

Investor Webinar: A Spotlight on ITVX

Wednesday, 4th December 2024

Introduction

Carolyn McCall
Chief Executive, ITV

Welcome

Good afternoon, everyone, and thank you so much for joining us for the second webinar in our Spotlight on Series. As you know, this series provides a deeper dive into the key value drivers of ITV's business. It introduces you to the talented teams leading these areas. So what we are trying to do here is to show how each area contributes to the successful delivery of growth and drives long term value for you, our shareholders.

A spotlight on ITVX

The first focus, as you know, was Planet V, an integral commercial driver for ITVX. Today, the spotlight is on ITVX again, but specifically on the viewer experience. This is a pivotal part of our modern TV strategy, which underpins our strategic pillar of supercharging streaming.

When we developed our strategy in 2018, our clear focus was to digitally transform ITV to position the company as a future facing and digital brand, relevant to both audiences and to our advertisers. And we were underweighted really in technology and we had no data. So we invested in modernising our technology, setting up a data unit and bringing in, and we brought in around 1,000 new colleagues who had digital and data expertise, so that we absolutely made sure we had the right capabilities to deliver the digital strategy.

This strategic investment paved the way for the successful launch of ITVX, which, as you all know, was 22nd December. So we are approaching its second anniversary. And we delivered that on time, on plan. It has consistently driven double-digit growth in both viewing and in digital advertising revenue.

2023 marked our year of peak investment in ITVX and ITV costs are fully embedded within our cost base.

Now, I am so proud that ITVX has become the UK's largest commercial broadcaster video on-demand platform. It is a huge testament to the dedication of our teams and the successful execution of our strategy.

ITVX has created a really strong viewing experience, and together with Planet V, our first party data and addressable ad platform, it offers advertisers a sophisticated, data driven digital advertising solution.

As I said, today's session is really all about the viewer, and we are going to demonstrate how we approach content, marketing and distribution to attract light viewers, 25 to 54s in particular, and a really strong viewer proposition.

Our previous spotlight, as I said, was about ITV Commercial and it was really demonstrating how we monetise the audience on ITVX, using Planet V and how we drive innovation and digital advertising and how we unlock new digital advertising opportunities. Now, if you have not seen that yet, I really urge you to take a look. It is available on our website. It is hugely informative.

The team leading today's session are: Kevin Lygo, our MD of Media and Entertainment, who many of you have already met; Ro Newell, our Director of Content, who has been with ITV for eight years. And before that she has had senior roles in programme and content strategy at

the BBC, at Channel 4 and at Discovery. And Jane Stiller is our Chief Viewer Officer, who joined us five years ago. She has held senior marketing and digital roles at M&S, Mars and Innocent Drinks.

They are going to walk you through:

- Why we launched ITVX;
- The key drivers underpinning its strong and consistent viewing performance today; and
- Our plans to build on this momentum as we look into the future.

With ITVX as the foundation, we have a really solid base for future growth. We are confident in our path to delivering the £750 million of digital revenues by 2026.

Thank you once again for joining us. I am now going to hand over to Kevin.

Overview

Kevin Lygo

MD, Media & Entertainment, ITV

Introduction

Thanks, Carolyn. As Carolyn said, you have heard from Kelly and his team in the previous seminar on how we monetize ITVX. Today, we want to specifically tell you more about our key drivers that create these monetizable audiences at scale, the content and the viewer proposition.

Key value drivers

But first, a reminder as to why we launched ITVX. In short, it was the growing demand from viewers for streaming content and from advertisers for premium digital inventory. Viewers across all demographics expect flexible, on-demand access to a much broader range of content. And as these viewing patterns changed, advertiser demand for our digital inventory and for addressable advertising increased significantly. And with Planet V, we had the capability in place.

But to achieve this at scale, we needed a superior streaming destination and a big increase in the programming. And so ITVX was born, creating a second route to market for viewing and advertising and to the fastest growing sector in streaming broadcaster video on-demand, or VOD.

