 2,000 users spanning large, independent, in-house teams and regional agencies in the UK, giving them access to over 20,000 data-targeting options to create sophisticated audience segments for advertising campaigns. Advertisers can also incorporate their own first-party data in a GDPR-compliant environment using our data clean room provider, InfoSum (an identity infrastructure provider) and monitor their campaigns through a custom-built user interface. There is value to advertisers of directly targeting segmented audiences, and therefore, we can drive higher-value CPMs through this increasingly sophisticated and valuable ad inventory. Since launch, Planet V has attracted over 1,500 new 'digital-only' advertisers to ITV, with more than 25 digitally native agencies utilising the platform.

Driving incremental revenue from the large and growing online video segment

The UK online video advertising segment, estimated at £9.5 billion in 2025, presents a significant growth opportunity for ITV (Source: AA/WARC Oct-25 Expenditure Report). Our strategic investments in ITVX and Planet V have driven a step change in our market position, expanding our digital inventory, broadening our reach and enhancing our targeting capabilities. This allows us to compete effectively for a wider pool of budgets, attract 'new-to-ITV' advertisers and capture a greater share of the market.

To further grow our Total Addressable Market (TAM), we are focused on creating new commercial innovations and expanding our Small and Medium-sized Enterprise (SME) strategy, aimed at businesses that are scaled enough to benefit from TV advertising, but have not been able to consider it historically because of barriers such as cost and accessibility. In addition, we are broadening our reach through new strategic partnerships and expanding our addressable inventory by creating new products that make more of our offering targetable.

Commercial innovations

We are continuously introducing new innovative targeting products through ITVX and Planet V (ITV Ad Labs Products) to drive advertising demand further. Recent examples include:

- **Automated Contextual Targeting**, which is an AI-powered solution to analyse scenes in our shows to identify the perfect content environment for advertisers to sit adjacent to
- **Retail Match**, which securely matches ITV's existing first-party data with profiles from Boots' Advantage Card and Tesco's Dunhumby Clubcard databases, creating category shopper audience segments for targeting in ITVX (e.g. hayfever sufferers during the spring)
- **Auto Match**, which securely matches ITVX's registered users with Carwow's data to provide car manufacturers with precise targeting of new car buyers
- **Dynamic Pause Ads**, which allow advertisers to integrate real-time and location-specific promotions into their static ad when a viewer pauses content

SME strategy

Our SME strategy represents a key initiative to capture a greater share of advertisers, both on linear TV and on ITVX.

We have developed a suite of innovations designed to attract new advertisers to ITV by simplifying the buying process for SMEs across both TV and digital platforms, reducing barriers to entry and enabling brands to effectively measure and optimise their advertising performance.

To capture the long tail of advertisers not typically represented by an agency, we have established a dedicated direct sales team for SMEs to plan and buy advertising campaigns, and we are making good progress towards the launch of our self-serve advertising platform in collaboration with Sky, Channel 4, and Comcast's Universal Ads platform which we will be testing later this year. We have a sophisticated outcome planning tool offering predictive measurement analytics to demonstrate the incremental effect of TV advertising to help advertisers plan their campaigns and drive consumer demand. We are also leveraging generative AI to facilitate the creation of cost-effective TV adverts, making advertising solutions more accessible for SMEs.

Recent successes include:

- ITV AdVentures direct sales team onboarding new-to-TV SMEs, including True Start Coffee and Carmoola
- Integrating AI capabilities within our regional in-house creative production teams for the ads they make for their clients
- Our Media for Equity programme continued to invest in early-stage digital and direct-to-consumer businesses in exchange for advertising inventory across our platforms. Recent investments include ufnish.com, Tryp.com, and The Body Coach fitness app

Operating and Financial Performance Review (continued)

Strategic content and viewer partnerships

Using the power of our brand and assets, we are partnering to extend our reach to new and valuable audiences that complement our ITVX offering, ensuring our content is accessible wherever viewers choose to watch, and we can monetise it effectively.

YouTube partnership

ITV's expanded distribution and commercial partnership with YouTube brings hundreds more hours of long and short-form ITV content to viewers on YouTube. ITV Studios' Zoo 55 manages the content on these channels (refer to the earlier ITV Studios section for further details).

Our dedicated YouTube sales team within ITV Commercial, which launched in early 2025, sells advertising around ITV content on the platform, providing advertisers access to ITV's brand-safe premium content on YouTube. This initiative has demonstrably increased our targetable market and extended our reach, particularly to younger demographics, delivering c.4% points of incremental reach across different audience groups without cannibalising viewing on ITVX, with over 40% of the viewing to ITV's content on the platform from under 35-year-olds.

This has enabled us to secure advertising budgets that were previously inaccessible to ITV, and we now partner with 800 brands and products on YouTube, up from six at launch. Building on this success, ITV Commercial recently agreed to be the sales house for Banijay's YouTube inventory, leveraging our expertise to monetise their content. This will further strengthen our YouTube sales team and drive our digital revenue growth.

Disney+ strategic relationship

During 2025, ITV entered a first-of-its-kind strategic relationship with Disney+ in the UK. A curated and regularly refreshed selection of ITVX programmes is carried on Disney+, while a selection of Disney+ programmes is available to viewers for free for the first time on ITVX. This enables both services to promote their offerings to complementary audiences, extending reach and driving fresh consideration for both platforms. The partnership has performed well to date, and in 2026, we will expand this relationship to bring selected Disney+ titles to ITV1's peak schedule.

TikTok partnership

To further extend our reach and monetisation capabilities, ITV Commercial has partnered with TikTok to offer advertisers exclusive packages of inventory around some of our biggest shows on the platform, including 6 Nations Rugby, Love Island, the Men's Football World Cup and Britain's Got Talent.

Scaling our targetable advertising inventory on ITVX

We are making more of our inventory targetable on ITVX and partner platforms through:

- **Digital Ad Insertion (DAI)**, which is now enabled for live streaming on ITVX
- **Linear addressable (targeted advertising)**, is available through our live linear TV channels on Sky, YouView, Virgin, Freely and EE. It enables advertisers to book targeted advertising campaigns via Planet V across our live linear TV channels using our new Live Addressable+ product

In 2026, we will launch new products such as biddable advertising and scale our linear addressable and DAR capabilities across more partner platforms.

Driving profitable non-advertising digital revenues

Beyond advertising, we are also maximising opportunities to drive engagement and profitable digital revenue growth. By leveraging our IP, first-party data, and on-screen talent, we have scaled ITV Win into a premium destination for viewer competitions and gaming. In early 2026, we launched a new white-label partnership with Richmond Atlantic to provide Bingo and other interactive entertainment on ITV Win. We also successfully launched The Birthday Draw, in partnership with Global, an online prize draw offering the opportunity to win £1 million.

OPTIMISE BROADCAST

Maintaining strength in delivering mass audiences for advertisers to build brands and drive performance

Our linear TV channels offer advertisers significant audience scale and reach, consistently delivering the largest commercial audiences across live sport, drama, reality and entertainment. Despite the growth in streaming viewing, linear TV remains important for both our viewers and advertisers. The mass reach that TV, and particularly ITV, provides becomes even more valuable to advertisers in an increasingly fragmented market.

In 2025, total ITV viewing across all devices was down 6% to 12 billion hours, and was in line with the decline in total broadcaster viewing. Total broadcaster and subscription streaming service viewing across all devices declined by 4% year-on-year. When you include YouTube viewing on a TV set, the decline was 2% (Source: BARB).

We maintained our significant share of the top 1,000 commercial broadcast TV programmes, delivering 91% in 2025 (2024: 92%), and our share of commercial viewing was 31.7% (2024: 32.2%), the largest share of commercial viewing versus our commercial competitors. Key content such as Protections, Code of Silence, the FA Cup and The 1% Club all contributed strongly to our viewing KPIs in the year.

We have developed a range of measurement tools to demonstrate the effective outcomes of TV advertising, and this is key to growing our advertising revenues. We have developed 'Lantern', a market-leading measurement collaboration with Sky, Channel 4 and Thinkbox, enabling advertisers to track the near-term impact of TV campaigns on sales. It is currently in the final stage of testing and will launch in 2027.

Recent third-party research reinforces this value, demonstrating that TV advertising is an effective advertising channel for brands. It delivers a 1.5x higher return on investment than online video advertising (excluding broadcaster video on demand)¹ and possesses a unique ability to sustain advertising impact long after campaigns have ended².

Operating and Financial Performance Review (continued)

Commercial and creative partnerships

ITV's Commercial team delivers strategic commercial and creative partnerships with advertisers. This includes product placement, ad-funded programming and other partnerships that leverage the strength of our programme brands to help advertisers connect with audiences in unique ways.

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. In addition, ITV's advertising proposition of mass audiences, targeting advertising, and commercial and creative partnerships is attractive for advertisers.

1. Profitability 2: The New Business Case for Advertisers

2. Staying Power: The longevity of advertising – Thinkbox and Tapestry Research

M&E FINANCIAL PERFORMANCE

Twelve months to 31 December	2025 £m	2024 £m	Change £m	Change %
Total advertising revenue	1,723	1,820	(97)	(5)
Subscription revenue	48	48	–	–
SDN	38	43	(5)	(12)
Partnerships and other revenue	182	191	(9)	(5)
M&E non-advertising revenue	268	282	(14)	(5)
Total M&E revenue	1,991	2,102	(111)	(5)
Content costs	(1,210)	(1,268)	58	5
Variable costs	(145)	(153)	8	5
M&E infrastructure and overheads	(402)	(431)	29	7
Total M&E costs	(1,757)	(1,852)	95	5
Total M&E adjusted EBITA	234	250	(16)	(6)
Total adjusted EBITA margin	11.8%	11.9%	–	(0.1)% pts

Twelve months to 31 December	2025 £m	2024 £m	Change £m	Change %
Digital advertising revenue	540	482	58	12
Subscription revenue	48	48	–	–
Other	26	26	–	–
Total digital revenue	614	556	58	10

1. Refer to APMs for key adjustments to EBITA and adjusted EBITA

Operating and Financial Performance Review (continued)

Total M&E revenue was down 5% in the year, with TAR down 5%, which was better than guidance. Digital revenue was up 10% in the year to £614 million. Within this, digital advertising revenue saw strong growth, up 12%. M&E non-advertising revenues were down 5%, driven by the expected declines in SDN and Partnerships revenue. Further details on the year-on-year movement in revenue are provided below.

Total M&E costs were down 5%, and within this, content costs were down 5% to £1.210 billion. This reflects our continued optimisation of content investment to align with viewer dynamics, alongside the rephasing of certain programming into 2026, in line with previous guidance.

Variable costs were down 5%, driven by improved streaming cost efficiencies, lower third-party payaways, and as announced in November 2025, temporary savings from reduced marketing spend to align with the adjusted content slate, and marketing efficiencies.

M&E infrastructure and overhead costs decreased by 7%, with £19 million of permanent cost savings from our strategic cost programme offsetting inflation. These efficiencies resulted from organisational redesign and a reduction in discretionary spend. Additionally, there were £13 million in annualised benefits from our previous £150 million cost savings programme, primarily relating to transmission efficiencies from renegotiated linear infrastructure contracts.

M&E adjusted EBITA was down 6%, at a margin of 11.8%, with the decline in TAR, partly offset by lower content costs and the significant delivery of non-content cost savings.

Total advertising revenue (TAR)

Q1 TAR was down 2% with Q2 down 12% against strong comparatives from the Men's Euros, Q3 was flat, and Q4 was down 6%, with advertiser demand impacted by economic uncertainty in the lead-up to the UK budget.

Against this headwind and an uncertain macroeconomic environment, many TAR categories declined year-on-year. Growth in spend was seen in Airlines and Travel, Finance, Publishing & Broadcasting and Telecommunications. Retail was flat, with growth in supermarkets offset by lower non-supermarket spend. Entertainment and Leisure, Food, Cosmetics, Cars and Household Stores were all down, impacted by the Men's Euros comparatives as well as softer advertiser and consumer demand, particularly in Q4.

Restrictions on less healthy food (LHF) advertising came into effect on 5 January 2026. ITV voluntarily implemented these restrictions from 1 October 2025, in line with a pan-industry commitment. We have worked proactively with advertisers to mitigate the impact on advertising revenues.

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.

The closure of these services to simplify the paid streaming proposition impacted our subscription revenue, which remained flat in 2025 at £48 million. In 2026, subscription revenue is expected to benefit from the annualisation of late-2025 subscribers and the increased reach of ITVX Premium following its launch on Amazon Prime Video.

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 2025, revenue declined by 12% to £38 million (2024: £43 million). As previously highlighted, this year-on-year decrease reflects the renewal of third-party long-term contracts at lower current market rates.

Partnerships and other revenue

Partnerships and other revenue include revenue from platforms, such as Sky and Virgin Media O2, competition revenue from ITV Win, third-party commission, e.g. for services we provide to STV, and commercial revenue from our creative partnerships.

As expected, Partnerships and other revenues declined by 5% to £182 million (2024: £191 million) following our decision to revise our partnership agreements to enable ITV to target ads to a much larger proportion of viewers, using Planet V.

Outlook

- We expect M&E to continue to deliver strong, profitable advertising digital revenue growth, driven by ITVX and our new digital revenue opportunities
- Q1 TAR is expected to be down around 2%. As is normal, advertisers are holding back budgets in order to spend in Q2 and Q3 around the expanded Men's Football World Cup. We are confident that the football will deliver a strong advertising performance
- We expect content costs to be around £1.225 billion in 2026, as we continue to optimise our content spend to best reflect viewer dynamics. H1 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 the Board's and 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 have 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. Following the changes to creative industry incentives as explained below, all production incentives will be recorded within EBITA from 2026 onwards, therefore adjusted EBITA will not be reported from 2026. 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.

Creative Industry Incentives

The ability to access production incentives as government grants, tax credits or rebates, is fundamental to our ITV Studios business across the world when assessing the viability of investment decisions, especially with regard to drama and comedy.

In 2024, the new Audio-Visual Expenditure Credit (AVEC) scheme was introduced in the UK to ultimately replace High-End TV (HETV) tax credits. The new scheme is one of expenditure credits as opposed to corporate tax relief. The accounting treatment for AVEC is to include the tax credits within statutory operating profit. Tax credits claimed under the previous HETV regime are classified as a corporation tax item.

ITV reports production incentives generated outside the UK within cost of sales. In our view, all production incentives 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, the UK tax credits under HETV are recognised in adjusted EBITA.

See the tax section of the Finance Review and note 2.3 to the Financial Information 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 corporate transaction 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

Alternative Performance Measures (continued)

Corporate transaction-related expenses

We typically 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. Corporate transaction-related expenses, including legal and advisory fees on completed deals or significant deals that are in progress and may or may not complete at a later date, 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 cost-reduction initiative, the related costs are highlighted and are excluded from our adjusted measures. These costs arise from significant initiatives 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 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 considers 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.

Alternative Performance Measures (continued)

Reconciliation between statutory and adjusted results

Twelve months to 31 December	2025 Statutory £m	2025 Adjustments £m	2025 Adjusted £m	2024 Statutory £m	2024 Adjustments £m	2024 Adjusted £m
EBITA ¹	533	1	534	526	16	542
Exceptional items (operating) ²	(107)	107	–	(65)	65	–
Amortisation and impairment ³	(63)	20	(43)	(143)	107	(36)
Operating profit	363	128	491	318	188	506
Net financing costs ⁴	(25)	(18)	(43)	–	(25)	(25)
Share of losses on JVs and associates	–	–	–	(9)	–	(9)
Profit on disposal of associates, joint ventures and subsidiary undertakings	–	–	–	212	(212)	–
Profit before tax	338	110	448	521	(49)	472
Tax ⁵	(113)	(11)	(124)	(115)	17	(98)
Profit after tax	225	99	324	406	(32)	374
Non-controlling interests	(5)	–	(5)	2	–	2
Earnings	220	99	319	408	(32)	376
Shares (million), weighted average	3,736		3,736	3,935		3,935
EPS (p)	5.9p	–	8.5p	10.4p	–	9.6p
Diluted EPS (p)⁶	5.8p	–	8.4p	10.3p	–	9.5p

1. The £1 million (2024: £16 million) adjustment relates to HETV 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 £107 million (2024: £65 million) largely relate to corporate transaction-related expenses, restructuring and transformation costs. Refer to the Finance Review

3. £20 million (2024: £107 million) adjustment relates to amortisation and impairment of assets acquired through business combinations and investments. We include only amortisation of software licences and development within adjusted profit before tax

4. £18 million income (2024: £25 million income) adjustment is for non-cash interest income and costs. 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 3,777 million (2024: 3,977 million)

Alternative Performance Measures (continued)

OTHER ALTERNATIVE PERFORMANCE MEASURES

Total revenue

Total revenue reflects all revenue generated by the business including internal revenue, which originates mainly in the UK and includes trading between ITV Studios and M&E, and Global Partnerships and ITV Studios productions.

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

Twelve months to 31 December	2025 £m	2024 £m
Revenue from external customers (Statutory)	3,511	3,488
Internal revenue	610	652
Total revenue (Adjusted)	4,121	4,140

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	2025 £m	2024 £m	Change £m	Change %
ITV Studios total revenue*	2,130	2,038	92	5%
Adjustment for constant currency	15	–	15	–
Adjustment for acquisitions and disposals	(114)	(20)	(94)	–
ITV Studios total revenue – organic basis	2,031	2,018	13	1%

* Total ITV Studios revenue includes £89 million (31 December 2024: £106 million) of intra-segment revenue derived from trading between Global Partnerships and ITV Studios productions

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 HETV 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 reported net debt is calculated and is relevant in demonstrating we have met the required RCF financial covenants at our reporting date. 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 calculation of covenant adjusted EBITDA, covenant net debt and covenant liquidity are detailed in the tables below:

Alternative Performance Measures (continued)

	31 December 2025 £m	31 December 2024 £m
Statutory operating profit	363	318
Exceptional items	107	65
Amortisation and impairment	63	143
EBITA	533	526
Depreciation	48	47
Right of use assets depreciation	(21)	(20)
Interest charged on lease liabilities	(5)	(5)
Covenant adjusted EBITDA	555	548
	31 December 2025 £m	31 December 2024 £m
Net debt (including IFRS 16 lease liabilities)	(566)	(431)
Impact of IFRS 16 lease liabilities	111	105
Long-term trade payables	(55)	(33)
Other pension asset	33	45
Covenant net debt	(477)	(314)
Covenant adjusted EBITDA*	555	548
Covenant net debt to adjusted EBITDA*	0.9x	0.6x
Cash and cash equivalents	302	427
Undrawn RCF	600	600
Undrawn CDS facility	425	350
Covenant liquidity**	1,327	1,377

* 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.

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	2025 £m	2024 £m	Change £m	Change %
ITV Studios total revenue¹	2,130	2,038	92	5
Total advertising revenue	1,723	1,820	(97)	(5)
M&E non-advertising revenue	268	282	(14)	(5)
M&E total revenue	1,991	2,102	(111)	(5)
Total non-advertising revenue	2,398	2,320	78	3
Total Group revenue	4,121	4,140	(19)	–
Internal revenue ²	(610)	(652)	42	6
Group external revenue	3,511	3,488	23	1
Group adjusted EBITA	534	542	(8)	(1)
Group adjusted EBITA margin	15.2%	15.5%		(0.3)% pts
Statutory operating profit	363	318	45	14
Adjusted EPS	8.5p	9.6p	(1.1p)	(11)
Statutory EPS	5.9p	10.4p	(4.5p)	(43)
Dividend per share	5.0p	5.0p	–	–
Net debt as at 31 December	(566)	(431)	(135)	(31)

1 Total ITV Studios revenue includes £89 million (31 December 2024: £106 million) of intra-segment revenue derived from trading between Global Partnerships and ITV Studios productions

2 Internal revenue originates mainly in the UK and includes trading between ITV Studios and M&E, and Global Partnerships and ITV Studios productions

Finance Review (continued)

EXCEPTIONAL ITEMS

Twelve months to 31 December	2025 £m	2024 £m
Corporate transaction-related expenses	(38)	(8)
Restructuring and transformation costs	(69)	(50)
Property costs	–	1
Employee-related tax provision	(3)	1
Transponder onerous contract	–	(4)
Pension related costs	(3)	–
Legal settlements	8	–
Legal and other costs	(2)	(5)
Operating exceptional items	(107)	(65)
Total exceptional items	(107)	(65)

Total exceptional items in the year were £107 million, primarily consisting of:

- Corporate transaction-related expenses of £38 million (2024: £8 million) are performance-based, employment-linked consideration to former owners and professional fees related to completed corporate transactions and potential corporate transactions
- Restructuring and transformation costs of £69 million. Within this, there were £54 million of restructuring and other costs associated with our strategic cost programme to reshape the cost base and enhance profitability across the Group. In addition, £15 million of costs were incurred relating to our transformation programme, which is associated with delivering our digital strategy, including our new programme rights, finance and HR systems and simplifying our holding company structures and processes
- Pension-related costs were incurred in transferring the Box Clever Group Pension Scheme into the ITV Pension Scheme

For further details on exceptional items, refer to note 2.2 of the Financial Information.

