DIGITAL ACCELERATION

Phase Two of our More Than TV strategy

Full year results for the year ended 31st December 2021

3rd March 2022

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Carolyn McCall

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Chris Kennedy

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Introduction and Highlights

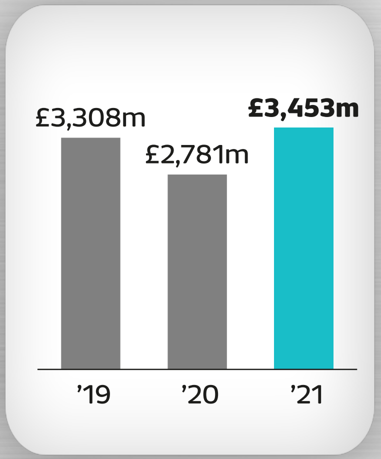
Carolyn McCall

Highlights - 2021 Strong Group Financial Performance

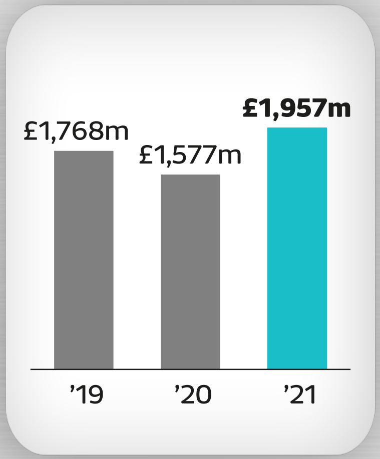
- **Record** revenues and strong earnings in 2021
- Total ITV Studios revenue **up 28%, with growth across all divisions**
- Total advertising revenue was the highest in ITV's history up **24%**
- Strong AVOD revenue **up 41%** compared to 2020 and **up 65%** compared to 2019
- Adjusted **EPS up 40%**
- Strong **cash flows and investment grade balance sheet**
- Final dividend of 3.3p, based on two thirds of a 5p full year dividend
- **Committed to a dividend of at least 5p per annum** which we expect to grow over time, underpinned by strong free cash flow

2021 Strong Group Financial Performance: Revenue

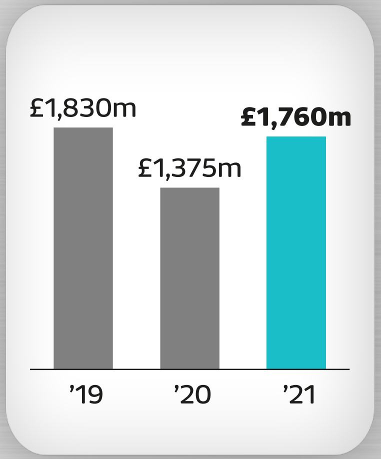
EXTERNAL REVENUE
up **24%** vs. 2020



TOTAL ADVERTISING REVENUE (TAR)
up **24%** vs. 2020



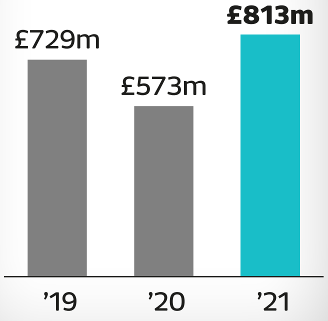
TOTAL ITV STUDIOS REVENUE[1]
up **28%** vs. 2020



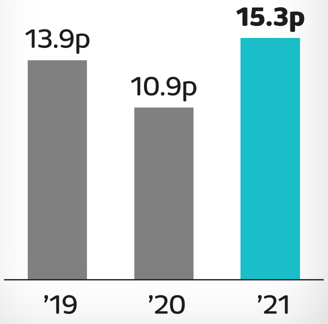
[1] 2019 and 2020 comparatives for ITV Studios has been restated to reflect the reclassification of gaming, live events and merchandising revenues from the M&E business. In 2020, the impact is a £5m increase to revenue and no impact on adjusted EBITA. In 2019, the impact is an £8m increase to revenue and £3m increase to adjusted EBITA.

2021 Strong Group Financial Performance: Profit and Cash

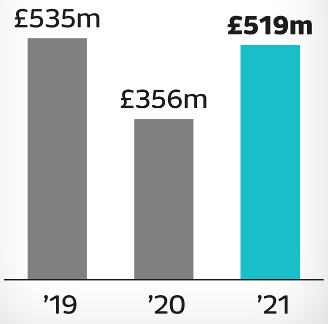
ADJUSTED EBITA
up **42%** vs. 2020



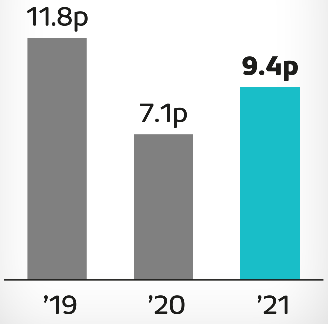
ADJUSTED EPS
up **40%** vs. 2020



OPERATING PROFIT
up **46%** vs. 2020



STATUTORY EPS
up **32%** vs. 2020



Profit to Cash		
FY19	FY20	FY21
87%	138%	80%

ITV's ambitions outlined at 2018 Capital Markets Day

- The **pre-eminent integrated Producer Broadcaster** for viewers and brands in the UK ✓
- A lean and agile organisation with **leading capabilities in data analytics and technology** ✓
- A **world class creative force** in global content production ✓
- A **future facing, modern and digital brand** that is relevant to all viewers and brands ✓
- A leading **direct to consumer** business in the UK with strong consumer relationships ✓
- A **sustainable, cash generative and growing** business delivering for our shareholders ✓

Successful execution of Phase One of the Strategy

Digital foundations – Delivered Phase One of More Than TV strategy

- ITV is the **largest ad funded premium streaming** service in Europe[1]
- **Strong digital growth** since 2018
  - CAGR of **12%** for **digital viewing**
  - CAGR of **28%** for **digital revenues ,** and
  - **Significant progress in driving growth across BritBox UK and International and Hub+,** >3.6m global subscribers
- Maintained **our leading market position** in linear TV advertising in the UK with a deep set of advertising relationships
- **Planet V,** is the second largest programmatic video advertising platform in UK, after Google, with **over 1000 users and growing**
- Strengthened **our data and tech capabilities**
- Continuing to **scale and diversify our world-class Studios business:**
  - by **geography;** with 57% of total revenues generated outside the UK
  - by **genre;** with nearly 30% of total revenues from scripted
  - and by **customer;** with 13% of total revenues from streamers
- On track to **deliver £100m of cost savings** by end of 2022 with strong **investment grade balance sheet**

[1] by revenue. Source: Ampere Analysis (Jan 2022)