ITV has a unique set of competitive advantages

We launched ITVX with a unique set of competitive advantages. Firstly, a deep and long running expertise in commissioning content for UK viewers and a proven ability to attract audiences at scale, which is key to meet advertisers demand.

Secondly, having launched Planet V two years earlier, we were already at the forefront of driving digital solutions that work for clients and advertisers.

Thirdly, as an integrated producer broadcaster streamer, we had the power of ITV channels behind it and benefited from the very significant volume of high-quality programming made by ITV Studios.

ITVX marked the start of us really shifting our thinking to digital first, and to an increased commitment to deliver more of our programmes to viewers in all the ways they want to watch them.

Positive viewer and industry response to ITVX

We have had a great response from viewers, as this quote demonstrates, and we were delighted to win both best on-demand service at the Edinburgh TV Awards and Media Brand of the Year at the Media Week Awards in our launch year.

Where are we today?

So where have we got to today? We have vastly increased the volume of free programming on the service, which Ro will share more about in a minute. We have a really significant content budget in excess of £1.2 billion. This is one content budget across both ITVX and linear TV channels.

We are forensic in our commissioning and acquisition decisions, enhancing our significant expertise with data insight. And we have a viewer centric approach giving the audience total choice and flexibility in how to watch.

ITV is all about getting original UK content in front of the biggest audiences possible, and we can make a huge impact with our programming. Mr Bates vs The Post office is the obvious example. It averaged over 15 million viewers, the most watched UK drama of 2024, bigger than anything on Netflix, BBC or Disney+.

And when England defeated the Netherlands to make it into the Euro 2024 final, our coverage peaked with 21.6 million viewers. Viewing to I'm a Celebrity and streaming has more than doubled since ITVX launched, and the first show this year has consolidated at nearly 11 million viewers. These are really big numbers which are the envy of the streamers. We are uniquely placed to deliver scaled live stream audiences and our entertainment and drama are market-leading.

ITV's share of commercial big screen viewing in adults over 16 is higher than Netflix, Disney+ and Amazon combined. And we did not just add content, we transformed the viewer experience, which Jane will cover. We made it easier to discover more accessible, more prominent, and better to navigate with an ever-changing mix of personalized content recommendations.

We also have our expert editorial team continually working on responsive curation, backed by insights to further maximise our ever changing mix of content. And we had a huge marketing effort behind the launch of the service to drive awareness and consideration of ITVX and the wealth of content on there.

We are focused on the 25 to 54 demographic. They present the biggest growth opportunity. There are 26 million of them in the UK, many of whom we already have a relationship with. They watched over 34 billion hours of television and video in 2023. So increasingly they turn to streaming first and their content preferences over index for reality, sport, drama and

entertainment, genres closely aligned to ITV's core strength, and they are commercially valuable audiences.

Together, these have enabled us to significantly expand our digital viewing and reach, which are key to an advertising campaign, and therefore enabled us to meet the growing demand for addressable advertising at scale.

While ITVX's focus is ad funded, there is also a subscription tier for ad-free viewing and access to exclusive content.

ITVX strong performance since launch

In short, we are very pleased with the incredible growth ITV has delivered since its launch. We have been the UK's fastest growing streaming platform over the last two years. We have delivered the biggest moments in streaming, whether that is the World Cup in Qatar, the euros this summer or chart topping reality series like Love Island.

Total streaming hours have grown 45% since launch. Monthly active users increased by 37% and digital revenue has grown by 39%. We are successfully competing in a fast moving market and are on track to deliver our KPI target of at least £750 million of digital revenue by 2026. You can see all our streaming KPIs in the appendix to this presentation.

So that is it from me. But before I hand over to Ro to talk to you about our first key value driver, content, it would not be an ITV presentation without a VT. Here is a look at ITVX and some of the incredible content we have had this year.

[VIDEO]

Content Strategy

Rosemary Newell

Director of Content, ITV

Transformed streaming performance on ITVX through content strategy

Hi, everyone. I am Ro Newell, the Director of Content at ITV. Our content strategy for ITVX has evolved significantly since launch in December 2022. Our objective was to turn ITVX from purely a catch up service to a destination with a broad range of largely UK content, designed to attract and retain commercially valuable audiences.

