

STRATEGIC EXECUTION

Full year results for the year ended
31st December 2022



2nd March 2023



Agenda

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Introduction and Highlights

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Financial and Operating Review

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Introduction and Highlights

Carolyn McCall

A Spy Among Friends
(launched on ITVX in Dec 2022)

Significant strategic progress; successful execution; strong momentum into 2023

- ITV made significant progress in 2022 with **successful execution of the strategy** and **enters 2023 with strong momentum**
- In 2022:
 - **ITV Studios grew faster than the market** and increasingly diversified;
 - **M&E delivered the second highest advertising revenue in its history**, reflecting the unique role mass reach plays in the advertising mix;
 - **M&E grew digital revenues by 18%**, with a significant increase in content, improved user experience; and
 - **the successful launch of ITVX**
- **A robust balance sheet and good cash generation**, enables investment to support our strategy and deliver returns to shareholders
- The Board has proposed a final dividend of 3.3p, giving a **full year dividend of 5p**



2022 FIFA World Cup

Financial and Operating Review

Chris Kennedy

2022 Group Financial Performance

External Revenue

up 8% vs 2021



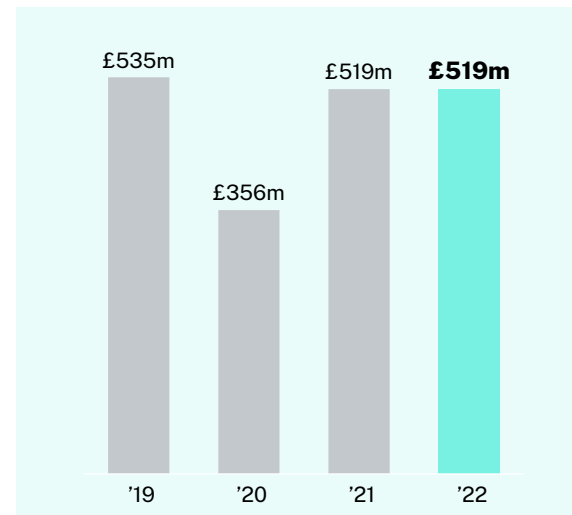
Group Adjusted EBITA¹

down 12% vs. 2021



Statutory Operating Profit

flat vs. 2021



ADJUSTED EPS

FY19	FY20	FY21	FY22
13.9p	10.9p	15.3p	13.2p

STATUTORY EPS

FY19	FY20	FY21	FY22
11.8p	7.1p	9.4p	10.7p

ITV Studios

Strong financial performance in 2022; double digit growth in revenue and profits

	2022 (£m)	2021 (£m)	Change %	Organic change %
Studios UK	822	683	20%	16%
Studios US	467	372	26%	13%
International	465	407	14%	15%
Global Formats & Distribution	342	298	15%	11%
Total Studios revenue	2,096	1,760	19%	14%
Total Studios costs	(1,837)	(1,547)	(19%)	-
ITV Studios adjusted EBITA¹	259	213	22%	17%
Adjusted EBITA margin	12.4%	12.1%		

	2022 (£m)	2021 (£m)	Change (£m)
Internal – ITVS to M&E	611	583	28
External revenue	1,485	1,177	308
Total revenue	2,096	1,760	336

- + Strong revenue growth ahead of the market
- + Significant growth across all parts of the business
- + Total organic revenue at constant currency was up 14%, and within this external organic revenue growth at constant currency was up 19%
- + Studios UK driven by external sales, with impressive pipeline of new and returning programmes
- + Studios US and International performed well across genres with broad range of customers
- + Studios adjusted EBITA¹ up 22%, with a margin of 12.4% driven by mix of programmes, £7 million of cost savings and lower COVID-related costs
- + Favourable FX impact of £56 million on revenue and £5 million on profit

2022 ITV Studios KPIs



£2,096m

Up 19%

(2021: £1,760m)

TOTAL REVENUE GROWTH

%

12.4%

Up 0.3% pts

(2021: 12.1%)

MARGIN %



276 hours

up 58%

(2021: 175 hours)

HIGH-END
SCRIPTED HOURS



19 formats

up 4 formats

(2021: 15 formats)

NUMBER OF FORMATS SOLD
IN 3 OR MORE COUNTRIES



22%

up 9% pts

(2021: 13%)

