

ITV PLC Full-Year Results for the Year-End 31st December 2019

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Introduction and Highlights

Carolyn McCall

Chief Executive, ITV PLC

Agenda

Morning everyone. Thank you for joining us for ITV's 2019 full year results. For obvious reasons there are not as many people in the room today as there normally would be and a lot of people are dialling in today via a conference call.

In a moment, Chris will present our operational and financial performance for the year. I will then update you on our strategy and our priorities for this year. We will then have plenty of time for questions from the room, on the call and Chris and I are joined here today by some of our senior management team, who you all know well.

Highlights

ITV delivered a good performance in 2019, despite the economic and political uncertainty in the UK, with the full-year results ahead of expectations. Our strategy, as you know, is to build a stronger, more diversified and structurally sound business and we are making really good progress on this. We have taken deliberate decisions to invest in the business, in content, technology, data and analytics, to enable us to deliver this. This has, of course, impacted our profit this year. We will report today on each area of our strategy, as we continue to implement our investment plans to build a digitally-led media and entertainment company.

We are growing our stable-margin Studios business, with revenues up 9% and a solid pipeline of new and returning shows. We are transforming our Broadcast business with continued strong growth online and the rollout of Planet V. We are growing the Direct to Consumer business: BritBox UK is on plan, following its successful launch in November and we are seeing strong growth in subs on Hub+ and BritBox US.

We have also continued to implement well on our cost savings, delivering £25 million of savings this year, £5 million ahead of target. We remain on track to deliver £55–60 million by 2022.

2019 Group Financial Highlights

Total external revenues were up 3% with 7% growth in non-advertising revenue as we continue to diversify the business. This was driven by the strong growth in Studios and continued double-digit growth in online revenue. Advertising finished the year better than we expected, with the second half up 1.6%. Overall TAR was down 1.5% over the full year. Year-on-year profits were down 10%, impacted by this decline and as I said, the investments we are making. Cash generation remained strong in 2019 and the board have proposed a full-year dividend of £0.08, in line with our guidance.

Group EBITA tracker As you know, we set our strategic and essential investments as part of our strategy to build a robust, more diversified business and drive profitable future growth and returns. As I said, they are obviously impacting our short term profitability. The incremental investment of £36 million in the schedule in sport and drama is to drive live audiences and light viewers respectively. The essential investments in the ITV Hub, addressable advertising, data, technology, Studios and BritBox total £53 million.

Without this, profits would have been broadly flat year on year, in spite of the decline in advertising.

Now I am going to hand over to Chris to go through our financial and operating performance for the year in a bit more detail.

Financial and Operating Review

Chris Kennedy

Group Chief Financial Officer, ITV PLC

Thank you Carolyn. Good morning everyone. You have seen our financial highlights and I will now take you through the results for the year in more detail, starting with Studios.

ITV Studios

Strong performance with total revenue up 9% at a 15% margin

As we expected, ITV Studios had a very strong second half due to the phasing of deliveries. Over the full year total revenue was up 9%, with growth across each business. External revenue was up 12%, with significant growth in demand for our content globally and EBITA was up 5% at a margin of 15%, which is firmly within our target range.

Looking at revenue in a bit more detail, the UK was up 4%, with sales to ITV also up 4%, including new dramas *A Confession* and *Sticks and Stones*. Off ITV in the UK grew 13%, with deliveries of *Line of Duty*, *World on Fire* and *Noughts & Crosses*.

ITV Studios US performed strongly, as we expected, with revenue up significantly in H2. Revenue growth for the year was 11% and 7% at constant currency. Deliveries of *Love Island US*, which has been recommissioned; *Crank Yankers*, *Queer Eye* and *Snowpiercer* more than offset the absence of *The Four*.

ITV International, previously called Rest of World, was up 22%, or 24% at constant currency. This was driven by strong growth in European scripted, with deliveries such as *Profilage* and *Balthazar* for Tetra and *ZeroZeroZero* and *Gomorra* from Cattleya. In addition, our portfolio of formats continued to sell well internationally, for instance *The Voice* and *Dancing on Ice* in Germany and *I'm A Celebrity...* and *Love Island* in both Australia and Germany.

Global Formats and Distribution, previously called GE, was up 2%.

Strong growth in scripted revenues

Looking now at the split, scripted grew very strongly, up 37% in 2019 and it now makes up almost 30% of Studios revenues. Scripted remains a focus for us, as its likely to be an area of higher growth in the medium term.

We are seeing significant scripted growth in the UK, on and off ITV; in Europe, with strong demand from broadcasters and OTT platforms for local content with global appeal, such as *Tre Metri Sopra* for Netflix and *Carlo & Malik* for RAI. In America we saw the delivery of *Snowpiercer* and the fifth series of *The Good Witch*.

KPIs

2019 has been a very strong year for ITV Studios and over the medium term we continue to expect to grow revenues by at least 5% compound at a margin of 14–16%.

We are on track to deliver 10,000 production hours by 2021 but 2019 was impacted by the discontinuation of *Jeremy Kyle*, no *Saturday Night Takeaway* and a number of high volume and lower value daytime programmes not returning, such as *Eggheads* in the UK and *Think Tank* in Australia.

Broadcast

Now onto Broadcast. As Carolyn said, total advertising was down 1.5%, ahead of the 2% we guided in November. Within this, VOD grew 21% and we saw good growth in sponsorship and partnership revenue, as we have grown our strategic and creative partnership teams. However, this was more than offset by the decline in NAR against the tough 2018 comparator, which included the football World Cup, which we estimate was worth around £20 million. In addition, the introduction of the whistle-to-whistle gambling ban from August 2019 cost us around £6 million.

Direct to Consumer revenues recovered in the second half of the year, as we expected and were up 4% for the full year, driven by an increase in Hub+ subscriptions which offset the impact of *Saturday Night Takeaway* on our competition revenues and less, low margin, pay-per-view boxing.

SDN revenues were down 5%, driven by the phasing of deal renewals in the period. Other revenue was down 3%, due to the closure of Encore at the end of April 2018 and lower commission from STV, which corresponds with the decline in spot advertising revenue. In total, Broadcast revenues were down 2%.

Moving onto costs, our programme budget was up. We increased spend on sport, which drives live viewing, with England football qualifiers and the Rugby World Cup and on drama, which is important for attracting light viewers.

