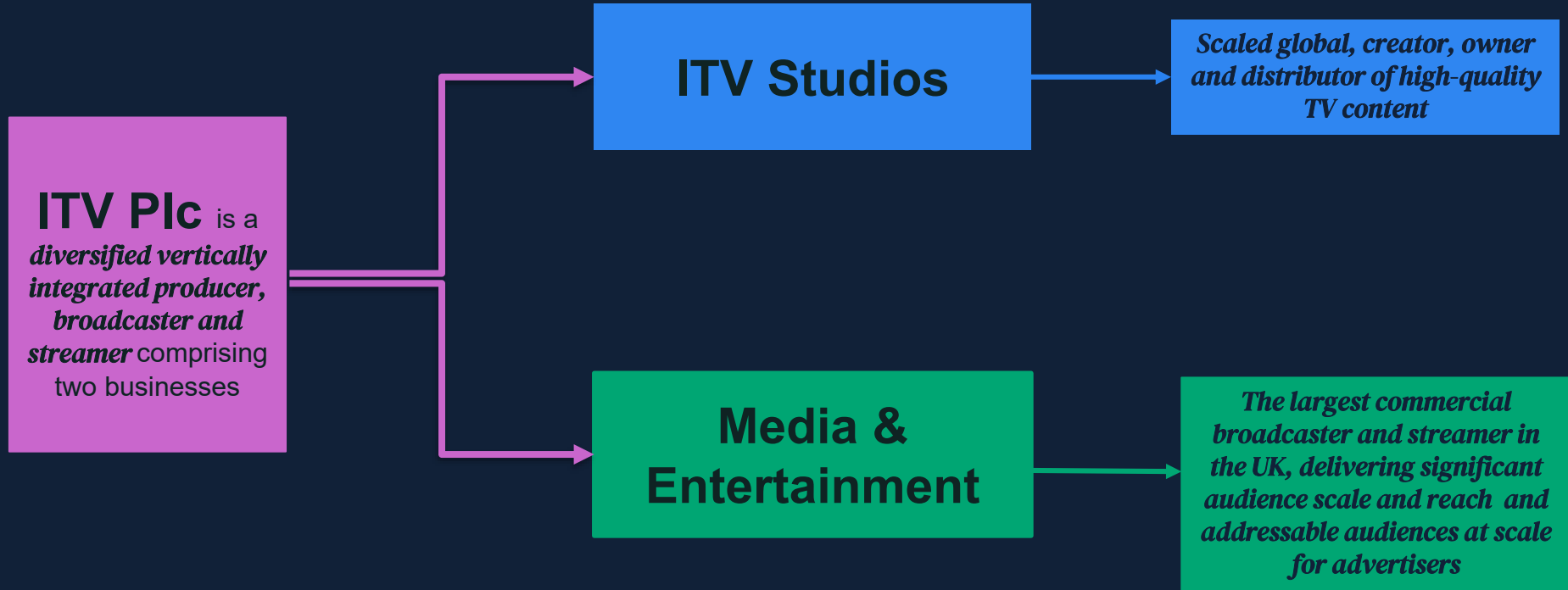


28/02/2024

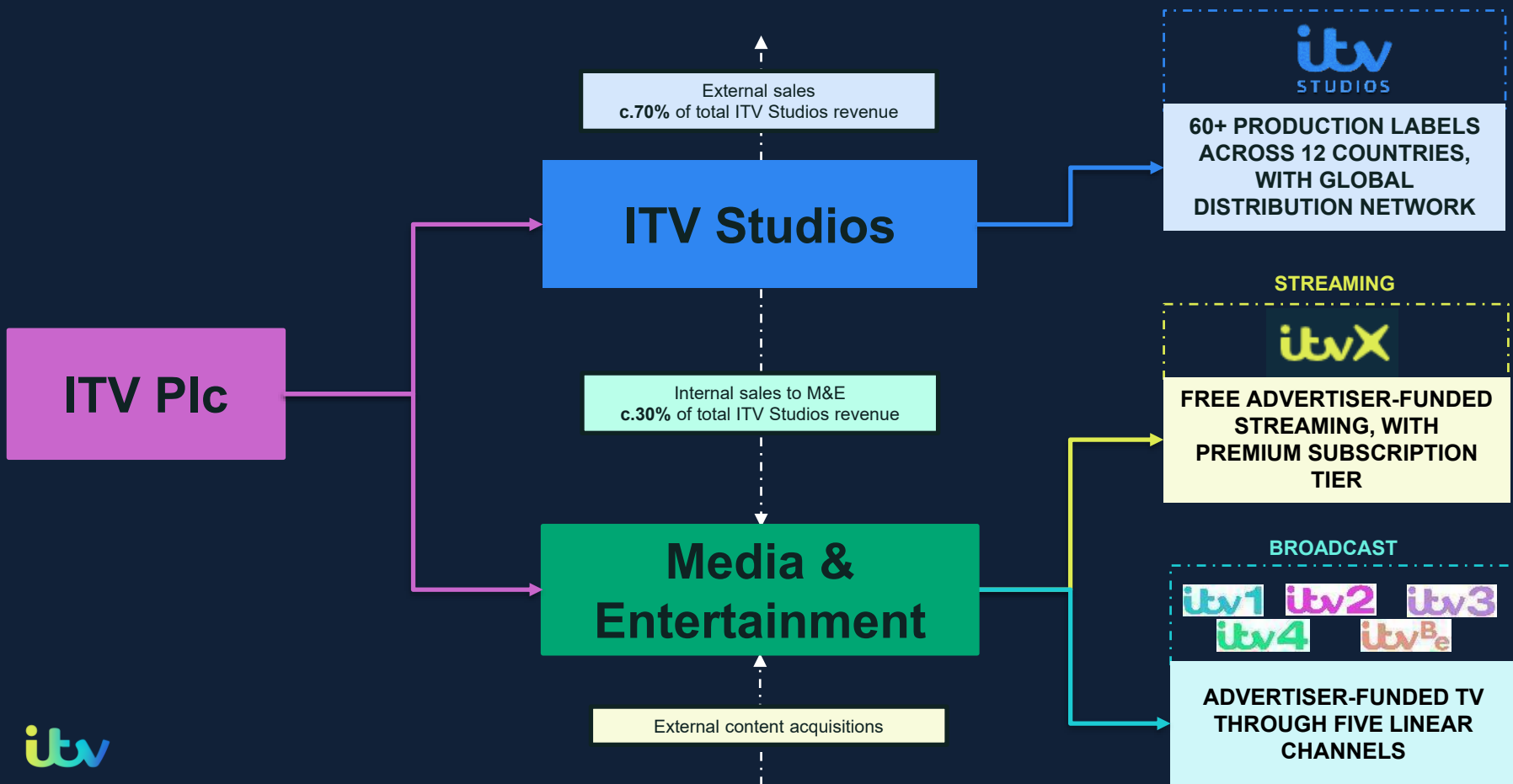


# An Introduction to ITV Plc

# INTRODUCTION TO ITV PLC



# A vertically integrated producer, broadcaster and streamer



# ITV Studios and M&E are separately managed businesses with valuable synergies

## BENEFITS TO *ITV STUDIOS*

- *Sustainable* base of *core commissions*
- *Platform* for making world-class content famous and powerful promotional engine
- *Attracting and retaining* industry leading talent

## BENEFITS TO *M&E*

- *Access to world-class content*, driving viewing growth
- Enables deeper and *more creative and productive* partnerships with advertisers, *driving revenue*