% OF TOTAL REVENUES FROM
STREAMING PLATFORMS

Media & Entertainment (M&E)

Digital revenue up 18%; TAR down 1%, as guided; profit reflects investment in content and ITVX

	2022 (£m)	2021 (£m)	Change %
Total advertising revenue	1,931	1,957	(1%)
Subscription revenue	54	42	29%
SDN	55	70	(21%)
Partnerships and other revenue ¹	209	213	(2%)
M&E non-advertising revenue	318	325	(2%)
Total M&E revenue	2,249	2,282	(1%)
Content	(1,216)	(1,154)	(5%)
Variable costs	(130)	(127)	(2%)
M&E infrastructure and overheads	(439)	(403)	(9%)
Total M&E costs	(1,785)	(1,684)	(6%)
Total adjusted M&E EBITA	464	598	(22%)
Total adjusted EBITA margin	21%	26%	
Digital revenues	411	347	18%

¹Partnerships 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.

- + Total revenue down 1%, driven by TAR down 1%, as expected
- + Total digital revenues were up 18% to £411 million (2021: £347 million)
 - + Digital advertising up 17% to £343 million (2021: £293 million)
 - + Subscription revenues up 29% to £54m
- + SDN performance impacted by the renewal of long-standing contracts at current market prices. We expect this pressure to continue into 2023 and 2024
- + Partnerships and other revenue declined due to a decrease in competitions revenue following strong growth in 2021
- + Content costs were up reflecting ITVX content; a normal post-COVID schedule; increased investment in sports rights and news to drive live viewing and streaming viewing
- + Non-programming costs were up reflecting investment in the launch of ITVX and commercial payaways and bandwidth costs
- + Delivered £16m of cost savings
- + Outlook for TAR: Digital advertising revenue expected to be up 25% in Q1. TAR is expected to be down 11% in Q1, with April down between 10% and 15%

ITV Total Advertising Revenue

Largest categories (Spot and VOD combined)	FY 2022 £m	FY 2022 vs 2021 % change	FY 2022 vs 2019 % change
Retail	370	(6%)	38%
Entertainment and Leisure	176	0%	10%
Finance	149	(10%)	(5%)
Telecommunications	135	21%	34%
Cosmetics and Toiletries	123	(2%)	19%
Airlines and Travel	119	59%	31%
Publishing and Broadcasting	118	(15%)	25%
Food	94	(10%)	(5%)
Cars and Car Dealers	80	(20%)	(26%)
Government, Charities and Other	75	(11%)	12%
Remaining Categories and Sponsorship	492	2%	(5%)
Total Advertising Revenue (TAR)	1,931	(1%)	9%

2022 M&E KPIs

£411m Digital Revenues **up 18%** (2021: £347m)



1,139m hrs

up 9%

(2021: 1,048m hours)

TOTAL STREAMING
HOURS



10.5m

up 6%

(2021: 9.9m)

MONTHLY ACTIVE USERS
(MAUs)*



1.4m

up 17%

(31/12/21: 1.2m)

TOTAL UK
SUBSCRIBERS**



93%

Flat
year-on-year

(2021: 93%)

SHARE OF TOP 1000
COMMERCIAL BROADCAST TV
PROGRAMMES



33.8%

up 0.7% pts

(2021: 33.1%)

SHARE OF COMMERCIAL
VIEWING

Robust Balance Sheet and strong cash generation



75%

(2021: 80%)

PROFIT TO CASH



£623m

(31 Dec 2021: £414m)

NET DEBT



0.8x

(31 Dec 2021: 0.5x)

LEVERAGE¹



0.7x

(31 Dec 2021: 0.3x)

COVENANT LEVERAGE¹



£1,098m

(31 Dec 2021: £1,514m)