Finance Review (continued)

NET FINANCING COSTS

Twelve months to 31 December	2025 £m	2024 £m
Financing costs directly attributable to loans and bonds	(35)	(34)
Cash-related net financing (costs)/income	(8)	9
Adjusted financing costs	(43)	(25)
Net pension interest	8	8
Other net financial income or losses and unrealised foreign exchange	10	17
Statutory net financing costs	(25)	–

Adjusted financing costs of £43 million consists of financing costs directly attributable to loans and bonds, along with cash-related net financing costs. The year-on-year increase in both adjusted and statutory financing costs was primarily driven by lower interest income on deposits and realised foreign exchange losses on US dollar hedging. Statutory financing costs included the unrealised foreign exchange gains on cash positions.

JVs and associates

Our share of losses from JVs and associates was £nil (2024: £9 million). The prior year included BritBox International which was sold during 2024.

Profit before tax

Statutory profit before tax decreased year-on-year to £338 million, due to the decline in total advertising revenue, which was partially offset by significant content and non-content cost savings across the Group. The results for 2024 benefited from the profit on disposal of BritBox International of £194 million, which was partially offset by an impairment to the goodwill allocated to the SDN cash generating unit.

Twelve months to 31 December	2025 £m	2024 £m
Statutory profit before tax	338	521
HETV tax credits	1	16
Exceptional items	107	65
Amortisation and impairment*	20	107
Adjustments to net financing costs	(18)	(25)
Profit on disposal of joint ventures and subsidiary undertakings	–	(212)
Adjusted profit before tax	448	472

* In respect of assets arising from business combinations and impairment of investments

Finance Review (continued)

Adjusted tax charge

The total adjusted tax charge for the year was £124 million, corresponding to an effective tax rate on adjusted PBT of 27.7% (2024: 20.8%), which is higher than the standard UK corporation tax rate of 25% (2024: 25%) due to overseas taxes, such as State Tax in the US. We expect the adjusted effective tax rate to be around 27% in 2026, and it is expected to remain marginally above the UK statutory rate of 25% in the medium term.

On a statutory basis, the tax charge is £113 million, which corresponds to an effective tax rate of 33.4% (2024: 22.1%). This rate is higher than the prior year, due to the impact of non-deductible exceptional expenses of £40 million. The statutory effective tax rate of 33.4% is higher than the UK statutory rate of 25% due to non-deductible exceptional expenses and overseas taxes.

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	2025 £m	2025 Effective tax rate	2024 £m	2024 Effective tax rate
Statutory tax charge	113	33.4%	115	22.1%
HETV tax credit	1	100%	16	100%
Charge for exceptional items	17	15.9%	13	20.0%
Credit for profit on disposal of associates, joint ventures and subsidiary undertakings	–	0.0%	(49)	22.6%
(Credit)/Charge in respect of amortisation and impairment*	(3)	(15.0)%	8	7.5%
Credit in respect of adjustments to net financing costs	(4)	22.2%	(5)	20.0%
Adjusted tax charge**	124	27.7%	98	20.8%

* In respect of intangible assets arising from business combinations and investments

** As a percentage of adjusted profit before tax

Finance Review (continued)

Cash tax

Net cash tax paid in the year was £35 million (2024: £27 million paid) and is net of £27 million of HETV production tax credits received (2024: £78 million), the repayment of £12 million of Corporation Tax that became recoverable following the successful case against the European Commission in respect of State Aid, and a repayment of £16 million in respect of FY23 tax payments. The majority of the cash tax payments were made in the UK. The net cash tax paid is higher than the prior year due to lower HETV tax credits received following the move to AVEC.

Twelve months to 31 December	2025 £m	2024 £m
Statutory tax charge	113	115
<i>Adjustments for non-current non-cash items:</i>		
Temporary differences recognised through deferred tax*	(17)	(32)
Prior year adjustments to current tax	(7)	22
Current tax, current year	89	105
Current tax recognised in OCI	(15)	–
Total current tax, current year	74	105
<i>Adjustments for non-current year items:</i>		
Prior year tax repayment received	(16)	(9)
State Aid tax repayment received	(12)	–
Current year tax payment phasing	16	9
HETV tax credits – timing of receipt**	(27)	(78)
Cash tax paid (statutory)	35	27

* Further detail is included within section 2.3 of the Financial Information

** AVEC cash receipts are not classified as cash tax

Finance Review (continued)

Changes to the current UK system of Creative Industry tax credits

The new AVEC regime has been in place since 1 January 2024. ITV chose to opt into the new expenditure credit regime, at the earliest opportunity where possible and the majority of ITV's claims in 2025 were under the AVEC regime. Only £1 million of HETV claims were made in 2025. The impact on statutory and adjusted results is shown in the table below:

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	432	101	533	1	534
Exceptional items (operating)	(107)	–	(107)	107	–
Amortisation and impairment	(63)	–	(63)	20	(43)
Operating profit	262	101	363	128	491
Net financing costs	(25)	–	(25)	(18)	(43)
Profit before tax	237	101	338	110	448
Tax	(94)	(20)	(114)	(10)	(124)
HETV tax credits	82	(81)	1	(1)	–
Profit after tax	225	–	225	99	324

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

In 2025, total tax credits of £82 million were claimed, of which £1 million was claimed under the old HETV regime, and £81 million (£101 million gross) was claimed under the AVEC regime. The impact of this has been to increase statutory EBITA by £101 million and statutory tax charge by £20 million, whilst increasing adjusted EBITA by a further £1 million, where HETV tax credits continue to be reclassified from the tax charge to EBITA. Adjusted EBITA has increased by £20 million compared to the old HETV regime due to the AVEC claim being grossed up from £81 million to £101 million. Profit after tax remains unchanged on a statutory and adjusted basis.

Base Erosion and Profit Shifting (BEPS) Pillar Two

The Finance (No.2) Act 2023 introduced a global minimum effective tax rate of 15% for large groups effective for financial years beginning on or after 31 December 2023. This legislation is now fully effective for the Group's 2025 financial period. Most territories in which the ITV Group operates qualify for one of the transitional safe harbour exemptions such that Pillar 2 top-up tax should not apply. The estimated current period charge for Pillar 2 top up taxes in 2025 is £2 million (2024: £2 million).

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.

Finance Review (continued)

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 2025, 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 £324 million (2024: £374 million). Non-controlling interest, which is the net result from the non-ITV owned share in entities such as Plimsoll Productions, Moonage Pictures, Hartswood Films and Tomorrow Studios, was a share of profits of £5 million (2024: share of losses of £2 million). The year-on-year increase is due to the phasing of production deliveries and recent acquisitions.

Adjusted basic EPS was down 11% to 8.5p in the year (2024: 9.6p). The weighted average number of shares decreased year-on-year to 3,736 million (2024: 3,935 million) due to the share buyback programme (see further details below). Diluted adjusted EPS in the year was 8.4p (2024: 9.5p), reflecting a weighted average diluted number of shares of 3,777 million (2024: 3,977 million).

Statutory EPS decreased by 43% to 5.9p (2024: 10.4p).

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 and in line with ITV's dividend policy, the Board has proposed a final dividend of 3.3p per share (2024: 3.3p), giving an ordinary dividend of 5.0p per share for the full year 2025, 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 9 April 2026
Record date	Friday 10 April 2026
Dividend paid	Thursday 21 May 2026

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 return the entire net proceeds from the sale of BritBox International to shareholders. ITV's £235 million share buyback was completed on 4 April 2025. In total, 323 million shares were bought back at a cost of £235 million. Total stamp duty costs were £1 million, and associated fees charged were £2 million. 65 million shares remain in Treasury, 64 million have been cumulatively transferred into the Group's Employee Benefit Trust and 194 million shares were cancelled.

Acquisitions

As part of our strategy to expand Studios, we consider selective value-creating acquisitions 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.

During the year, the Group made two acquisitions which included acquiring 57.51% of Moonage Pictures Limited and its subsidiaries in the UK and 51% of the scripted independent production company Plano a Plano Productora Cine Y Television SL in Spain. The cash consideration at acquisition was £22 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. Put and call options are in place over the remaining shareholding.

Acquisition-related liabilities or performance-based employment-linked earnouts are amounts estimated to be payable to previous owners. The estimated future payments as at 31 December 2025 are £115 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 £92 million and £227 million. The estimated future payments, treated as employment costs, are accrued over the period the sellers are required to remain with the business, and those not linked to employment are recognised at 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. Expected future payments of £115 million have increased by £10 million since 31 December 2024, primarily due to acquisitions made in the year. At 31 December 2025, £42 million of expected future payments had been recorded on the balance sheet, with the balance of £73 million to be accrued over the year in which the sellers are required to remain with the business. Refer to notes 3.1 and 3.4 of the Financial Information for further details.

Finance Review (continued)

Disposals

In the prior year, the Group sold its 50% interest in digital subscription streaming service BritBox International to the joint venture partner BBC Studios. The Group also sold back its minority shareholding in Blumhouse TV to Blumhouse Holdings. The Group recognised a net profit on disposal of these 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.

Cash generation

Profit to cash conversion

Twelve months to 31 December	2025 £m	2024 £m
Adjusted EBITA	534	542
Working capital movement	(196)	(144)
Adjustment for production tax credits	26	62
Depreciation*	48	47
Share-based compensation	16	18
Acquisition of property, plant and equipment and intangible assets**	(54)	(49)
Lease liability payments (including lease interest)	(26)	(25)
Adjusted cash flow	348	451
Profit to cash ratio (adjusted cash flow/adjusted EBITA)	65%	83%

* Depreciation of £48 million (2024: £47 million) includes £33 million (2024: £32 million) which relates to ITV Studios and £15 million (2024: £15 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

In the year, we generated £348 million of operational cash (2024: £451 million) from £534 million of adjusted EBITA (2024: £542 million), resulting in a profit to cash ratio for the year of 65% (2024: 83%). This reflects an increase in working capital, predominantly in ITV Studios from an increase in programmes in production.

Finance Review (continued)

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

Twelve months to 31 December	2025 £m	2024 £m
Cash generated from operations	341	386
Cash outflow from exceptional items	60	61
Cash generated from operations excluding exceptional items	401	447
Adjustment for production tax credits	27	78
Acquisition of property, plant and equipment and intangible assets	(54)	(49)
Lease liability payments (including lease interest)	(26)	(25)
Adjusted cash flow	348	451

Free cash flow

Twelve months to 31 December	2025 £m	2024 £m
Adjusted cash flow	348	451
Net interest paid (excluding lease interest)	(34)	(18)
Adjusted cash tax*	(62)	(105)
Pension funding	(65)	(3)
Free cash flow	187	325

* Adjusted cash tax of £62 million is the total net cash tax paid of £35 million plus receipt of production tax credits of £27 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 a £187 million surplus (2024: £325 million surplus).

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.

The Group has five committed facilities in place to maintain its financial flexibility. This includes:

- A £500 million multilateral Revolving Credit Facility (RCF), which matures in January 2029
- A £100 million of committed funding via a bilateral RCF, which matures in December 2028
- A new £300 million term loan facility, which the Group entered into in June 2025 and is available for drawing from 26 June 2026. It matures three years from the date it is drawn
- A £200 million bilateral loan facility which matures in December 2030. At 31 December 2025, the Group had £125 million of the facility available (31 December 2024: £50 million)
- 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 2025, ITV's financial position was well within its covenants, and all the facilities noted above and available at 31 December 2025 (amounting to £1,025 million) and undrawn (31 December 2024: undrawn). With cash and cash equivalents of £302 million, this provided total liquidity of £1,327 million (31 December 2024: £1,377 million). For further details on the Group's facilities and covenants, refer to note 4.1 of the Financial Information.

Finance Review (continued)

After acquisition-related costs, pension and tax payments, we ended the year with reported net debt of £566 million (31 December 2024: £431 million).

Reported net debt

	2025	2024
	£m	£m
At 31 December		
Gross cash	302	427
Gross debt (including IFRS 16 lease liabilities)	(868)	(858)
Net debt	(566)	(431)

Financing – gross debt

The Group is financed using debt instruments and facilities with a range of maturities. Borrowings at 31 December 2025 were repayable as follows:

Amount repayable as at 31 December 2025	£m	Maturity
€500 million Eurobond*	423	2032
€600 million Eurobond (nominal €360 million remaining)*	318	2026
Other loans	16	Various
Total debt repayable on maturity**	757	

* Includes £8 million currency component asset of swaps held against euro-denominated bonds

** Excludes £105 million of IFRS16 Lease Liability

Capital allocation and leverage

In line with our capital allocation policy, our priorities remain as follows: to invest 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 2025, our leverage, or net debt to adjusted EBITDA was 1.0x (31 December 2024: 0.7x).

Credit ratings

In May 2025, 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

ITV is 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.

Finance Review (continued)

Foreign exchange sensitivity

The following table highlights ITV Studios sensitivity for 2026 (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	+/-57-69	+/-10-12
Euro	+/-46-56	+/-8-10

Pensions

The net pension surplus of the defined benefit schemes at 31 December 2025 on an accounting basis was £207 million (31 December 2024: £182 million surplus). The marginal increase in the surplus since the year end was principally due to the reduction in market implied inflation which was partially offset by the change to the mortality assumptions.

The net pension assets include £33 million (31 December 2024: £45 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.

In 2025, the Group bifurcated the existing longevity swap, creating two IAS 19 plan assets: a cash flow swap and a pure longevity swap. The Group also consolidated its pension structures by merging the UTV Pension Scheme and the Unfunded Schemes into the main ITV Pension Scheme. In February 2026, after the reporting date, the UTV Pension Scheme was wound up in accordance with the relevant rules and regulations. In October 2025, all members of the Box Clever Group Pension Scheme transferred into the ITV Pension Scheme.

Deficit funding contributions

The accounting surplus or deficit under IAS 19 does not drive the deficit funding contribution. Contributions are based on the actuarial valuation surplus or deficit (or funding surplus or deficit), which is calculated per the last triennial valuation as at 31 December 2022. At the last triennial valuation, the Scheme had a surplus of £83 million and therefore no deficit contributions are payable. The Group was required to make the annual contribution under the London Television Centre Pension Funding Partnership which was £3 million in 2025 (31 December 2024: £3 million). The contribution due will be assessed annually. In 2025, the Group also made the following additional one-off contributions to the ITV Pension Scheme:

- £12 million, funded through the sale and maturing of gilts (other pension assets), following the transfer of liabilities for pensioners who receive a pension from the Unfunded Scheme
- £25 million into the Scheme and £6 million to the Pension Protection Fund (PPF) under the agreements in relation to the transfer of the Box Clever Group Pension Scheme
- £25 million in relation to the unwind of the SDN Pension funding partnership

Refer to section 3.8 of the Financial Information for further details of the Group's pension schemes.

SDN pension funding partnership

In 2010, to address the deficit on the defined benefit pension scheme, ITV established a Pension Funding Partnership (PFP) with the Trustees backed by SDN. The PFP was subsequently extended in 2011 and amended in 2022. On 17 December 2025, the Group and the Trustees agreed to exit and unwind the PFP and the partnership was dissolved on 19 December 2025. The Group made a one-off payment of £25 million to the Scheme and has provided a £75 million surety bond as collateral for any payments that may be due to the Scheme, albeit no further payments are anticipated. SDN is no longer provided as collateral for future payments to the Scheme.

Subsequent events

- In February 2026, after the reporting date, the UTV Pension Scheme was wound up in accordance with the relevant rules and regulations. There are no remaining members, assets or liabilities.

Finance Review (continued)

Planning assumptions for the full year 2026 based on current expectations

Profit and loss impact:

- Total content costs are expected to be around £1.225 billion as we continue to optimise our content spend to best reflect viewer dynamics. H1 content costs will be broadly in line with the prior year
- In total, we expect to deliver £20 million of non-content savings. These will come from a combination of new initiatives and annualised benefits from the 2025 savings
- Adjusted financing costs are expected to be around £40 million
- The adjusted effective tax rate is expected to be around 27% over the medium term
- Exceptional items are expected to be around £55 million, comprising corporate transaction-related costs, largely relating to earnout payments for previous acquisitions and restructuring and transformation costs.

Cash impact

- Total capex is expected to be around £60 million as we continue to invest in our digital capabilities
- Profit to cash conversion is expected to be around 80% on average over the medium term
- The Board has proposed a final dividend of 3.3p, which will be paid in May 2026. 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 operating environment continues to evolve rapidly, shaped by macroeconomic and geopolitical uncertainty, technological changes, and shifting audience behaviours. The Board recognises the importance of maintaining a forward-looking and disciplined approach to strategy and risk management to support informed decision-making, resilience and long-term value creation.

Our risk management framework

ITV's risk management framework supports informed, balanced decision-making and encourages responsible innovation through a risk-based approach. The Board considers principal and emerging risks over the short, medium and long term in line with the Group's strategic planning and resilience assessment.

During 2025, we strengthened the connection between specialist risk teams and the wider business, embedding risk considerations into day-to-day decisions. This has improved the consistency with which risks are considered across the Group and enhanced our ability to anticipate and respond to emerging challenges.

How we manage risks

We use top-down and bottom-up processes to ensure risks are understood consistently and aligned with ITV's strategic priorities.

- **Divisional and Functional Review:** Business teams regularly assess their exposure to centrally defined risk categories and identify significant and emerging risks, including risks that may fall outside existing categories
- **Leadership Oversight:** Divisional leadership consolidates and reviews the most significant actual and emerging risks, ensuring prioritisation and escalation
- **Group Oversight:** The Group Risk team facilitates this process, providing challenge and ensuring a consistent assessment framework across ITV, while reflecting differences in risk exposure across the Group

Emerging risks are monitored over time and may be elevated to principal risks where their potential impact, likelihood or time horizon warrants enhanced Board oversight.

Risk Appetite

The Board has continued to refine ITV's risk appetite for each principal risk, balancing innovation and strategic ambition with strong governance. ITV has no tolerance for breaches of law or regulation and very low tolerance for breaches of internal policy, particularly in areas such as duty of care, data protection, corporate compliance and financial integrity, recognising that human error can occur.

The Board supports responsible innovation and risk-taking in creative, technological and digital initiatives where these are aligned with our strategy, commercially justified and subject to appropriate oversight. This balanced approach supports resilience, protects ITV's reputation and sustains long-term value.

Material Risks and Controls

During 2025, we strengthened our risk management and internal control environment in line with the updated 2024 UK Corporate Governance Code, enhancing the Material Controls Framework and the governance and assurance arrangements supporting the Board's monitoring of control effectiveness.

This has reinforced accountability for material controls and the link between principal risks and management actions. The framework will continue to be embedded during 2026 to support future reporting requirements, including the Board's declaration on control effectiveness when required.

Risk and Uncertainties Disclosure (continued)

Continuous Improvement

We continue to enhance our risk management capabilities and control environment through a number of targeted initiatives:

- **Integrated Risk Management:** Alignment of operational and principal risks to support a unified, efficient approach. This has supported our response to emerging challenges, including the evolution of AI and changing regulatory requirements
- **Risk Appetite and Monitoring:** Further development of risk appetite statements aligned to principal risks to support clearer decision-making, improve monitoring and more effective escalation
- **Internal Control Environment:** Continued enhancement of the enterprise control environment has clarified control expectations, improved consistency of assessment and strengthened oversight and assurance activity in support of the Material Controls Framework
- **Crisis Preparedness:** During 2025, the Group Executive Committee and divisional teams conducted crisis simulations, including a cyber-attack scenario involving Board members, to strengthen escalation, coordination and decision-making, with lessons incorporated into incident response

Risk Leadership and Governance

Risk management is embedded in ITV's governance and decision-making processes. Each principal risk is sponsored by a member of the ExCo, ensuring accountability and alignment with the Board's risk appetite.

The Risk Committee, established in 2024 under delegated authority from the ExCo, continued to mature during 2025, with deeper engagement on key risks, supported by structured reporting and challenge.

The Risk Committee played an important role in reviewing and challenging enhancements to the Material Controls Framework, including how effectively material controls are linked to principal risks and related management actions.

Separately, the ExCo reviews principal and emerging risks twice a year, assessing likelihood, impact and interdependencies using a consistent methodology.

The outcomes are presented to, and challenged by, the Audit and Risk Committee and the Board.

The Board confirms that it has carried out a robust assessment of the Group's principal and emerging risks during the year.

Changes to Principal Risks During the Year

The principal risk profile was updated in 2025. While no new principal risks were added, the continued relevance and framing of each risk were considered.

The growing impact of artificial intelligence (AI) is reflected across several principal risks and is addressed through a dedicated AI principal risk, providing a coherent framework for oversight rather than duplicating AI-related considerations.

One significant change was made:

- **Third-Party Risk Management:** This was removed as a standalone principal risk and now incorporated across relevant principal risks to provide a more integrated and accurate picture of third-party exposures. Core components, including due diligence, contractual protections and escalation arrangements remain in place and subject to clear accountability and oversight

Principal Risks and Mitigations

Further detail on each of our principal risks, including the mitigating actions in place, is set out on the following pages. These risks represent the most significant threats and opportunities facing ITV and are presented in no order of priority.

The principal risks have also informed the Board's assessment of the Group's resilience, viability and going concern.