We are so proud of what we have achieved. We have dramatically improved the content on offer, always listening to our audiences, trying different windowing strategies and experimenting.

Our commissioning and buying teams have adapted their editorial thinking, focusing on the needs of a streaming service alongside linear channels and using data extensively. And we have recruited a team wholly focused on improving and enhancing ITVX, led by Craig Morris, who has rich experience in streaming. They have the skills to interpret viewer data, to curate content brilliantly and to make ITVX an impressive and much loved service.

We have tested, analysed and customised, and two years on, I would like to share with you what we have achieved and where this takes us next.

In these three key areas, we have transformed streaming through ITVX with:

- More hours;
- More viewing; and
- Younger audiences.

We have added 10,000 hours of free content to ITVX since launch

Firstly, we committed to increasing the number of hours available. Pre-launch, we had around 1,000 hours. At launch, we had built this to over 11,000 hours. We now have 21,000 video-on demand or AVOD hours, giving our viewers one of the biggest free streaming libraries of content in the UK.

ITVX is fastest growing streaming platform in UK

Secondly, when we look at industry data to compare our performance to our competitors, we have grown viewing to ITV by 35%, faster than all the other major video on demand services and streamers.

ITVX delivers significantly younger audiences

And thirdly, we have succeeded in attracting a younger profile to ITVX, with 56% of our audience coming from viewers under 55, compared to 33% for total television. It is a major priority for our commissioning and buying teams to secure content, which will over-index with these younger viewers.

Our content strategy has evolved

So what is the content which has driven this transformation, and how have we changed the way in which we present this content to our viewers?

There are five areas to discuss. At launch, we talk to you about our focus on fireworks. Those programmes, which could burst into life and attract sizeable audiences to drive viewing, and to encourage viewers to discover what else is on offer. We explained our plans to window key titles and to adapt release patterns to maximise viewing opportunities.

We also introduced the concept of Bonfires content, which was to become the backbone of ITVX. Our deep archive of boxsets and our large, in fact, the largest free library of feature films is there to offer more for viewers of the fireworks to find. The depth and breadth of series and films, retains viewers for longer and increases ITVX's stickiness.

We committed to launching free ad-supported channels or FAST channels, as they are known to deliver additive viewing.

And crucially lastly, we said we would test and learn with other types of content introducing news, experimenting with live programmes and working with partners to extend viewing further.

Hero genres bring viewers in to ITVX

Unpacking each of these five further. Firstly, our priority content falls into four key, let us say, hero genres. As Kevin has mentioned, drama and reality bring new viewers in and ensure ITVX is a true destination. Entertainment and sport deliver more of our strongest performers in streaming. They comprise often daily, often live shows with high volume and younger skewing audiences.

We have adapted the way in which this high profile content is released to viewers learning from their changing habits and expectations. We now understand that the way to maximise viewing is to create a single, powerful content moment, launching priority shows across ITV1 and ITVX at the same time.

This means we can leverage our scale. We deliver audience volumes in these four genres, which our SVOD competitors can only dream of. As a recent example, at the beginning of November, we released the hit new crime drama *Until I Kill You*. In its first week alone, it was watched by 5.5 million viewers. The biggest drama on a streamer in the same week was on Netflix, and it only found 0.55 million viewers.

Our adapted windowing strategy maximises overall viewing

Secondly, we are now working to ensure a regular cadence of new content being released on ITVX, whether drama or reality, so that the audiences we have attracted into ITVX always have a new title on the horizon once they have finished watching their current series. We saw the huge benefit of this at the start of the year, when shows which launched in the wake of *Mr Bates vs The Post Office* shows like *Trigger Point* and *After the Flood* delivered enormous growth in streaming hours just because of the momentum *Mr Bates* had generated.

75% of *Mr Bates*' viewers also watched other content on ITVX, and we see a similar impact from other shows. 77% of *Love Island*'s viewers watched other programmes on ITVX, and 61% of viewers who came in for our Euros coverage in the summer did the same.