While we continue to manage our non-programme costs tightly and over-delivered on savings, costs were higher due to increased bandwidth and rights costs as a result of the significant online growth, essential investments and BritBox UK

We are disclosing BritBox UK as a separate line and the number you see on the chart is the venture loss, not the net investment, which is actually lower. I will come on to this later.

In total, Broadcast excluding BritBox delivered £483 million of EBITA at a 23% margin.

ITV viewing

Onscreen and online viewing has again been an operational highlight and we maintained our share of viewing at the second-highest level for a decade. This has been driven by a good performance right across the schedule. Many daytime shows grew their audiences, such as

Good Morning Britain and *Tenable*. We successfully aired a range of new dramas, with ITV broadcasting five of the six most watched new dramas including *Manhunt* and *The Bay*. Sport attracted large live audiences, driven by Rugby World Cup and horse racing. Finally, *Coronation Street* and *Emmerdale* remain the two largest soaps on TV.

We continue to be the home of scaled, mass audiences: delivering 98% of all commercial audiences over 5 million and just as importantly, we are delivering on targeted demographics, for instance share of viewing for 16–34's on ITV2 was up 6%. As Ebiquity said in a recent study, 'TV remains the best option for brands to build mass audiences at scale,' and that, 'TV continues to hold the crown as the primary driver of ROI.'

It is our great content which has driven our strong viewing on the Hub, up 13% with dwell time up 6%. We have already hit our target of 30 million registered users and we have over 80% of all 16–34 year olds registered on ITV Hub. Monthly active users were up 28% and our focus is now on keeping those users and driving incremental active users and dwell time.

We have a strong schedule for 2020 and our programme budget will increase to about £1.11 billion, which will be weighted to H1 with the Euros. Over the medium term we expect our schedule costs to remain broadly at this level, although they will fluctuate with large sporting events.

Total advertising

The advertising market was tough in 2019, with continued economic and political uncertainty in the UK and changes in viewer and advertising behaviour. Our strategy is focused on taking advantage of and addressing these changes. ITV's proposition is strong, giving immediate reach and scale to advertisers in a brand-safe environment and the growth in viewing on ITV Hub offers even more targeted demographics and fully-addressable advertising. In 2019 we outperformed the TV ad market again.

There is no question that the make up of TV advertisers is changing as new categories and markets are being disrupted by insurgent brands. The continued challenges faced by the high street retailers and FMCG companies have put their budgets under pressure and they have reduced spend across all media. We have also seen a decline in entertainment and leisure compared to the significant spend by the betting companies around the Football World Cup in 2018. However, we saw growth in motor, publishing and broadcasting and airlines and travel. The key stand-out is the non-gambling online brands, which grew their spend by 11%. These brands see both the immediate benefits of TV advertising, as well as its ability to build their brand.

Broadcast: key performance

We have clear measures of success and we are on track to deliver our medium-term targets.

As the media market is changing, we are increasingly competing with the global SVOD platforms. Our brand consideration across all adults was down 6 percentage points in 2019, as these platforms have grown and are investing heavily in marketing. Brand consideration has also been impacted by the discontinuation of *The Jeremy Kyle Show*. However, our performance was better than our closest free-to-air competitors.

Critical to our strategy is reaching light viewers, who are younger and more elusive. We are pleased that our brand consideration for light viewers, which is the measure that we watch

most closely, only declined by just one percentage point. In the future we will focus on brand consideration for light viewers rather than for all viewers.

ITV total viewing was down 4% in 2019 against the Football World Cup in 2018, which is in line with the market. Over two years total ITV viewing was down just 2% and this is ahead of the broadcast market over the two-year period, which was down 8%.

Direct to Consumer key performance indicators

We are making good progress in Direct to Consumer too, with 4% growth over the full year and we are on track to deliver our medium-term targets. Hub+ subscriptions continue to grow strongly.

Paying relationships were down in the year but this was due to less pay-per-view boxing, which we closed at the end of its trial period to focus on more profitable Direct to Consumer opportunities. Excluding boxing, paying relationships increased year on year.

It's too early to publish data for BritBox, as we only launched only four months ago but as you would expect, we are focused on subscriber numbers, conversion, subscriber acquisition costs and churn.

Investments and cost savings

This slide brings together all the investments we have previously announced to support the strategy.

Essential investments in 2019 were lower, at £32 million, than the £40 million we guided. This was principally due to the timing of payments in relation to the addressable advertising platform, which will now fall in 2020. As a result, additional essential investment will be £18 million in 2020: the £10 million we originally guided plus the £8 million which has moved from 2019.

In future we will report and guide on the venture losses within Britbox rather than ITV's net investment. ITV's net investment is lower than the Britbox venture losses as it includes the benefit to ITV from the advertising by BritBox on ITV network and the sale of programmes by ITV Studios to BritBox, offset by the opportunity cost of not selling to other platforms. The venture loss better reflects the standalone performance of BritBox.

Originally, we guided £25 million of net investment in BritBox for 2019. Actual net investment was £6 million lower, at £19 million, due to the phasing of content costs. The equivalent venture losses for the period were £21 million. We had previously guided £40 million of net investment in 2020. This, together with the £6 million of costs that have been re-phased from 2019, is in line with our new guidance for 2020 of between £55–60 million of venture losses. As a reminder, the vast majority of costs relate to subscriber acquisition and to content.

We delivered £25 million of recurring cost savings in 2019, £5 million more than plan. We remain on track to deliver £55–60 million of savings over the four years to 2022, which is equivalent to about 13% of our fully-addressable cost base. In 2020 we are targeting £10 million of recurring savings.

Adjusted and statutory results

Adjusted earnings for the year were £555 million, down 11%. Adjusted EPS was £0.139, down 10%. Financing costs were higher, reflecting slightly higher levels of debt in the year, some FX and the impact of IFRS 16. The tax rate came down to 18% and we expect it to remain around 18–19% over the medium term. Statutory EPS was up 1% to £0.118, predominantly due to the gain on the sale of London Television Centre in the year. Exceptional costs primarily comprised of acquisition-related earn-outs and the one-off costs of delivering our cost-saving programme, offset by the gain on the sale of London Television Centre.

Balance sheet and liquidity

Our cash conversion was again strong in 2019 at 87%, despite our continued investment in the scripted business, Britbox and addressable advertising.

It remains our objective to run an efficient balance sheet and manage our financial metrics with investment grade. Our net debt at the end of the year was £804 million, with net debt to adjusted EBITDA of one times and adjusted net debt to adjusted EBITDA, which better reflects how the credit agencies look at us, of 1.5 times. We have good access to liquidity, with £930 million of undrawn facilities and finally, our pension schemes are reporting a net deficit of £87 million, up on last year principally due to the decrease in bond yields.