Risk and Uncertainties Disclosure (continued)

1. CONTENT MARKET	2. COMMERCIAL	3. CHANGING VIEWER DYNAMICS
Sponsor: Managing Director, ITV Studios	Sponsor: Managing Director, Commercial	Sponsor: Managing Director, Media & Entertainment
Overview of risk	Overview of risk	Overview of risk
<p>The content market is changing as commissioning cycles slow, budgets tighten and buyers seek greater control of rights and value. These changes may affect ITV Studios ability to secure commissions and sustain margins.</p>	<p>The advertising market is changing as viewing behaviour shifts and digital advertising becomes increasingly influenced by global platforms. Alongside macroeconomic uncertainty, this may affect ITV's ability to retain advertising share and grow revenues.</p>	<p>Viewer behaviour is changing as audiences increasingly expect personalised, on-demand and mobile-first experiences. If ITV does not continue to adapt its content, distribution and viewing propositions, this may reduce reach, engagement and long-term brand relevance.</p>
Evolving risk landscape	Evolving risk landscape	Evolving risk landscape
<ul style="list-style-type: none"> Commissioning cycles are lengthening as buyers consolidate and commissioning decisions are delayed, reducing visibility over future production pipelines Buyers are seeking greater control over rights and commercial terms, reducing long-term value and revenue potential Production costs remain elevated due to inflation, higher creative expectations and more complex delivery, putting pressure on margins Changes in international incentives and regulations may affect where content is produced and the viability of key production hubs 	<ul style="list-style-type: none"> Advertising spend is increasingly concentrated among large global platforms, including those leveraging advanced AI-driven targeting and measurement, increasing pressure on ITV's advertising revenues Economic uncertainty and policy changes, including upcoming category restrictions, may weaken advertiser confidence and spend Competition from emerging digital channels increases pressure on advertising budgets Scaling new commercial models, including branded entertainment, affiliate commerce (commission-based retail partnerships) and YouTube monetisation, introduces execution risk as these propositions grow 	<ul style="list-style-type: none"> Linear viewing continues to decline, particularly among younger audiences, reducing the reach of traditional broadcast services Global and social platforms are reshaping viewing habits, offering wide content choice, personalisation and seamless user experience Platform prominence and discoverability are becoming important, with digital gatekeepers influencing access to public service content Rising content costs and competition for talent increase pressure on the ability to fund and deliver high-quality content that attracts and retains audiences
Risk appetite	Risk appetite	Risk appetite
<p>We have a measured appetite for creative and commercial risk to support our ambition to remain a leading global content producer. We invest selectively where returns justify the risk and have low tolerance for sustained margin erosion or loss of financial discipline.</p>	<p>We have a measured appetite for commercial change to support revenue diversification and growth. We are prepared to innovate while protecting brand integrity and returns, with low tolerance for activity that undermines trust or long-term value, and no tolerance for breaches of law and regulation.</p>	<p>We have a progressive appetite for innovation and investment to respond to changing viewer behaviour and strengthen ITV's reach and relevance. We are prepared to take considered risks to support digital growth, with low tolerance for decisions that materially reduce audience visibility, trust or public value.</p>
Actions taken & risk management approach	Actions taken & risk management approach	Actions taken & risk management approach
<ul style="list-style-type: none"> We continue to diversify our content slate and genres to meet changing customer and audience demand We are broadening our global customer base across broadcasters, streamers and emerging platforms We invest selectively in early-stage development to maintain a strong and sustainable production pipeline We are improving production efficiency and cost control through better planning and scalable delivery models We actively monitor changes in global production incentives and regulation and adapt our footprint where appropriate We assess the potential financial impact of market and regulatory changes to support contingency planning 	<ul style="list-style-type: none"> We are scaling our advertising proposition, combining mass reach with addressability, branded entertainment and outcome-based solutions We continue to enhance our self-serve advertising platform, Planet V, to improve effectiveness, ease of buying and advertiser engagement We are deepening advertiser partnerships through creative integration, sponsorships, Advertiser Funded Programming and direct commercial solutions We use outcome-based measurement to demonstrate campaign effectiveness and strengthen ITV's value positioning We are developing new revenue streams, including branded entertainment, affiliate commerce and YouTube monetisation We actively assess economic and regulatory developments to adapt commercial strategy and manage compliance risk We are prioritising compliant, purpose-led categories aligned with ITV's sustainability and public-value commitments We are expanding self-serve and SME-facing propositions to broaden advertiser access and support new customers 	<ul style="list-style-type: none"> We continue to invest in ITVX to improve personalisation, content range, speed of delivery and overall user experience, including through the responsible use of data and AI-driven insight We are strengthening distribution partnerships to improve discoverability and extend reach across digital platforms We actively engage with regulators and policymakers to support public service prominence and fair access across digital gateways We are preparing for increased IP-only viewing through collaboration with public service broadcaster partners We commission high-impact content in priority genres, informed by data insight and evolving funding models We are rebalancing investment to support digital growth and reduce reliance on linear viewing We continue to improve delivery efficiency through technology simplification and more agile production workflows
Performance & monitoring	Performance & monitoring	Performance & monitoring
<ul style="list-style-type: none"> ITV Studios total organic revenue growth ITV Studios adjusted EBITA margin Proportion of ITV Studios total revenue from streaming platforms 	<ul style="list-style-type: none"> Total Advertising Revenue (TAR) Digital Revenue Advertising spend by category 	<ul style="list-style-type: none"> Monthly Active Users (MAUs) on ITVX Total Streaming Hours Share of commercial viewing

Risk and Uncertainties Disclosure (continued)

<p>4. DATA</p>	<p>5. POLICY & REGULATION</p>	<p>6. CORPORATE COMPLIANCE</p>
<p>Sponsor: General Counsel and Company Secretary</p>	<p>Sponsor: Group Director of Strategy, Policy & Regulation</p>	<p>Sponsor: General Counsel and Company Secretary</p>
<p>Overview of risk</p>	<p>Overview of risk</p>	<p>Overview of risk</p>
<p>Poor data quality, governance or security, or failure to meet global regulatory obligations, could impair decision-making, reduce competitiveness, drive inefficiencies and result in regulatory or reputational harm.</p>	<p>The regulatory environment affecting media, advertising, digital platforms, AI and copyright continues to evolve. Changes in policy or regulation may affect ITV's compliance obligations, commercial models and ability to innovate, as well as our role and responsibilities as a Public Service Broadcaster (PSB).</p>	<p>ITV is exposed to a range of legal, regulatory and ethical compliance obligations, including bribery and corruption, fraud, sanctions and competition law. Breaches of these requirements could result in financial penalties, legal exposure and reputational harm.</p>
<p>Evolving risk landscape</p>	<p>Evolving risk landscape</p>	<p>Evolving risk landscape</p>
<ul style="list-style-type: none"> ▪ Increased use of data for analytics and AI increases the importance of accurate, well-governed and secure data ▪ Regulatory expectations continue to expand across data protection, privacy and digital governance, increasing compliance complexity ▪ Human error and inconsistent handling increase the risk of accidental disclosure of personal or commercially sensitive information ▪ External threats and system vulnerabilities continue to evolve, increasing the risk of unauthorised access, loss or corruption of data 	<ul style="list-style-type: none"> ▪ Regulatory frameworks may not keep pace with rapid changes in technology, market structures and audience behaviour, creating uncertainty and potential misalignment with industry practice ▪ Ongoing and increasingly complex policy debates, including advertising rules, platform regulation and rights frameworks, may affect revenue models and operating requirements ▪ The introduction of new or revised PSB obligations may increase delivery and compliance complexity ▪ Evolving AI, copyright and IP regime 	<ul style="list-style-type: none"> ▪ Increased reliance on third parties and complex supply chains heightens exposure to misconduct outside ITV's direct control ▪ Legal and regulatory requirements continue to evolve across markets, increasing complexity and the risk of inconsistent application ▪ Expectations of corporate conduct and ethical standards are rising, increasing scrutiny of organisational culture and behaviour ▪ Geopolitical volatility may lead to rapid changes in sanctions and cross-border requirements, affecting international operations and counterparties
<p>Risk appetite</p>	<p>Risk appetite</p>	<p>Risk appetite</p>
<p>We have a low appetite for risks that compromise data quality or security. High-quality, well-governed data underpins decision-making, innovation and growth. We have low tolerance for breaches of internal data policies and avoidable data misuse or loss.</p>	<p>We proactively engage with regulatory change to support innovation and public value. We have a no tolerance for breaches of applicable law or regulation and a very low tolerance for behaviour that could undermine trust, our PSB obligations or regulator confidence.</p>	<p>We have a no tolerance for breaches of law, regulation or ethical standards. We expect colleagues and third parties to act with integrity and in line with our policies, and do not accept misconduct that could expose ITV to legal, financial or reputational harm.</p>
<p>Actions taken & risk management approach</p>	<p>Actions taken & risk management approach</p>	<p>Actions taken & risk management approach</p>
<ul style="list-style-type: none"> ▪ We continue to diversify our content slate and genres to meet We continue to strengthen data governance through clearer ownership, improved visibility of key data flows, consistent handling standards and controls supporting responsible AI use ▪ We embed privacy and security by design through risk-based assessments for higher-risk data processing activities ▪ We provide mandatory data protection training, with enhanced focus on teams handling sensitive or higher-risk data ▪ We maintain Group-wide policies and a scalable governance and controls framework to support consistent compliance ▪ We strengthen access controls and permission management to reduce the risk of unauthorised access to data ▪ We test incident response and escalation arrangements to improve readiness and resilience ▪ We carry out due diligence on third parties to ensure suppliers meet data protection and security expectations 	<ul style="list-style-type: none"> ▪ We actively engage with Ofcom, DCMS and policymakers to help shape effective and future-ready frameworks ▪ We carry out horizon scanning across key policy areas, including advertising restrictions, AI and media distribution ▪ We collaborate with industry partners in consultations to promote balanced and proportionate regulatory outcomes ▪ We assess and model the potential commercial and operational impacts of regulatory change ▪ We undertake scenario planning for new or revised PSB obligations to support operational and strategic readiness ▪ We participate in national and international AI and copyright forums to support rights protection and responsible innovation 	<ul style="list-style-type: none"> ▪ We provide mandatory compliance training across key risk areas for employees and freelancers, with additional focus on higher-risk roles ▪ We carry out enhanced due diligence on third parties, particularly in higher-risk markets or relationships ▪ We maintain a clear Code of Ethics and Conduct, supported by regular communication and leadership reinforcement ▪ We operate confidential Speak Up channels to encourage early reporting and intervention ▪ We regularly review and update compliance programmes, incorporating insights from audits, monitoring and regulatory developments ▪ We monitor geopolitical and legislative developments to update policies, guidance and controls as required ▪ We continue to strengthen oversight and monitoring to identify and respond to emerging compliance risks
<p>Performance & monitoring</p>	<p>Performance & monitoring</p>	<p>Performance & monitoring</p>
<ul style="list-style-type: none"> ▪ Completion of mandatory data protection training ▪ Volume and timeliness of data subject requests ▪ Number of investigated incidents ▪ Risk Committee meets quarterly 	<ul style="list-style-type: none"> ▪ Regulatory developments and outlook across key policy areas ▪ Significance of regulatory or policy changes impacting ITV 	<ul style="list-style-type: none"> ▪ Volume and nature of Speak Up reports ▪ Completion of mandatory compliance training ▪ Significant compliance issues or breaches, if any ▪ Risk Committee meets quarterly

Risk and Uncertainties Disclosure (continued)

7. CYBER SECURITY
Sponsor: Chief Technology Officer
Overview of risk
Cyber threats are becoming increasingly sophisticated and could result in material disruption to ITV's operations, content delivery or data, as well as financial, reputational or regulatory harm.
Evolving risk landscape
<ul style="list-style-type: none"> ▪ Cyber-attacks are increasing in sophistication, with media companies targeted through ransomware, denial-of-service attacks and supply-chain compromises ▪ Greater reliance on third-party technology and cloud services increases exposure to vulnerabilities outside ITV's direct control ▪ Human behaviour continues to be exploited through phishing, credential theft and insider-related threats ▪ The potential impact of cyber incidents is increasing as systems, content and operations become more interconnected, amplifying the consequence of disruption or data compromise
Risk appetite
We have a low appetite for cyber incidents that could disrupt operations or compromise systems, content or data. We accept only managed and proportionate residual risk, supported by strong security, resilience and recovery controls.
Actions taken & risk management approach
<ul style="list-style-type: none"> ▪ We operate a recognised cyber security framework and continuously enhance controls to address evolving threats ▪ We invest in detection, monitoring and response capabilities to identify and contain cyber incidents quickly ▪ We test cyber incident response and decision-making through regular simulations involving senior leaders and operational teams ▪ We reduce exposure from legacy systems by upgrading or replacing end-of-life infrastructure ▪ We assess the cyber resilience of critical third-party suppliers and address identified weaknesses ▪ We deliver mandatory cyber awareness training for all Board members, employees and freelancers, with targeted training and exercises for higher risk roles ▪ We strengthen recovery planning to support the timely restoration of critical services following a cyber incident
Performance & monitoring
<ul style="list-style-type: none"> ▪ Volume and severity of cyber security incidents ▪ Effectiveness of detection and response times ▪ Cyber resilience and recovery capability for critical systems ▪ Results of cyber assessments of critical third-party suppliers ▪ Lessons from simulation exercises ▪ Risk Committee meets quarterly

8. ARTIFICIAL INTELLIGENCE
Sponsor: Chief Technology Officer
Overview of risk
The increasing use of Artificial Intelligence (AI) introduces new risks relating to governance, compliance and control. Poor adoption, weak governance or misuse of AI could affect intellectual property protection, data security, creative integrity and competitiveness, despite its potential to enhance productivity and creativity.
Evolving risk landscape
<ul style="list-style-type: none"> ▪ Rapid advances in AI increases the risk of falling behind competitors if adoption is slow or ineffective ▪ AI regulation is evolving quickly across jurisdictions, creating uncertainty around compliance and permitted use ▪ Unregulated access to AI tools increases the risk of misuse, errors or unintended impacts on creative integrity and compliance ▪ Greater reliance on data and third-party AI tools increases exposure to data security and intellectual property risks
Risk appetite
We support the responsible use of AI to enhance creativity, efficiency and insight. We have no tolerance for breaches of applicable law or regulation, and low tolerance for misuse or outcomes that could compromise data security, intellectual property, creative integrity or audience trust.
Actions taken & risk management approach
<ul style="list-style-type: none"> ▪ We maintain a Group-wide governance framework to support the responsible and compliant use of AI ▪ We provide access to licensed and secure AI tools to reduce reliance on unapproved solutions ▪ We build AI capability and awareness through mandatory training for employees and freelancers on responsible AI use, with targeted training for colleagues in higher-risk roles ▪ We assess and prioritise AI use cases through defined approval and oversight processes ▪ We monitor AI usage to identify emerging risks and ensure alignment with policies and controls ▪ We collaborate with industry partners to support the development of standards for IP protection and watermarking ▪ We continue to strengthen data governance to support safe and effective use of AI ▪ We monitor regulatory developments affecting the use of AI
Performance & monitoring
<ul style="list-style-type: none"> ▪ Regulatory developments affecting the use of AI ▪ Volume and nature of approved AI use cases ▪ Incidents and breaches relating to AI, if any ▪ AI Governance Committee meets quarterly

9. PEOPLE
Sponsor: Chief People Officer
Overview of risk
ITV's ability to deliver its strategy depends on attracting, developing and retaining diverse creative, commercial, technical and leadership talent. Skills shortages, changing capability requirements or cultural shortcomings could affect performance, innovation and reputation.
Evolving risk landscape
<ul style="list-style-type: none"> ▪ Competition for creative, commercial and technical talent continues to intensify across the media and technology sectors ▪ Rapid shifts in skills requirements, particularly around digital and AI, increase the risk of capability gaps emerging ▪ The conduct and behaviour of high-profile individuals is subject to increased public, regulatory and stakeholder scrutiny ▪ Expectations around diversity, inclusion and workplace culture continue to rise, increasing scrutiny of organisational behaviour and the consequences of cultural or behavioural failings
Risk appetite
We have a measured appetite for people-related risk where it supports innovation, inclusion and organisational change. We invest in building skills, leadership and capability for the future, and have low tolerance for behaviours or practices that undermine wellbeing, integrity, safety or engagement.
Actions taken & risk management approach
<ul style="list-style-type: none"> ▪ We continue to strengthen our Employee Value Proposition to attract and retain creative, commercial, technical and leadership talent ▪ We invest in skills development and future capability, with a focus on leadership, digital and technical skills ▪ We maintain succession planning for key roles, supported by targeted development and talent pipelines ▪ We promote an inclusive, respectful and safe culture through leadership accountability, colleague networks and training ▪ We expand accessibility and inclusion support to improve colleague experience and participation ▪ We monitor engagement and wellbeing through regular surveys and use the results to inform targeted actions ▪ We provide wellbeing support and resources to help sustain colleague resilience and performance
Performance & monitoring
<ul style="list-style-type: none"> ▪ Employee turnover and retention trends ▪ Workforce diversity and inclusion metrics ▪ Engagement and wellbeing survey results ▪ Board representative engages with employee representatives (Ambassadors) on a regular basis

Risk and Uncertainties Disclosure (continued)

10. DUTY OF CARE
Sponsor: Chief Executive Officer
Overview of risk
ITV has a duty of care to protect the welfare, mental health and safety of contributors, participants, colleagues and others connected to our operations. Inadequate safeguards or ineffective responses to wellbeing concerns could result in physical or psychological harm, reputational damage and loss of public trust.
Evolving risk landscape
<ul style="list-style-type: none"> ▪ The scale and complexity of productions and content formats increases the challenge of consistently identifying and managing wellbeing risks ▪ Societal expectations around welfare, content impact and organisational responsibility continue to rise, increasing scrutiny of safeguards and outcomes ▪ Delays in identifying or responding to emerging concerns may escalate the risk of harm or reputational impact
Risk appetite
We have a low appetite for risks that could compromise the welfare, mental health or safety of anyone connected to our operations. While creative production carries inherent risk, we mitigate this through strong safeguards, oversight and continuous investment in wellbeing, and have no tolerance for preventable harm (physical or mental) to individuals.
Actions taken & risk management approach
<ul style="list-style-type: none"> ▪ We maintain clear Group-wide duty of care governance and oversight arrangements ▪ We carry out comprehensive risk assessments across productions, offices, events and other operating environments ▪ We provide mandatory training to all employees and freelancers on duty of care responsibilities and speaking up ▪ We offer ongoing support to contributors and participants, including access to aftercare, specialist support and crisis response where required ▪ We review internal and industry incidents to strengthen policies, guidance and practice ▪ We use reporting and escalation mechanisms to identify issues early and respond consistently ▪ We collaborate with industry partners and experts to strengthen standards and capability across the sector
Performance & monitoring
<ul style="list-style-type: none"> ▪ Volume and nature of duty of care and wellbeing concerns raised ▪ Accident and Incident trends ▪ Outcomes of duty of care reviews or escalations ▪ Duty of Care Operating Board meets quarterly

11. OPERATIONAL RESILIENCE
Sponsor: Chief Technology Officer
Overview of risk
ITV's operational resilience depends on the stability and performance of broadcast, streaming and enterprise systems, many of which rely on external partners. Disruptions to these systems could adversely affect viewer experience, revenue and brand trust.
Evolving risk landscape
<ul style="list-style-type: none"> ▪ Increasing reliance on digital, cloud-based and IP-delivered services heightens exposure to technology outages and service disruption ▪ Broadcast, streaming and content supply chains are increasingly dependent on third-party providers, increasing the potential impact of external failures ▪ Greater system interconnectivity can reduce visibility of critical dependencies, complicating recovery and extending restoration times ▪ Transition from traditional broadcast to IP delivery introduces new resilience risks where infrastructure or partner readiness varies
Risk appetite
We have low appetite for disruption to critical broadcast, streaming and enterprise services. We accept managed and proportionate resilience risk where it supports innovation and scalable growth, while reliability and service continuity remain paramount.
Actions taken & risk management approach
<ul style="list-style-type: none"> ▪ We design and operate resilient system architecture with appropriate redundancy and failover for critical systems ▪ We identify and map critical dependencies to understand supplier resilience, recovery capabilities and hosting arrangements ▪ We work with key partners to strengthen resilience, including diversification where feasible and contractual safeguards where required ▪ We test incident response and recovery through scenario-based exercises, including ahead of major live events ▪ We continue to modernise legacy systems and migrate appropriate services to more resilient platforms ▪ We maintain and standardise business continuity and disaster recovery frameworks across the Group ▪ We embed resilience and recovery requirements into technology change and delivery processes
Performance & monitoring
<ul style="list-style-type: none"> ▪ Availability and performance of critical services ▪ Outcomes of business continuity and disaster recovery testing ▪ Number and severity of major operational incidents ▪ Risk Committee meets quarterly

Long-term Viability Statement (LTVS) Disclosure

How we assess prospects and risks

The Board plays an active role in assessing ITV's long-term prospects and resilience as part of its oversight of strategy and risk. In doing so, the Board:

- Reviews and approves the Group's strategy and long-term financial plan
- Monitors performance against the plan throughout the year
- Reviews principal and emerging risks; and
- Reviews and challenges management's modelling and stress-testing of the financial plan, satisfying itself that the conclusions are robust

The Board and its committees receive regular briefings on developments that may affect future performance, including:

- Changing viewer behaviour and competition from global streaming platforms
- Advertising market trends and macroeconomic conditions
- Developments in the global content market
- Technological advancements, including artificial intelligence
- Environmental and climate-related risks

During 2025, the Board gave particular attention to economic conditions and structural change in media markets. This included reviewing liquidity forecasts, financing headroom and alternative operating scenarios.

These activities are supported by regular financial reviews, re-forecasting and continued focus on efficiency, reinforcing the Group's resilience and long-term sustainability.

How we assess viability

In assessing long-term viability, the Board considered the Group's current financial position, business model, strategy and principal risks.