Being able to attract and then retain viewers with regular drops of new content is so vital to growing ITVX. We also know from our data how quickly a hit drama, for example, is watched. *Joan*, which launched in September, was devoured fast by viewers after its first two eps had aired in linear, nearly everyone who then watched *Joan* on ITV finished the entire series within a week. They were then ready for the next drama to dive into. So we are now delivering our schedules to meet that constant demand.

And we are able to offer that drumbeat of content successfully through the smart acquisition of international scripted series, and through finding drama and comedy titles which have never been available in the free-to-air space before, like *Under the Banner of Heaven* and *Extraordinary*.

We have also introduced a consistent approach to the release of all our scripted content and many of our reality and factual shows, too. All episodes of such series are available to watch from 7:00 on the day of broadcast transmission. This now includes the soaps as well.

Release strategy increases monetisation of our content

This release pattern has proved additive to on demand viewing, and has had the commercially beneficial effect of migrating PVR or recorded viewing, which cannot be monetized to video-on demand or VOD viewing, which can. The examples shown here look at three ITV dramas broadcast over the last three years:

- *Manhunt* in 2021;
- *Unforgotten*, last year; and
- *Red Eye* earlier this year.

The chart shows the huge proportionate growth in pre-transmission and VOD viewing, which has come partly from a drop in recorded or PVR viewing, and we are able to monetise this migration in audience habits.

Our library of boxsets & films keeps viewers watching for longer

Thirdly, the bonfires. Our library of boxsets and feature films have delivered a huge volume of streaming hours at low cost, keeping commercially attractive audiences who come in for the fireworks watching for longer. They include high volume British and American drama series like the O.C. and Broadchurch, and films such as Harry Potter and James Bond.

We have over 250 films available to watch at any one time for free. Right now, for example, you can either pay to watch the original Gladiator on Amazon or Apple, or you can watch it for free on ITVX.

The value of boxsets is shown in this example. It illustrates the steady growth in viewing to US drama, The Originals, which launched on ITVX in the same week as firework original drama, Six Four. Six Four exploded quickly and rapidly accrued five million streaming hours. The Originals, in contrast, steadily grew every month, overtaking Six Four within six months. It is now at nine million streaming hours and still growing.

This long tail of viewing over time really underpins the value of our boxsets. These titles are so effective in retaining viewers and increasing the stickiness of ITVX.

Our 12 FAST channels are Growing quickly & have a young audience profile

Number four of five. We have rationalised our free ad-supported or FAST channel offering with a rebalancing towards channels which can deliver 25 to 54-year-old viewers. Viewing has grown, with the 12 FAST channels now delivering 60% more streaming hours than a year ago.

Our editorial focus is now on channels, for example, dedicated to The Only Way Is Essex, ITVX Kids and Sport when major tournaments are on. As a result, two thirds of FAST channel viewers are aged under 55.

ITV News is an integral element of ITVX

And finally, there are three areas in which we continue to test and learn. ITVX News is now an integral element of ITVX, with constantly updating video content and breaking news stories. ITVX news has proved valuable in terms of delivering public service content like election results both in the UK and the US. And ITVX News has recently been hailed as the most influential voice in UK journalism on TikTok.

We have piloted some live sport on ITVX, and when it is linked to major broadcast events like the Euros or Rugby World Cup, this has been very effective. We are also releasing spin off content from, for example, Big Brother, the Soaps and key entertainment shows like The Masked Singer.

We are also experimenting with live content and content partnerships to drive viewing

In content partnerships, our collaborations have been with partners whose content appeals to viewers beyond our core, like Hayu. These three initiatives are part of enriching the depth and breadth of the viewing experience, always with the intention of extending, viewing and getting viewers to stay longer on ITVX.

Looking ahead to 2025 & 2026

In conclusion, our strategy going into the next two years is:

- To refine the content strategy using all data insights and ensure a more regular drumbeat of new shows in order to increase viewing;
- To maximise momentum, with a regular release of new drama on ITV and improve retention;
- To focus on 25 to 54 viewing via commissioning and acquisitions, in order to improve monetisation; and
- To optimise the scheduling of our content to increase reach and deliver programmes to viewers wherever they are and however they want to consume it.