TOTAL LIQUIDITY²



£192m

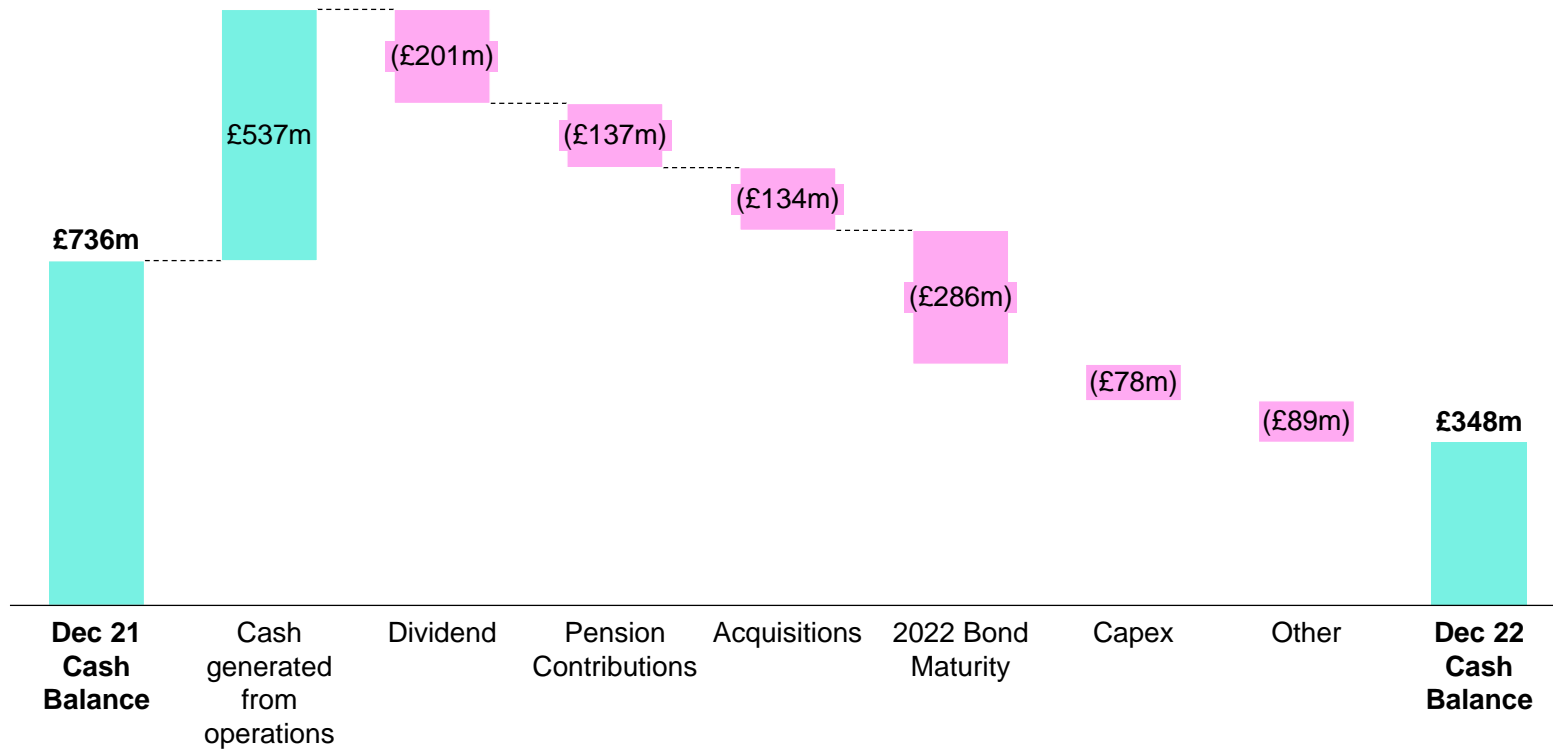
(31 Dec 2021: £8m deficit)

NET PENSION SURPLUS

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 £750 million of undrawn facilities and cash of £348 million

Full Year 2022 – Use of Cash



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

2023 Planning Assumptions

Based on current expectations

P&L

Content costs

Total content costs are expected to be around **£1.3 billion**, rather than £1.35 billion as previously guided, largely due to a reduction in 2023 content amortisation to reflect the windowing of content between linear and streaming

Cost Savings

Permanent overhead cost savings are expected to be around **£15 million in 2023**. This is part of the £50 million of permanent cost savings to be delivered by 2026, as previously guided

Adjusted Interest

Adjusted financing costs are expected to be around **£30 million**

Tax

The adjusted effective tax rate is expected to be **around 23.5% in 2023**, and then move to around 25% over the medium term due to the increase in the UK statutory tax rate to 25% in April 2023

Exceptional Items

Exceptional items are expected to be **around £40 million**, mainly due to costs associated with our digital transformation and our London property move

Cash

Capex

Total capex is expected to be around **£75 million** as we further invest in our digital capabilities