Delivering long term value for shareholders

Digital Acceleration – Delivering Phase Two of More Than TV Strategy

- ITV well positioned to more than double **digital revenue** by 2026 to at least **£750m** with the successful launch of ITVX
- ITV will **double MAUs, double UK subscribers** and **double streaming hours** by 2026…
- …driven by digital first **content investment of £20m in 2022** and **£160m in 2023**, funded by strong balance sheet and cash flows
- Confident **incremental annual revenue will cover annual investment cost** of ITVX in 2026
- Today announced a **further £50m** of permanent cost savings by 2026, starting to be delivered in 2023

Financial and Operating Review

Chris Kennedy

ITV Studios

Strong financial performance despite continuing COVID-19 challenges

	2021 (£m)	2020 (£m)	Change %	Organic change %
Studios UK	683	535	28	28
Studios US	372	234	59	70
International	407	343	19	21
Global Formats & Distribution[1]	298	263	13	16
Total Studios revenue	**1,760**	**1,375**	**28**	**31**
Total Studios costs	(1,545)	(1,223)	(26)	-
ITV Studios adjusted EBITA[2]	**215**	**152**	**41**	**44**
Adjusted EBITA margin	12%	11%		-

	2021 (£m)	2020 (£m)	Change %
Internal – ITVS to M&E	583	472	24
External revenue	1,177	903	30
Total revenue	**1,760**	**1,375**	**28**

+ Despite COVID-19 challenges, the majority of productions have continued throughout 2021
+ Strong growth across the business, both in production and distribution divisions
+ Studios US performed strongly with a **diverse customer mix** across all genres and **more scripted hours in production than ever before**
+ Global Formats & Distribution sees ongoing demand for our significant content portfolio of 90,000+ hours and **285+ formats** globally
+ 57% of revenues are from outside the UK (2020: 55%)
+ 13% of total Studios revenue came from streamers (2020: 10%)
+ Margin impacted by COVID-19 restrictions which were partly offset by cost savings and high margin license deals
+ Total **cost savings of £18m** delivered, of which £10m are permanent, funding **£13m of investment** in line with our strategic priorities
+ We expect COVID-19 protocols to remain in place, which will continue to impact margins but **on track to return to 13%-15% margin range by 2023**, as previously guided

[1] 2020 comparatives for Global Formats and Distribution has been restated to reflect the reclassification of gaming, live events and merchandising revenues from the M&E business. The impact is a £5 million increase to 2020 revenue, there is no impact on adjusted EBITA
[2] EBITA includes the benefit of production tax credits

2021 ITV Studios KPIs

£1,760m
up 28%
(2020: £1,375m)

TOTAL REVENUE GROWTH

12%
up 1% point
(2020: 11%)

MARGIN %

175 hours
up 63 hours
(2020: 112 hours)

HIGH-END SCRIPTED HOURS

15 formats
up 1 format
(2020: 14 formats)

NUMBER OF FORMATS SOLD IN 3 OR MORE COUNTRIES

13%
up 3% points
(2020: 10%)

% OF TOTAL REVENUES FROM STREAMING PLATFORMS

Media & Entertainment (M&E)

Total advertising revenue was the highest in ITV's history, up 24%

	2021 (£m)	2020 (£m)	Change %
Total advertising revenue	**1,957**	**1,577**	**24**
Subscription revenue	42	27	56
SDN	70	73	(4)
Partnerships and other revenue[1]	213	208	2
M&E non-advertising revenue	**325**	**308**	**6**
Total M&E revenue	**2,282**	**1,885**	**21**
Content	(1,154)	(979)	(18)
Variable costs	(127)	(115)	(10)
M&E infrastructure and overheads	(403)	(370)	(9)
Total M&E costs	**(1,684)**	**(1,464)**	**(15)**
Total adjusted M&E EBITA[2]	**598**	**421**	**42**
Total adjusted EBITA margin	26%	22%	
BritBox UK venture loss[3]	(61)	(59)	(3)
Adjusted EBITA M&E (ex BritBox UK)	**659**	**480**	**37**
Adjusted EBITA margin (ex BritBox UK)	29%	25%	

[1]Partnerships and other revenue includes revenue from platforms such as Sky and Virgin Media O2, competitions revenue, third-party commission and commercial revenue from our creative partnerships.
[2]There are no adjusting items within M&E EBITA
[3]BritBox UK venture loss includes the cost of advertising on ITV, and the acquisition of programmes from ITV Studios. The venture loss reflects the stand-alone performance of BritBox

- New P&L format reflects focus of the evolved strategy
- Total **digital revenues** (which include AVOD, SVOD, sponsorship and interactive revenues) were £347m (2020: £248m)
- **TAR up 24% in 2021** within which AVOD up 41%
- Subscription revenue up 56% driven by BritBox UK and Hub+
- SDN performance impacted by the renewal of long-standing contracts at current market prices. We expect this pressure to increase over 2022 and 2023
- Partnerships and other revenue saw **growth** from third party NAR commission, partly offset by a decrease in competitions revenue following strong growth in 2020
- Content costs, including BritBox UK, were up in line with guidance
- Non-programming costs were up due to an increase in marketing and staff costs and include **£11m of investment** in ITV Hub, ITV Hub+, data and technology in line with our strategic priorities
- Delivered £30m of cost savings, of which **£27m are permanent**
- Within adjusted EBITA is £61m of BritBox venture losses, in line with guidance
- 2022 outlook: **Q1 2022 TAR expected to be up around 16%,** with **April up around 10%** as comparatives get tougher

ITV Total Advertising Revenue

Largest categories (Spot and VOD combined)	**Q1 2021 vs 2020** % change	**Q2 2021 vs 2020** % change	**Q3 2021 vs 2020** % change	**Q4 2021 vs 2020** % change	**FY 2021 vs 2020** % change	**FY 2021** £m	**FY 2021 vs 2019** % change
Retail	(9)%	173%	24%	15%	**30%**	**393**	46%
Entertainment and Leisure	(13)%	129%	75%	21%	**41%**	**178**	11%
Finance	0%	48%	44%	44%	**30%**	**168**	7%
Publishing and Broadcasting	38%	29%	52%	25%	**37%**	**141**	50%
Cosmetics and Toiletries	(1)%	23%	26%	4%	**11%**	**125**	21%
Telecommunications	(5)%	34%	13%	5%	**11%**	**112**	11%
Food	9%	71%	(4)%	(13)%	**8%**	**106**	7%
Cars and Car Dealers	(9)%	247%	1%	(16)%	**15%**	**100**	(7)%
Government, Charities and Other	20%	(3)%	(10)%	(10)%	**(1)%**	**84**	25%
Airlines and Travel	(69)%	2,608%	154%	324%	**43%**	**75**	(18)%
Household Stores	28%	55%	10%	(21)%	**12%**	**59**	57%
Remaining Categories and Sponsorship	(2)%	92%	42%	11%	**28%**	**416**	(14)%
Total Advertising Revenue (TAR)	**(6%)**	**89%**	**32%**	**13%**	**24%**	**1,957**	11%