Cash generation tracker

This slide shows sources and uses of cash in 2019. We continued to balance investments with returns to shareholders and maintaining our balance sheet strength.

In 2020 we have a number of one-off cash outflows, which include an unusually high level of earn-out payments and in common with other UK corporates, six quarters of tax. These could increase our leverage by around half a turn over the full year.

2020 planning assumptions

I will finish by running through the 2020 planning assumptions. I have talked about most of the P&L assumptions shown on the screen. In 2020 our best estimate of exceptional P&L items is £25 million, down on last year due to lower acquisition-related expenses as we have reached the end of the Talpa earn-out period.

On the cash side we expect profit to cash conversion of between 75–80%. As I mentioned, like all businesses, in 2020 we will have to pay six quarters of tax rather than four. CAPEX will be higher in 2020 due to the costs associated with our addressable advertising platform and our US property moves. Our best estimate is that exceptional cash items will be around £210 million, which is higher than previous years as it includes the final element of the Talpa earn-out. Pension deficit funding is expected to be £75 million in line with 2019, and the board is intending to pay another £0.08 full-year dividend.

I will now hand back to Carolyn.

Strategic Update

Carolyn McCall

Chief Executive, ITV PLC

Our strategic vision

Thanks Chris. So: a strong operational performance in 2019. While ITV has a solid market position, we recognise that we need to continue to develop at pace to deliver future success and to mitigate the risks of the changing viewing and advertising market. TV still reaches 90% of the population each week; TV advertising is critical in marketing campaigns, with 83% of all video advertising on live linear TV. There are two reasons for this: it generates the highest ROI, as you have heard and TV provides a safe, trusted and transparent environment. However, SVOD is now established in the market and online viewing continues to grow rapidly and is likely to continue to with the launch of new services.

Our strategic vision is to be a digitally-led media and entertainment company that creates and brings our brilliant content to audiences wherever, whenever and however they choose and of course to monetise our content, however we deliver it.

We have evolved our strategy to deliver our vision

We have evolved our strategy as the industry has developed to deliver our vision with three clear objectives: continue to grow UK and global production, transform our broadcast business and expand our Direct to Consumer activities.

Monetising quality content

At the centre of this is the production and commissioning of great content which we are then able to monetise through our multiple touchpoints in three different business models: with advertising, through linear broadcast, online and creative partnerships around brands; by selling our content to broadcasters and platform owners and directly to consumers through SVOD, merchandise and events around our programme brands.

Being an integrated producer-broadcaster gives us a real competitive advantage. It provides Studios with a bedrock of core commissions and a formidable promotional engine for its content and the ability to cross promote across our business models. It enables 360-degree monetisation of Studios content across these business models and secures access to great content for ITV's channels, AVOD and SVOD businesses.

Social purpose

As a commercial public service broadcaster and a responsible business, our social purpose is extremely important to our people and to delivering our strategy. With the massive reach of our platforms, our much-loved shows and creative talent, we have a unique ability to drive meaningful change.

In 2019 we launched our social purpose strategy, setting ambitious targets to shape culture for good. We have identified four priority areas and have made a great start.

The first is encouraging better mental and physical health. In 2019 we launched Britain Get Talking, the first stage of a five-year commitment from ITV to promote mental wellness. That became the best-known, most-recalled mental health campaign of the year, even though it launched in November. ITV is also committed to sharing best practice and

continuing to strengthen and evolve our duty of care processes, ensuring the physical and mental health of people at ITV and in our programmes is the highest priority.

The second is fostering creativity through diversity, to ensure that ITV reflects society on and off screen. We published, for the first time, targets in 2019 and we are making really good progress against these. We also set up the ITV Inclusion and Diversity Council to share and monitor progress in this area.

The third is around reducing our environmental impact, creating programmes with the biggest impact on the audience and the smallest impact on the environment. In 2019 we were carbon neutral and an increasing number of our programmes are now Albert accredited for implementing sustainable production techniques.

Our final priority is giving back to communities through causes we care about. For example, we helped raise about £8 million for UNICEF with Soccer Aid in 2019. We also encourage all of our colleagues to take their volunteering days.

Strategic progress in 2019

While there is a great deal to do to deliver our strategic vision, as you can see, we are already making really good progress. The benefits of our strategic initiatives and investments are already evident.

ITV Studios: significant operational progress in 2019

Starting with Studios, ITV Studios is now a scaled international business delivering good growth at a stable margin. In 2019, it delivered 37% of ITV's total profit as we continue to diversify the group.

We are increasingly diversifying the Studios business itself as well, with strong growth in scripted revenues up 37%. We delivered good growth internationally and now 58% of our revenue is generated outside the UK. We have sold 62 formats, with 14 sold in three or more countries as we continue to globalise our formats. We are increasingly producing them locally, therefore capturing the full margin, such as *The Chase* in the Nordics and *I'm A Celebrity...* in Australia. We have strengthened our creative talent with Patrick Spence, the award-winning producer behind programmes such as *Fortitude* and *Silent Witness* joining from Endemol and Dominic Treadwell Collins, the exec producer behind multi award winning *A Very English Scandal*. We have also increased our stake in Monumental to take a controlling interest, renewed our agreement with Mammoth and have acquired Armoza, an Israeli format creator.

Broadcast: progress

In 2019 we started to see the returns on the investments we are making in Broadcast. We are repositioning ITV to drive more light viewers and increase reach. We evolved the ITV and ITV Hub brands and have developed consistent off-air marketing across multiple media channels. We have maintained our ITV family share of viewing, as Chris said and grown our share of viewing of light viewers.

We have seen strong growth in our online metrics driven by our improved user experience, with features such as recommendations and cross-platform resume. We strengthened the user interface, redesigning the homepage, making it consistent across platforms and we have improved our marketing, with performance marketing and cross-selling.

Our significant progress across the business has been enabled and supported by our tech investments and delivery. We have evolved the digital video platform which supports the Hub, Hub+ and BritBox; we have designed and built Planet V and we are evolving the audience data platform to support and drive value in our Direct to Consumer business.

We continue to invest, of course, in our data capabilities and consolidating our data right across the business. This enables us to drive viewing, scaling our recommendation model and optimising our marketing spend. It allows us to drive consumer revenues with our SVOD subscriber acquisition and churn models and enables us to meet advertisers' targeted advertising needs.