I will now hand over to Jane.

Viewer Experience

Jane Stiller

Chief Viewer Officer, ITV

We are focused on creating the best possible viewer experience

Hi everyone, I am Jane Stiller, the Chief Viewer Officer at ITV. My team covers insights, marketing, distribution and our digital product, focusing on delivering a viewer experience which attracts commercially valuable audiences across both broadcast and streaming.

Today, I am going to focus on the amazing progress we have made on ITVX. You have just heard from Ro about her team's commission acquire and curate the best content for our viewers. My team then focuses on how and where this content is made available to viewers, with the purpose of attracting more commercially valuable 25 to 54-year-old viewers and getting them to stay with ITVX for longer.

Since we launched ITVX in 2022, we have built new capability within this team as the ability to test, learn, optimise and improve in short sprints has become business as usual. This year alone, we have done over 100 experiments on the product experience, and we optimise our marketing efforts daily to ensure they are meeting the needs of our viewers.

This test and learn culture has led to a substantially improved awareness and consideration of ITVX, and a much improved viewer experience. We have made great progress in our ambitions to get viewers to consider ITVX, give them easy access, and get them to spend longer and longer with us. This is all to drive growth in commercially valuable audiences.

We have evolved our marketing strategy, expanded our footprint & enhanced the product experience

I will first talk you through some of the marketing highlights, which is our key lever in getting more viewers to consider ITVX. At launch, we talked to you about how important spontaneous consideration of a streaming service is. This metric looks at how many viewers, unprompted, consider ITVX as a destination for viewing, and we know from our research that it has the highest correlation with viewing performance.

It is a slow metric to move, so we are really delighted that we are the only broadcaster to have seen double-digit growth. While key competitors Netflix and Amazon have both declined since we launched. We were also really proud that within four months of launch, YouGov reported ITV had overtaken both Disney+ and Channel 4 for consideration.

TVX brand marketing is highly distinctive

One of the main reasons we have seen such positive movements in our consideration scores is the distinctiveness of the ITVX brand, With numerous competitors fighting for the attention of viewers, this is critical.

Independent research has shown that the ITVX branding and look and feel is more distinctive than any other streaming competitor, giving us an edge in this highly competitive market.

Our marketing approach has evolved to encompass more digital & reactive marketing

We increased our investment in marketing, and this has enabled us to reach more viewers more consistently. We have continued to focus on brand and tentpole show campaigns, but have also increased our capability and investment in digital and reactive marketing.

Our data capability is stronger than ever, which is enabling us to target more viewers with what they want to watch at the right time. By harnessing new generative AI tools, we have been able to scale our content production and data targeting for social channels greater than ever before.

We have increased the number of titles featured in social by over 800% since launch, and this has led to a 70% reduction in our cost per acquisition in these channels. Titles such as Benidorm from 2007 are performing well, which demonstrates how we continue to drive new value from archive content.

Reactive marketing drives incremental viewing

We have also been more reactive to our viewers preferences. Through monitoring social buzz and cultural moments, we have been able to promote content which is most relevant to viewers. For example, when actor Barry Keoghan was everywhere for his performance in Saltburn, we started to promote an older series called Love/Hate where he starred.

We saw a 300% uplift in streaming hours, and the show became our fifth best performing drama. We now hold back about 20% of our paid marketing budget to be able to react to viewers preferences, which is a substantial shift in approach from our previous marketing, and it is more akin to our streaming competitors.

Talkability is key – so we are investing in recommendations & influencer marketing

Talkability is a key part of our strategy, as we know that recommendations from people you trust is the number one reason viewers choose to watch a show. This insight has led to our biggest ever investment in digital influencer marketing, launching ITV insiders in 2024, we now work consistently with over 120 of the top digital influencers in the UK, bringing them close to ITV content in return for coverage of our shows. We have engaged millions of people with this content and we have exceeded all of our reach KPIs.