ITV Viewing

22.3%
up **0.1%** point
(2020: 22.2%)
ITV FAMILY SOV

15.1bn hours
down **9%**
(2020: 16.6bn hours)
TOTAL ITV VIEWING

34.7m
up **6%**
(2020: 32.6m)
REGISTERED USER ACCOUNTS

NEW KPIs

1,048m hrs
up **22%**
(2020: 856m hours)
TOTAL STREAMING HOURS

9.6m
up **19%**
(2020: 8.1m)
MONTHLY ACTIVE USERS (MAUs)

1.2m
up **33%**
(2020: 0.9m)
TOTAL UK SUBSCRIBERS

93%
Flat year-on-year
(2020: 93%)
SHARE OF TOP 1000 COMMERCIAL BROADCAST TV PROGRAMMES

33.1%
up **0.3%** points
(2020: 32.8%)
SHARE OF COMMERCIAL VIEWING

BritBox UK and BritBox International

BRITBOX UK

- 733k subscribers[1], ahead of plan
- Churn has halved, since launch
- Five new and exclusive BritBox originals in 2021
- A further eight new and exclusive originals in H1 2022

BRITBOX INTERNATIONAL

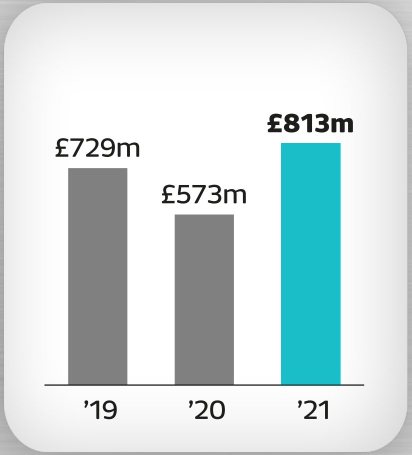
- >2.4m subscribers
- Now available in 4 countries, following launch in South Africa in 2021
- Continue to roll out, with Nordics on track to launch in H1 2022
- Target of 10-12m global subscribers (excl UK) by 2030

[1] Total UK subscribers including Hub+ were 1.2m at the end of 2021

2021 Adjusted and Statutory Results

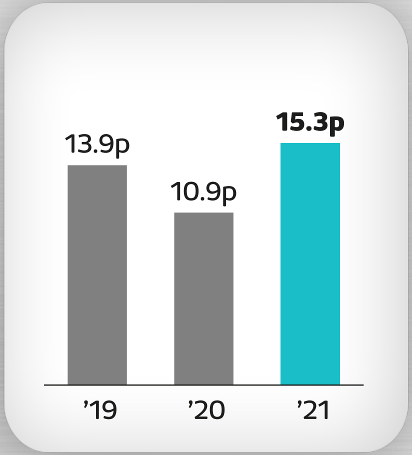
ADJUSTED EBITA

up 42% vs. 2020



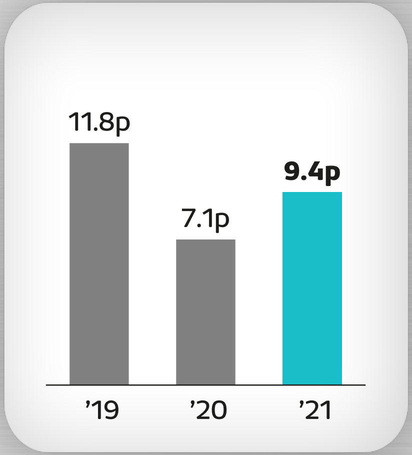
ADJUSTED EPS

up 40% vs. 2020



STATUTORY EPS

up 32% vs. 2020



Total Exceptional Items

	2021 (£m)	2020 (£m)	Change (£m)
Acquisition-related expenses	(109)	(13)	(96)
Restructuring and property	(16)	(11)	(5)
Pension	(21)	(37)	16
COVID-19	-	(11)	11
Sports rights	(1)	(23)	22
Transponder onerous contract	(16)	(19)	3
Employee-related tax provision	(22)	-	(22)
Other	(11)	(4)	(7)
Total Operating Exceptional Items	**(196)**	**(118)**	**(78)**
Exceptional finance costs	(10)	-	(10)
Total Exceptional Items	**(206)**	**(118)**	**(88)**

Robust Balance Sheet and strong cash flow generation

80%

(2020: 138%)

PROFIT TO CASH

£414m

(31 Dec 2020: £545m)

NET DEBT

0.5x

(31 Dec 2020: 0.9x)

LEVERAGE[1]

0.3x

(31 Dec 2020: 0.7x)

COVENANT LEVERAGE[1]

£1,514m

(31 Dec 2020: £1,497m)

TOTAL LIQUIDITY[2]

£8m

(31 Dec 2020: £26m deficit)

NET PENSION DEFICIT

[1] Leverage is calculated as net debt to adjusted EBITDA . Covenant leverage is covenant net debt to adjusted EBITDA as defined per the facility agreement
[2] Total liquidity comprises £778 million of undrawn facilities and cash of £736 million (includes restricted cash of £50 million)

2022 Planning Assumptions

Based on current expectations

P&L	
Content costs	Estimated to be around **£1.23bn,** including BritBox UK
Investments	Total investment of **around £55 million in 2022**, which includes investment associated with ITVX in data, technology and streaming (£25 million) and one-off launch costs of ITVX (£20 million), along with additional investment of £10 million in our digital innovations
Cost Savings	Permanent overhead cost savings are expected to be **around £17 million in 2022.** We will deliver around £100 million of annualised permanent overhead cost savings by the end of 2022
Adjusted Interest	Adjusted financing costs are expected to be around **£36 million,** which is in line with 2021
Tax	The adjusted effective tax rate is expected to be **around 20% in 2022,** and then move to **around 25%** over the medium term due to the increase in the UK corporation tax rate from April 2023
Exceptional Items	Exceptional items are expected to be **around £60 million**, mainly due to costs associated with our digital transformation and our London property move
Foreign Exchange	The translation impact of foreign exchange, assuming rates remain at current levels, could have a favourable impact of **around £6 million on revenue and £nil impact on EBITA**

CASH	
Capex	Total capex is expected to be **around £70 million** as we further invest in our digital acceleration
Exceptional Items	The cash cost of exceptionals is expected to be **around £50 million**, largely relating to costs associated with our digital transformation and our London property move
Profit to Cash	Profit to cash conversion is expected to be **around 80%**
Pension	Total pension deficit funding contribution for 2022 is **not expected to be materially different** to 2021
Dividend	Going forward, the Board intends to pay **a full year ordinary dividend of at least 5.0p** which it expects to grow over time