We have started running live programmatic addressable advertising campaigns now, delivered through Planet V and this will ramp up in March. We are continuing to drive advertising through strengthening our client strategy team and our creative partnerships to grow sponsorship and partnerships revenues. We have done some really innovative deals with M&S, Deliveroo, Spotify and Heinz, just to name a few.

Direct to Consumer progress

So onto Direct to Consumer. As you know, we successfully launched BritBox in November, which I will come on to shortly. Hub+ and BritBox US are both performing very strongly. Hub+ subs increased over 50% year on year to over 400,000, driven by great content, increased marketing and EU portability. Of course it is a high margin business. BritBox US is also profitable and subs continue to grow steadily and now are over 1 million.

We continue to develop our other Direct to Consumer activities. In 2019 we invested in and rebranded our online competition portal, ITV Win; we grew our customer relationships and engagement around our key brands, such as the Coronation Street Tour and we further developed our gaming through programme apps and games, with the *Love Island* game being downloaded 10 million times globally.

BritBox

A bit more detail on BritBox: we had a successful operational launch, as I said; it was issue free and on-time and early results show a good performance in line with the business plan. We are seeing strong subscriber appeal and the majority of customers convert to becoming paying subscribers after the 30-day free trial.

Here is a snapshot of real customers' thoughts and experiences from some recent independent research with new subscribers.

[VIDEO]

Real customers.

Our priorities for BritBox UK are clear: to grow distribution, to strengthen the content offering and to continue to deliver effective marketing.

We have the largest collection of British boxsets, as you heard and this is growing by the day, with significant additions to the catalogue such as 500-plus hours of *Doctor Who* classic, which was a big hit at Christmas. Around 1000 hours of Channel 4 content joins this service from this spring, making it the unrivalled destination for British streaming all in one place.

Film Four content will be available in Q3 and our first original commission, *Spitting Image*, will land in Q4.

BritBox is now on ten platforms, making it available on 15 million UK screens. Our significant EE partnership is currently in the pre-sale phase and launches fully on 13th March. You View and Freeview Play will be joining in the next quarter, which will make it available on 20 million UK screens.

Brand awareness is very high, at 63%, following a successful advertising and brand launch with significant weight of ITV airtime, which we are seeing a great response from. Going forward, our marketing will obviously be very, very focused around planned content and distribution launches.

While there is clearly increasing competition in the SVOD market, our research shows that there continues to be strong demand for uniquely British content and for multiple subscriptions. BARB data shows the annual growth in homes with any SVOD service is 16%, with over 50% of the population having at least one subscription and the growth in homes with multiple services is 37%, with over 5 million homes now having more than one subscription. Our recent research shows that people's intent to buy BritBox is on a par with NowTV and AppleTV+.

How we are delivering our strategic vision

So, to deliver our strategic vision, we have very clear priorities across the business for the next three years. Demand for great content has never been stronger. Our strong performance, particularly in Studios in the US, in both scripted and unscripted, reinforces that ITV Studios continues to be a real growth opportunity. We will continue to grow our scripted business, where we are seeing strong demand and increasingly from the streaming platforms. We will globalise and maximise the value of our key formats and brands and the merged global formats business will drive this. We will focus on organic growth, with M&A when appropriate.

For Broadcast, ITV remains the only place to get mass simultaneous reach at scale, which we will continue to deliver while focusing on light viewers and digital viewing. We will accelerate ITV Hub growth; we will grow addressable VOD and over time look to bring other premium VOD inventory onto Planet V. We will also continue to build more strategic and creative partnerships with advertisers.

As we focus on building our relationships directly with consumers we will grow SVOD subscribers and optimise retention on BritBox UK; grow Hub+; continue to develop and expand BritBox US and roll BritBox out internationally. We will also drive DTC revenues through ITV Win and focused DTC merchandise and events.

To deliver this strategy we need to do four things extremely well. First, we need to digitally transform the business using data, analytics, tech and agile ways of working to drive revenue, as well as to simplify and get efficiencies. Secondly, we need to ensure we have the right capabilities, skills, tools and culture. Thirdly, that we own and manage our rights effectively to drive the most value from them. Fourthly, that we build really strong partnerships in the UK and internationally to improve the distribution, discoverability and prominence of all of our content.

ITV Studios: priorities for 2020

We have specific priorities for 2020, to ensure we successfully execute the strategy. Growing UK and global production, we have three key priorities for ITV Studios. First, integrating Talpa into ITV Studios and reorganising the distribution and commercial division into our three centres of excellence: The Creative Network, Global Distribution and Global Entertainment. This will enable ITV to develop more hits, build international brands and formats much more effectively and maximise the value of them, such as *The Voice*, *The Chase* and *Hell's Kitchen*. We will further strengthen our creative talent. We announced in January that Lisa Perrin will join ITV from Endemol as Managing Director of ITV Studios International. Finally, we are very focused on continuing to build and monetise a strong pipeline of programmes internationally: growing scripted, creating global formats that travel and return and diversifying our customer base and increasingly creating programmes for streaming platforms.

This is in addition to continuing to sustain and develop the core content for ITV Broadcast and Direct to Consumer. This tape shows just some examples of the content we are creating, producing and distributing through Studios.

[VIDEO]

Broadcast: priorities for 2020

So a huge volume of shows there; now onto Broadcast. Essential to the strategy is delivering ITV's digital transformation in Broadcast. We are doing this by accelerating the growth of the ITV Hub, through enhancing its content, its prominence and improving the user experience to capture further digital viewing and growing its reach and frequency.

To strengthen our content offering we will extend our windowing strategy, look at opportunities to put some content on the Hub in advance of live broadcast, introduce short-form content directly from our shows, integrate news into the Hub, and give D-to-C initiatives presence on the Hub to help deepen viewers relationships with the programmes they already love.

We will further improve the user experience in 2020 we will be rolling out increased personalisation, better homepage navigation and features such as start again in simulcast viewing. Our marketing plans will be focused on driving light viewers and ITV Hub viewers, with programme prioritisation and equal billing for ITV Hub, as well as greater use of first-party data.

We will continue to roll out and embed Planet V with the major agencies. We are currently taking bookings and road-testing it, as I said, engaging with agencies in feedback and continuously developing the platform.

A strong schedule, which drives the audiences needed by advertisers and the engagement of our viewers, is absolutely critical. We are focused on our priorities to drive mass audiences, light viewers and digital viewers. This tape now shows some of the great content which does just that.