The assessment is based on the Board-approved five-year plan (2026–2030), approved in December 2025. The Board reviewed the key assumptions in that plan, including revenue outlook, cost structure, capital allocation and financing arrangements.

Given the evolving external environment, the Board also considered alternative structural and operational bases over the assessment period. Management prepared detailed modelling and cash flow forecasts for each of the structural and operational bases and applied the various downside scenarios, including a combined scenario, to each base forecast. The Board reviewed this analysis in depth, challenged key assumptions and sensitivities, and satisfied itself that the conclusions were robust.

As part of this review, the Board considered projected liquidity, committed financing facilities and covenant headroom under severe but plausible downside scenarios, both individually and in combination.

In forming its view, the Board considered both downside risks and the inherent flexibility within the Group's cost base, balance sheet and capital allocation framework.

Assessment period for viability

The Board has assessed the Group's viability over the three-year period to 31 December 2028. The Board considers three years to be appropriate because:

- It aligns with the approved 2026 budget and medium-term plan covering 2027–2028
- Forecast visibility in advertising and content markets reduces beyond this horizon
- The Group does not typically undertake long-dated capital projects requiring a longer assessment period
- Pension funding arrangements operate on a three-year cycle

The Board also considered whether a longer period would provide meaningful additional insight and concluded that increased uncertainty beyond three years would reduce the reliability of forecasts without improving the assessment.

Long-term Viability Statement (LTVS) Disclosure (continued)

Assumptions applied

The viability assessment reflects the Group's current strategy, financial position and committed financing arrangements.

In the combined severe but plausible downside scenario, the modelling assumes a material reduction in advertising revenue, weaker performance in Studios and Streaming, and a significant operational disruption. The Board considered the impact of these factors on profitability, cash generation, liquidity and financing headroom over the assessment period.

- The key assumptions underlying the assessment include:
- Continued access to committed financing facilities
- Compliance with financial covenants, including the contractual flexibility available within those arrangements
- The ability to take appropriate management actions, including cost reductions and capital allocation flexibility, if required
- No occurrence of events outside the range of severe but plausible scenarios considered

The Board considered the contractual flexibility within its financing arrangements and the range of management actions available to maintain compliance. It is satisfied that these actions are within management's control and would preserve financial resilience.

The modelling also reflects the potential impact of rating agency metrics and associated financing costs under the severe downside scenario.

The Board considers these assumptions and scenarios to be severe but plausible, including the combined downside scenario. The assessment does not assume any extraordinary external support or actions outside the normal range of management responses.

Scenarios modelled

1+2	3	4	5	6
<p>A significant and sustained downturn in advertising revenue from 2026, 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)</p> <p>Additionally, Our Streaming strategy fails to fully deliver the expected outcomes impacting revenue</p> <p>Business area impacted: Media & Entertainment</p> <p>Link to Principal Risks:</p> <ul style="list-style-type: none"> ▪ Principal Risk 2: Commercial ▪ Principal Risk 3: Changing Viewer Dynamics ▪ Principal Risk 5: Policy & Regulation 	<p>A significant loss in revenue driven through the reduction in our buyers content budgets, reducing the commissioning of key brands or the volumes. Additionally we lose key programme brands within the ITV Studios Division impacting our format growth</p> <p>Business area impacted: Studios</p> <p>Link to Principal Risks:</p> <ul style="list-style-type: none"> ▪ Principal Risk 1: Content Market ▪ Principal Risk 5: Changing Viewer Dynamics 	<p>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</p> <p>Business area impacted: Group</p> <p>Link to Principal Risks:</p> <ul style="list-style-type: none"> ▪ Principal Risk 2: Commercial ▪ Principal Risk 4: Data ▪ Principal Risk 7: Cyber Security ▪ Principal Risk 11: Operational Resilience 	<p>Placeholder for major outflows related to litigation</p> <p>Business area impacted: Group</p> <p>The complexity and potential scale of the ongoing litigation cases result in a lack of certainty in the final liabilities and payments. Further detail of the accounting judgements and estimates applied to ongoing litigation and earnouts are provided in Section 1 to the Financial Information. An overview the assessments performed by the Audit and Risk Committee with respect to these accounting judgements is provided within the Audit and Risk Committee report which will be available in the 2025 Annual Report and Accounts.</p>	<p>A combination of scenarios 1 to 3 above occurring simultaneously</p> <p>Business area impacted: Group</p> <p>Link to Principal Risks:</p> <ul style="list-style-type: none"> ▪ Principal Risk 1: Content Market ▪ Principal Risk 2: Commercial ▪ Principal Risk 3: Changing Viewer Dynamics ▪ Principal Risk 5: 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 which will be available in the 2025 Annual Report and Accounts.

Long-term Viability Statement (LTVS) Disclosure (continued)

Viability assessment

Under each of the scenarios considered, and assuming the combined severe but plausible downside events occur simultaneously, the Board concluded that the Group would maintain sufficient liquidity throughout the assessment period.

The Board reviewed projected cash flows, committed financing facilities and covenant headroom over the three year period to 31 December 2028. The Board considered the contractual flexibility within its financing arrangements and the actions available to management to maintain compliance if required.

The Board also considered the potential impact of rating agency metrics under the combined downside scenario. While certain thresholds would be exceeded in that stress case, this does not affect the availability of committed facilities and has been reflected in the modelling.

Having considered these factors, the Board is satisfied that the Group would continue to operate within its committed facilities and remain financially resilient under the scenarios assessed.

Potential mitigations

In reaching its conclusions, the Board considered the range of actions available to management to preserve financial strength if required.

These include operational cost efficiencies, disciplined capital allocation and flexibility over the timing and scale of shareholder distributions.

The Board is satisfied that these actions are within management's control and could be implemented in a timely manner, providing additional flexibility in the event that downside risks materialise

Viability Statement

Taking account of the Group's current position, principal risks, the scenarios assessed and the mitigating actions available, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three year period to 31 December 2028.

Financial Statements

In this section

The financial information has 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 provide 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

Primary Statements

Consolidated Income Statement
Consolidated Statement of Comprehensive Income
Consolidated Statement of Financial Position
Consolidated Statement of Changes in Equity
Consolidated Statement of Cash Flows

Section 1: Basis of Preparation

Section 2: Results for the Year

2.1 Profit before tax
2.2 Exceptional items
2.3 Taxation
2.4 Earnings per share

Section 3: Operating Assets and Liabilities

3.1 Working capital
3.2 Property, plant and equipment
3.3 Intangible assets
3.4 Acquisitions
3.5 Disposal of associates, joint ventures and subsidiary undertakings
3.6 Investments
3.7 Provisions
3.8 Pensions

Section 4: Capital Structure and Financing Costs

4.1 Net debt
4.2 Borrowings
4.3 Managing market risks: derivative financial instruments
4.4 Net financing costs
4.5 Fair value hierarchy
4.6 Lease liabilities
4.7 Equity
4.8 Share-based compensation

Section 5: Other Notes

5.1 Related party transactions
5.2 Contingent assets and liabilities
5.3 Subsequent events
5.4 Subsidiaries exempt from audit

ITV plc Company Financial Information

Notes to the ITV plc Company Financial Information

Consolidated Income Statement

For the year ended 31 December	Note	2025 £m	2024 £m
Revenue	2.1	3,511	3,488
Operating costs	2.1	(3,148)	(3,170)
Operating profit		363	318
Presented as:			
Earnings before interest, tax and amortisation (EBITA) before exceptional items	2.1	533	526
Operating exceptional items	2.2	(107)	(65)
Amortisation and impairment	3.3, 3.6	(63)	(143)
Operating profit		363	318
Financing income	4.4	34	51
Financing costs	4.4	(59)	(51)
Net financing costs		(25)	–
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		338	521
Taxation	2.3	(113)	(115)
Profit for the year		225	406
Profit/(loss) attributable to:			
Owners of the Company		220	408
Non-controlling interests	4.7.6	5	(2)
Profit for the year		225	406
Earnings per share			
Basic earnings per share	2.4	5.9p	10.4p
Diluted earnings per share	2.4	5.8p	10.3p

Consolidated Statement of Comprehensive Income

For the year ended 31 December	Note	2025 £m	2024 £m
Profit for the year		225	406
Other comprehensive (expense)/income:			
Items that are or may be reclassified to profit or loss			
Revaluation of financial assets	4.7.4	(3)	(6)
Net (loss)/gain on cash flow hedges and costs of hedging	4.7.3	(3)	7
Exchange differences on translation of foreign operations	4.7.3	(30)	(4)
Income tax credit/(charge) on items that may be reclassified to profit or loss	2.3	3	(1)
Items that will never be reclassified to profit or loss			
Remeasurement gains/(losses) on defined benefit pension schemes	3.8	16	(31)
Income tax (charge)/credit on items that will never be reclassified to profit or loss	2.3	(5)	6
Other comprehensive expense for the year, net of income tax		(22)	(29)
Total comprehensive income for the year		203	377
Total comprehensive income/(expense) attributable to:			
Owners of the Company		201	379
Non-controlling interests	4.7.6	2	(2)
Total comprehensive income for the year		203	377

Consolidated Statement of Financial Position

	Note	31 December 2025 £m	31 December 2024 ¹ £m
Non-current assets			
Property, plant and equipment	3.2	239	237
Intangible assets	3.3	1,490	1,498
Investments in joint ventures, associates and equity investments	3.6	32	31
Derivative financial instruments	4.3	14	1
Distribution rights	3.1.2	41	35
Contract assets	3.1.6	39	4
Defined benefit pension surplus	3.8	198	162
Other pension asset	3.8	33	45
Deferred tax asset	2.3	6	7
		2,092	2,020
Current assets			
Programme rights and other inventory	3.1.1	397	371
Trade and other receivables due within one year	3.1.3	744	682
Trade and other receivables due after more than one year	3.1.3	100	81
Trade and other receivables		844	763
Contract assets	3.1.6	195	172
Production inventories	3.1.7	384	342
Current tax receivable	2.3	66	87
Derivative financial instruments	4.3	5	4
Cash and cash equivalents	4.1	302	427
		2,193	2,166
Current liabilities			
Borrowings	4.1, 4.2	(325)	(10)
Lease liabilities	4.6	(17)	(15)
Derivative financial instruments	4.3	(6)	(3)
Trade and other payables due within one year	3.1.4	(924)	(880)
Trade payables due after more than one year	3.1.5	(55)	(33)
Trade and other payables		(979)	(913)
Contract liabilities	3.1.6	(275)	(253)
Current tax liabilities	2.3	(2)	(1)
Provisions	3.7	(91)	(134)
		(1,695)	(1,329)
Net current assets		498	837

	Note	31 December 2025 £m	31 December 2024 ¹ £m
Non-current liabilities			
Borrowings	4.1, 4.2	(440)	(723)
Lease liabilities	4.6	(94)	(90)
Derivative financial instruments	4.3	–	(20)
Defined benefit pension deficit	3.8	(24)	(25)
Deferred tax liabilities	2.3	(121)	(92)
Other payables	3.1.5	(76)	(63)
Provisions	3.7	(12)	(12)
		(767)	(1,025)
Net assets		1,823	1,832
Attributable to equity shareholders of the parent company			
Share capital	4.7.1	387	394
Share premium	4.7.1	174	174
Merger and other reserves	4.7.2	252	245
Translation reserve	4.7.3	50	79
Fair value reserve	4.7.4	(8)	(7)
Retained earnings	4.7.5	943	923
Total equity attributable to equity shareholders of the parent company		1,798	1,808
Non-controlling interests	4.7.6	25	24
Total equity		1,823	1,832

1 In the 31 December 2024 comparative, £19 million previously classified as Trade and other payables within one year, has been re-presented as Contract liabilities to better reflect the underlying nature of certain contracts and align with the current year disclosures

Consolidated Statement of Changes in Equity

	Note	Attributable to equity shareholders of the parent company					Retained earnings £m	Total £m	Non- controlling interests £m	Total equity £m
		Share capital £m	Share premium £m	Merger and other reserves £m	Translation reserve ¹ £m	Fair value reserve £m				
Balance at 1 January 2025	4.7	394	174	245	79	(7)	923	1,808	24	1,832
Total comprehensive income/(expense) for the year										
Profit for the year		–	–	–	–	–	220	220	5	225
Other comprehensive (expense)/income		–	–	–	–	–	220	220	5	225
Revaluation of financial assets	4.7.4	–	–	–	–	(3)	–	(3)	–	(3)
Net loss on cash flow hedges and costs of hedging	4.7.3	–	–	–	(3)	–	–	(3)	–	(3)
Exchange differences on translation of foreign operations	4.7.3	–	–	–	(27)	–	–	(27)	(3)	(30)
Remeasurement gain on defined benefit pension schemes	3.8	–	–	–	–	–	16	16	–	16
Income tax (charge)/credit on other comprehensive (expense)/income	2.3	–	–	–	1	2	(5)	(2)	–	(2)
Total other comprehensive income/(expense)		–	–	–	(29)	(1)	11	(19)	(3)	(22)
Total comprehensive income/(expense) for the year		–	–	–	(29)	(1)	231	201	2	203
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Equity dividends		–	–	–	–	–	(187)	(187)	(3)	(190)
Movements due to share-based compensation	4.8	–	–	–	–	–	16	16	–	16
Repurchase of shares	4.7.5	(7)	–	7	–	–	(38)	(38)	–	(38)
Tax on items taken directly to equity	2.3	–	–	–	–	–	(2)	(2)	–	(2)
Total transactions with owners		(7)	–	7	–	–	(211)	(211)	(3)	(214)
Changes in non-controlling interests	4.7.6	–	–	–	–	–	–	–	2	2
Balance at 31 December 2025	4.7	387	174	252	50	(8)	943	1,798	25	1,823

1 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	Attributable to equity shareholders of the parent company					Retained earnings £m	Total £m	Non- controlling interests £m	Total equity £m
		Share capital £m	Share premium £m	Merger and other reserves £m	Translation reserve ¹ £m	Fair value reserve £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

1 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	2025 £m	£m	2024 £m
Cash flows from operating activities					
Cash generated from operations before exceptional items	2.1		401		447
Cash flow relating to operating exceptional items:					
Operating exceptional items	2.2	(107)		(65)	
Increase in exceptional payables		47		4	
Cash outflow from exceptional items			(60)		(61)
Cash generated from operations			341		386
Defined benefit pension funding ¹	3.8	(65)		(3)	
Interest received		54		25	
Interest paid ²		(93)		(48)	
Net taxation paid		(35)		(27)	
			(139)		(53)
Net cash inflow from operating activities			202		333
Cash flows from investing activities					
Acquisition of property, plant and equipment		(26)		(14)	
Acquisition of intangible assets		(28)		(35)	
Acquisition of subsidiary undertakings, net of cash acquired	3.4	(14)		(13)	
Acquisition of investments		(5)		(11)	
Proceeds from disposal of associates, joint ventures and subsidiary undertakings	3.5	9		295	
Proceeds from sale and maturity of gilts (other pension assets) ¹		12		–	
Dividends received from investments		–		1	
Loans granted to associates and joint ventures		(5)		–	
Loans repaid by associates and joint ventures		5		23	
Net cash (outflow)/inflow from investing activities			(52)		246

For the year ended 31 December	Note	£m	2025 £m	£m	2024 £m
Cash flows from financing activities					
Bank and other loans – amounts repaid		(37)		(437)	
Settlement of derivatives ³		–		(10)	
Bank and other loans – amounts raised		20		431	
Payment of lease liabilities ⁴		(21)		(20)	
Acquisition of non-controlling interests		(4)		(47)	
Dividends paid to non-controlling interests		(3)		(9)	
Equity dividends paid	4.7.5	(187)		(198)	
Repurchase of shares	4.7.5	(38)		(199)	
Net cash outflow from financing activities			(270)		(489)
Net (decrease)/increase in cash and cash equivalents			(120)		90
Cash and cash equivalents at 1 January	4.1		427		340
Effects of exchange rate changes and fair value movements			(5)		(3)
Cash and cash equivalents at 31 December	4.1		302		427

- £12 million was paid into the Group's defined benefit pension scheme funded through the sale and maturing of gilts (other pension assets). See note 3.8 for a breakdown of the Group's defined benefit funding contributions in the year
- Interest paid includes interest on bank, other loans, derivative financial instruments and lease liabilities
- Net cash flow from forwards and swaps held against the euro denominated bond repaid in 2024
- Net cash flow on lease liabilities in note 4.1 and 4.6 of £26 million (2024: £25 million) includes interest on lease liabilities of £5 million (2024: £5 million), included in interest paid

Notes to the Financial Statements continued

SECTION 1: BASIS OF PREPARATION CONTINUED

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 2025 or later years. We explain how these changes are expected to impact the financial position and performance of the Group.

The financial information consolidates those of 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.

These 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.

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 2025, the Group was in a net debt position of £566 million (2024: £431 million), including gross borrowings of £868 million (2024: £858 million) offset by cash and cash equivalents of £302 million (2024: £427 million).

As of the date of approving this financial information, the Group has five committed facilities in place to maintain its financial flexibility:

- A £500 million multilateral Revolving Credit Facility (RCF), maturing in January 2029
- A £100 million bilateral RCF, maturing in December 2028
- A £200 million bilateral loan facility maturing in December 2030. £125 million was available at 31 December 2025 and the full £200 million became available from 1 January 2026
- A £300 million bilateral financing facility, free of financial covenants and maturing in June 2026
- A £300 million committed term loan facility, entered into in June 2025, available for drawing from 26 June 2026 and maturing three years from the date of drawdown. This committed facility has been put in place ahead of the September 2026 bond maturing

At 31 December 2025, all facilities available were undrawn (31 December 2024: undrawn). Together with cash and cash equivalents of £302 million, this provided total liquidity of £1,327 million (31 December 2024: £1,377 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). At 31 December 2025, the Group had covenant net debt of £477 million (2024: £314 million) and its financial position was well within its covenants. The leverage and interest cover tests will be tested again on 30 June 2026. For further information on covenants, see section 4.1.

In assessing going concern, the Directors considered the Group's current financial position, committed facilities, covenant requirements and cash flow forecasts covering a period of at least 12 months from the date of approval of this financial information.

The assessment is based on the Board-approved five-year plan (2026-2030), approved in December 2025. Consistent with the approach taken in the viability assessment, Management also prepared two additional detailed cashflow forecasts under alternative structural and operational bases. Severe but plausible downside scenarios, both individually and in combination, were applied to each base forecast. These downside scenarios included:

- A significant and sustained downturn in advertising revenue and underperformance in Streaming
- Reduced commissioning budgets and weaker performance in ITV Studios and
- A major operational disruption, including a cyber incident

Under the combined severe but plausible downside scenario applied to all three forecast bases, the Group continues to maintain sufficient liquidity and remains within its committed financing facilities throughout the assessment period.

Accordingly, the Directors are satisfied that the Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of this consolidated financial information and have therefore prepared the consolidated financial information on a going concern basis.

The Directors propose a final dividend of 3.3p per share (2024: 3.3p), which equates to a full year dividend of 5.0p per share, subject to shareholders approval at the AGM on 7 May 2026.

The Directors intend to at least maintain this dividend over the medium term (which 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.

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.

Notes to the Financial Statements continued

SECTION 1: BASIS OF PREPARATION CONTINUED

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.

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 are 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.

Notes to the Financial Statements continued

SECTION 1: BASIS OF PREPARATION CONTINUED

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	
Transmission commitments (See note 3.1.1)	Whether the transponder capacity contracts should be classified as leases in accordance with IFRS 16	
Acquisition-related liabilities (See note 3.1.4 and 3.1.5)	Whether future amounts payable is linked to employment	Estimates of cash flow forecasts to support the calculation of the future liabilities
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
Defined benefit pension (See note 3.8)		Estimates of the assumptions for valuing the defined benefit obligation

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 2025 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 21 'The Effects of Changes in Foreign Exchange Rates'	The amendment clarifies how an assessment is made as to whether a currency is exchangeable, and how estimates of a spot rate are made when a currency lacks exchangeability.	No material changes to the Group's financial position or performance.

Accounting standards effective in future periods

IFRS 18 'Presentation and Disclosure in Financial Information', which is effective from 1 January 2027, has now been adopted by the UK Endorsement Board. The Group's process to determine the potential impact of applying this standard is ongoing.

The Directors have considered the impact on the Group of other 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.

Notes to the Financial Statements continued

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 of the Annual Report) 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 producer, streamer and broadcaster, consisting of ITV Studios and Media & Entertainment (M&E).

ITV Studios

ITV Studios is a scaled global creator, owner and distributor of high-quality TV content, producing some of the most successful shows in the world. It operates in 13 countries, across 60+ labels and 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 world's largest studio groups, and one a key player in the markets in which it operates. ITV Studios is a trusted supplier with well-established relationships with major content buyers and leading creative talent. With a high-quality content library of over 100,000 hours and a digital distribution network through Zoo 55, ITV Studios' digital label, it is also one of the pre-eminent global distributors of content.

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 produces scripted and unscripted content for all major US networks, cable channels, and streaming platforms. To better align with evolving market dynamics, during the year, we have brought our US scripted and unscripted businesses under single leadership.

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

Global Partnerships monetises its portfolio of some of the world's most successful entertainment formats and maximises commercial opportunities from its brands. The key focus is on driving growth by monetising existing high-value formats and supporting the creation of new global formats.