It is also been really exciting to see how much love there is for our brand, with content creators who have said to us that their relationship with ITV is deeper than other streamers and broadcasters.

Improved return on marketing investment by 60%

Consistently testing, learning and optimising has enabled us to move investment from lower performing marketing channels to higher ones, and we have invested in improving our creative output to ensure effectiveness improves. This has led to a 60% uplift in the return on investment of paid marketing on streaming hours since ITV Hub.

Driving increased awareness, consideration and traffic to ITVX has been a key focus of marketing. To enable this investment to succeed, we have then been really focused on ensuring viewers can access ITVX wherever they choose and have a great experience when they watch us. This means they stay with us longer and it creates more monetisation opportunities.

ITVX is now available on nearly 100% of UK platforms

It is fair to say there is not much point attracting viewers to ITV if they cannot physically access it. Since launch, we have increased the distribution footprint by 30%, meaning that we are now available on nearly 100% of all UK platforms. Platforms like Sky Q, PlayStation, Freely have all been a huge boost to our coverage.

Ensuring ITVX content stands out on partner platforms drives incremental viewing

Availability on platform has improved, but this is only one part of the equation, as the data integrations with the platforms are an essential for prominence and discovery of our content. In a world where many viewers are choosing their content through a partner user interface, we need to ensure ITVX content stands out.

Our technology teams, working closely with partners on data integrations, has led to an 100% increase in viewers, reaching ITVX through partner referrals.

Case Study: Red Eye on Sky User Interface

Further to this, building stronger relationships with partners has led to more prominence. For example, one of our top dramas, Red Eye, being supported editorially by Sky, led to a 70% increase in viewing performance versus other comparable dramas.

Increased monthly active users by reducing friction & improving the viewer journey

We have also done loads of work on making the viewer journey easier, simply by improving our sign in and registration journeys and removing friction points to viewing. We have increased monthly active users by over 850,000 each month, and we still see lots of opportunity, with improvements in viewer journeys to continue to drive incremental viewers, which will be a key focus for 2025.

Once viewers are within ITVX, we have really focused on personalising their experience to increase their time spent on the product.

Our industry leading recommendations engine to personalise ITVX has driven increased viewing

We have integrated an industry-leading recommendations engine, and since implementation, we have driven over 20 million incremental streaming hours. As we learn even more about our viewers behaviours and preferences, we are really confident this will continue to deliver growth into 2025 and beyond.

We have delivered lots of new advertising opportunities, improving ITVX monetisation

We have continued to innovate to create more advertising opportunities on ITVX. Ro spoke earlier about the success of FAST channels. We were proud to be the first broadcaster to market in the UK with FAST, and we have now rolled out digital ad replacement to almost 80% of users, creating more digital inventory for the commercial team to monetise.

Since launch, we have also built a pause ad feature, which means when viewers pause a piece of content instead of a blank screen, they now get served a personalised static advert. And we were also the first UK broadcaster to add subtitling on digital adverts.

ITVX is consistently reliable for viewers

All of this innovation has been underpinned by a much more reliable platform. Viewers have consistently told us through research how much they prefer the new ITVX platform, and this is borne out in both improvements in our quality of service score, which is up 10 percentage points since launch, and the decrease in customer service contacts, which have decreased by 40% despite a larger volume of viewers using the service.

We have also successfully delivered both the 2022 Men's Football World Cup and the 2024 with Euros, demonstrating ITVX as a home of reliable live viewing. Live viewing at scale is a real point of difference for ITVX, which we know other streamers struggle to replicate.

Looking ahead to 2025 & 2026

We are excited to now have a well-loved product in the market, but we see lots of opportunity for future growth. Having tested and learned a lot over the last two years, we are now honing in on the improvements we know will drive viewer growth. We will be refreshing our brand positioning to attract more 25 to 54-year-old viewers, and will be continuing to invest in marketing to drive consideration of the service.