Exceptional Items

The cash cost of exceptionals is expected to be **around £35 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 **between 70% and 75%**, reflecting increases in working capital as we continue to grow ITV Studios and invest in ITVX

Pension

Total pension deficit funding contribution for 2023 is **£62 million**, made up of £43 million relating to the main section of the Scheme, £16 million relating to the SDN PFP arrangement and £3 million relating to the LTVX PFP

Dividend

The Board has proposed a final dividend of 3.3p, giving a **2022 full year dividend of 5.0p per share**. The final dividend will be paid in May 2023. Going forward, the Board intends to pay a full year ordinary dividend of at least 5.0p which it expects to grow over time



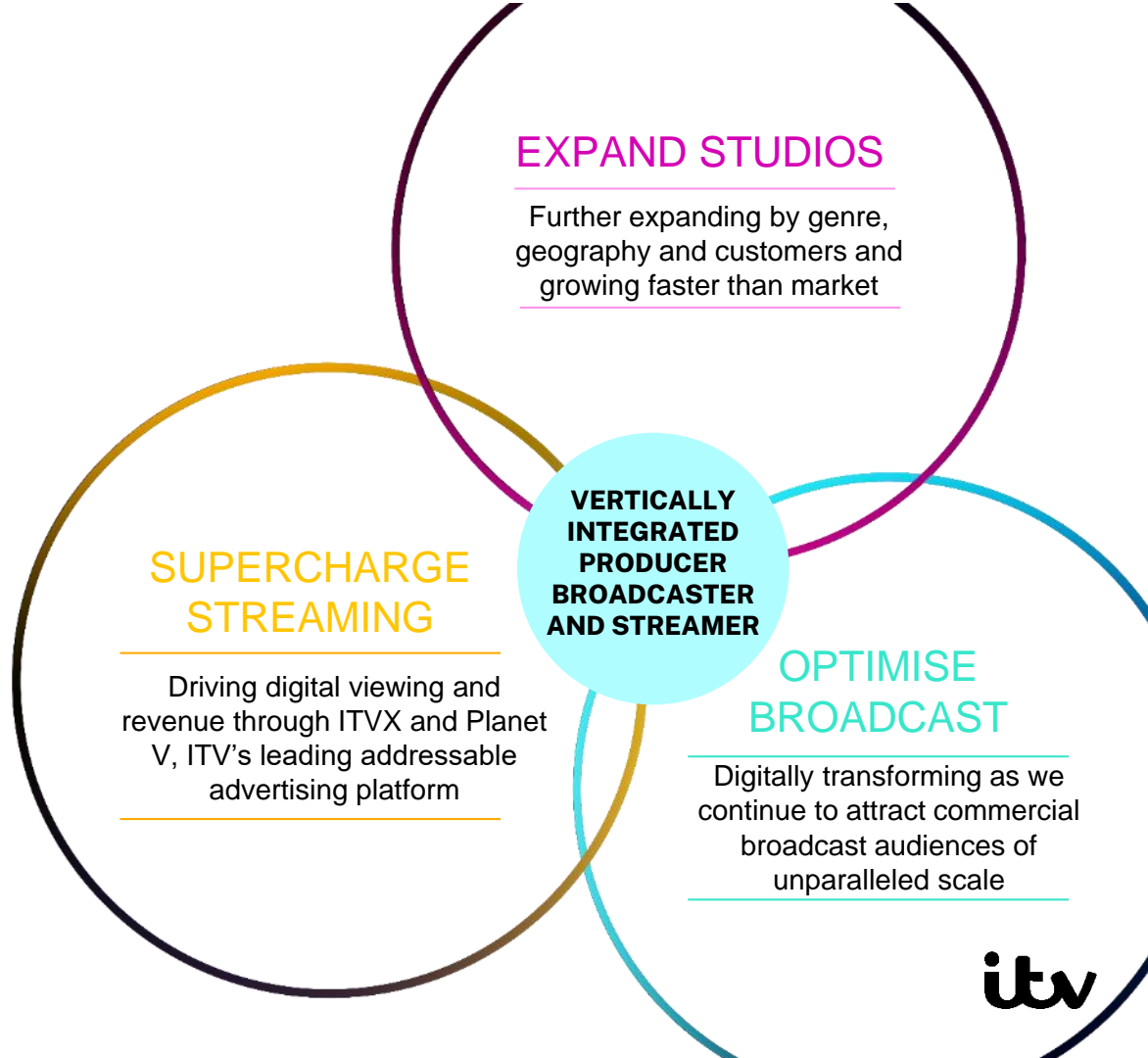
Balthazar
(produced by Tetra Media Studio, an ITV Studios label)