ITV Studios launched Zoo 55, a new digital content label designed to drive high-margin growth from the global digital distribution market. Zoo 55 enables ITV Studios to expand the reach of both its long and short-form content across a broader range of platforms, engaging wider global audiences within this fast-growing segment of the content market.

Media & Entertainment

ITV is the UK's largest commercial streamer and broadcaster. Through M&E, the Group make British-focused content available on ITVX – its free, advertiser-funded streaming service – alongside its free-to-air linear TV channels and third-party partners, allowing viewers to watch whenever and wherever they choose.

For advertisers, ITV offers a combination of mass audience reach, targeted advertising, and commercial and creative partnerships, all delivered in a brand-safe, reliably measured environment across ITVX and our linear TV channels. We further extend this scale and reach by offering digital advertising around our content, and partner content on YouTube.

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 including whether the Group had control of the good or service before transferring to the customer.

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 and 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.

Complex contracts in all classes of revenue are assessed individually, and judgement is exercised in identifying performance obligations, allocating price to them, and assessing if the Group had control over the good or service before it was transferred to the customer.

Notes to the Financial Statements continued

SECTION 2: RESULTS FOR THE YEAR CONTINUED

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.

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.

The Group applies the practical expedient allowing it not to adjust for significant financing components in contracts where the time between the transfer of goods or services and payment is one year or less.

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	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Payment term is over the term of the contract
Format licences	<ul style="list-style-type: none"> 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) 	<ul style="list-style-type: none"> Payment term is over the term of the contract
Programme distribution rights	<ul style="list-style-type: none"> 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) Where a licence is renewed or extended and the content remains unchanged and available to the customer, revenue is recognised when the contract is signed (point in time) 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Received in the month after transmission Received in the month after campaign is delivered Received prior to transmission
Subscriptions	<ul style="list-style-type: none"> Revenue from subscription services is recognised over the subscription period 	<ul style="list-style-type: none"> Payment term is over the term of the contract or subscription period
SDN	<ul style="list-style-type: none"> Revenue is generated from the carriage fee or capacity of the digital multiplex and is recognised over the term of the contract 	<ul style="list-style-type: none"> Payment term is over the term of the contract
Partnerships and other revenue	<ul style="list-style-type: none"> 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 revenue 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) 	<ul style="list-style-type: none"> 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

Notes to the Financial Statements continued

SECTION 2: RESULTS FOR THE YEAR CONTINUED

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

	2025 £m	2025 % of total	2024 £m	2024 % of total
ITV Studios UK	989		868	
ITV Studios US	310		391	
ITV Studios International	434		380	
Global Partnerships	397		399	
Total ITV Studios^{1,2}	2,130	52%	2,038	49%
Total advertising revenue (TAR)	1,723	42%	1,820	44%
Subscriptions	48		48	
SDN	38		43	
Partnerships and other revenue	182		191	
Media & Entertainment	1,991	48%	2,102	51%
Total revenue³	4,121		4,140	

1 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

2 Total ITV Studios revenue includes £89 million (2024: £106 million) of intra-segment revenue derived from trading between Global Partnerships and ITV Studios productions

3 Includes internal revenue as discussed in the APMs section

Digital revenues, which is reported within M&E revenue, of £614 million (2024: £556 million) include digital advertising revenue and subscription revenue, digital sponsorship and partnership revenue, ITV Win and other revenues from digital business ventures.

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 2025 £m	Media & Entertainment 2025 £m	Consolidated 2025 £m
Total segment revenue	2,130	1,991	4,121
Internal revenue ¹	(605)	(5)	(610)
Revenue from external customers	1,525	1,986	3,511
Adjusted EBITA²	297	234	531
Unrealised profit in stock adjustment			3
Group adjusted EBITA³			534

	ITV Studios 2024 £m	Media & Entertainment 2024 £m	Consolidated 2024 £m
Total segment revenue	2,038	2,102	4,140
Internal revenue ¹	(646)	(6)	(652)
Revenue from external customers	1,392	2,096	3,488
Adjusted EBITA²	299	250	549
Unrealised profit in stock adjustment			(7)
Group adjusted EBITA³			542

1 Internal revenue originates mainly in the UK and includes trading between ITV Studios and M&E, and Global Partnerships and ITV Studios productions

2 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') scheme are reported within EBITA. Further details on AVEC are provided in the APMs. Adjusted EBITA is also stated after the elimination of intersegment revenue and costs

3 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 APMs section

Notes to the Financial Statements continued

SECTION 2: RESULTS FOR THE YEAR CONTINUED

The Group's principal operations are in the UK. Revenue from external customers in the UK is £2,152 million (2024: £2,204 million) and revenue from external customers in other countries is £1,359 million (2024: £1,284 million), of which revenue of £677 million (2024: £662 million) was generated in the US. The Operating and Financial Performance Review provides further detail on ITV's international revenues.

Internal 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.

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 is one media buying agency (2024: two agencies) acting on behalf of a number of advertisers that represent the Group's major customers. This agency is the only customer that individually represents over 10% of the Group's revenue from external customers. Revenue of approximately £431 million (2024: £481 million) was derived from this customer in 2025. 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:

	2025 £m	2024 £m
UK	1,394	1,352
US	317	336
Rest of the world	130	117
Total non-current assets	1,841	1,805

Timing of revenue recognition

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

	2025 £m	2024 £m	2025 £m	2024 £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	1,714	1,797	272	299
Programme production, programme distribution rights	1,185	970	256	342
Format licences	78	76	6	4
Total external revenue	2,977	2,843	534	645

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):

	2026 £m	2027 £m	2028 £m	Beyond £m
Media & Entertainment	141	41	13	1
ITV Studios	202	36	18	29
Total revenue	343	77	31	30
Internal supply	(14)	(8)	–	–
Total external revenue	329	69	31	30

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 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	2025 £m	2024 £m
Group adjusted EBITA¹		534	542
Production tax credits		(1)	(16)
EBITA before exceptional items¹		533	526
Operating exceptional items	2.2	(107)	(65)
Amortisation and impairment		(63)	(143)
Operating profit		363	318
Net financing costs	4.4	(25)	–
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		338	521

¹ The Audio-Visual Expenditure Credit ('AVEC') legislation, which was adopted by the Group in 2024, resulted in an increase of £101 million (2024: £53 million) to EBITA before exceptional items and an increase to Group adjusted EBITA of £20 million (2024: £13 million). Further details on AVEC are provided in the APMs

Notes to the Financial Statements continued

SECTION 2: RESULTS FOR THE YEAR CONTINUED

Cash generated from operations

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

	Note	2025 £m	2024 £m
Cash flows from operating activities			
Statutory profit before tax		338	521
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	25	–
Operating exceptional items	2.2	107	65
Depreciation of property, plant and equipment (net of exceptional items)	3.2	48	47
Amortisation and impairment		63	143
Share-based compensation	4.8	16	18
(Increase)/decrease in programme rights and distribution rights		(32)	18
Increase in receivables, contract assets and production inventories		(190)	(177)
Increase in payables and contract liabilities		26	15
Movement in working capital		(196)	(144)
Cash generated from operations before exceptional items		401	447

Operating costs

The major components of operating costs of £3,148 million (2024: £3,170 million) are content costs of £1,210 million (2024: £1,268 million), other net costs of production of £1,329 million (2024: £1,245 million), staff costs of £391 million (2024: £402 million), depreciation, amortisation and impairment of £111 million (2024: £190 million) and operating exceptional items of £107 million (2024: £65 million).

Staff costs

Staff costs can be analysed as follows:

	2025 £m	2024 £m
Wages and salaries	545	548
Social security and other costs	93	86
Share-based compensation (see note 4.8)	16	18
Pension costs	30	29
Total staff costs¹	684	681
Less: staff costs allocated to productions, exceptional items or capitalised	(293)	(279)
Net staff costs	391	402

¹ Staff costs include 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:

	2025	2024
ITV Studios	4,015	4,018
Media & Entertainment	2,470	2,595
	6,485	6,613

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

	2025	2024
ITV Studios	4,202	4,239
Media & Entertainment	2,557	2,726
	6,759	6,965

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 £48 million (2024: £47 million), of which £33 million (2024: £32 million) relates to ITV Studios and £15 million (2024: £15 million) to Media & Entertainment. See notes 3.2 for further details.

Notes to the Financial Statements continued

SECTION 2: RESULTS FOR THE YEAR CONTINUED

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.

Fees for audit-related assurance services of £0.2 million (2024: £0.2 million), being the review of the interim results for the six months to 30 June 2025 were also incurred. In the prior year, 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.

Fees paid to PricewaterhouseCoopers LLP and its associates during the year are set out below:

	PwC 2025 £m	PwC 2024 £m
For the audit of the Group's annual financial statements	1.9	2.1
For the audit of subsidiaries of the Group	1.5	1.5
Audit-related assurance services	0.2	0.2
Total audit and audit-related assurance services	3.6	3.8
Other assurance services	–	0.1
Total non-audit services¹	–	0.1
Total fees paid to auditors	3.6	3.9

¹ See details of non-audit services policy in the Audit and Risk Committee Report which is available in the 2025 Annual Report and Accounts

Other than noted above, there were no fees payable in 2025 or 2024 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 the Board's and 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.	2025 £m	2024 £m
Operating exceptional items:			
Corporate transaction-related expenses	A	(38)	(8)
Restructuring and transformation costs	B	(69)	(50)
Property costs	C	–	1
Employee-related tax provision	D	(3)	1
Transponder onerous contract	E	–	(4)
Pension related costs	F	(3)	–
Legal settlements	G	8	–
Legal and other costs	H	(2)	(5)
Total operating exceptional items		(107)	(65)
Tax on operating exceptional items		17	13
Total operating exceptional items net of tax		(90)	(52)

A. Corporate transaction-related expenses

Corporate transaction-related expenses of £38 million (2024: £8 million) are performance-based, employment-linked consideration to former owners and professional fees related to completed corporate transactions and potential corporate transactions.

SECTION 2: RESULTS FOR THE YEAR CONTINUED

B. Restructuring and transformation costs

Restructuring and transformation costs of £69 million (2024: £50 million) relate to one-off significant restructuring, transformation and efficiency programmes of the business. Within this, there were £54 million (2024: £36 million) of restructuring and other costs associated with our strategic cost programme to reshape the cost base and enhance profitability across the Group.

In addition, £15 million (2024: £14 million) of costs were incurred relating to our transformation programme, which is associated with delivering our digital strategy, including our new programme rights, finance and HR systems and simplifying our holding company structures and processes.

C. Property costs

In 2024, the Group received a rebate in relation to one of the properties it exited in 2022 as part of the move to Broadcast Centre, with the credit being recognised in exceptional items, consistent with the original charge that was previously classified as exceptional.

D. Employee-related tax provisions

During the year £3 million was charged for an exceptional provision for employee-related taxes (2024: £1 million was released for an exceptional provision for employee-related taxes that was no longer required). See note 3.7 for further details of the provisions held.

E. Transponder onerous contract

In 2024, the Group cleared a third transponder and recognised an onerous contract provision of £4 million for capacity that was no longer generating revenue. The provision was fully utilised in 2024.

F. Pension related costs

In October 2025, all members of the Box Clever Group Pension Scheme transferred into the ITV Pension Scheme. The IAS 19 valuation of the Scheme liabilities at the transfer date was £47 million. An estimated £2 million has been provided for back payments to members reflecting the difference between PPF level benefits and the full ITV Scheme benefits. The liabilities have been recognised in the Consolidated Statement of Financial Position through Exceptional Pension related items.

A further £6 million was paid to the Pension Protection Fund, covering loans incurred since the date of the agreement leading up to the transfer.

Consequently, the provision held of £52 million for this matter, has been released to Exceptional Pension related items, consistent with the initial recognition of the provision.

See note 3.8 for further details.

G. Legal settlements

The Group reached a settlement with its insurers during the period regarding a historical legal matter. This settlement amount has been recognised as a credit in exceptional items, consistent with the original charge that was previously classified as exceptional.

H. Legal and other costs

Legal and other costs of £2 million (2024: £5 million) relates primarily to legal costs for matters considered to be outside the normal course of business.

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 with 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.

Notes to the Financial Statements continued

SECTION 2: RESULTS FOR THE YEAR CONTINUED

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:

	2025 £m	2024 £m
Current tax:		
Current tax charge on profit before exceptional items	(106)	(94)
Current tax credit on exceptional operating items	17	13
Current tax charge on the profit on disposal of associates, joint ventures and subsidiary undertakings	–	(22)
	(89)	(103)
Adjustments related to prior periods	(7)	20
	(96)	(83)
Deferred tax:		
Origination and reversal of temporary differences	(13)	(7)
Deferred tax charge on the profit on disposal of associates, joint ventures and subsidiary undertakings	–	(27)
Impact of changes to statutory tax rates	(6)	–
	(19)	(34)
Adjustments related to prior periods	2	2
	(17)	(32)
Total taxation charge in the Consolidated Income Statement	(113)	(115)

Current tax charge

The total current tax charge of £96 million (2024: £83 million charge) includes a £7 million charge (2024: £20 million credit) relating to prior years, and the deferred tax charge of £17 million (2024: £32 million charge) includes a £2 million credit (2024: £2 million credit) 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.

Deferred tax charge

In 2025, the current year movement recognised in the Consolidated Income Statement on origination and reversal of temporary differences (excluding exceptional items) is a charge of £13 million, compared with a charge of £7 million in 2024.

Total tax reconciliation

In order to understand how, in the Consolidated Income Statement, a tax charge of £113 million (2024: £115 million) arises on a profit before tax of £338 million (2024: £521 million), the taxation charge that would arise at the standard rate of UK corporation tax is reconciled to the actual tax charge as follows:

	2025 £m	2024 £m
Profit before tax	338	521
Notional taxation charge at UK corporation tax rate of 25% (2024: 25%) on profit before tax	(85)	(130)
Non-taxable income/non-deductible expenses	(10)	(17)
Prior year adjustments	(5)	22
Other taxes	(10)	(11)
Current year losses not recognised	(7)	(10)
Impact of overseas tax rates	1	6
Impact of changes in tax rates	(6)	–
Pillar 2 top-up tax	(2)	(2)
Production tax credits	11	27
Statutory taxation charge in the Consolidated Income Statement	(113)	(115)

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.

Other taxes of £10 million (2024: £11 million) includes state taxes of £5 million in the US, £4 million of irrecoverable withholding tax in the UK, and £1 million of IRAP taxes in Italy.

The tax impact of current year losses not recognised is £7 million (2024: £10 million) and relates to £2 million (2024: £1 million) in France, £4 million (2024: £9 million) in Italy, and £1 million in Australia (2024: nil). 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 2025, the total impact is a £1 million credit (2024: £6 million credit) due to profits arising in lower tax jurisdictions.

The impact of changes in tax rates is a £6 million charge (2024: nil) and relates to an increase in the US state tax apportionment basis.

Notes to the Financial Statements continued

SECTION 2: RESULTS FOR THE YEAR CONTINUED

The Finance (No2) Act 2023 (Pillar Two) 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 taxes should not apply. In 2025 territories that failed to meet the exemptions are estimated to incur Pillar 2 taxes of £2 million (2024: £2 million).

The amendments to IAS 12 'Income Taxes' provide a mandatory 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.

Production tax incentives were £11 million in 2025 (2024: £27 million), includes residual UK HETV tax credits of £1 million (2024: £16 million) and the impact of overseas production incentives of £10 million (2024: £11 million).

Taxation – Other comprehensive income (OCI) and equity

As analysed in the table below a deferred tax charge of £20 million (2024: £6 million credit) has been recognised on actuarial movements on pensions. Other temporary differences recognised in other comprehensive income include: £1 million deferred tax credit (2024: £1 million credit) on gilts, £1 million deferred tax credit on derivatives (2024: £2 million charge) and £1 million deferred tax credit was recognised on the cost of hedging (2024: £nil). A £1 million deferred tax charge (2024: £nil) has been recognised in equity in respect of share-based payments.

There has been £15 million current tax (2024: £nil) recognised in other comprehensive income in the current year on pensions. There has been a £1 million current tax charge recognised in equity in the current year in relation to share-based compensation (2024: £2 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 2025 £m	Recognised in the income statement £m	Recognised in OCI and equity £m	Business acquisitions and other £m	Foreign exchange £m	At 31 December 2025 £m
Tangible assets	(5)	(3)	–	–	–	(8)
Intangible assets	(62)	(15)	–	(2)	4	(75)
Pension scheme	(54)	14	(20)	–	–	(60)
Tax losses	9	(2)	–	–	–	7
Share-based compensation	6	2	(1)	–	–	7
Tax credits	–	–	–	4	–	4
Other temporary differences	21	(13)	3	–	(1)	10
	(85)	(17)	(18)	2	3	(115)

	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)

Notes to the Financial Statements continued

SECTION 2: RESULTS FOR THE YEAR CONTINUED

At 31 December 2025, the net deferred tax liability position is £115 million (2024: £85 million liability), consisting of total deferred tax assets of £85 million (2024: £85 million) and total deferred tax liabilities of £200 million (2024: £170 million). The Consolidated Statement of Financial Position presents deferred tax after netting off balances within countries – a deferred tax asset of £6 million and a deferred tax liability of £121 million (2024: deferred tax asset of £7 million and a deferred tax liability of £92 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 in respect of the transfer of the unapproved scheme and the unwind of SDN as the contingent asset and the actuarial gain recognised in the year.

A deferred tax asset of £7 million (2024: £9 million) has been recognised for tax losses where a full recovery is expected based on forecasted taxable profits. A deferred tax asset of £370 million (2024: £371 million) in respect of capital losses of £1,480 million (2024: £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 £5 million (2024: £6 million) in respect of UK losses of £20 million (2024: £22 million) and £38 million (2024: £33 million) in respect of overseas losses of £154 million (2024: £133 million) including £1 million in respect of losses that expire between 2026 and 2028. In addition to this the Group has not recognised £3 million (2024: £4 million) in respect of other overseas short-term timing differences of £11 million (2024: £18 million).

Subsidiaries of ITV plc have undistributed earnings of £57 million (2024: £50 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 £220 million (2024: £408 million) divided by 3,736 million (2024: 3,935 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

	2025	2024
Statutory profit for the year attributable to equity shareholders of ITV plc (£m)	220	408
Weighted average number of ordinary shares in issue – million	3,736	3,935
Basic earnings per ordinary share	5.9p	10.4p

Diluted earnings per share

	2025	2024
Statutory profit for the year attributable to equity shareholders of ITV plc (£m)	220	408
Weighted average number of ordinary shares in issue – million	3,736	3,935
Dilution due to share options – million	41	42
Total weighted average number of ordinary shares in issue – million	3,777	3,977
Diluted earnings per ordinary share	5.8p	10.3p

SECTION 2: RESULTS FOR THE YEAR CONTINUED**Adjusted earnings per share**

	Ref.	2025 £m	2024 £m
Statutory profit for the year attributable to equity shareholders of ITV plc		220	408
Exceptional items (net of tax)	A	90	52
Profit for the year before exceptional items		310	460
Amortisation and impairment of acquired intangible assets	B	23	99
Adjustments to net financing income	C	(14)	(20)
Profit on disposal of associates, joint ventures and subsidiary undertakings	D	–	(163)
Adjusted profit for the year attributable to ITV shareholders		319	376
Weighted average number of ordinary shares in issue – million		3,736	3,935
Adjusted earnings per ordinary share		8.5p	9.6p

Diluted adjusted earnings per share

	2025	2024
Adjusted profit (£m)	319	376
Weighted average number of ordinary shares in issue – million	3,736	3,935
Dilution due to share options – million	41	42
Total weighted average number of ordinary shares in issue – million	3,777	3,977
Diluted adjusted earnings per ordinary share	8.4p	9.5p

Details of the adjustments to earnings are as follows:

A. Exceptional items (net of tax) £90 million (2024: £52 million)

Exceptional items of £107 million (2024: £65 million), net of related tax credit of £17 million (2024: £13 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 £107 million exceptional charge comprises exceptional costs of £124 million and an exceptional credit of £17 million. £40 million of the net exceptional costs were disallowed for tax purposes, consequently 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 £23 million (2024: £99 million)

Amortisation and impairment of assets acquired through business combinations and investments of £63 million (2024: £143 million), excluding amortisation of software licences and development of £43 million (2024: £36 million), net of related tax charge of £3 million (2024: £8 million net tax credit).

C. Adjustments to net financing income (net of tax) £14 million (2024: net financing income (net of tax) £20 million)

Net financing costs of £25 million (2024: £nil), is adjusted to reflect the underlying cash cost of interest for the business. These adjustments of £18 million (2024: £25 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 £4 million (2024: £5 million).

D. Profit on disposal of associates, joint ventures and subsidiary undertakings £nil (2024: £163 million)

In 2024, the profit on disposal of associates, joint ventures and subsidiary undertaking of £212 million was net of a related tax charge of £49 million.

Notes to the Financial Statements continued

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)	Costs charged to the Income Statement on a straight-line basis over the licence period	

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.

Notes to the Financial Statements continued

SECTION 3: OPERATING ASSETS AND LIABILITIES CONTINUED

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

	2025 £m	2024 £m
Acquired programme rights	233	273
Commissions	120	72
Sports rights	44	26
	397	371

£5 million relates to programme rights and other inventory that will be transmitted in 2027 and beyond (2024: £nil transmitted in 2026 and beyond).