With our distribution footprint now nearly at 100%, we still see lots of opportunity in further integration with partners. We will be looking to introduce new continue watching features and embedding content to drive incremental viewing. We have seen great growth from personalisation, and we will be looking to continue this with more sophisticated knowledge of our viewers, which drive more viewing occasions.

We will also be continuing to innovate for our advertisers as we plan to launch digital ad insertion across all channels in ITVX. All of this is to deliver more viewing, increased retention, and drive monetisation. This is all possible due to the strong experimentation culture we have created a focus on speed to market and a deep understanding of our viewers.

I will now hand over to Kevin to close.

Conclusion

Kevin Lygo

MD, Media & Entertainment, ITV

Summary

Thanks, Jane. So I hope you have seen today the transformation in our content and viewing proposition, and why we have grown faster than any other streamer over the last few years. Since launch, streaming hours have grown 45%. Monthly, active users have grown 37%, and these commercially attractive audiences have driven a 39% increase in digital revenue.

This would simply not have been possible without ITVX. As ITV, we have a unique set of competitive advantages. Our expertise in commissioning content that drives audiences at scale. Planet V's ability to monetise that scale, and our position as an integrated producer, broadcaster and streamer with access to a rich pipeline of high quality programmes.

These, combined with our clear focus on our key value drivers, give us confidence in our ability to continue to compete very effectively and deliver at least £750 million of digital revenue by 2026, and continued strong growth in viewing and digital revenues beyond.

Thank you for listening. We will now take your questions.

Q&A

Ed Young (Morgan Stanley): My question is around consideration, please. You put in the detail there about being the fourth most considered streaming service in the UK, and having had that grow. Obviously, you want to continue to grow consideration. What is your realistic goal? And I guess on what sort of timeline, and how much of an outsized prize is there for moving up to number three or number two over time when you think about the share that viewers allocate to the different services in their top three, top four, top five?

Jane Stiller: Thank you. I can take this.

Kevin Lygo: Yes, sure.

Jane Stiller: Yes. Consideration, as we said at launch, is a really key metric for us. We are really excited and pleased with the growth that we have seen. And as we said, double digit growth and the only broadcaster to achieve that in the last couple of years, particularly as we have seen big competitors like Netflix and Prime go backwards, which is fantastic.

I think going forward, clearly number three would be our ambition and that would be the marker that we would be looking at in terms of ambition over the next couple of years. But it is a really tough metric to move, as I talked about, and it is a slow moving metric. But I think we have seen based on the marketing that we have done so far and that improved return on investment that I talked about, that we are seeing progress on consideration. So top three would definitely be our ambition for the next couple of years.

Kevin Lygo: Not number one, Jane.

Jane Stiller: Well, number one would be nice, but top three would be great.

Julien Roch (Barclays Capital): My first question is, you highlighted the 24 to 55 in your presentation. Is that the most relevant commercial target? I mean, I thought it was more 16 to 34, so maybe the market has evolved. But if we were to look at either 16 to 44 or 16 to

34, what would be the percentage of ITVX versus the 56% you quoted for 25 to 54? That is my first question.

And then the second one, I know today is about content, not commercial, but ITVX is about addressable advertising. So I wanted to know what data do you have on the viewers? To what level you can get to, and how that could help your targeting?

Kevin Lygo: Yes. Well, I think on the 25, 54s, it is a large cohort of people. It is one that we at ITV have had a long-term relationship with. We have millions of viewers. We access these people a lot. What we want to do on ITVX is to get more of them. The over 55s are most welcome and we have a lot of them. This is about going for that large mainstream audience. Because remember, it is also the target of ITV channels, because these are people that are watching a lot of television, as I said in the report. And we feel it is a very addressable group for us.

So that is what that is about. Going shorter into smaller groups of demographic cohorts, I think is a byproduct of that. There is enough people in the 25 to 54s that we can make a very successful business out of. And we are growing in that reach. And our content strategy, our marketing strategy is all aimed at that. That was that one.

What was the second question?

Jane Stiller: The second question around addressable advertising and the data that we have got on our viewers. So I think as we talked about in the presentation, we have got a lot more intricate understanding of our viewers over the last couple of years. They come to us more frequently. Therefore, we have more data signals than ever before.