[VIDEO]

We had great viewing figures, obviously only for the ones that have run last year, not for the forward-looking ones; you saw both in that video.

Direct to Consumer: priorities for 2020

Now onto Direct to Consumer. We are continuing to develop Hub+, as I have said; BritBox US and in 2020 we will be launching BritBox in Australia, as you will have seen this morning. The investment will be covered by BritBox US's profits. We are also working to identify other possible international markets too.

We are focusing on fewer more valuable Direct to Consumer activities and products around our key successful brands. For example, an *I'm a Celebrity...* live attraction in Manchester launches this year, we are scaling the *Hell's Kitchen* and *Love Island* games and we are growing merchandising globally.

Accelerating digital transformation

In addition, we are driving our digital transformation in the following three areas. First, in developing our consumer-facing products, as I have just outlined. Second, in digitising our content supply chain and core processes. We are embedding data-driven insights and automation into our processes, which will deliver efficiency gains, business agility, operational scale and revenue uplift. We have already started a project to provide our scheduling teams with modern digital planning tools and data-enabled real time insights. We will shortly be launching our rights management project.

Thirdly, we are looking in depth at our core central functions. We recognise that to deliver new digital models and ways of working we need to invest in systems and developing new capabilities right across ITV. This means ensuring teams have the right tools and skills and that our culture is shifting to embrace new ways of working. We have already delivered Talent Pay, a new payment system; we are now working on FreeCon, which will enable efficient management of the entire freelance contracting process. We have also launched a workplace tech project to ensure our colleagues have the right tools to enable smart working, which we launched in November 2019 and it has actually been welcomed by our colleagues.

Outlook

We have started 2020 well with good online viewing, up 89%, driven particularly by the *The Masked Singer* and *Love Island*. ITV Family share of viewing is flat and we have a strong schedule for the year, with dramas including the second series of *The Bay* and *Quiz*, new entertainment show *The Epic Gameshow*, the return of *Saturday Night Takeaway* and of course the Euros to look forward to.

Total advertising is expected to be up 2% in Q1. This is the third quarter of growth and we are seeing double-digit growth in online and partnerships revenues. Early indications suggest that total ad revenue will be down 10% in April. In March and April, we have seen an impact from travel advertising deferments relating to the coronavirus. All deferments to date are included in our guidance.

Despite the ongoing uncertainty around the outlook for the UK following its departure from the EU, we currently remain on track to deliver our medium-term targets. At this stage it is too difficult to assess the further implications of the coronavirus but we continue to monitor the situation closely, as you would expect and have contingency plans in place. Our priority is to ensure the safety of our people.

Between September and November, the ITV management board did 19 internal roadshows in the UK and internationally. The feedback was that everyone is really very clear about what we need to do to deliver the strategy. It requires, as I have said, a relentless focus on delivery to build this stronger, more diversified and structurally sound business. We have strong foundations in place and successfully executing the strategy will further position ITV to meet the challenges of evolving viewing and advertising trends, as we become a digitally-led media and entertainment company.

Thank you all very much for listening. We are now ready to take your questions.

Q&A

Annick Maas (Exane BNP Paribas): Good morning. My first question is on BritBox. You suggested that the conversion rate of people signing up for free and then going into pay is quite high. Is it high like 60%, high like 80%?

Carolyn McCall: If we were going to give you those figures, we would have said them in the presentation. The reason we did not is that actually we are in the very early stages of BritBox, as you know. I mean it is three, 3.5 months old; we are in full kind of distribution, rollout mode and we are also still rolling out the content, so Channel 4 content is not on yet. I think we are not in a steady state yet. So we are very pleased: it is on track, it is on plan, it is exactly where we wanted it to be at this stage. However, until we get to a kind of steady state, when we have rolled out the distribution content, the metrics are not going to be meaningful.

Annick Maas: That is good, thank you. My next question is just: can you give us the share of online businesses advertising in your advertising revenue mix? You give the mix via industry but not via online businesses. So if you take the online businesses, you exclude Amazon, how much do they make up in your advertising revenues?

Chris Kennedy: Well, we have not disclosed that. They are across all categories. What we have said is that it is growing at 11% this year because, as we said, those online brands see the clicks to their website as soon as the –

Carolyn McCall: The campaign runs.

Chris Kennedy: – campaign runs. Then, over the longer term, they see the benefit for the brand. However, we do not break out the online segment.

Carolyn McCall: So we do not segment it like that; we just see online per category.

Annick Maas: Yeah, okay. My last question is just: can you give us an update on how much of the content that is on other platforms you have already repatriated? Can you give us an update on the latest timeline on that: when you will have repatriated everything?

Chris Kennedy: For BritBox.

Carolyn McCall: Yeah, no, I get the question. For ITV, quite a lot of our content was not actually in that many other places, to be fair. Reemah, are you there? I think most of it is back?

Reemah Sakaan: Yes. Yeah.

Carolyn McCall: For ITV.

Reemah Sakaan: Yeah.

Carolyn McCall: I think the BBC on BritBox will have a little bit longer to run before they repatriate because they have had longer-term deals in place for a lot longer than ITV had.

Annick Maas: Okay, thank you.

Patrick Wellington (Morgan Stanley): Hi. As we are a bit short of people in the room, I am going to go wild in my number of questions.

Carolyn McCall: Just go mad, go on; we expect no less.

Patrick Wellington: It is an analyst's dream, this.

Carolyn McCall: God forbid.

Patrick Wellington: So, let us ask the coronavirus question. Can you contextualise how much travel is in the context of your advertising? It flashed up on the screen. Is this a seasonally big part of the year for travel? When you look out across your other advertising categories, have you seen any vulnerability anywhere else or, if you were to anticipate some vulnerability, where might it come, where do we stop?

Carolyn McCall: Okay. I think January is quite a big month for travel, traditionally. People come out straight after Christmas and do huge amounts of trying to get people to book their summer holidays in January. At the moment, it is about travel and the travel sector. It is a range of travel advertisers, as you would expect. Most travel companies are either market-subbing or closed down, if you like; people are not travelling. So they are deferring their spend, Patrick, rather than anything else; they are just asking to move their spend later into the year.

We are not actually seeing it in other categories. The only other thing, of course, is the Bond film, which is highly publicised. It was about to premier imminently, on 12th March, or 17th March, something like that and they have moved that to November, so that is another movement. So we have seen that on Bond but other than that, it has been the travel category.