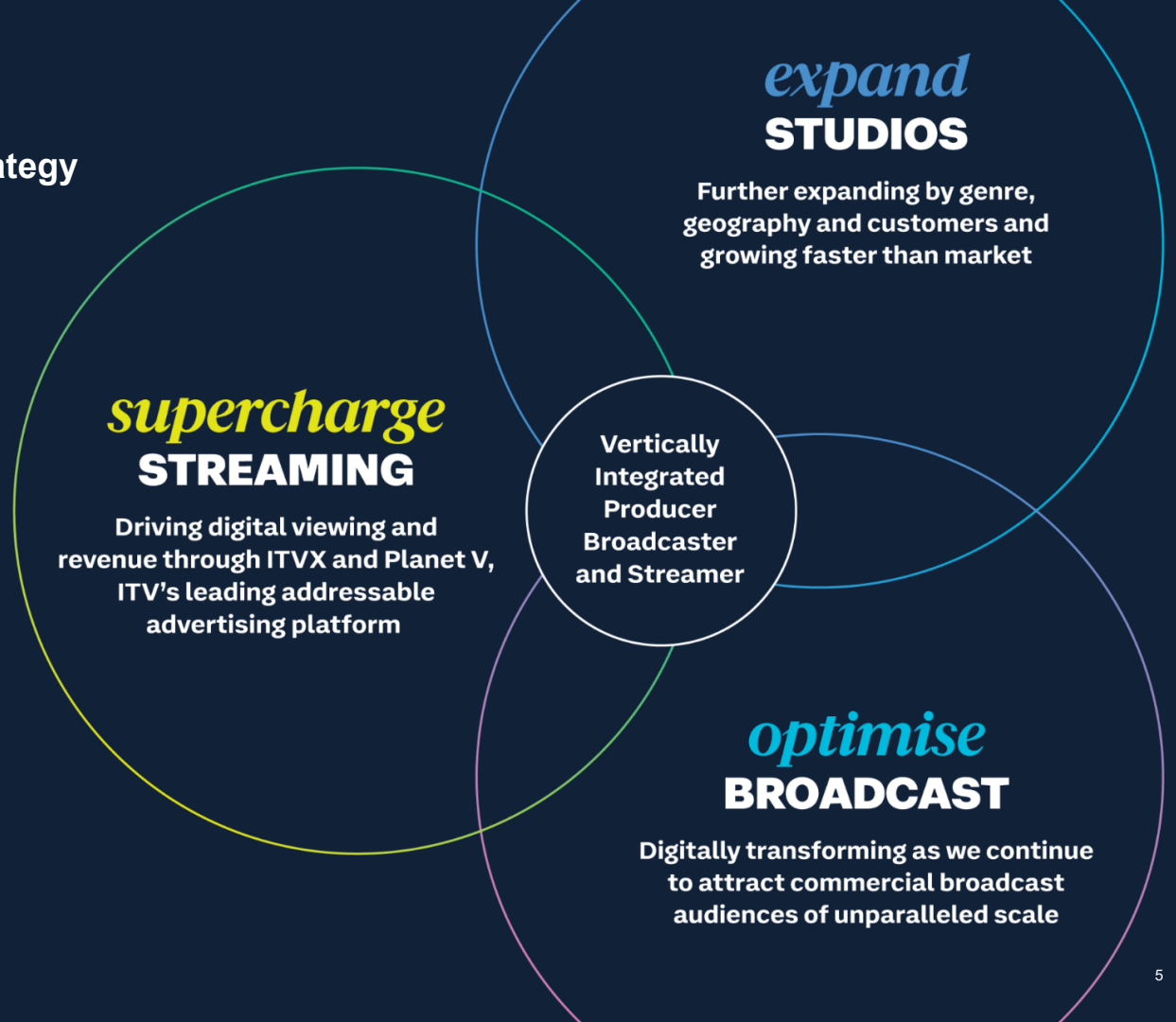
## BENEFITS TO *ITV PLC*

- *Unique* competitive advantage
- *Diversified* business

# ITV STRATEGY

## Phase Two of More Than TV strategy

Successful execution of the strategy will deliver ITV's vision of being **a leader in UK advertiser funded streaming, and an expanding global force in content**



## Introduction - ITV STUDIOS

A scaled and global,  
***creator, owner and distributor*** of  
high-quality TV content  
(see slide 7)

***Diversified*** by genre,  
geography and customer  
(see slide 8)

***On track to deliver  
2026 KPI targets*** with  
strong track record,  
delivering 7% total  
revenue CAGR since  
2015<sup>1</sup> (see slide 9)

***Demand for ITV  
content remains  
strong*** in global content  
market

***Limited risk*** - strong  
client relationships, no  