Strategic Highlights

Carolyn McCall

Our Strategic Vision

"A leader in UK streaming and an expanding global force in content"

DIGITAL ACCELERATION

Phase Two of our More Than TV strategy

EXPAND STUDIOS GLOBALLY

Expand revenue
faster than the market

SUPERCHARGE STREAMING

Driving digital viewing
and revenues

DIGITAL TRANSFORMATION

OPTIMISE BROADCAST

Digitally transform the
UK's biggest TV
advertising platform

DIGITAL ACCELERATION

Phase Two of our More Than TV strategy

SUPERCHARGE STREAMING

Driving digital viewing and revenues

Build on our position as Europe's biggest ad funded streaming service

DIGITAL TRANSFORMATION

Changing viewer habits

A significant addressable market

Viewers want more flexibility to watch more content on demand at a time that suits them

Viewers are looking for choice in the content offering of streamers

Viewers like the ‘lean back’ experience of always-on ‘FAST’ Channels’

Viewers love to watch sport and entertainment live on all platforms

Identified a total addressable market of 23 million viewers for streaming

Source: YouGov

Evolving advertising market

Advertisers want data-driven addressability as well as mass simultaneous reach

Strength of ITV's live proposition

__ITV Main Channel is the heart of the nation__, it's Saturday night, it's family, mainstream, popular and it's everything that's warm

Nobody represents modern mainstream Britain better than ITV. __It's just an absolute colossus__ and they know their audiences so well - this gives it value

__The scale that ITV can deliver is really important to us.__ They are one of increasingly few media partners where you can get substantial reach in a short space of time

Value of data-driven addressability at ITV

It would be __so valuable to fuse viewer insight data from ITV__ with other datasets to give us a broader view on behaviours, inform our strategy and improve planning for clients

We want a well-rounded package blending linear and digital inventory, it gives us the __confidence to continue spending in TV__

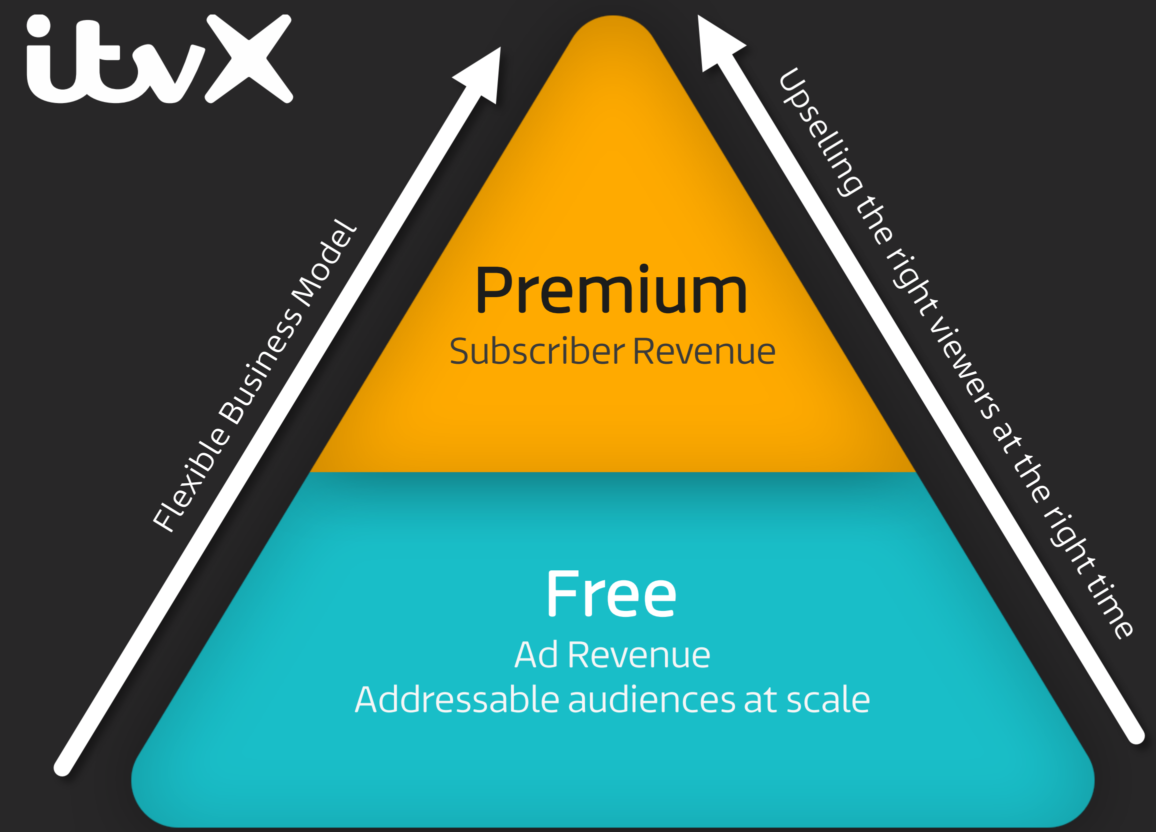
Advertising on TV __deserves the premiums__ that are attached. If an advert pops up on Facebook it just doesn't have the same impact

Source: 2021 AAR / ITV research with agency heads and strategists; 2019 Big Island / ITV Client Engagement Research

ITVX – introducing Britain's freshest new streaming service

ITVX – the first integrated AVOD/SVOD platform in the UK

ITVX – the first integrated AVOD/SVOD platform in the UK



ITVX – Digital First Content Strategy

What is Changing?

Total VOD content hours grow to >15,000 when ITVX launches

VOD-exclusive Weekly premieres

>40 exclusive originals and acquisitions each year **windowed exclusively on AVOD**

FAST Channels

20 new FAST channels
Always on and ever-evolving using data to respond in real time to what our viewers are watching

Digital First

Boxsets **made available on ITVX in their entirety** at the same time as transmission of first episode on linear

Content Partnerships

Content acquisitions and **3rd party content partnerships including** acquired boxsets and feature films

ITVX will deliver valuable audiences for advertisers

1. Offers advertisers **an addressable audience at a scale** not available before
2. Delivers advertisers **harder-to-reach-demos** in a brand safe environment
3. Established data and analytics capabilities enables us to offer flexible, dynamic and **targeted solutions and higher value data driven pricing models**
4. Campaigns **tracked, measured** and **optimised**
5. Monetised through **Planet V,** the second largest programmatic video advertising platform in the UK, after Google

ITV is uniquely well-placed to successfully deliver this, as largest premium AVOD service in Europe

- Track record for delivery
- Highly recognised brand
- Established data capabilities
- Deep advertiser relationships
- Planet V successfully rolled out
- Integrated Producer Broadcaster competitive advantages