It is really hard. I think anyone who tries to guess what is going to happen next is going to be wrong. I do not think it is worth speculating on whether it is going to affect other categories because I just do not know and we just need to wait and see.

Patrick Wellington: Travel is about 5% of the total.

Chris Kennedy: Yeah.

Patrick Wellington: However, as you say, you have had a big chunk of that in January.

Chris Kennedy: Yeah, it is 5% overall for the full year and it is overweight in the January to April period. So, as Carolyn said, January is quite a big one. However, it is also overweight in February, March and April as well.

Patrick Wellington: Okay.

Carolyn McCall: You can say one thing about the travel companies, which is that as soon as they can get back to normal, they will get back to normal. They will do that with every

precaution and safety requirement in place but they will want to come out promoting to get people to start travelling again. So that is the one thing you can say, I think, with certainty, which is they will be back.

Patrick Wellington: Okay, a BritBox question that you will not answer –

Carolyn McCall: Yeah.

Patrick Wellington: – which is that you were, at one point, going to give us targets for 2020 and beyond at this stage.

Carolyn McCall: Were we? We never said that.

Patrick Wellington: I think you were. That was my impression.

Carolyn McCall: Well, impression. We never said that, did we, Christopher?

Chris Kennedy: No.

Patrick Wellington: I also got the impression that 2020 was going to be the peak year of losses for BritBox.

Chris Kennedy: Yes, so that £55–60 million of venture losses will be. However, we are going to be in net investment phase for a few years yet. As we have always said, we are running it for a return for ITV because this is, we think, the best way for us to be monetising our content on an OTT platform.

Patrick Wellington: You see, I have a loss of £108 million over the next five years, or the first five years, which I think is looking pretty good on this basis, so far. There is nodding around, for those who are not on a video screen.

Chris Kennedy: Yes, we heard you.

Patrick Wellington: ITV Hub+ is doing very well: you have 400,000 subscribers –

Carolyn McCall: Yeah.

Patrick Wellington: – which is a bit of a surprise. Would you say that ITV Hub has got more or fewer subscribers than BritBox UK?

Carolyn McCall: Trick question, hey. So we are not giving subscriber numbers for BritBox.

Patrick Wellington: That is not given. ITV Hub+ doing very well; I am a subscriber myself. Did I hear, Chris, you say that the £1.1 billion is now the new average schedule cost as opposed to, a few years ago, it was about £1 billion? Is it now always going to be about £1.1 billion?

Chris Kennedy: Yes. We said £1.11 billion for 2020 but yeah, that is right. As we said, it will go up and down, depending on sports rights.

Carolyn McCall: Yeah, it is sport that will make that uneven.

Patrick Wellington: You are expecting Euro 2020 to go ahead?

Carolyn McCall: We are at the moment, yes; very much so.

Patrick Wellington: Do you have any contingency? Can you get your money back if it is behind closed doors?

Carolyn McCall: Yes. Look, I think Kevin's team have spent, as you can imagine, the last two weeks kind of really, really focusing on contingency plans by programme, actually. Sport, being live, is one of the most important things to do as quickly as possible. So there are contingency plans on all our programmes. Julian is doing the same in Studios and at the moment they are contingency plans; they will be used if necessary.

Steve Liechti (Numis): Hi. Can I just ask, on Olympics, can you just remind us what the traditional benefit, or hit, is on Olympics over that period?

Carolyn McCall: I think that it is on the BBC, for a start.

Steve Liechti: Yes, exactly.

Carolyn McCall: It is Japan, so it is on very early morning, so from that perspective it is less worse for us, if that makes sense, in terms of share of viewing. Kevin, do you want to say anything?

Kevin Lygo: I am glad it is in the east.

Carolyn McCall: Because of what I just said, it is on the BBC. We would not be that glad it was in the east if it was on ITV.

Kevin Lygo: No.

Steve Liechti: So I guess what you could say is that it is probably less relevant to you if the Olympics did not happen.

Carolyn McCall: Yeah, it is not relevant to us if the Olympics do not happen.

Steve Liechti: Exactly.

Chris Kennedy: Yeah.

Carolyn McCall: No, it is not really relevant at all. It would be terrible for the Olympics, right; I mean that would be an awful thing. However, no, for ITV specifically it does not matter.

Steve Liechti: Great, thanks. Then, in previous periods, you have given us quite specific numbers on *Love Island* in terms of revenue generation. Would you like to give us a number for the previous year, fiscal 2019 and also could you comment on the performance over winter and what that means going forward?

Carolyn McCall: Yeah. Last year we said that we had made an incremental £10 million of revenue out of sponsorship and partnership advertising, so we have never given a quantum for *Love Island* because we do not segment our programmes by revenue and never have. So I think it would be completely right to say that we are very pleased with winter *Love Island*. The consolidated audience was 4 million. It had a 55% of 16–34s, so very, very high viewing by 16–34s. It was also the first time we had done a production in South Africa of that scale and actually, touch wood, it all went very well. So we are pleased.

It was up against a winter schedule, which is a much tougher schedule, as you probably all know, than a summer schedule would be. When *Love Island* goes on in the summer it is up against a relatively weak schedule on other channels. Winter schedules are always very strong because a lot of people view a lot more in the winter, so we are actually pleased with its performance.

Julien Roch (Barclays): Good morning, two questions on BritBox; one not hopeful, the second very hopeful. You gave us the joint venture losses of £21 million. Could we get the joint venture revenue, or if there is no revenue? Then, number two, you say it is early days, it is not finished, we will give you numbers when it is steady state. When will we get numbers on BritBox? Is it going to be at the Q1, or we will get nothing at the Q1 and we will have to wait for the first half?

Then, on sponsorship, could you give us some colour on what happened to sponsorship in 2019? I guess, with the World Cup, it should have declined.

The last question is could we get the percentage of studio revenue, external, that is coming from digital/OTT. Are we around 10%, above 10%? Any colour on that? Thank you.

Chris Kennedy: Quite a few questions there. BritBox revenue in 2019, as you would expect, is very small because we launched at the back end of the year and we have the 30-day free trial start, so little revenue within that 2019 number. However, also, obviously, you have not got a full year of content costs in there either.

In terms of when we will give figures, as Carolyn said, we will give figures when the metrics, we feel, are a meaningful predictor of performance in the period and a future predictor of future performance.

Carolyn McCall: It will not be Q1, Julien.

Chris Kennedy: No, it will not be Q1, no.