Included within programme rights and other inventory is £44 million (2024: £26 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

The Group has transponder capacity commitments 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. Commitments in respect of these transactions, which are not reflected in the Consolidated Statement of Financial Position, are due for payment as follows:

	Transmission £m	Programme £m	Total £m
2025			
Within one year	10	428	438
Later than one year and not more than five years	9	708	717
	19	1,136	1,155
2024			
Within one year	10	628	638
Later than one year and not more than five years	19	321	340
	29	949	978

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:

	2025 £m	2024 £m
At 1 January	35	14
Additions	31	35
Charged to the Income Statement	(25)	(14)
At 31 December	41	35

The increase in the year primarily relates to a higher value of premium scripted content from external producers to further grow the business.

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.

Notes to the Financial Statements continued

SECTION 3: OPERATING ASSETS AND LIABILITIES CONTINUED

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

	2025 £m	2024 £m
Due within one year:		
Trade receivables	411	397
Other receivables	267	207
Prepayments	66	78
	744	682
Due after more than one year:		
Trade receivables	89	51
Other receivables	11	30
	100	81
Total trade and other receivables	844	763

Expenditure credits in relation to AVEC are recognised in 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.

£500 million (2024: £448 million) of total trade receivables, stated net of provisions for impairment, are aged as follows:

	2025 £m	2024 £m
Current	454	397
Up to 30 days overdue	30	29
Between 30 and 90 days overdue	9	16
Over 90 days overdue	7	6
	500	448

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:

	2025 £m	2024 ¹ £m
Trade payables	168	166
VAT and social security	22	36
Other payables	181	180
Acquisition-related liabilities – employment-linked contingent consideration	5	1
Acquisition-related liabilities – other ²	3	2
Accruals	545	495
	924	880

1 In the 31 December 2024 comparative, £19 million previously classified as Trade and other payables within one year, has been re-presented as Contract liabilities to better reflect the underlying nature of certain contracts and align with the current year disclosures

2 Acquisition-related liabilities – other includes amounts payable to sellers under put options agreed on acquisition and contingent consideration not linked to employment

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:

	2025 £m	2024 £m
Trade payables	55	33
Other payables	42	32
Acquisition-related liabilities – employment-linked contingent consideration	19	12
Acquisition-related liabilities – other ²	15	19
	76	63
Total trade and other payables due after more than one year	131	96

2 Acquisition-related liabilities – other includes amounts payable to sellers under put options agreed on acquisition and contingent consideration not linked to employment

Trade payables due after more than one year relates primarily to royalty creditors in both 2025 and 2024. 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.

Notes to the Financial Statements continued

SECTION 3: OPERATING ASSETS AND LIABILITIES CONTINUED

Acquisition-related liabilities at 31 December 2025 were £42 million (2024: £34 million) which represents the amount accrued to date at their time discounted value. The total undiscounted estimated future payments of £115 million (2024: £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 £92 million and £227 million. The liabilities due after more than one year are expected to be settled between 2027 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:

	2025		2024 ¹	
	Contract assets £m	Contract liabilities £m	Contract assets £m	Contract liabilities £m
Balance at 1 January	176	(253)	202	(187)
Decrease due to balance transferred to trade receivables	(152)	–	(166)	–
Increases as a result of the changes in the measure of progress	204	–	136	–
Decreases due to revenue recognised in the year	–	248	–	150
Increase due to cash received	–	(249)	–	(189)
Acquisitions	6	(21)	4	(27)
Balance at 31 December²	234	(275)	176	(253)

1 In the 31 December 2024 comparative, £19 million previously classified as Trade and other payables within one year, has been re-presented as Contract liabilities to better reflect the underlying nature of certain contracts and align with the current year disclosures

2 Contract assets is stated net of provisions for impairment of £1 million (2024: £1 million) which have been included in the reconciliation in note 3.1.3

Non-current contract assets of £39 million (2024: £4 million) is included in the above reconciliation.

3.1.7 Production inventories

Production inventories include 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:

	2025 £m	2024 £m
Production inventories	384	342

During the year, £340 million was charged to the Consolidated Income Statement for completed productions delivered (2024: £230 million).

Expenditure credits in relation to AVEC are recognised in 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 continues to be a critical area of focus. During the year, the cash outflow from working capital was £196 million (2024: outflow of £144 million) derived as follows:

	2025 £m	2024 £m
(Increase)/decrease in programme rights and distribution rights	(32)	18
Increase in receivables, contract assets and production inventories	(190)	(177)
Increase in payables and contract liabilities	26	15
Working capital outflow	(196)	(144)

SECTION 3: OPERATING ASSETS AND LIABILITIES CONTINUED

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.

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.

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 ¹	3 to 20 years
Right of use assets	over the term of the lease

¹ 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.

Notes to the Financial Statements continued

SECTION 3: OPERATING ASSETS AND LIABILITIES CONTINUED

Property, plant and equipment can be analysed as follows:

	Freehold land and buildings £m	Improvements to leasehold land and buildings		Vehicles, equipment and fittings	Right of use assets £m	Total £m
		Long £m	Short £m	Owned £m		
Cost						
At 1 January 2024	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
Additions	–	–	–	26	28	54
Foreign exchange	–	(2)	1	(2)	(1)	(4)
Disposals and retirements	–	–	–	(44)	(14)	(58)
At 31 December 2025	11	79	19	246	174	529
Depreciation						
At 1 January 2024	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
Charge for the year	1	2	1	23	21	48
Foreign exchange	–	–	–	–	–	–
Disposals and retirements	–	–	–	(44)	(14)	(58)
At 31 December 2025	6	29	17	157	81	290
Net book value						
At 31 December 2025	5	50	2	89	93	239
At 31 December 2024	6	54	2	88	87	237

Included within property, plant and equipment are assets in the course of construction of £13 million (2024: £11 million).

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 £93 million (2024: £87 million) relates primarily to properties.

CAPITAL COMMITMENTS

The Group has capital commitments of £6 million at 31 December 2025 (2024: £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.

Notes to the Financial Statements continued

SECTION 3: OPERATING ASSETS AND LIABILITIES CONTINUED

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.
Customer contracts	Straight-line or reducing balance as appropriate	up to 6 years	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 relationships	Straight-line	5 to 10 years	Expected future cash flows from those contracts existing at the date of acquisition are estimated.
Contractual arrangements	Straight-line	up to 13 years depending on the contract terms	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

Notes to the Financial Statements continued

SECTION 3: OPERATING ASSETS AND LIABILITIES CONTINUED

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 of disposal 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.

Notes to the Financial Statements continued

SECTION 3: OPERATING ASSETS AND LIABILITIES CONTINUED

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 2024	4,019	540	457	11	176	105	216	5,524
Reclassifications	–	–	1	–	–	(1)	–	–
Additions	22	1	3	–	–	21	35	82
Disposals	–	–	(5)	–	–	–	(18)	(23)
Foreign exchange	–	(15)	(1)	–	–	–	(1)	(17)
At 31 December 2024	4,041	526	455	11	176	125	232	5,566
Additions	29	–	7	–	–	–	28	64
Disposals	–	–	–	–	–	–	(12)	(12)
Foreign exchange	(15)	14	(3)	–	–	(1)	–	(5)
At 31 December 2025	4,055	540	459	11	176	124	248	5,613
Amortisation and impairment								
At 1 January 2024	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
Charge for the year	–	3	9	–	2	1	43	58
Disposals	–	–	–	–	–	–	(12)	(12)
Foreign exchange	–	14	(3)	–	–	(2)	–	9
At 31 December 2025	2,730	535	452	11	137	91	167	4,123
Net book value								
At 31 December 2025	1,325	5	7	–	39	33	81	1,490
At 31 December 2024	1,311	8	9	–	41	33	96	1,498

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.

Notes to the Financial Statements continued

SECTION 3: OPERATING ASSETS AND LIABILITIES CONTINUED

Goodwill impairment tests

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

	2025 £m	2024 £m
ITV Studios	939	925
Media & Entertainment	386	386
SDN	–	–
	1,325	1,311

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 or fair value less costs of disposal. These calculations require the use of estimates, specifically: pre-tax cash flow projections; long-term growth rates; and a pre-tax market discount rate for value in use calculations and market multiples for fair value less costs of disposal.

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.

The value in use 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% (2024: 1%). The growth rate used is consistent with the long-term average growth rates for both the industry and the countries in which the businesses are located and is appropriate because these are long-term businesses. The key assumptions on which the forecast cash flows for the whole CGU were based (as represented by the approved financial budget for 2026 and forecast to 2028) 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.

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

A pre-tax discount rate of 13.2% (2024: 11.5%) 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 recoverable amount of this CGU is calculated on a fair value less costs of disposal basis using a market multiple of 6x EBITDA. No reasonably possible change in this assumption 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. Impairment losses in respect of goodwill cannot subsequently be reversed.

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.

Notes to the Financial Statements continued

SECTION 3: OPERATING ASSETS AND LIABILITIES CONTINUED

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 2025

The Group made two acquisitions in 2025 for cash consideration totalling £22 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:

Moonage Pictures Limited

On 1 April 2025, the Group announced it had acquired a majority shareholding of Moonage Pictures Limited and its subsidiaries in the UK. The company produces original, inventive content for the UK and international markets and is behind global hits including *The Gentlemen* and *A Good Girl's Guide to Murder*. The new business is now reported within the ITV Studios operating segment. The business fits with the strategy of strengthening the Group's existing position as a producer and global distributor of world-class content.

Key terms

At acquisition, the Group made a payment of £14 million for the 57.51% shareholding which included adjustments for a share of net cash acquired. A further £6 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 57.51% of the business acquired and a non-controlling interest of £3 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.

Acquisition accounting

Net assets, including cash of £11 million, has been recognised in the Group's results and Consolidated Statement of Financial Position with the surplus of consideration over the current fair value of the share of net assets acquired allocated to goodwill.

Plano a Plano Productora Cine Y Television SL (Plano a Plano)

On 22 July 2025, the Group announced that it had acquired 51% of the scripted independent production company Plano a Plano Productora Cine Y Television SL in Spain. The acquisition will further enhance ITV Studios strength in scripted production and provide further exposure to the Spanish language scripted market.

Key terms

At acquisition, the Group made a total payment of €9 million for 51% of the shareholding of Plano a Plano. Based on the assessment of non-controlling interest, the Group has control over 51% of Plano a Plano and a non-controlling interest of €1 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.

Acquisition accounting

Net assets, including cash of €5 million, has been recognised in the Group's result and Consolidated Statement of Financial Position, with the surplus consideration over the current fair value of the share of net assets acquired allocated to goodwill.

The contribution of both acquisitions to the Group's performance from the date of acquisition to the end of 2025 was Revenue of £66 million and EBITA before exceptionals £9 million. The proforma contribution to the Group's performance from January to December 2025 was Revenue £83 million and EBITA before exceptionals £11 million.

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

Acquisitions in 2024

The Group made two acquisitions in 2024 for cash consideration totalling £49 million. There were no material changes to the fair values recognised at 31 December 2024.

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 prior year

In the prior year, the Group sold its 50% interest in digital subscription streaming service BritBox International to the joint venture partner BBC Studios. The Group also sold back its minority shareholding in Blumhouse TV to Blumhouse Holdings.

The Group recognised a net profit on disposal of these 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.

Notes to the Financial Statements continued

SECTION 3: OPERATING ASSETS AND LIABILITIES CONTINUED

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:

	Associates £m	Equity investments £m	Total £m
At 1 January 2024	47	21	68
Additions	4	12	16
Share of profits losses	(3)	–	(3)
Impairments/fair value adjustments	(18)	(2)	(20)
Disposals	(30)	–	(30)
At 31 December 2024	–	31	31
Additions	5	5	10
Impairments/fair value adjustments	(5)	(3)	(8)
Disposals	–	(1)	(1)
At 31 December 2025	–	32	32

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 with adjustments to fair value loss recognised in Other Comprehensive Income.

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 2025	6	10	130	146
Additions	–	3	29	32
Utilised	(6)	–	(12)	(18)
Released	–	(1)	(57)	(58)
Foreign exchange	–	–	1	1
At 31 December 2025	–	12	91	103
Analysed between:				
Current	–	2	89	91
Non-current	–	10	2	12

Provisions of £91 million are classified as current liabilities (2024: £134 million). Unwind of the discount is £nil in 2025 and 2024.

SECTION 3: OPERATING ASSETS AND LIABILITIES CONTINUED

Contract provisions £nil (2024: £6 million)

Represents liabilities in respect of onerous contracts. In 2024, the provision included specific sports rights where the estimated revenue was less than the value of the rights held and for transponder capacity no longer utilised. The provision held at 31 December 2024 was fully utilised in the current year.

Property provisions £12 million (2024: £10 million)

These provisions primarily relate to expected dilapidation costs at the Group's rental properties.

Legal and other provisions £91 million (2024: £130 million)

Represents provisions for potential liabilities (arising from legal disputes and claims) and their related legal costs. These include employee-related tax and other provisions of £66 million (2024: £64 million) and other legal and related costs.

Box Clever Pension Scheme

In October 2025, all members of the Box Clever Group Pension Scheme transferred into the ITV Pension Scheme. The IAS 19 valuation of the Scheme liabilities at the transfer date was £47 million. An estimated £2 million has been provided for back payments to members reflecting the difference between PPF level benefits and the full ITV Scheme benefits. The liabilities have been recognised in the Consolidated Statement of Financial Position through Exceptional Pension related items. See note 3.8 for further details.

Consequently, the provision held of £52 million for this matter, has been released to Exceptional Pension related items, consistent with the initial recognition of the provision. See note 2.2 for further details.

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 2025, we continued to review the provision, which resulted in an increase in the provision of £5 million (2024: increase of £5 million). This primarily related to interest on the existing provision which would be payable to HMRC.

£3 million of the increase to the provision was charged through exceptional items as this relates to periods up to 31 December 2024 and therefore does not relate to the current year (2024: £1 million release of the provision through exceptional items).

Due to ongoing reviews by HMRC and court cases in this matter, the final amount payable could be significantly different to the £66 million currently provided (2024: £61 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.

Other

Other provisions relate to redundancy provisions for roles at risk as the Group continues to reshape the cost base, enhance profitability, and support the growth drivers of the business, 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 these 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 2024.

Notes to the Financial Statements continued

SECTION 3: OPERATING ASSETS AND LIABILITIES CONTINUED

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 2025, total contributions expensed were £24 million (2024: £23 million).

Defined benefit scheme

The Group's 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.

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.

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 2024. 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 2025, contributions under this partnership were £3 million (2024: £3 million). The IAS 19 surplus or deficit does not drive the deficit funding contribution.

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.

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 £33 million (2024: £45 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.

In April 2025, £11 million of liabilities for pensioners who receive a pension from the Unfunded Scheme were transferred to the ITV Pension Scheme. The remaining members will also transfer to the ITV Pension Scheme when they have been in receipt of their pension for more than 12 months. The Group contributed £12 million to the ITV Pension Scheme, which was funded through the sale and maturity of gilts (other pension assets) in the year.

In July 2025, the Ulster Television Pension and Life Assurance Scheme (the 'UTV Pension Scheme') was merged into the ITV Pension Scheme, involving the transfer of the Scheme assets and liabilities on an unsegregated basis. In February 2026, after the reporting date, the UTV Pension Scheme was wound up in accordance with the relevant rules and regulations. There are no remaining members, assets or liabilities.

In October 2025, all members of the Box Clever Group Pension Scheme transferred into the ITV Pension Scheme. The IAS 19 valuation of the Scheme liabilities at the transfer date was £47 million. As part of the transfer arrangements, the Group paid £25 million into the Scheme and £6 million to the Pension Protection Fund (PPF). An estimated £2 million has been provided for back payments to members reflecting the difference between PPF level benefits and the full ITV Scheme benefits.

The principal employer of the ITV Pension Scheme and the Granada supplementary scheme is Granada Group Limited.

The defined benefit pension surplus (under IAS 19)

Net pension surplus of £207 million at 31 December 2025 (2024: £182 million) is stated after including the unfunded scheme security asset of £33 million (2024: £45 million). The totals recognised in 2025 and 2024 are:

	2025 £m	2024 £m
Total defined benefit scheme obligations	(1,990)	(1,998)
Total defined benefit scheme assets	2,164	2,135
Defined benefit pension surplus (IAS 19)	174	137
Presented as:		
Defined benefit pension surplus	198	162
Defined benefit pension deficit	(24)	(25)
Defined benefit pension surplus (IAS 19)	174	137
Other pension asset	33	45
Net pension surplus	207	182

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.

SECTION 3: OPERATING ASSETS AND LIABILITIES CONTINUED**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:

	2025 £m	2024 £m
Defined benefit obligation at 1 January	1,998	2,194
Past service cost	49	–
Interest cost	105	100
Actuarial gain	(8)	(149)
Benefits paid	(154)	(147)
Defined benefit obligation at 31 December	1,990	1,998

Of the above total defined benefit obligation at 31 December 2025, £24 million relates to the unfunded schemes (2024: £37 million).

In October 2025, all members of the Box Clever Group Pension Scheme transferred into the ITV Pension Scheme. The IAS 19 valuation of the Scheme liabilities at the transfer date was £47 million. An estimated £2 million has been provided for back payments to members reflecting the difference between PPF level benefits and the full ITV Scheme benefits. The liabilities have been recognised as a past service cost through Exceptional Pension related items.

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 10 years (2024: 11 years).

The principal assumptions used in the Schemes' valuations at the year end were:

	2025	2024
Discount rate	5.45%	5.45%
Inflation assumption (RPI)	2.90%	3.15%
	Deferred/ Pensioner	Deferred/ Pensioner
Rate of increase in pension payment (LPI ¹ 5% pension increases)	2.75%/2.80%	2.75%/3.05%
Rate of increase to deferred pensions (CPI)	2.25%	2.70%

¹ Limited Price Index

Notes to the Financial Statements continued

SECTION 3: OPERATING ASSETS AND LIABILITIES CONTINUED

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 2025 have been determined by weighting the cash flows to which the relevant inflation link applies

The table below reflects published standard mortality tables in conjunction with the results of investigations into the mortality experience of Scheme beneficiaries. The assumed life expectations on retirement for the ITV Pension Scheme are:

	2025	2025	2024	2024
Retiring today at age	60	65	60	65
Males	26.1	21.6	25.6	21.1
Females	27.6	22.9	27.4	22.6
Retiring in 20 years at age	60	65	60	65
Males	27.7	22.9	27.1	22.3
Females	29.2	24.4	28.9	24.1

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 2025, 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

SECTION 3: OPERATING ASSETS AND LIABILITIES CONTINUED**The movement in the fair value of the defined benefit schemes' assets is analysed below:**

	2025 £m	2024 £m
Fair value of Scheme assets at 1 January	2,135	2,355
Interest income on Scheme assets	113	108
Gain/(loss) on assets, excluding interest income	8	(180)
Employer contributions	69	6
Benefits paid	(154)	(147)
Administrative expenses paid	(7)	(7)
Fair value of Scheme assets at 31 December	2,164	2,135

How are the Schemes' assets invested?

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 2025 £m	Quoted 2025 £m	Market value 2025 %	Market value 2024 £m	Quoted 2024 £m	Market value 2024 %
Liability hedging assets						
Fixed interest gilts	374	374		464	463	
Index-linked interest gilts	573	573		499	494	
Interest rate and inflation hedging derivatives (swaps, repos and reverse repos)	(111)	(111)		(290)	(312)	
	836	836	39%	673	645	32%
Other bonds	1,229	61	57%	1,284	60	60%
Return-seeking investments						
Infrastructure	170			174		
Property	139			146		
	309		14%	320		15%
Other investments						
Cash and cash equivalents	34			136		
Insurance policies ¹	41			41		
Longevity swap fair value	(204)			(319)		
Cash flow swap fair value	(81)			–		
	(210)		(10%)	(142)		(7%)
Total Scheme assets	2,164	897		2,135	705	100%

1 Insurance policies include a surrender value of £31 million (2024: £30 million) invested in Cash Accumulated with Profits Fund

Included in the above are overseas assets of £80 million (2024: £118 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.

In March 2025, the Group bifurcated the existing longevity swap, creating two IAS 19 plan assets; a cash flow swap and a pure longevity swap. The fair value of the two plan assets has been assessed separately with the difference between the old longevity swap and the two plan assets taken through other comprehensive income.

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 2025 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 £20million
	Decrease by 0.1%	Increase by £20million
	Increase by 0.5%	Decrease by £95 million
	Decrease by 0.5%	Increase by £105 million
Rate of inflation (Retail Price Index)	Increase by 0.1%	Increase by £10 million
	Decrease by 0.1%	Decrease by £10 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 £55 million

Notes to the Financial Statements continued

SECTION 3: OPERATING ASSETS AND LIABILITIES CONTINUED

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 £55 million, the assets would benefit from an estimated increase of the value of the longevity swap by £50 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:

	2025 £m	2024 £m
Amount charged to operating costs:		
Scheme administration expenses	(7)	(7)
	(7)	(7)
Amount charged to exceptional costs:		
Past service costs	(49)	–
Amounts credited to net financing cost		
Net interest on Scheme assets and defined benefit obligation	8	8
Total credit in the Consolidated Income Statement	(48)	1

Amounts recognised through the Consolidated Statement of Comprehensive Income

The amounts recognised through the Consolidated Statement of Comprehensive Income are:

	2025 £m	2024 £m
Remeasurement gains/(losses)		
Gain/(loss) on scheme assets excluding interest income	8	(180)
Actuarial (losses)/gains on liabilities arising from change in:		
– experience adjustments	(7)	(7)
– financial assumptions	32	142

– demographic assumptions	(17)	14
	8	149
Total recognised in the Consolidated Statement of Comprehensive Income	16	(31)

The actuarial gain of £8 million (2024: £149 million) on the Schemes' liabilities was principally due to the reduction in market implied inflation which reduced the value of the liabilities. This actuarial gain was partially offset by the change to the mortality assumptions, which increased the value of the liabilities.