production risk and good  
visibility of revenues

Enables ITV Studios to grow ***ahead of the market*** and deliver ***industry leading margins*** with  
***strong cash generation***

## ***A scaled and global creator, owner and distributor of high-quality TV content***

***UK's largest*** producer

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

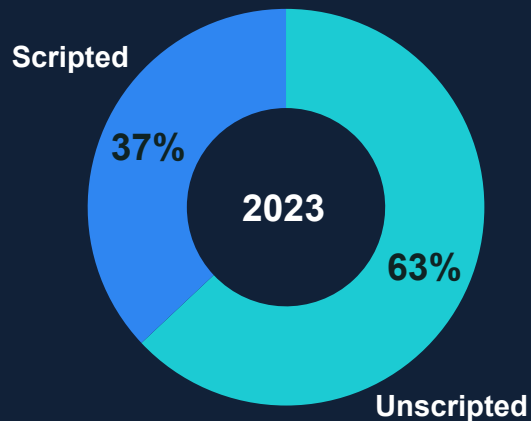
***Global distribution***  
***network*** with a library of  
90,000+ hours

***One of the largest***  
global distributors of  
formats

***Over 50%*** of revenue  
generated outside the UK

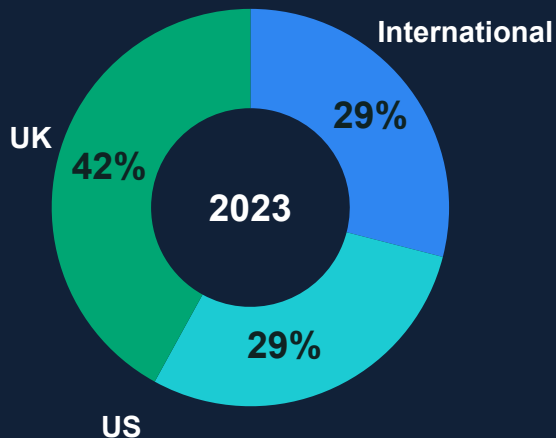
# Diversified by genre, geography and customer

REVENUES SPLIT  
BY GENRE



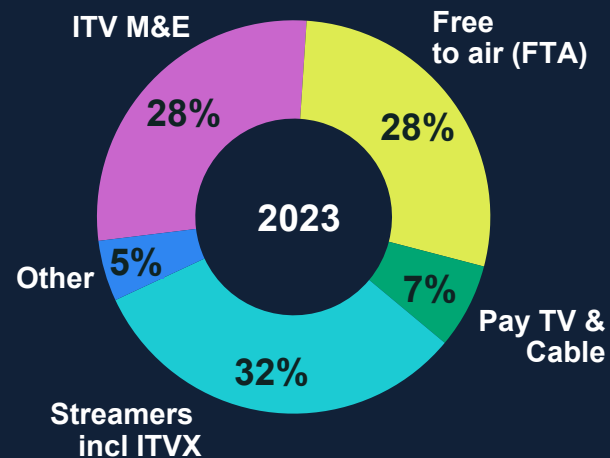
(2022: Scripted 34%, Unscripted 66%)