DIGITAL ACCELERATION

Phase Two of our More Than TV strategy

Delivering long term growth and value for shareholders

2026 Media & Entertainment KPIs and Ambitions

MORE THAN DOUBLE digital revenues to at least £750m by 2026

Monthly active users	Total Streaming Hours	UK Subscribers	Share of Top 1000 Commercial Broadcast TV Programmes	Share of Commercial Viewing
Double to 20m by 2026	**Double** to 2bn hours by 2026	**Double** to 2.5m by 2026	**Maintain** a share of at least 80%	**Maintain** at 33%

DIGITAL ACCELERATION

Phase Two of our More Than TV strategy

ITV Studios - Our Strategy and 2026 Ambition

Grow UK and Global production

TOTAL REVENUE GROWTH

Grow by at least 5% on average per annum to 2026

MARGIN %

Return to 13%-15% margin range in 2023

	2026 AMBITION
Grow our scripted business	**400 high-end scripted hours**
Grow our global formats business	**20 formats sold in 3 or more countries**
Further diversify our customer base	**25% of total revenues from streaming platforms**

Attract and retain leading talent

Investments, Cost Savings and Capital Allocation

Chris Kennedy

Disciplined approach to content investment

Confident that incremental annual revenue will cover incremental annual investment in ITVX in 2026

	2022	2023
NPB Guidance	£1,160m	N/A
BritBox UK Planned Spend[1]	c.£50m	N/A
Content Spend excl ITVX	**£1,210m**	**£1,190m**
ITVX Digital First Content Spend	£20m	£160m
Total Content Investment (including BritBox UK) (in year)	**£1,230m**	**£1,350m**

[1] Previously in variable costs and implicit in BritBox venture loss guidance

- **Investment quantum** based on
  - rigorous analysis of content we will invest in
  - extensive analysis of impact of reallocating spend from linear
- **One content budget** across all platforms allows complete **flexibility** to allocate and calibrate our investment to **maximise viewing and revenues**
- **Disciplined approach** to content investment ensures value for shareholders
- **Content investment** funded by strong cash flows

Non-content investment

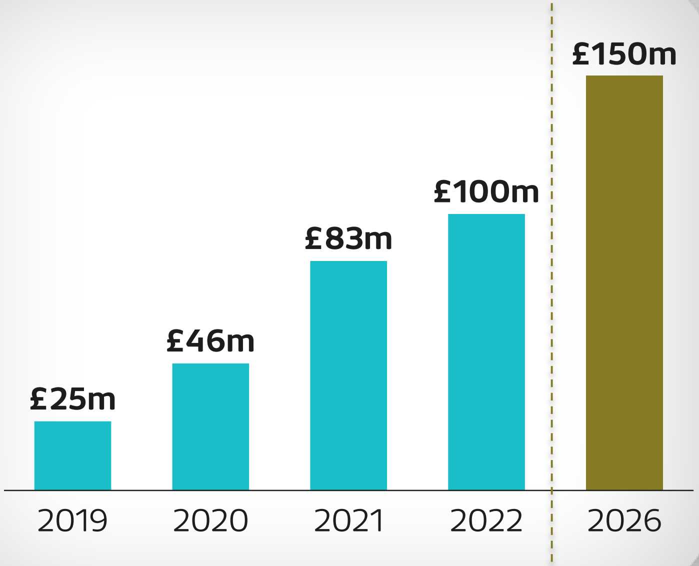
Additional cost savings in 2026 fund ongoing investments and variable streaming costs and transition costs are one-off in 2022/23

	2022	2023
Ongoing investment in data and tech capabilities and variable streaming costs (in year)	**£25m**	**£25m**
ITVX one-off launch costs (in year)	**£20m**	**£10m**

+ Ongoing variable costs will be incurred to **further strengthen our data and tech** capabilities and variable costs associated with streaming
+ Ongoing variable costs will increase as streaming viewing increases and will be offset by an **additional £50m of permanent cost savings in 2026**
+ ITVX launch costs are **one-off** and are not expected to continue after 2023

Continued delivery of 2019 cost savings programme; additional cost savings announced