The £8 million gain (2024: £180 million loss) on the Schemes' assets was principally due to the change in the fair value of the combined longevity swap and cash flow swap, increasing the value of the assets. This has been partially offset by the decrease in market implied inflation, reducing the value of the inflation-linked assets.

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 2025 for administration expenses are £7 million (2024: £7 million).

The Group had two asset-backed pension funding agreements with the Trustee in the year – 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, to address the deficit on the defined benefit pension scheme, ITV established a Pension Funding Partnership (PFP) with the Trustees backed by SDN. The PFP was subsequently extended in 2011 and amended in 2022.

On 17 December 2025, the Group and the Trustees agreed to exit and unwind the PFP and the partnership was dissolved on 19 December 2025. The Group made a one-off payment of £25 million to the Scheme and has provided a £75 million surety bond as collateral for any payments that may be due to the Scheme, albeit no further payments are anticipated. SDN is no longer provided as collateral for future payments to the Scheme.

Notes to the Financial Statements continued

SECTION 3: OPERATING ASSETS AND LIABILITIES CONTINUED

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.

Defined benefit funding contributions

The accounting surplus or deficit does not drive the funding contribution. The Group's funding contributions in 2025 were £3 million (31 December 2024: £3 million), relating to the annual payment under London Television Centre Pension Funding Partnership.

The Group also made the following one-off additional contributions to the ITV Pension Scheme:

- £12 million, funded through the sale and maturing of gilts (other pension assets), following the transfer of liabilities for pensioners who receive a pension from the Unfunded Scheme
- £25 million into the Scheme and £6 million to the Pension Protection Fund (PPF) under the agreements in relation to the transfer of the Box Clever Group Pension Scheme
- £25 million in relation to the unwind of the SDN Pension funding partnership

Deficit contributions are agreed with the Trustees following the triennial valuations. The ITV Pension Scheme is in surplus following the latest triennial valuations; therefore no deficit contributions are payable.

The payments due under the London Television Centre PPF (£3 million) will be assessed annually.

Other matters

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, that a written actuarial confirmation was required in many circumstances where an alteration to the scheme's rules affected pension benefits attributable to past or future service benefits. Without evidence of a written confirmation, an amendment could be void. The decision does not give any guidance on what evidence would be sufficient.

The Pension Schemes Bill 2025 includes draft legislation that enables affected pension schemes to treat historical benefit changes as valid if they obtain with retrospective effect written actuarial confirmation that historical benefit changes met the necessary standards and for amendments to schemes who have been wound-up before the legislation comes into force to be treated as always being valid. The Group has not yet completed its review of the historical rule amendments; however, when the new legislation is enacted, any potential impact could be mitigated by requesting retrospective confirmation.

Notes to the Financial Statements continued

SECTION 4: CAPITAL STRUCTURE AND FINANCIAL 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 and related derivatives, and 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 2025 £m	Acquisitions ¹ £m	Net cash flow £m	Reclassifications	Currency and non-cash movements £m	31 December 2025 £m
Loans and facilities due within one year	(10)	(17)	17	(313)	(2)	(325)
Loans and facilities due after one year	(723)	–	–	313	(30)	(440)
Total loans and facilities	(733)	(17)	17	–	(32)	(765)
Currency component of forwards and swaps held against euro-denominated bonds	(20)	–	–	–	28	8
Lease liabilities	(105)	(2)	26	–	(30)	(111)
Total debt	(858)	(19)	43	–	(34)	(868)

Cash	296	–	(69)	–	(6)	221
Cash equivalents	131	–	(51)	–	1	81
Total cash and cash equivalents	427	–	(120)	–	(5)	302

Net debt	(431)	(19)	(77)	–	(39)	(566)
-----------------	--------------	-------------	-------------	----------	-------------	--------------

¹ Loans on acquisitions includes £3 million from the acquisition of Moonage and £14 million (€16 million) from the acquisition of Plano a Plano

	1 January 2024 £m	Acquisitions ¹ £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 ²	(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)
-----------------	--------------	------------	------------	------------	--------------

¹ Loans on acquisitions includes £6 million from the acquisition of Eagle Eye

² Net cash flow from currency component of forwards and swaps relates to the euro-denominated bond repaid in 2024

In June 2025, the Group entered into a new £300 million term loan facility. This committed facility has been put in place ahead of the September 2026 bond maturing. The term loan facility is available for drawing from 26 June 2026 and matures three years from the date it is drawn.

SECTION 4: CAPITAL STRUCTURE AND FINANCIAL COSTS CONTINUED

Available facilities

In addition to the new £300 million term loan facility, the Group also has good access to liquidity from the following:

- The Group has £500 million of committed funding through an RCF with a group of relationship banks, which matures in January 2029. At 31 December 2025, the facility was undrawn (31 December 2024: 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 2025. 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 2024; those emissions were verified in June 2025. 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 30 December 2025 (31 December 2024: undrawn).
- The Group has a £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 facility has a committed accreting profile, and the full £200 million is available from 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 (31 December 2024: 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 (31 December 2024: 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).

Notes to the Financial Statements continued

SECTION 4: CAPITAL STRUCTURE AND FINANCIAL COSTS CONTINUED

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.

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.

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 cash and 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 2025 through bank credit facilities detailed above. At 31 December 2025, the Group had £1,025 million bank credit facilities available. 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:

	Maturity	Book value		Fair value	
		2025 £m	2024 £m	2025 £m	2024 £m
Loans due within one year					
Other short-term loans	Various	12	10	12	10
€600 million Eurobond	Sept 2026	313	–	312	–
		325	10	324	10
Loans due in more than one year					
€600 million Eurobond	Sept 2026	–	298	–	292
€500 million Eurobond	June 2032	436	417	447	420
Other long-term loans	Various	4	8	4	8
		440	723	451	720
		765	733	775	730

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 and cross-currency interest rate swaps 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.

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.

Notes to the Financial Statements continued

SECTION 4: CAPITAL STRUCTURE AND FINANCIAL COSTS CONTINUED

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 2025 £m	Impact on profit before tax 2024 £m	Impact on Equity 2025 £m	Impact on Equity 2024 £m
US dollar – increase 10%	(15)	(9)	8	8
US dollar – decrease 10%	19	11	(10)	(9)
Euro – increase 10%	(6)	(1)	3	3
Euro – decrease 10%	2	2	(3)	(2)
Australian dollar – increase 10%	(2)	(2)	(2)	1
Australian dollar – decrease 10%	2	3	4	(1)

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 2025, the Group's fixed rate debt represented 71% of total gross debt (2024: 71%), 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 2025	Assets £m	Liabilities £m
Current		
Foreign exchange forward contracts and swaps – cash flow hedges	4	(1)
Foreign exchange forward contracts and swaps – fair value through profit or loss	1	–
Cross-currency interest swaps – cash flow hedges	–	(5)
Non-current		
Cross-currency interest swaps – cash flow hedges	5	–
Cross-currency interest swaps – fair value hedges	8	–
Foreign exchange forward contracts and swaps – cash flow hedges	1	–
	19	(6)

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)

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:

- 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.

Notes to the Financial Statements continued

SECTION 4: CAPITAL STRUCTURE AND FINANCIAL COSTS CONTINUED

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 gain of £31 million (2024: £20 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 (2024: less than a million) 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 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 the cross-currency 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.

	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
At 31 December 2025						
Non-derivative financial liabilities						
Borrowings	(765)	(899)	(348)	(20)	(58)	(473)
Lease liabilities	(111)	(130)	(21)	(17)	(51)	(41)
Trade and other payables	(972)	(972)	(917)	(28)	(27)	–
Other payables – non-current	(42)	(42)	–	(38)	(4)	–
Other payables – commitments on acquisitions	(42)	(115) ¹	(8)	(17)	(54)	(36)
Derivative financial instruments						
Foreign exchange forward contracts and swaps – cash flow hedges						
Inflow	5	240	157	57	26	–
Outflow	(1)	(234)	(153)	(56)	(25)	–
Cross-currency swaps – cash flow hedges						
Inflow	5	600	327	9	28	236
Outflow	(5)	(619)	(341)	(12)	(37)	(229)
Cross-currency swaps – fair value hedges						
Inflow	8	282	9	9	28	236
Outflow	–	(292)	(13)	(12)	(37)	(230)
Foreign exchange forward contracts and swaps – fair value through profit or loss						
Inflow	1	144	127	15	2	–
Outflow	–	(143)	(126)	(15)	(2)	–

Notes to the Financial Statements continued

SECTION 4: CAPITAL STRUCTURE AND FINANCIAL COSTS CONTINUED

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) ¹	(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)

¹ 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 2025	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	(17)	(13)	(15)	–	(45)
Notional amount (£m)	2.1098	2.0727	2.0526	–	
Average forward rate (AUD/GBP)					

Foreign exchange forward contracts and swaps	31	8	–	–	39
Notional amount (£m)	1.1482	1.1115	–	–	
Average forward rate (EUR/GBP)					
Foreign exchange forward contracts and swaps	19	22	1	–	42
Notional amount (£m)	1.1855	1.3277	1.3350	–	
Average forward rate (USD/GBP)					
Foreign exchange forward contracts and swaps					
Notional amount (£m)	16	7	–	–	23
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 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	

SECTION 4: CAPITAL STRUCTURE AND FINANCIAL COSTS CONTINUED**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

	2025			2024		
	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
At 31 December						
Highly probable/firm commitment forecast transactions	4	5	–	(2)	1	–
Borrowings	(7)	2	(2)	9	12	(4)

The hedging (loss)/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

	2025			2024		
	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
At 31 December						
Borrowings	(7)	9	(1)	(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:

	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
At 31 December 2025						
Highly probable/firm commitment forecast transactions	4	–	Net financing cost	–	(4)	Cost of sales/overheads
Borrowings	(7)	–	Net financing cost	2	(27)	Net financing cost
At 31 December 2024						
Highly probable/firm commitment forecast transactions	(2)	–	–	–	(3)	Cost of sales/overheads
Borrowings	9	(1)	Net financing cost	(2)	23	Net financing cost

Notes to the Financial Statements continued

SECTION 4: CAPITAL STRUCTURE AND FINANCIAL COSTS CONTINUED

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 2024	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
Effective portion of changes in fair value arising from:				
Foreign exchange forward contracts	9	–	–	9
Cross-currency interest rate swaps – borrowings:				
▪ Change in fair value from the effective hedge instrument	17	2	–	19
Amount reclassified to Income Statement				
▪ FX forward reclassified to cost of sales/overheads	(4)	–	–	(4)
▪ CCIRS reclassified to finance costs	(27)	–	–	(27)
Net loss on cash flow hedges and cost of hedging	(5)	2	–	(3)
Exchange differences on translation of foreign operations	–	–	(27)	(27)
Income tax credit on other comprehensive income/(expense)	1	–	–	1
As at 31 December 2025	10	(3)	43	50

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.

	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
At 31 December 2025					
Assets					
Derivative financial instruments	19	–	19	(6)	13
Cash and cash equivalents	302	–	302	–	302
Liabilities					
Derivative financial instruments	(6)	–	(6)	6	–
Loans and facilities	(765)	–	(765)	–	(765)
At 31 December 2024					
Assets					
Derivative financial instruments	5	–	5	(5)	–
Cash and cash equivalents	427	–	427	–	427
Liabilities					
Derivative financial instruments	(23)	–	(23)	5	(18)
Loans and facilities	(733)	–	(733)	–	(733)

SECTION 4: CAPITAL STRUCTURE AND FINANCIAL COSTS CONTINUED

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:

	2025 £m	2024 £m
Financing income		
Interest income	15	22
Foreign exchange gain	9	2
Pension interest income (see note 3.8)	9	9
Other finance income	1	18
	34	51
Financing costs		
Pension interest expense (see note 3.8)	(1)	(1)
Interest expense on financial liabilities measured at amortised cost	(23)	(22)
Foreign exchange loss	(10)	–
Other finance expense	(25)	(28)
	(59)	(51)
Net financing costs	(25)	–

Other finance expense includes lease interest payments, the unwinding of acquisition-related liabilities, 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.

Notes to the Financial Statements continued

SECTION 4: CAPITAL STRUCTURE AND FINANCIAL COSTS CONTINUED

The tables below set out the financial instruments included on the Consolidated Statement of Financial Position at fair value:

	Fair value 31 December 2025 £m	Level 1 31 December 2025 £m	Level 2 31 December 2025 £m	Level 3 31 December 2025 £m
Assets measured at fair value				
Financial instruments at fair value through reserves				
Other pension assets – gilts (see note 3.8)	33	33	–	–
Financial instruments at fair value through profit or loss				
Money market funds	81	81	–	–
Equity investments (see note 3.6)	32	–	–	32
Financial assets at fair value through profit or loss				
Foreign exchange forward contracts and swaps	1	–	1	–
Convertible loan receivable				
Cross-currency interest rate swaps – fair value hedges	8	–	8	–
Financial assets at fair value through reserves				
Cash flow hedges	10	–	10	–
	165	114	19	32
Liabilities measured at fair value				
Financial liabilities at fair value through profit or loss				
Acquisition-related liabilities – other (see notes 3.1.4 and 3.1.5)	(18)	–	–	(18)
Financial liabilities at fair value through reserves				
Cash flow hedges	(6)	–	(6)	–
	(24)	–	(6)	(18)

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 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
Liabilities measured at fair value				
Financial liabilities at fair value through profit or loss				
Acquisition-related liabilities – other (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)

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:

	2025 £m	2024 £m

Notes to the Financial Statements continued

SECTION 4: CAPITAL STRUCTURE AND FINANCIAL COSTS CONTINUED

Contractual discounted cash flows			
Less than one year		17	15
Two to five years		56	58
More than five years		38	32
Lease liabilities at 31 December		111	105

	1 January 2025 £m	Net cash flow £m	Currency and non-cash movements £m ¹	31 December 2025 £m
Lease liabilities	(105)	26	(32)	(111)
Total lease liabilities	(105)	26	(32)	(111)

1 Includes £2 million from the acquisition of Moonage and Plano a Plano. See note 4.1

	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)

The following amounts have been included in the Consolidated Income Statement:

	2025 £m	2024 £m
Interest expense on lease liabilities	(5)	(5)
Amounts recognised in the Consolidated Income Statement	(5)	(5)

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 2025, this was less than £1 million (2024: less than £1 million).

Variable lease payments that depend on an index or a rate are also less than £1 million (2024: 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 2025 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 2025 of £387 million (2024: £394 million) and share premium of £174 million (2024: £174 million) is the same as that of ITV plc. Details of this are given in the ITV plc Company financial information section of this Annual Report.

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. The share buyback programme was completed in April 2025.

Of the shares bought back, 76 million were cancelled in the year (31 December 2024: 118 million), reducing the Group's share capital. When such shares are cancelled they are transferred to the capital redemption reserve.

The repurchased shares held in Treasury and the shares held by the Group's Employee Benefit Trust (EBT) are excluded in calculating the weighted average number of shares in issue used in Earnings per share.

See 4.7.5 for further details.

4.7.2 Merger and other reserves

Merger and other reserves at 31 December include the following reserves:

	2025 £m	2024 £m
Merger reserves	95	95
Capital reserves	112	112
Capital redemption reserves	55	48
Revaluation reserves	2	2
Put option liabilities arising on acquisition of subsidiaries	(12)	(12)
Total	252	245

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.

Notes to the Financial Statements continued

SECTION 4: CAPITAL STRUCTURE AND FINANCIAL COSTS CONTINUED

The movement in the capital redemption reserves in the year relates to the cancellation of shares associated with the Group's share buyback programme. See note 4.7.1 and 4.7.5 for further details.

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 loss of £4 million (2024: gain of £7 million). This is made up of a loss on cash flow hedges in the year of £5 million (2024: gain of £9 million) and a related tax credit of £1 million (2024: charge of £2 million)
- The net movement in the cost of hedging reserve was a gain of £2 million (2024: a loss of £2 million). This is made up of a gain on the cost of hedging in the year of £2 million (2024: a loss of £2 million) and a related tax credit of £nil (2024: £nil)
- The amount in the foreign currency translation reserve relating to discontinued hedges at 31 December 2025 is a loss of £19 million (2024: £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 2025 is a £3 million loss on revaluation (2024: loss of £6 million) and a related tax credit of £2 million (2024: £1 million). 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 £220 million (2024: £408 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 (2024: 3.3p), giving a full year dividend of 5.0p (2024: 5.0p) per share. £187 million of dividends were paid (2024: £198 million), representing a final 2024 dividend of 3.3p per share and an interim 2025 dividend of 1.7p per share.

Share buyback programme

In the year, 53 million 10p shares (31 December 2024: 270 million 10p shares) were bought back at a cost of £37 million (31 December 2024: £198 million). All 53 million shares were cancelled (31 December 2024: 118 million), reducing the Group's share capital. 23 million shares bought back in 2024 were also cancelled in the year. When such shares are cancelled, they are transferred to the capital redemption reserve.

The stamp duty costs were less than a million (31 December 2024: £1 million) and the associated fees charged for the repurchase programme were £1 million (31 December 2024: £1 million). The total cost of the shares including the directly attributable fees, have reduced the Group's retained earnings.

The share buyback programme was completed in the year. In total, 323 million shares were bought back at a cost of £235 million. 194 million shares were cancelled. Total stamp duty costs were £1 million and associated fees charged were £2 million.

The repurchased shares held in Treasury and the shares held by the Group's Employee Benefit Trust (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 2025 comprises:

- The share of profit attributable to NCI of £5 million (2024: share of loss attributable to NCI of £2 million)
- Foreign exchange differences of £3 million (2024: £nil)
- The distributions made to NCI of £3 million (2024: £9 million)
- The movement in the share of net assets/liabilities attributable to NCI relating to subsidiaries acquired, disposed or changes in ownership interest in 2025 was £2 million (2024: £7 million)

SECTION 4: CAPITAL STRUCTURE AND FINANCIAL COSTS CONTINUED**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. A dividend yield discount is applied when determining a fair value for those options that do not accrue dividends during the course of the vesting period.

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 £16 million in 2025 (2024: £18 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:

	Number of options ('000)	2025 Weighted average exercise price (pence)	Number of options ('000)	2024 Weighted average exercise price (pence)
Outstanding at 1 January	94,929	21.45	90,234	25.88
Granted during the year – nil priced	20,877	–	22,701	–
Granted during the year – other	6,274	61.07	9,603	57.27
Forfeited during the year	(3,822)	36.11	(3,570)	36.22
Exercised during the year – nil priced	(15,307)	0.00	(8,991)	–
Exercised during the year – other	(8,780)	56.36	(8,929)	49.38
Expired during the year	(2,402)	57.03	(6,119)	45.49
Outstanding at 31 December¹	91,769	17.98	94,929	21.45
Exercisable at 31 December	7,134	21.86	4,469	9.45

¹ ESP awards carry rights to reinvested dividend equivalents, which may be settled in shares at the time of vesting

The average share price during 2025 was 77.82 pence (2024: 72.87 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)	Weighted average exercise price (pence)	Number of options ('000)	2025 Weighted average remaining contractual life (years)	Weighted average exercise price (pence)	Number of options ('000) ¹	2024 Weighted average remaining contractual life (years) ¹
Nil	–	63,390	1.19	–	59,640	1.25
20.00 – 49.99	49.17	1,849	0.33	49.17	6,002	1.33
50.00 – 69.99	58.02	25,039	1.53	58.05	26,937	2.09
70.00 – 99.99	71.55	1,490	0.76	75.76	2,343	1.45
100.00 – 109.99	–	–	–	105.98	7	–
120.00 – 149.99	–	–	–	–	–	–

¹ The number of options and the weighted average exercise price in 2024 has been re-presented to reflect the dividends reinvested for the relevant options outstanding

Notes to the Financial Statements continued

SECTION 4: CAPITAL STRUCTURE AND FINANCIAL COSTS CONTINUED

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	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
3 Year	09 April 2025	66.20	61.07	33.43	3.25	–	3.86	14.12
5 Year	09 April 2025	66.20	61.07	38.49	5.25	–	4.09	15.24

The SAYE scheme participants are not entitled to dividends over the vesting period. The valuation of these schemes therefore incorporates a dividend yield discount.

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 these 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 2025 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 2025	24,320,852	2,432,085
LTIP releases		(2,239,207)	
DSA releases		(4,186,843)	
ESP releases		(10,876,685)	
SAYE releases		(8,791,256)	
Transferred from Treasury		55,000,000	
	31 December 2025	53,226,861	5,322,686

The total number of shares held by the EBT at 31 December 2025 represents 1.38% (2024: 0.62%) of ITV's issued share capital. The market value of own shares held at 31 December 2025 is £44 million (2024: £18 million).

In April 2025, 20 million of the shares bought back as part of the Group's share buyback programme (see note 4.7.5), were transferred to the Group's Employee Benefit Trust (EBT) to satisfy maturing share awards. A further 35 million of the shares were transferred in December 2025.

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.