Carolyn McCall: Just to set expectations. The third question was about sponsorship. Were you saying how did sponsorship go last year?

Julien Roch: Yeah, in 2019.

Carolyn McCall: I think we had a good year for sponsorship. All of our programme brands had really strong partnerships as sponsors: very supportive sponsors. We have done much more interesting sponsors, rather than just end credit deals, i.e. bumper deals. The stuff I mentioned with Deliveroo, with M&S has gone much deeper than what you just see on screen. We have done lots of things in store with them, we have done things at checkout with them, point of sale. A lot of the *Love Island* sponsorships are to do with merchandising and licencing, so the retail side of things. So I think one of the things the investment is really paying off on in terms of non-NAR revenue is it allows us to really get a very strong and close relationship with the clients and work with them over a number of years to achieve their objectives, in terms of growth. That is working well.

Julien Roch: So despite the Rugby World Cup probably generating less sponsorship than the Football World Cup, sponsorship was up last year?

Chris Kennedy: Yeah.

Carolyn McCall: Yeah, it was.

Julien Roch: And the last question, on Studios?

Carolyn McCall: The last question was external Studios revenue; how much is the OTTs, basically?

Julien Roch: Yeah.

Chris Kennedy: It is around 25% of GEs revenue and then a much smaller percentage of the overall sort of full production revenue. However, as we said, it is growing strongly. You saw on the reel the number of productions we are now doing for the OTT players.

Julien Roch: Thank you.

Matthew Blox[?] (Bloomberg Intelligence): Hi there, a question on the BBC. There have been a lot of column inches about future funding models for the corporation. I just wonder how you think about that and whether it has any implications for your strategy, whether you think you need to go faster on the Direct to Consumer or if it is just something that you are kind of passively observing.

Carolyn McCall: Obviously the BBC is a strong partner of ours in BritBox and a very committed partner. The government has made it absolutely clear that nothing is going to happen until 2027, which I know might not seem like a really long time away but is actually quite a long time away. I think our view would be that we focus very much on what we have to do. Our strategy is a 3–5-year strategy at the moment; we need to get that done. We have a lot of delivery objectives. I think we are also very, very involved in the PSB review, which of course involves the BBC and Channel 4 as well. We are contributing to that and we will be participating with Ofcom and the DCMS in terms of what we need from that PSB review, which is effectively modernising the legislation that was created in 2003. Those are the areas of our focus at the moment.

Adrien de Saint Hilaire (Bank of America Merrill Lynch): Yes, good morning everyone. Hello Carolyn, hello Chris and hello everyone in the room.

Chris, I think in your presentation, you mentioned that gambling, the ban, had a £6 million impact on advertising in 2019. Can you give us a sort of number that you expect for 2020? That would be the first question.

Then the second question is: I think you made the point that BritBox is advertising on ITV; how much does that add, in percentage terms, or absolute millions of pounds, to the overall ITV advertising revenues?

Then, lastly, on the dividend, there is a commentary in the release saying that the board will think about a medium-term outlook next year. However, is the message there that we should brace ourselves for a downgrade versus the £0.08 level? Thank you very much.

Carolyn McCall: All yours.

Chris Kennedy: Sorry the first one was...

Speaker: Gambling.

Carolyn McCall: Gambling.

Adrien de Saint Hilaire: Gambling.

Chris Kennedy: Gambling. Yeah, we will not give a figure for gambling this year, at this point. However, normally we get quite a bump up from sporting events like the Euros. There will still be some gambling adverts around that but that lift from the Euros will be slightly less than we otherwise would, because of the whistle-to-whistle ban. However, we have not given a forward-looking number on that.

On BritBox, first of all, the revenue is eliminated, so you will not see it in our external TAR number. In any event, it is a very small percentage of what ITV take in –

Carolyn McCall: Overall.

Chris Kennedy: – overall. However, the difference between the venture loss is the combination of the Studios profit and the advertising on ITV by BritBox. As we have said, that is roughly around £10 million in total.

Carolyn McCall: I did not hear the third question, except the word 'downgrade'.

Chris Kennedy: On the dividend, no, we are absolutely not saying there is a downgrade.

Carolyn McCall: No.

Chris Kennedy: What we are saying is that we think it is appropriate to hold the dividend at £0.08 for this year, given we have still got quite a lot of uncertainty around the UK's exit at the end of this year, as we get out of the transitional arrangement. So the right time to fix a new medium-term dividend policy is when we have greater clarity on exactly how that exit will happen and what the economic circumstances are at the time.

Carolyn McCall: Yeah.

Adrien de Saint Hilaire: Thank you very much. If I could just squeeze in one follow-up, please, Chris, I am not sure I understood the difference between the investments of BritBox of £46 million and the venture losses of £55–60 million. Where is that difference coming from? Sorry about this.

Chris Kennedy: The difference is the venture losses are higher than the net investment because that is the standalone view of BritBox. It includes the advertising by BritBox on the network and it includes the cost of content from ITV to BritBox.

The reason we gave that original net investment guidance was, if you recall, we announced BritBox before we had even agreed the final deal with the BBC; we had a business plan and there was a very wide of views on what BritBox might imply for ITV at the time. So we gave a shorthand view, which was we will give you the net impact so, for analysts, they could put one line in their models. What we are now doing is we are presenting it in the way that it is actually accounted for, which is within the broadcast P&L and the profit sitting in Studios. So the difference between the venture loss and the net investment is the Studios profit and the network profit.

Adrien de Saint Hilaire: Okay, thank you.

Lisa Yang (Goldman Sachs): Hi, good morning. I have a few questions, please. On SDN, I think the revenue was down 5.5%. Obviously this is a high-margin business. Could you maybe explain what happened there? What is the outlook for this business? Could you talk about, maybe, the timing of contract renewals?

I think you have the licence up for renewal as well, I think, from a previous time[?]. Should we expect any changes?

The second question is related to BritBox. I think you mentioned something about launching originals. I did not fully catch that. Could you maybe talk about how many originals you are

planning to launch for BritBox this year and where you expect to be, probably, over time, like in 2–3 years' time? Basically, what is incorporated within the £46 million for 2020?

The third question is on, actually, online. The viewing was up 13%; the revenues were up 21%. Should we expect this outperformance of revenue over viewing to continue in 2020?

Last question: could you give us the impact of the travel deferments you have seen in March, April? Given you are seeing these are probably going to come back in H2, I think it would be quite important for us to know what impact it was in the first four months.