Cumulative Permanent Cost Savings - 2019 to 2026

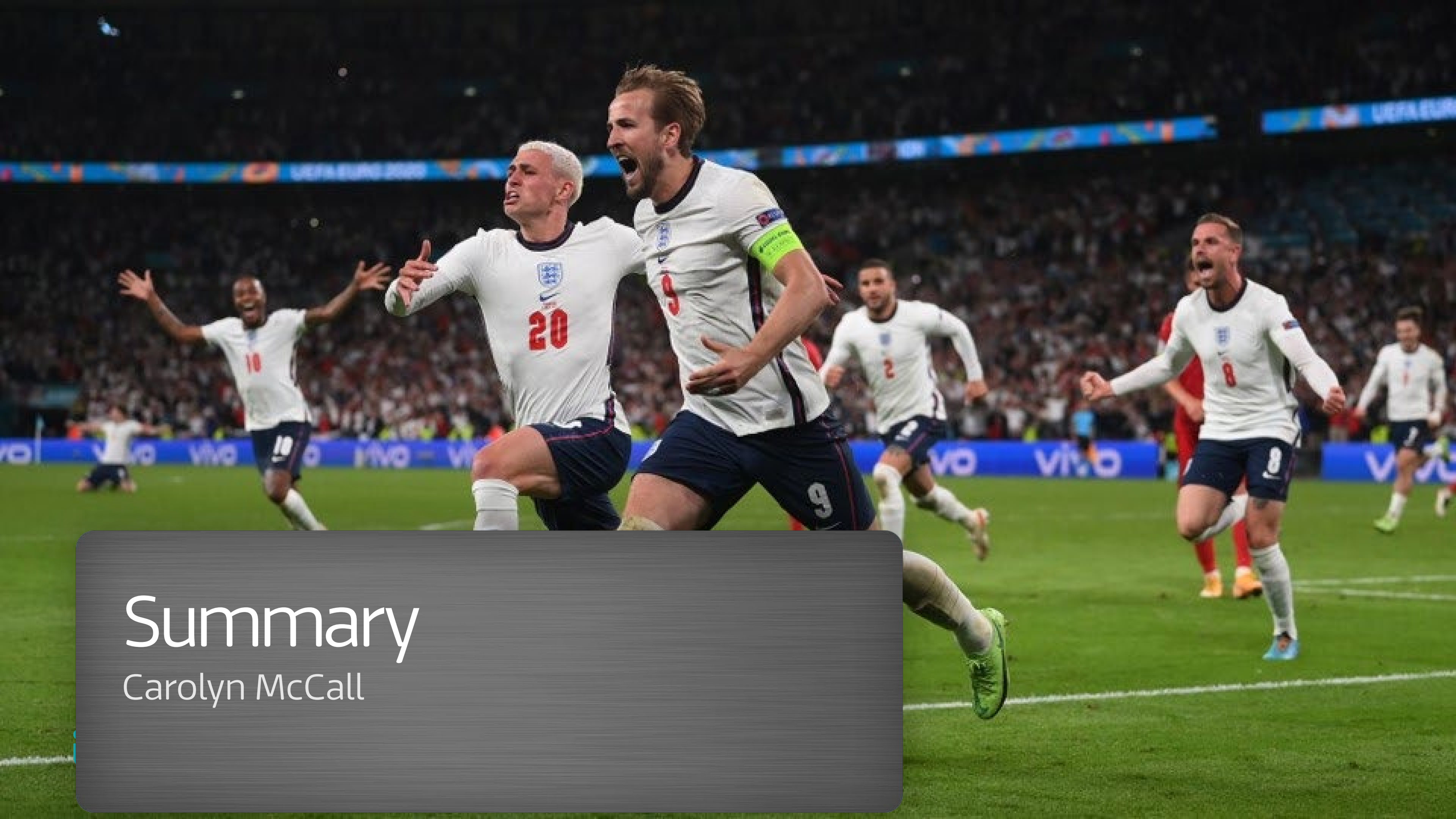


We will deliver an additional £50m of permanent costs savings in 2026 from a reduction in broadcast supply chain costs, overheads, property rationalisation and Studios innovation

In 2026, this will offset ongoing investments in data and tech and the increase in variable costs associated with ITVX

Disciplined capital allocation framework

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



Summary

Carolyn McCall

Creating long term value for shareholders

1. Strong track record for delivery - completion of Phase One of our strategy has laid foundations for digital acceleration
2. Clear ambition to be a leading force in streaming in UK and an expanding global force in content
3. ITV well positioned to deliver the strategy and create medium and long-term value for shareholders
4. With additional £50m of cost savings, on track to deliver £150m permanent savings from 2019 to 2026
5. Strong balance sheet, well within investment grade metrics
6. Committed to a dividend of at least 5p per annum which the Board expects to grow over time

Q&A

Carolyn McCall and Chris Kennedy

Appendices

Key Performance Indicators

GROUP

KPI	PERFORMANCE
Adjusted EPS	**15.3p** (2020: 10.9p)
Cost Savings	On track to deliver £100m by end of 2022
Profit to Cash Conversion	80% (2020: 138%)

STUDIOS

KPI	PERFORMANCE
Total Studios Revenue Growth	**£1,760m** (2020: £1,375m)
Studios Adjusted EBITA Margin %	**12%** (2020: 11%)
Total High-end Scripted Hours	**175 hours** (2020: 112 hours)
Number of Formats Sold in 3 or More Countries	**15 formats** (2020: 14 formats)
% of Total ITV Studios Revenues from Streaming Platforms	**13%** (2020: 10%)

M&E

KPI	PERFORMANCE
Total Digital Revenues	**£347m** (2020: £248m)
UK Subscribers	**1.2m** (2020: 0.9m)
Total Streaming Hours	**1,048m hours** (2020: 856m hours)
Monthly Active Users	**9.6m** (2020: 8.1m)
Share of Commercial Viewing	**33.1%** (2020: 32.8%)
Share of Top 1000 Commercial Broadcast TV Programmes	**93%** (2020: 93%)

M&E Key Performance Indicators Definitions

Digital Revenue	• Sum of VOD-related advertising, digital sponsorship and partnership revenue, digital innovations and subscription revenue • Includes: AVOD and SVOD revenue (BritBox, ITV Hub+, ITVX) • Includes: ITV WIN, Linear Addressable, Partnership Revenue, Digital business ventures
Monthly Active Users (MAUs)	• Monthly number of registered, identifiable users who accessed content on our owned and operated, and syndicated, streaming platforms • Excludes: Amazon channels users
Streaming Viewing Hours	• Total number of hours spent watching ITV across owned and operated, and syndicated, streaming platforms and YouTube UK • Includes: on-demand and simulcast • Includes: adverts
Subscribers	• Total subscribers to ITV owned and operated, and syndicated, streaming platforms • Includes: free trials
Share of Commercial Viewing	• % ITV Family viewing of all (ad supported) commercial viewing in the UK • Includes: Catch-up for 7 days, TV devices
Commercial Mass Audiences	• ITV's proportion of the top 1000 UK commercial broadcast television programmes, by average audience size

M&E P&L - 2021 Reconciliation of Changes

		2021 (£m) Previous P&L Format	2021 (£m) New P&L Format	Change (£m)
	Total advertising revenue	**1,957**	**1,957**	**-**
NEW	Subscription revenue	-	42	42
	Direct to Consumer	75	-	(75)
	SDN	70	70	-
	Partnerships and other revenue[1]	180	213	33
	M&E non-advertising revenue	**325**	**325**	**-**
	Total M&E revenue	**2,282**	**2,282**	**-**
NEW	Content	(1,100)	(1,154)	(54)
	Variable costs	(181)	(127)	54
	M&E infrastructure and overheads	(403)	(403)	-
	Total M&E costs	**(1,684)**	**(1,684)**	**-**
	Total adjusted M&E EBITA[2]	**598**	**598**	**-**
	Total adjusted M&E EBITA margin	26%	26%	-
	BritBox UK venture loss[3]	(61)	(61)	-
	Adjusted EBITA M&E (ex BritBox UK)	**659**	**659**	**-**
	Adjusted EBITA margin (ex BritBox UK)	29%	29%	-

+ Changes are as follows:
  - Direct to Consumer (DTC) revenue has been renamed to Subscription revenue and will only include streaming revenue
  - Competitions revenue (previously within DTC) now included in Partnerships and other revenue
  - BritBox UK subscription revenue (previously included in Partnerships and other revenue) now included in Subscription revenue
  - Network Schedule costs renamed to Content costs. Includes content costs for BritBox UK which were previously within Variable costs

[1]Other revenue includes revenue from platforms, such as Sky and Virgin Media O2, competitions revenue, third-party commission and commercial revenue from our creative partnerships
[2]There are no adjusting items within M&E EBITA
[3]BritBox UK venture loss includes the cost of advertising on ITV, and the acquisition of programmes from ITV Studios. The venture loss reflects the stand-alone performance of BritBox

M&E P&L - 2020 Reconciliation of Changes

		2020 (£m) Previous P&L Format	2020 (£m) New P&L Format	Change (£m)
	Total advertising revenue	**1,577**	**1,577**	**-**
NEW	Subscription revenue	-	27	27
	Direct to Consumer	82	-	(82)
	SDN	73	73	-
	Partnerships and other revenue[1]	153	208	55
	M&E non-advertising revenue	**308**	**308**	**-**
	Total M&E revenue	**1,885**	**1,885**	**-**
NEW	Content	(935)	(979)	(44)
	Variable costs	(159)	(115)	44
	M&E infrastructure and overheads	(370)	(370)	-
	Total M&E costs	**(1,464)**	**(1,464)**	**-**
	Total adjusted M&E EBITA[2]	**421**	**421**	**-**
	Total adjusted M&E EBITA margin	22%	22%	-
	BritBox UK venture loss[3]	(59)	(59)	-
	Adjusted EBITA M&E (ex BritBox UK)	**480**	**480**	**-**
	Adjusted EBITA margin (ex BritBox UK)	25%	25%	-