Notes to the Financial Statements continued

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:

	2025 £m	2024 £m
Sales to joint ventures	5	4
Sales to associated undertakings	20	20
Purchases from joint ventures	31	35
Purchases from associated undertakings	82	81

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:

	2025 £m	2024 £m
Amounts owed by joint ventures	1	–
Amounts owed by associated undertakings	2	11
Amounts owed to joint ventures	1	3
Amounts owed to associated undertakings	2	8

None of the balances are secured.

Balances owed by associated undertakings largely relate to DTV Services Limited. Balances owed to associated undertakings primarily relate to amounts owed to ITN Limited and Everyone TV Platforms Limited.

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:

	2025 £m	2024 £m
Short-term employee benefits	12	13
Share-based compensation	6	6
	18	19

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.

5.3 SUBSEQUENT EVENTS

Keeping it simple

Where the Group receives information in the period between 31 December 2025 and the date of this report about conditions related to certain events that existed at 31 December 2025, 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 2025. 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.

Notes to the Financial Statements continued
SECTION 5: OTHER NOTES CONTINUED

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	03776018	Gorilla TV Limited
04042168	3sixtymedia Limited	00290076	Granada Group Limited
16617948	Big Talk Christmas Limited	03962410	Granada Limited
12092620	Big Talk Friday Limited	03106798	Granada Media Limited
16116907	Big Talk Help Limited	05344772	Granada Screen (2005) Limited
13087733	Big Talk Horseface Limited	00840590	Granada Television Limited
07037447	Big Talk Investments Limited	00733063	Granada Television Overseas Limited
13813181	Big Talk Ludwig Limited	00250311	Granada UK Rental and Retail Limited
16850442	Big Talk Marbles Limited	04842712	Interactive Telephony Limited
16617936	Big Talk Mole Limited	00608490	ITC Entertainment Group Limited
11723899	Big Talk Offenders Limited	00510330	ITC Entertainment Holdings Limited
11109572	Big Talk Peacock Limited	SC375274	ITV (Scotland) Limited
02897434	Big Talk Pictures Limited	11516620	ITV 112 Limited
15718662	Big Talk Secret Limited	16585282	ITV 70 Up Limited
06567813	Big Talk Studios Limited	15800907	ITV ADT Limited
15869612	Big Talk Transaction Limited	12956892	ITV AdVentures Limited
02936337	Boom Cymru TV Ltd	14047839	ITV Archie Limited
07922831	Boom Pictures Limited	16823441	ITV BB Limited
03866274	Box Clever Technology Limited	16229006	ITV Believe Me Limited
11801341	BritBox SVOD Limited	02578005	ITV Breakfast Limited
01891539	Broad Street Films Limited	02937518	ITV Consumer Limited
02285229	Campania Limited	14133299	ITV Grace Limited
04159249	Carlton Content Holdings Limited	04159210	ITV Holdings Limited
00301188	Carlton Film Distributors Limited	04159213	ITV International Channels Limited
03053908	Carlton Programmes Development Limited	14846610	ITV JCDM Limited
03210452	Carlton Screen Advertising (Holdings) Limited	SC473179	ITV LTVc (Scotland) Limited
03210363	Carltonco Ninety-Six	14863612	ITV Mandrake Limited
06409013	Cat's on the Roof Media Limited	00603893	ITV Network Limited
04257248	Channel Television Holdings Limited	11723842	ITV Nightingale Limited
08195508	Cirkus Limited	00603471	ITV Pension Scheme Limited
10240192	Cloth Cat LBB Limited	14460328	ITV RE Limited
02852812	Cosgrove Hall Films Limited	08554937	ITV Shetland Limited
08479545	Double Double Limited	11723826	ITV Spy Limited
07821062	EQ Pictures Limited	02203983	ITV Studios Global Partnerships Limited
15078072	Fifteen Days Limited	09498877	ITV TFG Holdings Limited
05946785	Gorilla TV Group Limited	11107934	ITV The Bay Limited

Company number	Company name	Company number	Company name
16228996	ITV The Dark Limited	13813329	MT Mrs Sidhu Limited
14048049	ITV Venturer Limited	14763338	Output Productions Limited
03089273	ITV Ventures Limited	07473151	Oxford Scientific Films Limited
11107431	ITV Vera Limited	15175627	Planet V Limited
05518785	Juice Music UK Limited	13506403	Planet Woo Limited
08297277	Mainstreet Pictures Limited	09020906	Possessed Limited
16117245	Mammoth Screen (Betrayal) Limited	14163547	QSP ATF Limited
15502127	Mammoth Screen (COS) Limited	16229001	QSP Blame Limited
16897890	Mammoth Screen (EN) Limited	14784655	QSP Buried Limited
09355455	Mammoth Screen (End) Limited	15502132	QSP Coach House Limited
08546227	Mammoth Screen (End2) Limited	14163654	QSP FMO Limited
11109917	Mammoth Screen (End6) Limited	14462220	QSP MY Limited
11908267	Mammoth Screen (End7) Limited	14460933	QSP PD Limited
12368766	Mammoth Screen (End8) Limited	15782700	QSP Run Away Limited
10528827	Mammoth Screen (End9) Limited	16727887	QSP Tenby Limited
13087685	Mammoth Screen (Evans) Limited	16464474	QSP The Woods Limited
12368661	Mammoth Screen (FS) Limited	15801118	QSP Tip Toe Limited
NI734154	Mammoth Screen (FWNI) Limited	14460663	QSP TRK Limited
13989267	Mammoth Screen (GK) Limited	16482681	Quay West Productions Limited
11995990	Mammoth Screen (MD) Limited	09366311	Second Act Productions Limited
12735978	Mammoth Screen (MD2) Limited	07714999	Sightseers Film Limited
13989179	Mammoth Screen (MIE) Limited	03991026	So Television Limited
11062257	Mammoth Screen (NC) Limited	15546550	TGP Critical Limited
09660486	Mammoth Screen (Pol2) Limited	11423826	The Addressable Platform Limited
10031005	Mammoth Screen (Pol3) Limited	07155077	The Garden Productions Limited
10528763	Mammoth Screen (Pol4) Limited	02351132	TwoFour Broadcast Limited
11108289	Mammoth Screen (Pol5) Limited	08602993	TwoFour Group Holdings Limited
08799982	Mammoth Screen (Poldark) Limited	05493388	TwoFour Group Limited
09646520	Mammoth Screen (QV) Limited	11816700	Unforgotten Productions Limited
16326446	Mammoth Screen (Rapture) Limited	02483078	World Productions Limited
NI678277	Mammoth Screen (TJ) Limited	15800988	WP BFB Limited
13087656	Mammoth Screen (Tower) Limited	14360979	WP Delia Limited
15502121	Mammoth Screen (TZ) Limited	12368643	WP Diplomat Limited
10528702	Mammoth Screen (VF) Limited	13988864	WP Fifteen Limited
11108322	Mammoth Screen (Vic3) Limited	12116627	WP Karen Pirie Limited
16444434	Mammoth Screen (WF) Limited	14988579	WP Lockerbie Limited
11108320	Mammoth Screen (WOF) Limited	15800942	WP LOD7 Limited
NI687412	Mammoth Screen (WOF2) Limited	13087865	WP Malpractice Limited
05976348	Mammoth Screen Ltd	12368475	WP Showtrial Limited
13412337	Metavision Limited	15801483	WP Springburn Limited
09477931	Monumental Television Limited	16768728	WP Sutherland Limited
15986342	MT Frauds Limited	14653603	WP The Gathering Limited
12368748	MT Ghosts Limited	16507273	WP The Party Limited
14764613	MT Marlow Murder Club Limited	12368477	WP The Suspect Limited
13989060	MT Maryland Limited	11109437	WP Vigil Limited

ITV Properties (Jersey) Limited and ITV Holdings (Cayman) Limited are exempt from audit under the requirement in the relevant jurisdictions

ITV plc Company Financial Statements

Statement of Financial Position

As at 31 December	Note	2025 £m	2024 £m
Non-current assets			
Investments in subsidiary undertakings	iii	1,497	3,238
Amounts owed by subsidiary undertakings due after more than one year	iv	4,151	86
Derivative financial instruments	vi	14	1
Other receivables		–	4
Deferred tax asset		2	–
Non-current assets		5,664	3,329
Current assets			
Amounts owed by subsidiary undertakings due within one year	iv	120	3,522
Derivative financial instruments	vi	5	7
Other receivables		5	17
Cash and cash equivalents	v	135	259
Current assets		265	3805
Current liabilities			
Borrowings	v	(313)	–
Amounts owed to subsidiary undertakings	iv	(1,770)	(2,203)
Current tax liabilities		(4)	–
Accruals		(7)	(7)
Derivative financial instruments	vi	(11)	(7)
Current liabilities		(2,105)	(2,217)
Net current (liabilities)/assets		(1,840)	1,588
Non-current liabilities			
Borrowings	v	(436)	(715)
Derivative financial instruments	vi	(1)	(20)
Non-current liabilities		(437)	(735)
Net assets		3,387	4,182
Shareholders' funds			
Share capital	vii	387	394
Share premium	viii	174	174
Other reserves	viii	55	55
Retained earnings	viii	2,771	3,559
Total shareholders' funds		3,387	4,182

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 loss for the year was £580 million (2024: profit £1,740 million).

ITV plc Company Financial Statements continued

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 2025	vii/viii	394	174	55	3,559	4,182
Total comprehensive expense for the year						
Loss for the year		–	–	–	(580)	(580)
Net loss on cash flow hedges and cost of hedging		–	–	(7)	–	(7)
Total comprehensive expense for the year		–	–	(7)	(580)	(587)
Transactions with owners recorded directly in equity						
Contributions by and distributions to owners						
Equity dividends		–	–	–	(187)	(187)
Movements due to share-based compensation		–	–	–	16	16
Repurchase of shares		(7)	–	7	(38)	(38)
Tax on items taken directly to equity		–	–	–	1	1
Total transactions with owners		(7)	–	7	(208)	(208)
Balance at 31 December 2025		387	174	55	2,771	3,387

	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

Notes to the ITV plc Company Financial Statements

Corporate restructure

During the year the company restructured its investments in the Group, creating two new directly-owned holding companies, ITV Studios Holdings Limited and ITV M&E Holdings Limited. As a result, a proportion of investments in subsidiary undertakings and current receivables from subsidiary undertakings were restructured as long-term debt. Year on year movements in investments and intra-group balances should be considered collectively as detailed below. See notes iii and iv for further details.

As at 31 December	2025 £m	2024 £m
Investments in subsidiary undertakings	1,497	3,238
Amounts owed by subsidiary undertakings – amount due within one year	120	3,522
Amounts owed by subsidiary undertakings – amount due after one year	4,151	86
Amounts owed to subsidiary undertakings	(1,770)	(2,203)
Net investment in subsidiary undertakings	3,998	4,643

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 statements. These financial information were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101'). The Company is registered in England and Wales.

In preparing these 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 these 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 2025 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.

Determining whether the carrying amount of the Company's investments in subsidiary undertakings has any indication of impairment requires judgement. In testing for impairment, estimates are used in deriving cash flows, discount rates and market multiples.

Expected credit losses on amounts due from subsidiary undertakings also includes judgement and estimation uncertainty.

Subsidiary undertakings

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 less provision for any impairment in value.

Impairment of subsidiary undertakings

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, discount rates and market multiples. The estimation process is complex due to the inherent risks and uncertainties associated with long-term forecasting. The outcome of the fair value less costs of disposal calculations including borrowings supports the carrying value of the investments in subsidiary undertakings. The recoverable amount has been determined as the higher of fair value less costs of disposal and the value in use.

If the recoverable amount of the investment is less than its carrying amount, the investment is written down to its recoverable amount. Any impairment loss is immediately recognised in profit or loss for the year.

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.

Notes to the ITV plc Company Financial Statements continued

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 (2024: 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 56.4 pence (2024: 49.4 pence) (excluding nil priced share options). The options outstanding at the year end have an exercise price in the range of nil to 71.55 pence (2024: nil to 105.98 pence) and a weighted average contractual life of one year (2024: 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 2025 was £1,497 million (2024: £3,238 million).

The carrying value of the Company's investments in subsidiary undertakings is assessed for impairment on an annual basis. See note (i) for the accounting policy on the calculation of the recoverable amount.

During the year, the Company restructured its subsidiaries to simplify the overall Group holding structure and ensure that businesses within the same segment report to a common parent. This involved ITV plc incorporating two new directly owned subsidiaries to serve as the parent companies for the ITV Studios and Media & Entertainment businesses and restructuring a proportion of the investment value as long-term debt receivable.

The restructure led to impairment charges: £220 million on the investment in Carlton Communications Limited and £315 million on the investment in ITV Studios Holdings Limited.

Following the restructure, the Company holds investments in Carlton Communications Limited, ITV M&E Holdings Limited, ITV Studios Holdings Limited, ITV Services Limited and Elecrent Limited. Carlton Communications Limited has minimal value, being the parent company of a number of non-trading entities. The investment has been impaired to the value of the liquid net assets held within the Carlton Communications Group and no further impairment is expected in the investment.

The recoverable amount for the ITV Studios Holdings Limited investment was calculated using a discounted cashflow model on a fair value less costs of disposal, employing post-tax cashflows. Key assumptions underpinning this valuation include

- EBITA margin: Based on the Board-approved budget which is line with our previously disclosed target range and five-year plan which includes a level of synergies
- Long-term growth rate: 1%
- Post-tax discount rate: 9.05%

Sensitivity analysis on these assumptions demonstrated the following potential impact on the impairment charge:

- A +/-1% change in EBITA margin (without further cost mitigation) would result in a decrease/increase in impairment of £227 million
- A +/-0.5% change in the long-term growth rate would result in a decrease/increase in the impairment charge of £142 million or £125 million respectively
- A 1% increase in the post-tax discount rate would result in a further impairment of £308 million, while a 1% decrease in the post-tax discount rate would have not resulted in an impairment

The investment in ITV M&E Holdings has a recoverable amount based on a fair value less costs of disposal, derived from a market multiple of 6x the 2025 EBITDA. Should this key assumption decrease to 5.7x, there would be no headroom on the investment, while a reduction to 5x would lead to an impairment of £169 million. This fair value measurement is categorised as level 3 in the fair value hierarchy.

Following this review, the investments in ITV Studios Holdings Limited and ITV M&E Holdings Limited are held at fair value at 31 December 2025. Following the restructure, Carlton Communications Limited has minimal value, being the parent company of a number of non-trading entities. The investment has been impaired to the value of the liquid net assets held within the Carlton Communications Group and no further impairment is expected in the investment.

The Company did not recognise any impairments in the prior year.

The listing of subsidiary undertakings and investments is available in the 2025 Annual Report and Accounts.

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 base rate and interest receivable at 2.5% above base rate per annum, and the balances are repayable on demand.

As a result of a restructuring of the Company's subsidiaries in the year (see note iii), loan receivables are held that are due from certain subsidiary undertakings. These non-current receivables arose from the restructuring of investments and short-term receivables as long-term debt. These balances are repayable according to contractual terms, and the classification of balances as due after more than one year is based on the both the intention of when the balances are expected to be settled as well as the contractual terms.

There are no doubtful debts provided for amounts owed by the Company's subsidiary undertakings at 31 December 2025 (2024: £2 million).

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 receivables if the deterioration of financial position is observed.

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 these Company financial information.

Cash and cash equivalents

At 31 December 2025, the Company has a cash position of £135 million (2024: £259 million).

Notes to the ITV plc Company Financial Statements continued

Borrowings

	2025 £m	2024 £m
Loans due within one year		
€600 million Eurobond	313	298
	313	298
Loans due in more than one year		
€500 million Eurobond	436	417
	749	715

In June 2025, the Company entered into a new £300 million term loan facility. This committed facility has been put in place ahead of the September 2026 bond maturing. The term loan facility is available for drawing from 26 June 2026 and matures 3 years from the date it is drawn.

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 2025 £m	Liabilities 2025 £m
Current		
Foreign exchange forward contracts and swaps – fair value through profit or loss	5	(6)
Cross-currency interest swaps – cash flow hedges	–	(5)
Non-current		
Cross-currency interest swaps – cash flow hedges	5	–
Cross-currency interest swaps – fair value hedges	8	–
Foreign exchange forward contracts and swaps – fair value through profit or loss	1	(1)
	19	(12)

	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 – cash flow hedges	–	(1)
Foreign exchange forward contracts and swaps – fair value through profit or loss	1	(1)
	8	(27)

The Company utilises 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 gain for the year of £27 million (2024: £23 million of cumulative loss for the year) was recycled to the Income Statement to off-set movements on the hedged item, a residual value of less than a million (2024: less than a million) 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.

Notes to the ITV plc Company Financial Statements continued

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 cross-currency 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 2025*	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	5	600	327	9	28	236
Outflow	(5)	(619)	(341)	(12)	(37)	(229)
Cross-currency swaps – fair value hedges						
Inflow	8	282	9	9	28	236
Outflow	–	(292)	(13)	(12)	(37)	(230)
Foreign exchange forward contracts and swaps – fair value through profit or loss						
Inflow	6	676	478	144	54	–
Outflow	(7)	(676)	(478)	(144)	(54)	–
	7	(29)	(18)	(6)	(18)	13

At 31 December 2024 ¹	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)

1 The Company is jointly and severally liable for VAT at 31 December 2025 of £26 million (31 December 2024: £40 million).

Note vii Share capital

	Allotted, issued and fully paid 2025 £m	Allotted, issued and fully paid 2024 £m
Allotted, issued and fully paid ordinary shares of 10 pence each	387	394
Total	387	394

The Company's ordinary shares give shareholders equal rights to vote, receive dividends and to the repayment of capital.

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. The share buyback programme was completed in April 2025.

Of the shares bought back, 76 million were cancelled in the year (2024: 118 million), reducing the Group's share capital. When such shares are cancelled, they are transferred to the capital redemption reserve.

The repurchased shares held in Treasury and the shares held by the Group's Employee Benefit Trust (EBT) are excluded in calculating the weighted average number of shares in issue used in Earnings per share.

See note 4.7 for further details.

Notes to the ITV plc Company Financial Statements continued

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 in the Risks and Uncertainties section 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 a loss after tax for the year of £580 million (2024: profit £1,740 million), which includes dividends received from subsidiaries of £17 million (2024: £1,688 million).

During the year, the Company restructured its subsidiaries to simplify the overall Group holding structure and ensure that businesses within the same segment report to a common parent. See note iii. The restructure led to impairment charges: £220 million on the investment in Carlton Communications Limited and £315 million on the investment in ITV Studios Holdings Limited.

Share buyback programme

In the year, 53 million 10p shares (31 December 2024: 270 million 10p shares) were bought back at a cost of £37 million (31 December 2024: £198 million). All 53 million shares were cancelled (31 December 2024: 118 million), reducing the Group's share capital. 23 million shares bought back in 2024 were also cancelled in the year. When such shares are cancelled, they are transferred to the capital redemption reserve.

The stamp duty costs of less than a million (31 December 2024: £1 million) and the associated fees charged for the repurchase programme were £1 million (31 December 2024: £nil). The total cost of the shares including the directly attributable fees, have reduced retained earnings.

The share buyback programme was completed in the year. In total, 323 million shares were bought back at a cost of £235 million. 194 million shares were cancelled. Total stamp duty costs were £1 million and associated fees borne by the Company were £1 million.

The repurchased shares held in Treasury and the shares held by the Group's Employee Benefit Trust (EBT) are excluded in calculating the weighted average number of shares in issue used in Earnings per share.

The share premium of £174 million remains unchanged in the year. Other reserves of £55 million (2024: £55 million) comprises Merger reserves of £36 million (2024: £36 million) which relate to share buybacks in prior years, Translation reserves have netted to £nil (2024: net gain of £7 million) which previously related to cash flow hedges and cost of hedging, and the capital redemption reserve was £19 million (2024: £12 million).

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 (2024: 3.3p), giving a full year dividend of 5.0p (2024: 5.0p) per share. In 2025, £187 million of dividends were paid (2024: £198 million), representing a final 2024 dividend of 3.3p per share and an interim 2025 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.

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.

In 2025, the Company entered into a surety bond to provide additional security to the ITV Pension Scheme as a result of the Box Clever Group Pension Scheme arrangements. The Company has other surety bond arrangements in relation to the Pension Funding Partnerships.

Under a Group registration, the Company is jointly and severally liable for VAT at 31 December 2025 of £26 million (31 December 2024: £40 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. The Company treats these guarantee contracts as financial instruments in accordance with IFRS 9 'Financial Instruments'.

There are no capital commitments at 31 December 2025 (2024: 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:

	2025 £m	2024 £m
Amounts owed by subsidiary undertakings that are not wholly owned	–	4
Amounts owed to subsidiary undertakings that are not wholly owned	–	(3)

Amounts owed by subsidiary undertakings that are not wholly owned relate mainly to funding provided to production companies in our ITV Studios division at 31 December 2024.

Amounts owed to subsidiary undertakings that are not wholly owned, relate mainly to amounts owed to 3sixtymedia Limited and other entities within our ITV Studios division at 31 December 2024.

Transactions with key management personnel

Key management consists of ITV plc Executive Directors.

Key management personnel compensation, on an accounting basis, is as follows:

	2025 £m	2024 £m
Short-term employee benefits	4	4
Share-based compensation	3	3
	7	7

Total emoluments and gains on share options received by key management personnel in the year were:

	2025 £m	2024 £m
Emoluments	3	3
Gains on exercise of share options	2	1
	5	4