TOTAL REVENUES\*  
BY GEOGRAPHY



(2022: UK 40%, International 30%, US 30%)

TOTAL REVENUES SPLIT  
BY CUSTOMER TYPE



(2022: ITV M&E 27%, FTA 31%, Pay TV and Cable 15%, Streamers incl BritBox UK 22%, Other 6%)



# On track to deliver 2026 KPI targets

PRIORITIES	WHY IT'S IMPORTANT	FY 2026 TARGET	FY 2023 ACTUAL	ON TRACK?	WHAT IT DRIVES
1. Grow our scripted business	To meet the growing global demand for our scripted content particularly from streaming platforms	400 high-end scripted hours per annum	316 hours (2022: 276 hours)	✓	<p><b>Growth in total organic revenue of 5% on average per annum from 2021 to 2026, which is ahead of the market</b></p> <p><b>Delivers margins of 13% to 15%</b></p>
2. Grow our global formats business	To maximise international monetisation of high-value formats	20 formats sold in three or more countries	19 formats (2022: 19 formats)	✓	
3. Further diversify our customer base	To capture the growth in content spend from local and global streaming platforms	30% of total revenues from streaming platforms	32% (2022: 22%)	✓	
4. Attract and retain leading talent	Key to creative success of Studios business	N/A	N/A	✓	

*In 2023 we delivered total organic revenue growth of 3% at a margin of 13.2%*

## Introduction – Media & Entertainment

***Largest*** commercial broadcaster and streamer in the UK  
(see slide 11)

***One content budget*** across streaming and broadcast, with uniquely British content  
(see slide 12)

***ITVX*** – UK's largest free, ad-funded streaming service<sup>1</sup>, with 14.6m<sup>2</sup> monthly active users and 40m+ registered users

***Compelling advertising offering*** and significant competitive advantages  
(see slides 13 and 14)

***Planet V*** – ITV's leading addressable advertising platform - adopted by all major UK agencies (see slides 13 and 14)

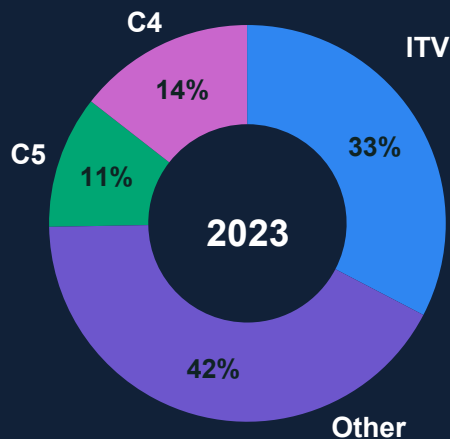
***On track*** to deliver 2026 KPI targets  
(see slides 15 and 16)

Enables ITV to ***grow serviceable addressable market*** and ***grow digital market share***

# ITV is the largest commercial broadcaster and streamer in the UK, delivering significant audience scale and reach

## ITV'S SCALED POSITION IN BROADCAST TV

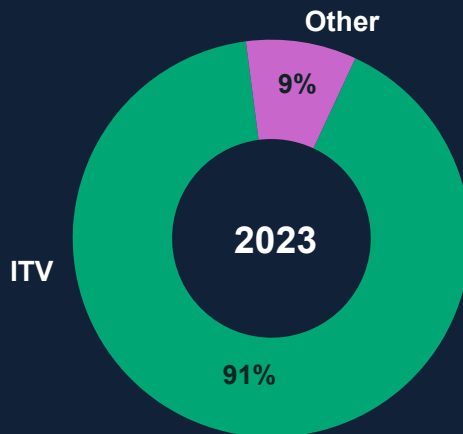
SHARE OF COMMERCIAL VIEWING \*



\* Share of total viewing as a proportion of all ad-supported commercial broadcaster viewing in the UK. Chart refers to ITV, C4 and C5 Family. Other includes Sky Family (13%)

## ITV'S SIGNIFICANT MASS REACH

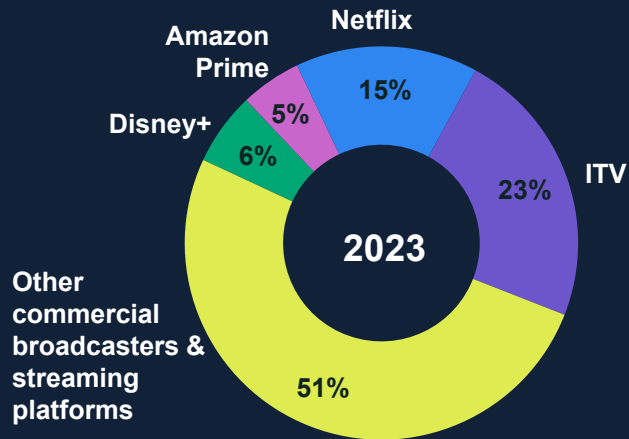
TOP 1,000 COMMERCIAL AUDIENCES \*\*



\*\* Share of all ad-supported broadcast TV viewing. In 2023, 'other' segment included C4 (7%), C5 (1%) and TNT Sport (<1%)