Clearly, there will be a lot more detail on this in the commercial presentation that we said from earlier in the year. But I think one thing that we are really proud of is a lot of the data integrations we have made with third parties as well. So be that Experian, Dunnhumby, Clubcard, Boots Advantage Card data, all of those things together are giving us a real rich picture of our viewers, which we know that advertisers are really buying into, and we feel that there is a lot more growth within that area as well as we get more sophisticated with our data. And that gives advertisers a more sophisticated targeting capability, which we know is one of the big things that they are after in the market at the moment. So a lot more opportunity, I think, within that space.

Tom Singlehurst (Citi): A couple of questions, if it is okay. The first one to me at least, and maybe this is wrong, but it feels like there is still a bit of tension between markets. So what I mean by that, if I talk to some of your European peers, they are still indicating that they think minutage on streaming platforms can increase to linear levels. And there are obviously some platforms that are selling purely on the basis of reach. I am just trying to get to a view of whether that is, because of the particular idiosyncrasies of their market or whether it is wrong-headed approach. I am just interested in that differential because you seem to be a lot more conservative, in particular on, for example, how advertising monetisation might interplay with the consumer experience. That is the first question.

And then secondly, and maybe this is linked, we have done some recent CMO survey that suggests that there is very, very strong demand for short form video for connected TV, which is obviously good news. But there is also a falling away of demand for linear TV. I am just

interested whether you share that view and whether there is a tipping point or whether there is any nuance in that demand for traditional linear audiences once a platform like ITVX is delivering targeted audience at scale.

Kevin Lygo: Thanks, Tom. I think on the ad load question, in effect, we do really put the viewer first. And so it is terribly important that the ad loads, of which they are very used to on linear of course with us are the right amount. And so at this stage, we control that quite closely to make it a pleasant viewer experience.

On short form content and so forth, look, of course, there is linear decline. That is partly why ITVX is there, why it is growing and doing so well. So we need to track that. But do not think that the foot comes off the gas really on maintaining our position as far and away the biggest commercial broadcaster here and keeping that dual, if you like, combination of mass audiences alongside more targeted audience on ITVX as something that advertisers really want and really appreciate as we are giving it to them.

Rosemary Newell: Just to add, I think, the four genres which we spoke about, which we have this extraordinary core strength in, which is drama, reality, entertainment and sport, they are still watched in long form in high numbers, high volume, both in linear and in streaming. So we still see the appetite for long form content on both platforms.

Jane Stiller: Definitely. I think, again, short form provides an opportunity for us as well when we think about our promotional opportunities. We talked in the presentation about the rise of social media marketing, which we know is obviously a big thing that is going on within the industry. But that gives us a real opportunity to attract more viewers to our platform as well. And we have seen that in both organic and paid social, that that short form content is generating demand and excitement about shows that then translates into long form viewing, both of which on ITVX, but also on linear as well.

Like I said, the scale of the two things together is really the power of ITV. And that is where we enable ourselves to deliver those big mass audiences across different platforms in the way that viewers want to experience it. So short form, like I said, can be a real lever for growth for us as well.

Tom Singlehurst: That is very clear. And just to come back to maybe the first question, you are prioritising the viewer experience. Should we infer from that, that we should just think about ad revenue tracking broadly in line with viewing and usage? For now, it is not something you are going to be squeezing harder on the ad load side.

Rosemary Newell: I think we are always looking at ad load and we are always looking at optimising it, like I said to the viewer and making sure that we give light viewers and heavy viewers the right level of ad load for their experience. So I think it is one of the things that we constantly keep under review and obviously working closely with our commercial teams, making sure that we are understanding how demand and supply is fitting together. So it is something that is constantly moving for us, I would say.

Kevin Lygo: I would refer you back to Kelly's presentation where he talks about this in a bit more detail.

Okay. Well, thank you very much for listening in and watching. I hope you enjoyed it. We are really proud of what ITVX has achieved here on its second birthday. So thank you for coming and keep watching.

[END OF TRANSCRIPT]