Chris Kennedy: Okay. On SDN, we have had the licence for many years. We have invested a lot in the technology to increase the number of channels available. There are a very limited number of very old contracts which are at market rates from quite a long time ago. As those come up for renewals, there is a slight step down in the revenue, which is why you are seeing a little bit of a decline this year.

In terms of the licence review in 2022, DTT is the only platform that is growing for the delivery of TV, so we think there is a place for DTT going into the 2030s, actually. We are engaged with Ofcom around what is going to happen to the licence but we have run it really well for over 15 years. We have invested a lot and those discussions will be ongoing.

Carolyn McCall: On BritBox, on the originals, you will have seen yesterday that we announced *Spitting Image*, so that will run this year. It is very hard, Lisa, to be precise because the way we spend our money, it could be that we do a few things that cost more, or we do a number of things that cost less that we space out through the year. So we cannot be absolutely precise about the number, when they will run and how they will run because we are in commissioning mode at the moment.

We know what the plan is: the plan is to have originals in the plan. We have said that we will definitely be doing *Spitting Image* this year; there will be series two next year. Then there are other things in the pipeline that we have not announced yet that we will announce soon.

So we cannot be precise about it because we are still commissioning and signing deals on things and they all vary, in terms of quantum.

Chris Kennedy: On –

Carolyn McCall: Online.

Chris Kennedy: – online, the money and the viewing, we are obviously really focused on driving viewing on Hub and we are really pleased with the progress we have made so far. Carolyn talked about all the initiatives we have in 2020 to keep growing that viewing.

In terms of revenue, the commercial team are working really hard to attract more revenue into VOD. Planet V and the launch of that is firmly targeted at that. As Carolyn said, we have already engaged with the agencies; the feedback from them is very encouraging.

So, in answer to your question, we are looking to drive both viewing and revenue in 2020.

Carolyn McCall: Travel deferments and quantum, because of the H1, H2 move.

Chris Kennedy: Yeah. We are not going to give guidance on exactly how much of an impact that has had on us. Going back to what Carolyn said earlier, we need to look at this on the

full-year basis. It is deferment for the moment, so we were not anticipating any move in people's view of the full-year advertising at this stage.

Lisa Yang: Okay, thank you: helpful.

Carolyn McCall: Thanks, okay.

Richard Eary (UBS): Just two questions from myself. The first one is just on the Euros. I do not know if you can just comment: if we do get a situation and the Euros is cancelled, can you talk us through what the legal issues are in terms of your negotiations with people for the rights? Obviously, what happens if it does get cancelled? I presume you can pull back the fee from that but there might be some production costs around that.

Additionally, you gave some commentary about the World Cup additional revenues at the start of the call, about £20 million. If you look back to the previous versions of the Euros, were the Euros actually profitable, so we can get a sense in terms of what the impact is if the Euros do not go ahead, i.e. we will have a cost out but we will obviously have a revenue out as well, so therefore we can understand what, potentially is the net impact?

That is the first question. The second is just: Chris, maybe just looking at the cost lines in the Broadcast segment for 2020, you have obviously said there are £10 million of costs coming out of that. However, if we look at variable costs, broadcast, infrastructure and overhead costs, can you give us an indication of what the underlying cost growth would be pre that £10 million of savings? If we look at the number last year, which was £510 million, that number, should we just assume that is £500 million, or basically underlying growth minus the £10 million? Thanks.

Chris Kennedy: Okay.

Carolyn McCall: Euros. We have contracts for the Euros. We have obviously looked at the contract. There will be all sorts of conditions. I think, if a tournament is cancelled, they refund. So, from that point of view, we will be covered.

Chris Kennedy: Yeah and there is a small amount of production cost in there. Frankly, it depends when or if the tournament is cancelled, so we could avoid most of that, depending on the timing of any decision.

Carolyn McCall: Of course.

Chris Kennedy: However, this is all very hypothetical and the Euros are a long way away.

Carolyn McCall: Yes.

Richard Eary: Yeah.

Chris Kennedy: Then, just in terms of the way the business model operates, the advertising is on a share model. The great thing about sport is it brings in live viewers, it brings in valuable viewers. It helps with advertising inflation because we have the inventory to sell. However, they come pre-sponsored, so we are not impacted by that. I guess what I am saying is there is this location in the year between the viewing and the revenue you take.

Carolyn McCall: Broadcast cost line.

Chris Kennedy: Yeah. On the broadcast cost line, it is probably too detailed a question to answer here. There are lots of moving parts. Some of the essential investment is in variable

costs. You have inflation and you have the proportion of the £10 million of saving that ends up in there, so it is probably better if we deal with that one on one, or with the IR team later.

Richard Eary: Okay, thank you.

Carolyn McCall: Okay.

Laurie Davidson (Deutsche Bank): Hi there. Any progress on bringing on a partner to Planet V? You announced that when you launched this you would be looking for partners but it seems like most of the VMEDS[?], Channel 4, Channel 5, are all on AdSmart, so is there anyone else you can bring on there?

The second question: just given there is so much focus from the large DSPs on header bidding, can you confirm that Planet V can offer this? Thanks.

Carolyn McCall: On partners, yes, I think what AdSmart offers is quite different to what Planet V offers, so it is not mutually exclusive. You could be using AdSmart, as well as Planet V. What Planet V will do is be premium VOD inventory that agencies could choose to access through Planet V. So yes, we are still talking to partners on Planet V.

Chris Kennedy: What we did say was we wanted to establish it with the agencies as a platform with ITV inventory –

Carolyn McCall: First.

Chris Kennedy: – and get that working first and then bring on partners later, which is still intact.

Carolyn McCall: Yeah. I do not know whether you have seen but we have just announced the appointment of a Director of Advanced Advertising. His name is Rhys McLachlan and he actually joins us from Amobee, so we would expect that quite a lot will happen this year on Planet V.

Chris Kennedy: In terms of the header bidding, to be honest, I am not sure. However, the reason we chose the technology is it is one of the most advanced technologies out there. I do not know, Mark, whether you know the detail there but I am sure that it will be in there.

Carolyn McCall: Kelly is not in the room, Laurie, otherwise he would be able to answer that.

Chris Kennedy: Yeah.

Laurie Davidson: Understood. Alright, thanks.

Carolyn McCall: Thanks. So, if there are no more questions online, no more questions on the phone, thanks very much indeed, thank you all for coming.

[END OF TRANSCRIPT]