## ITV COMPETING EFFECTIVELY FOR VIEWING WITH STREAMING PLATFORMS

SHARE OF ALL VIEWING \*\*\*



\*\*\* Share of viewing across all **commercial** broadcasters (incl. BVOD & excl. the BBC) and all ad-funded and subscription streaming platforms, across the four largest screens (TV, PC, mobile, iPad)

# One content budget across *Streaming* and *Broadcast* with uniquely British content

2024 content budget of £1.275bn – viewers have the choice to watch however and whenever they like



## STREAMING

through ITVX, our ad-funded streaming service in UK



- Over *40m* registered users
- Over *27,000 hours of content* – of which *7,000 hours* are on our premium subscription tier
- Includes *on-demand* content from our *5 linear TV channels*, *FAST channels*, and *exclusive content*
- *250+ films* - one of the UK's largest free film libraries



**DELIVERS TARGETED ADVERTISING AT SCALE**



## BROADCAST

Through 5 linear TV channels



- Linear UK viewing of ITV channels *reaches 38m viewers* and over half of total UK population each week
- Maintains USP of delivering live mass audiences *across sport, drama and big entertainment shows*
- ITV Family delivered *91% of top 1,000 UK commercial audiences*<sup>1</sup>



**DELIVERS MASS SIMULTANEOUS AUDIENCES**

## ITV has a *compelling advertising offering* and significant competitive advantages

**1** ***Advertising:*** Offer a unique combination of mass simultaneous reach, and targeting at scale, as well as commercial and creative brand partnerships, in a brand safe environment across ITVX and linear TV channels



**2** ***Content:*** Rounded offering of popular content driving live and streaming viewing. Differentiated from global streamers with primarily uniquely British content.



**3** ***Innovative platform:*** Planet V, ITV's proprietary, leading addressable advertising platform drives growth in ITV's serviceable addressable market (see slide 14)



**4** ***Strong data capabilities:*** With one of the UK's largest datasets, our data capabilities allows ITV to offer advertisers valuable advertising products at scale



**5** ***Deep relationships and proven track record:*** Building and executing successful strategic advertising partnerships with existing and new clients



Planet V and ITVX has transformed the way we interact with advertisers; improved monetisation of our digital advertising inventory and grown our serviceable addressable market

### Planet V is a key competitive strength

- ITV's proprietary, self service, **addressable advertising platform**

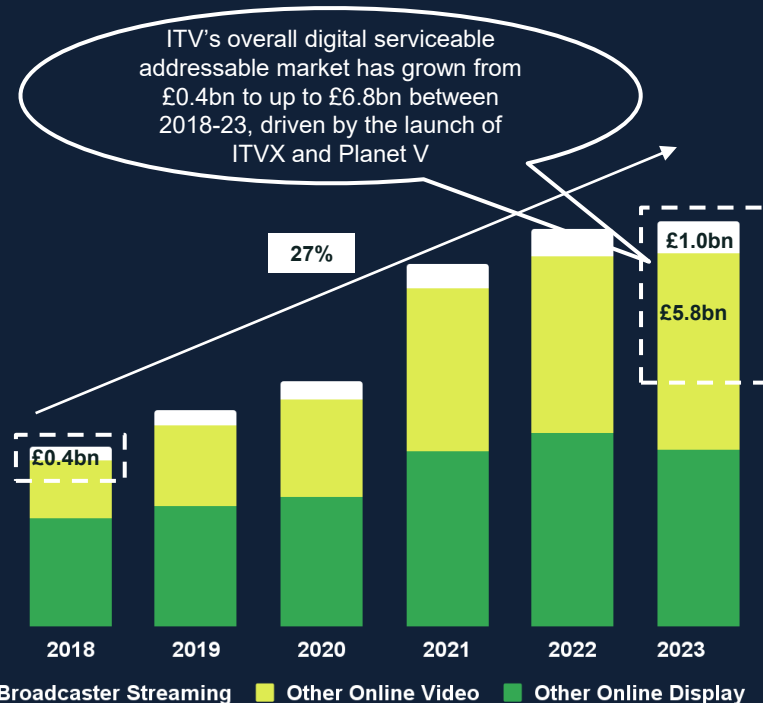
- **Second largest** programmatic video advertising platform in UK, after Google

- **All of ITV's** online inventory is booked through Planet V

- Sophisticated targeting with **over 20,000** addressable targeting options


- Higher value data driven targeting drives a **higher CPM**

- Attracted over **1,100 new advertisers** since its launch



Source: AA/Warc Q4-23 Expenditure Report, 2018-2023 – Other Online Video consists primarily of Google / YouTube, /Meta/TikTok/Twitter