- Changes are as follows:
  - Direct to Consumer (DTC) revenue has been renamed to Subscription revenue and will only include streaming revenue
  - Competitions revenue (previously within DTC) now included in Partnerships and other revenue
  - BritBox UK subscription revenue (previously included in Partnerships and other revenue) now included in Subscription revenue
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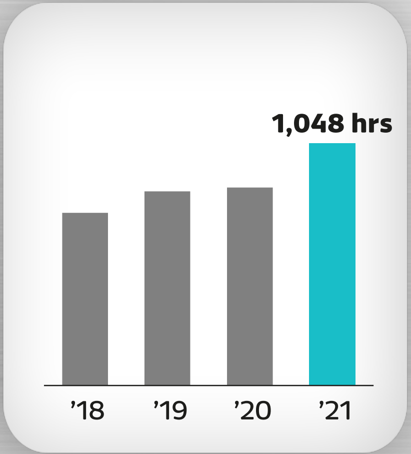
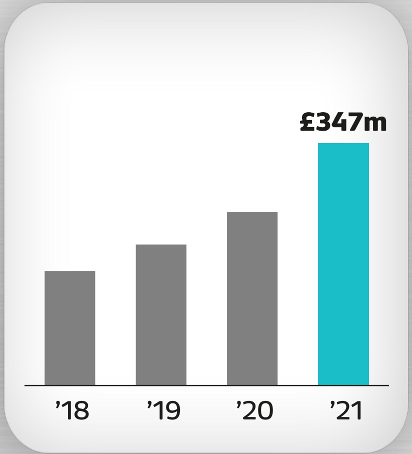
[3]BritBox UK venture loss includes the cost of advertising on ITV, and the acquisition of programmes from ITV Studios. The venture loss reflects the stand-alone performance of BritBox

Historical Streaming Performance

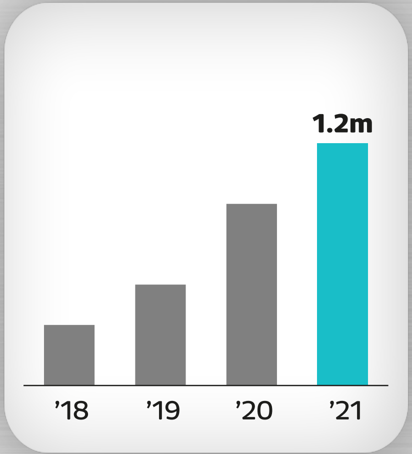
TOTAL STREAMING HOURS
up 22% vs. 2020



DIGITAL REVENUES
up 40% vs. 2020



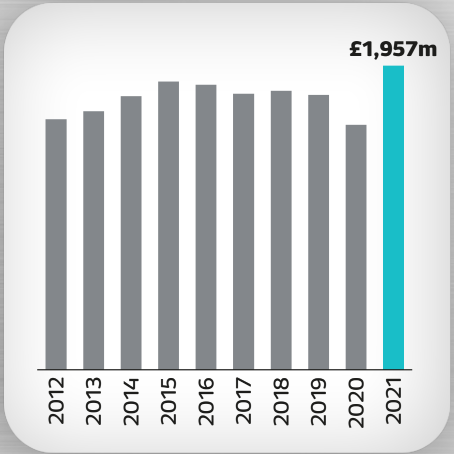
UK SUBSCRIBERS
up 33% vs. 2020



Historical Broadcast Performance

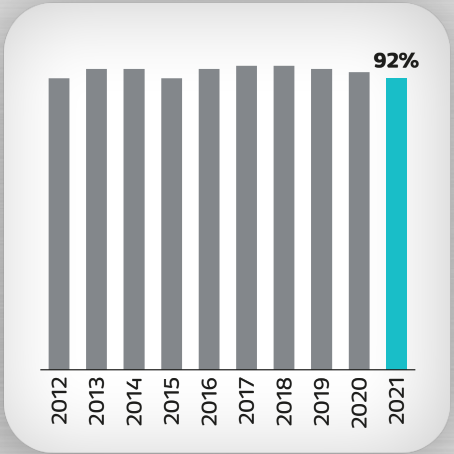
TAR

up 24% vs. 2020



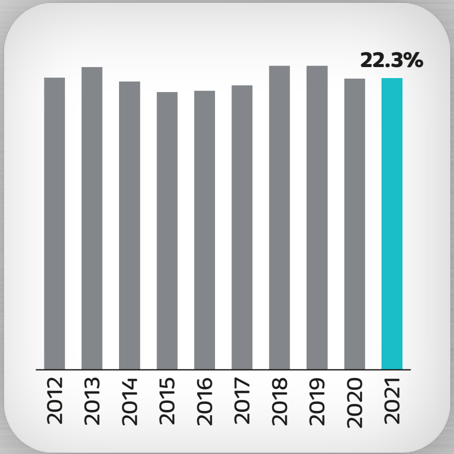
MASS AUDIENCES >3m

down 2% points vs. 2020



ITV FAMILY SOV

up 0.1% point vs. 2020



Financial Highlights

Twelve months to 31 December	2021 (£m)	2020 (£m)	Change %
ITV Studios	1,760	1,375	28
M&E	2,282	1,885	21
Total revenue[1]	**4,042**	**3,260**	**24**
Internal supply	(589)	(479)	(23)
Total external revenue	**3,453**	**2,781**	**24**
ITV Studios adjusted EBITA	215	152	41
M&E adjusted EBITA	598	421	42
Group adjusted EBITA[2]	**813**	**573**	**42**
Group adjusted EBITA margin	24%	21%	
Adjusted EPS	**15.3p**	**10.9p**	**40**
Reported EPS	**9.4p**	**7.1p**	**32**
Ordinary dividend	**3.3p**	**-**	

[1] 2020 comparatives in ITV Studios and M&E have been restated to reflect the reclassification of £5 million of gaming, live events and merchandising revenues from the M&E business. There is no impact on adjusted EBITA
[2] Adjusted EBITA includes the benefit of production tax credits

M&E Content Costs

Twelve months to 31 December	2021 (£m)	2020 (£m)	Change %
Commissions	568	513	11
Sport	153	57	168
Acquired	32	40	(20)
ITN News and Weather	49	49	-
Total ITV Main Channel	**802**	**659**	**22**
Regional news and non-news	71	69	3
ITV Breakfast	44	42	5
Total ITV inc Regional & Breakfast	**917**	**770**	**19**
ITV2, ITV3, ITV4, ITVBe, CITV	183	165	11
BritBox UK	47	35	34
Other	7	9	(22)
Total Content Costs	**1,154**	**979**	**18**