Strategic Update

Carolyn McCall

STRATEGIC EXECUTION

Phase Two of More Than TV strategy



STRATEGIC EXECUTION

Phase Two of
More Than TV
strategy



ITV Studios is a leading, scaled, global content creator and distributor

60+ labels
across
13 countries

Top **3** international
producer in most of the
markets we operate in¹

#1 producer in the UK
with strong relationship
with ITV Network

One of the **largest**
format distributors in
the world²

One of the **largest**
independent
producers in US

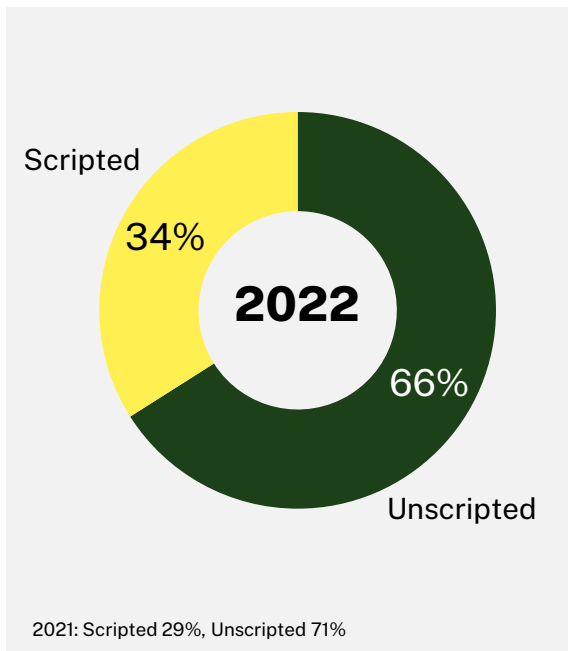
Broad catalogue
with over **90,000**
hours of content

¹ Based on internal estimates

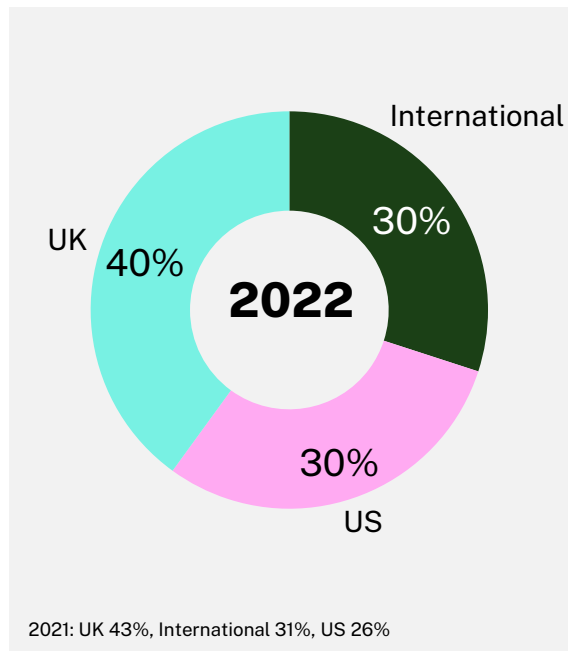
² In 2021, second largest in terms of volume of new unscripted format launches (K7, April 2022)