## On track to deliver 2026 KPI targets

PRIORITIES	WHY IT'S IMPORTANT	FY 2026 TARGET	FY 2023 ACTUAL	ON TRACK?	WHAT IT DRIVES
1. Attract more monthly active users to ITVX	ITV's reach is key to retaining and attracting advertisers	Grow monthly active users to 20 million	12.5 million (2022: 10.5 million)	✓	 Growth in digital revenues to at least £750 million by 2026
2. Increase the time users spend on ITVX	ITV's scale is key to retaining and attracting advertisers	Grow total streaming hours to 2 billion hours	1,505 million hours (2022: 1,192 million hours)	✓	
3. Increase UK subscriber base	Monetising ITV viewers who are willing to pay for ad-free and additional content	Grow subscribers to 2.5 million	1.3 million (2022: 1.4 million)	✓	

*Using Planet V and our digital ad innovations we delivered a 19% increase in total digital revenues in 2023 to £490 million*

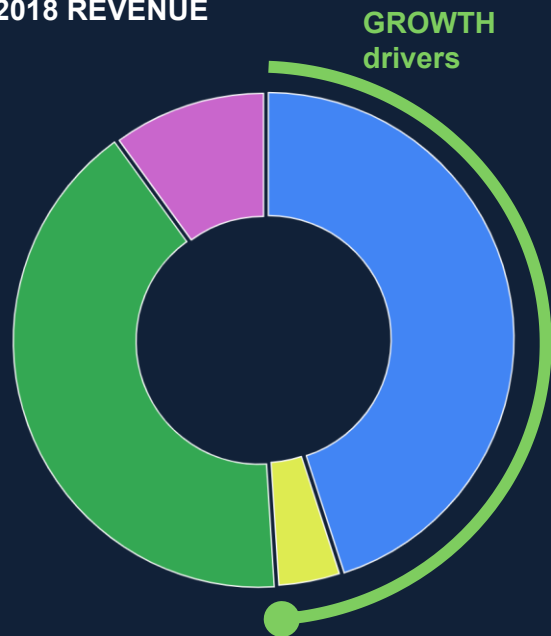
## On track to deliver 2026 KPI targets

PRIORITIES	WHY IT'S IMPORTANT	FY 2026 TARGET	FY 2023 ACTUAL	ON TRACK?	WHAT IT DRIVES
1. Maintain our strength in delivering mass linear audiences	ITV's mass linear audiences remains very important to UK advertisers	Maintain a share of at least 80% of the top 1,000 programmes	91% (2022: 93%)	✓	Revenues from linear TV advertising, commercial and creative partnerships, and sponsorship
2. Maintain ITV's position in UK broadcast market	ITV's scale remains very important to UK advertisers	Maintain a share of commercial viewing of 33%	32.6% (2022: 33.8%)	✓	

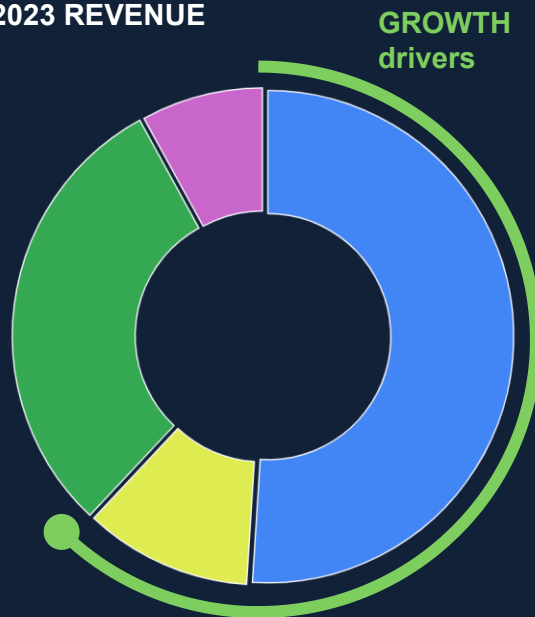


# Successful execution of the strategy will reposition ITV towards the growth drivers of ITV Studios and the M&E digital business, supported by cash generative linear broadcaster