Reconciliation Between 2021 Statutory and Adjusted Earnings

Twelve months to 31 December	Statutory (£m)	Adjustments (£m)	Adjusted %
EBITA[1]	784	29	813
Exceptional items (operating)	(196)	196	-
Amortisation and impairment	(69)	49	(20)
Net financing costs	(50)	19	(31)
Share of profits on JVs and Associates	12	-	12
(Loss)/Gain on sale of non-current assets, subsidiaries and investments	(1)	1	-
Profit before tax	**480**	**294**	**774**
Tax	(92)	(61)	(153)
Profit after tax	**388**	**233**	**621**
Non-controlling interests	(10)	-	(10)
Earnings	**378**	**233**	**611**
Shares (million), weighted average [2]	4,005	-	4,005
Basic EPS	**9.4p**	**-**	**15.3p**
Diluted EPS**	**9.3p**	**-**	**15.1p**

[1]Adjusted EBITA includes the benefit of production tax credits. This is not a statutory measure
[2]Weighted average diluted number of shares in the period was 4,051 million

Reconciliation Between 2020 Statutory and Adjusted Earnings

Twelve months to 31 December	Statutory (£m)	Adjustments (£m)	Adjusted %
EBITA[1]	561	12	573
Exceptional items (operating)	(118)	118	-
Amortisation and impairment	(87)	68	(19)
Net financing costs	(44)	8	(36)
Share of profits on JVs and Associates	9	-	9
(Loss)/Gain on sale of non-current assets, subsidiaries and investments	4	(4)	-
Profit before tax	**325**	**202**	**527**
Tax	(44)	(51)	(95)
Profit after tax	**281**	**151**	**432**
Non-controlling interests	4	-	4
Earnings	**285**	**151**	**436**
Shares (million), weighted average [2]	4,002	-	4,002
Basic EPS	**7.1p**	**-**	**10.9p**
Diluted EPS**	**7.1p**	**-**	**10.8p**

[1]Adjusted EBITA includes the benefit of production tax credits. This is not a statutory measure.
[2]Weighted average diluted number of shares in the period was 4,025 million

Acquisitions – between 2012 and 2021

Company	Initial consideration (£m)	Additional consideration paid (£m)	Expected future payments[1] (£m)	Total expected consideration[2] (£m)	Expected payment dates[3]
Total for acquisitions between 2012-2021	**959**	**479**	**79**	**1,517**	**2022-2026**

[1] Undiscounted and adjusted for foreign exchange. All future payments are performance related
[2] Undiscounted and adjusted for foreign exchange, including the initial cash consideration and excluding working capital adjustments. Total maximum consideration which was potentially payable at the time of acquisition was £2.4 billion
[3] £26 million is expected to be paid in 2022

Financing Costs

Twelve months to 31 December	2021 (£m)	2020 (£m)
€335m Eurobond at 2.125% coupon Sept 22	(6)	(6)
€259m Eurobond at 2% coupon Dec 23	(4)	(5)
€600m Eurobond at 1.375% coupon Sept 26[1]	(16)	(16)
£630m Revolving Credit Facility	-	-
Financing costs directly attributable to bonds and loans	**(26)**	**(27)**
Cash-related net financing costs	(4)	(9)
Amortisation of bonds and gilts	(1)	-
Adjusted financing costs	**(31)**	**(36)**
Imputed pension interest	-	(2)
Exceptional interest	(10)	-
Other net financial losses and unrealised foreign exchange	(9)	(6)
Net financing costs	**(50)**	**(44)**

[1] effective coupon of c.2.9%

P&L Tax Charge and Cash Tax

Twelve months to 31 December	2021 (£m)	2020 (£m)
Profit before tax	480	325
Production tax credits	29	12
Exceptional items (excluding exceptional finance costs)	196	118
Loss/(Gain) on sale of non-current assets	1	(4)
Amortisation and impairments[1]	49	68
Adjustments to net financing costs	19	8
Adjusted profit before tax	**774**	**527**
Tax charge	(92)	(44)
Production tax credits	(29)	(12)
Charge for exceptional items	(16)	(21)
Charge in respect of amortisation and impairments[1]	(12)	(16)
Charge in respect of adjustments to net financing costs	(4)	(2)
Adjusted tax charge	**(153)**	**(95)**
Effective tax rate on adjusted profits	**20%**	**18%**
Total adjusted cash tax paid (including receipt of production tax credits)[2]	**(132)**	**(110)**

[1] In respect of intangible assets arising from business combinations and investments. Also reflects the cash tax benefit of tax deductions for US goodwill
[2] Adjusted cash tax of £132 million is total cash tax paid of £119 million plus receipt of production tax credits of £13 million, which are included within adjusted cash flow from operations, as these production tax credits relate directly to the production of programmes

Analysis of Net Debt

31 December	2021 (£m)	2020 (£m)
£630m Revolving Credit Facility[1]	-	-
€335m (previously €600m) Eurobond	(281)	(299)
€259m (previously €500m) Eurobond	(218)	(232)
€600m Eurobond	(540)	(560)
Other debt	(19)	(17)
IFRS 16 lease liabilities	(92)	(105)
Gross cash*	736	668
Reported net debt	**(414)**	**(545)**

31 December	2021 (£m)	2020 (£m)
Gross cash[2]	736	668
Gross debt (including IRFS 16 lease liabilities)	(1,150)	(1,213)
Reported net debt	**(414)**	**(545)**

[1] The £630m revolving credit facility (RCF) was replaced with a £500m RCF in January 2022
[2] Gross cash includes £50 million of restricted cash in relation to the LTVC Pension Funding Partnership (2020: £50 million of restricted cash)

Profit to Cash Conversion and Free Cash Flow

Twelve months to 31 December	2021 (£m)	2020 (£m)
Adjusted EBITA	**813**	**573**
Working capital movement	(141)	237
Adjustment for production tax credits	(16)	10
Depreciation	59	57
Share-based compensation	12	6
Acquisition of property, plant and equipment, and intangible assets[1]	(45)	(66)
Lease liability payments (including lease interest)	(29)	(26)
Adjusted cash flow	**653**	**791**
Profit to cash ratio	**80%**	**138%**

Twelve months to 31 December	2021 (£m)	2020 (£m)
Adjusted cash flow	**653**	**791**
Net cash interest paid	(40)	(17)
Adjusted cash tax paid	(132)	(110)
Pension funding	(74)	(59)
Free cash flow	**407**	**605**

[1] Except where disclosed, management views the acquisition of operating property, plant and equipment and intangibles as business as usual capex, necessary to the ongoing investment in the business

Reported Net Debt tracker