ITV Studios is diversified by genre, geography and customer

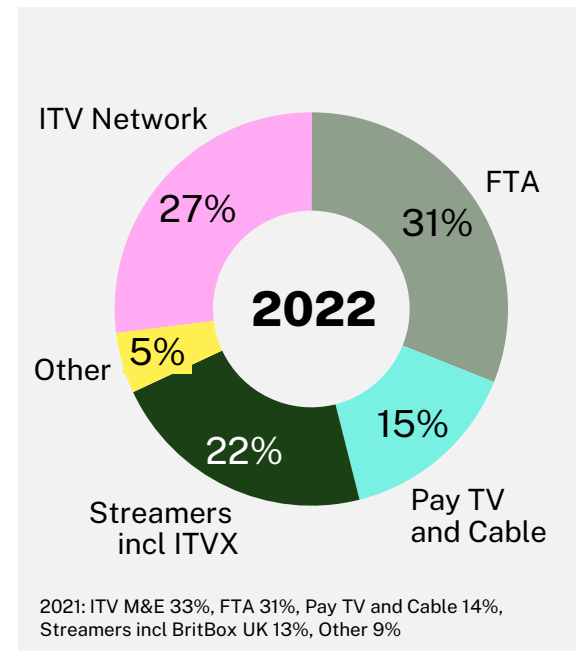
**REVENUES SPLIT
BY GENRE**



**TOTAL REVENUES*
BY GEOGRAPHY**



**TOTAL REVENUES SPLIT
BY CUSTOMER TYPE**



*Includes ITV M&E

** All charts based on 2022 revenue

ITV Studios continues to attract and retain leading creative talent



acquired in July 2022



acquired in November 2022



Continued success and strong pipeline from other recent talent deals and acquisitions since 2019:



ITV Studios has strong relationships with a broad range of customers globally

ITV Studios sells to over 1000 customers globally and no external customer makes up more than 5% of revenue

STREAMERS



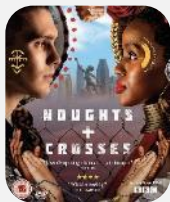
FREE TO AIR BROADCASTERS



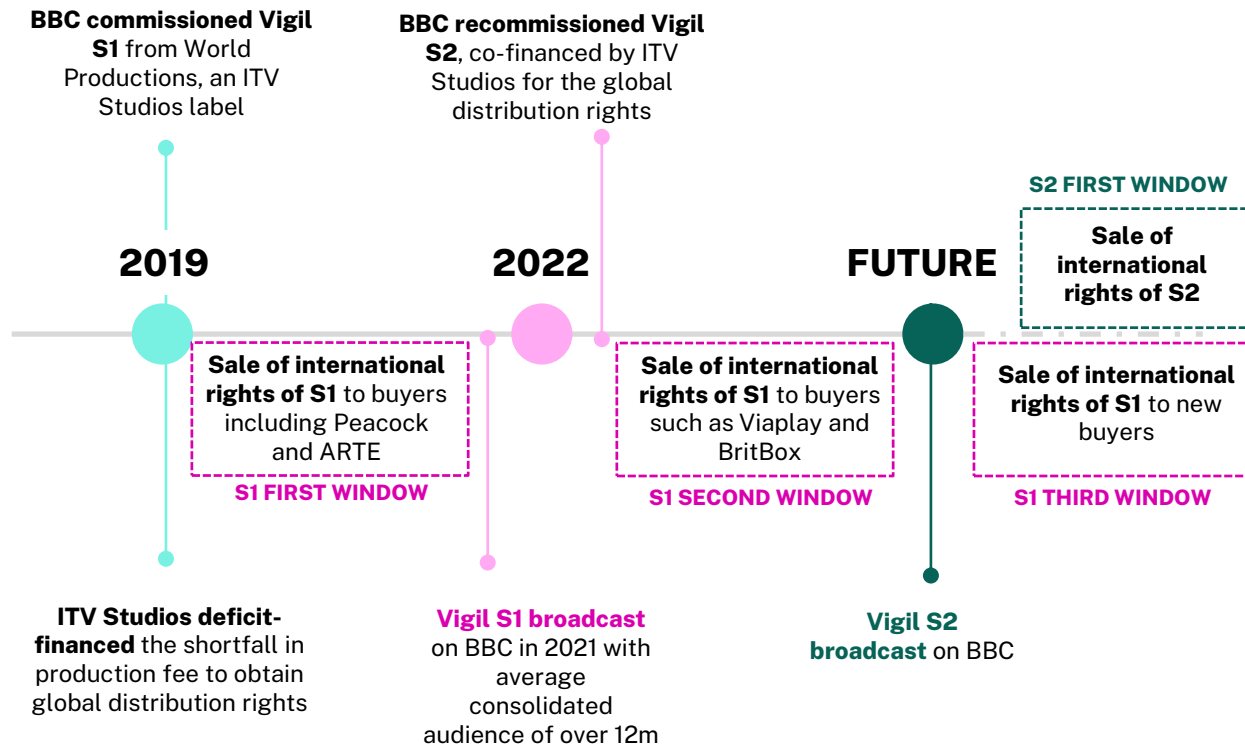
PAY TV/CABLE



Strong and growing scripted pipeline to capture global demand



Vigil: A Case Study



Vigil S1 has now sold to over 65 partners across 157 territories around the world