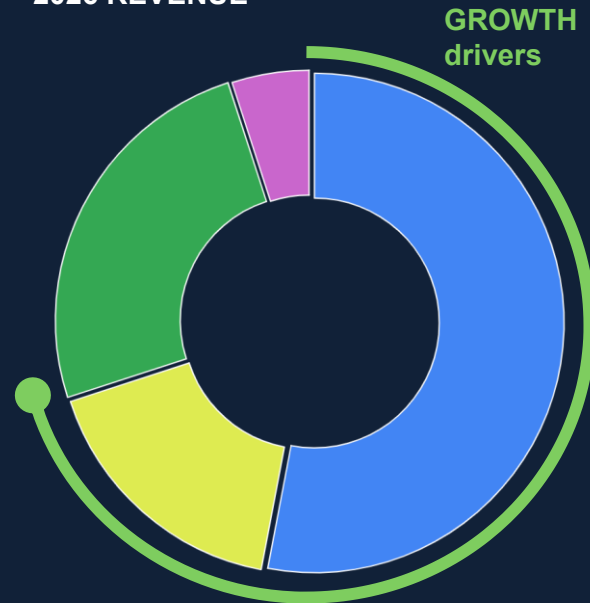
2018 REVENUE



2023 REVENUE



2026 REVENUE



FOR ILLUSTRATIVE PURPOSES ONLY

# ITV will deliver long-term value for shareholders through:

- 1 DRIVING SIGNIFICANT BENEFITS FROM OUR UNIQUE PROPOSITION** as a vertically integrated producer, broadcaster and streamer
- 2 GROWING ITS LEADING, SCALED AND DIVERSIFIED GLOBAL STUDIOS BUSINESS.** ITV will grow revenues faster than the global content market, at a margin of 13-15%.
- 3 DRIVING STRONG MOMENTUM IN STREAMING.** Delivering significant growth in digital viewing and digital advertising, providing data-driven targeted advertising via Planet V in a trusted, brand safe environment
- 4 OPTIMISING BROADCAST AS WE CONTINUE TO ATTRACT MASS LINEAR TV AUDIENCES** which remain highly valuable to advertisers as they grow their businesses and drive cash generation for the Group
- 5 INCREASING PROFIT OVER THE MEDIUM TERM** as we continue to rebalance the business towards the growth drivers of ITV Studios and advertiser funded streaming and deliver further efficiencies
- 6 DELIVERING AGAINST OUR KPIS ACROSS THE GROUP.** On track to deliver our KPI targets by 2026
- 7 MAINTAINING A ROBUST BALANCE SHEET, STRONG CASH GENERATION AND DISCIPLINED CAPITAL ALLOCATION FRAMEWORK** (see slide 20)

# APPENDICES

# DISCIPLINED CAPITAL ALLOCATION FRAMEWORK

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

# 2023 Full Year Financials

# 2023 FY KEY PERFORMANCE INDICATORS

## Group

KPI	PERFORMANCE
Adjusted EPS	7.8p (2022: 13.2p)
Cost Savings	£24m cost savings delivered in 2023. To date delivered £130m of our 2019 to 2026 target of £150m
Profit to Cash Conversion	102% (2022: 75%)

## Studios

KPI	PERFORMANCE
Total Studios Organic Revenue Growth	3% (2022: 14%)
Studios Adjusted EBITA <sup>1</sup> Margin %	13.2% (2022: 12.4%)
Total High-end Scripted Hours	316 hours (2022: 276 hrs)
Number of Formats Sold in 3 or More Countries	19 formats (2022: 19 formats)
% of Total ITV Studios Revenues from Streaming Platforms	32% (2022: 22%)

## M&E

KPI	PERFORMANCE
Total Digital Revenues	£490m (2022: £411m)
Total Streaming Hours	1,505m hours (2022: 1,192m hrs <sup>2</sup> )
Monthly Active Users	12.5m (2022: 10.5m)
UK Subscribers	1.3m (2022: 1.4m)
Share of Commercial Viewing	32.6% (2022: 33.8%)
Share of Top 1000 Commercial Broadcast TV Programmes	91% (2022: 93%)

# Financial Highlights – Twelve months to 31 December 2023

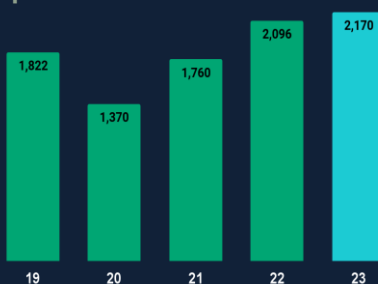
Twelve months to 31 December	2023 (£m)	2022 (£m)	Change %
ITV Studios	2,170	2,096	4
M&E	2,090	2,249	(7)
<b>Total revenue</b>	<b>4,260</b>	<b>4,345</b>	<b>(2)</b>
Internal supply	(636)	(617)	(3)
<b>Total external revenue</b>	<b>3,624</b>	<b>3,728</b>	<b>(3)</b>
ITV Studios adjusted EBITA <sup>1</sup>	286	259	10
M&E adjusted EBITA	205	464	(56)
<b>Adjusted EBITA</b>	<b>491</b>	<b>723</b>	<b>(32)</b>
Unrealised profit in stock adj	(2)	(6)	67
<b>Group adjusted EBITA</b>	<b>489</b>	<b>717</b>	<b>(32)</b>
Group adjusted EBITA margin	13%	19%	(6% pts)
<b>Adjusted EPS</b>	<b>7.8p</b>	<b>13.2p</b>	<b>(41)</b>
<b>Reported EPS</b>	<b>5.2p</b>	<b>10.7p</b>	<b>(51)</b>
<b>Ordinary dividend</b>	<b>5.0p</b>	<b>5.0p</b>	<b>-</b>

# FY 2023 GROUP FINANCIAL PERFORMANCE

**Total Group Revenue £m**  
down 2% vs. 2022



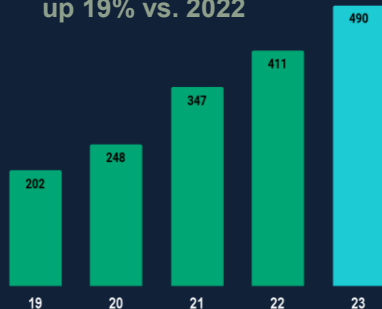
**ITV Studios Revenue £m**  
up 4% vs. 2022



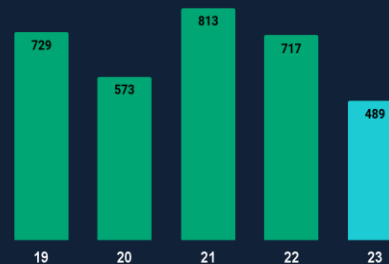
**Total M&E Revenue £m**  
down 7% vs. 2022



**Digital Revenue £m**  
up 19% vs. 2022



**Group Adjusted EBITA £m**  
down 32% vs. 2022





# 2024 Half Year Financials

# 2024 HY KEY PERFORMANCE INDICATORS

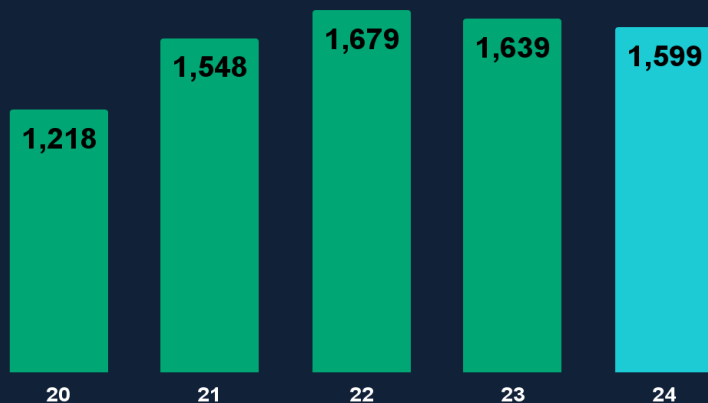
<i>Group</i>		<i>Studios</i>		<i>M&amp;E</i>	
<i>KPI</i>	<i>PERFORMANCE</i>	<i>KPI</i>	<i>PERFORMANCE</i>	<i>KPI</i>	<i>PERFORMANCE</i>
Adjusted EPS	3.3p (2023: 2.3p)	Total Studios Organic Revenue Growth	(12)% (2023: 2%)	Total Digital Revenues	£244m (2023: £218m)
Cost Savings	Delivered £23m cost savings and on track to deliver £40m by the end of the year	Studios Adjusted EBITA <sup>1</sup> Margin %	15.7% (2023: 13%)	Total Streaming Hours	846m hours (2023: 738m hrs <sup>2</sup> )
Profit to Cash Conversion	73% (2023: 88%)	Total High-end Scripted Hours	107 hours (2023: 109 hrs)	Monthly Active Users	14.6m (2023: 12.5m)
		Number of Formats Sold in 3 or More Countries	11 formats (2023: 9 formats)	UK Subscribers	0.9m (2023: 1.4m)
		% of Total ITV Studios Revenues from Streaming Platforms	22% (2023: 27%)	Share of Commercial Viewing	33.2% (2023: 33.6%)
				Share of Top 1000 Commercial Broadcast TV Programmes	91% (2023: 93%)

# Financial Highlights – Six months to 30 June 2024

Six months to 30 June	2024 (£m)	2023 (£m)	Change %
ITV Studios	869	1,000	(13)
M&E	1,034	964	7
<b>Total revenue</b>	<b>1,903</b>	<b>1,964</b>	<b>(3)</b>
Internal supply	(304)	(325)	6
<b>Total external revenue</b>	<b>1,599</b>	<b>1,639</b>	<b>(2)</b>
ITV Studios adjusted EBITA (incl. AVEC) <sup>1</sup>	136	130	5
ITV Studios adjusted EBITA (excl. AVEC) <sup>1</sup>	133	130	2
M&E adjusted EBITA	76	23	230
<b>Adjusted EBITA</b>	<b>212</b>	<b>153</b>	<b>39</b>
Unrealised profit in stock adj	1	(1)	200
<b>Group adjusted EBITA</b>	<b>213</b>	<b>152</b>	<b>40</b>
Group adjusted EBITA margin	13%	9%	4% pts
<b>Adjusted EPS</b>	<b>3.3p</b>	<b>2.3p</b>	<b>43</b>
<b>Reported EPS</b>	<b>6.6p</b>	<b>1.0p</b>	<b>560</b>
<b>Ordinary dividend</b>	<b>1.7p</b>	<b>1.7p</b>	<b>-</b>

# HY 2024 GROUP FINANCIAL PERFORMANCE

External Group Revenue £m  
down 2% vs. 2023



Group Adjusted EBITA £m  
up 40% vs. 2023