Strong track record for creating unscripted formats that return and travel

Established formats more than 5 years old



In 72 countries



In 19 countries



In 26 countries



In 46 countries



In 25 countries



In 16 countries

Next generation formats between 3 and 5 years old



In 10 countries



In 3 countries



In 7 countries

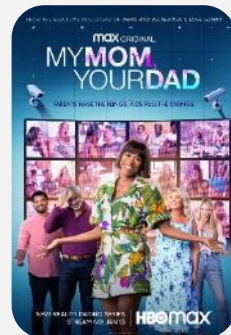
Recent formats between 1 and 2 years old



Launched on ITVX
in Dec 22

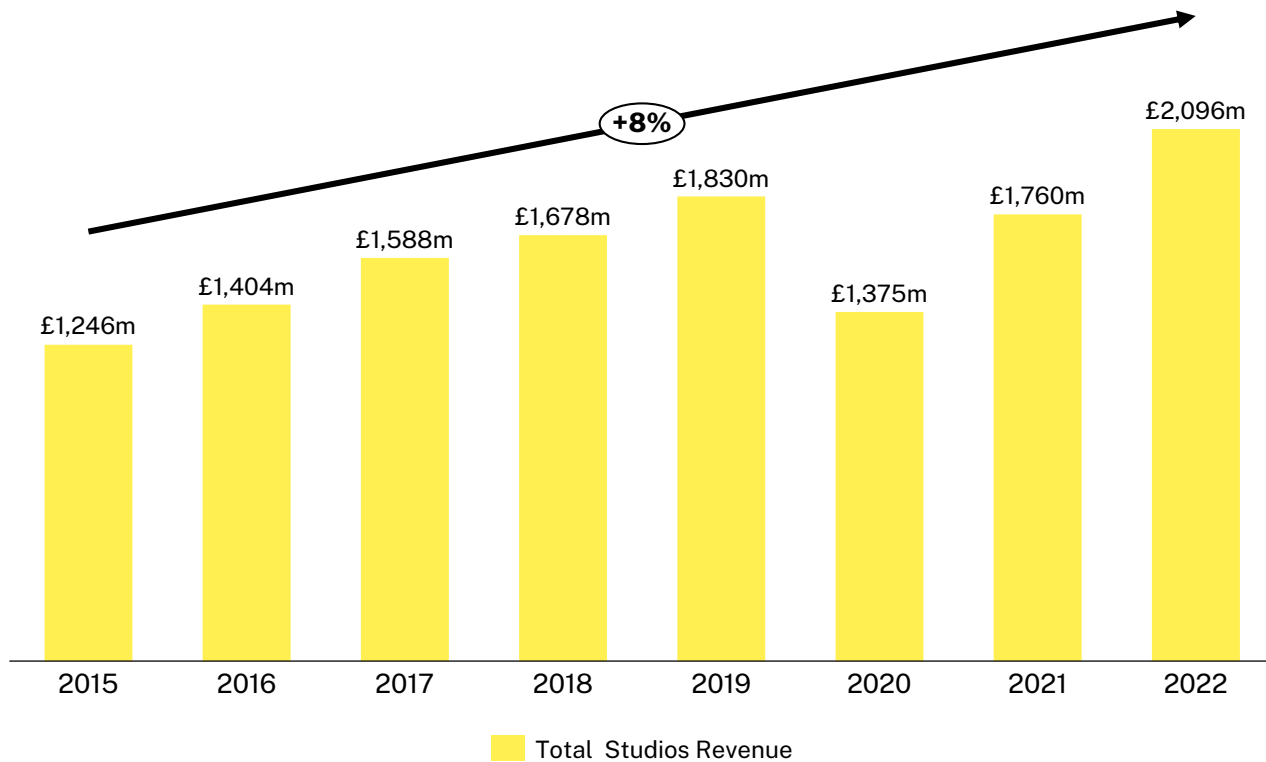


In 3 countries













In 10 countries

ITV Studios strategy delivering consistent revenue growth

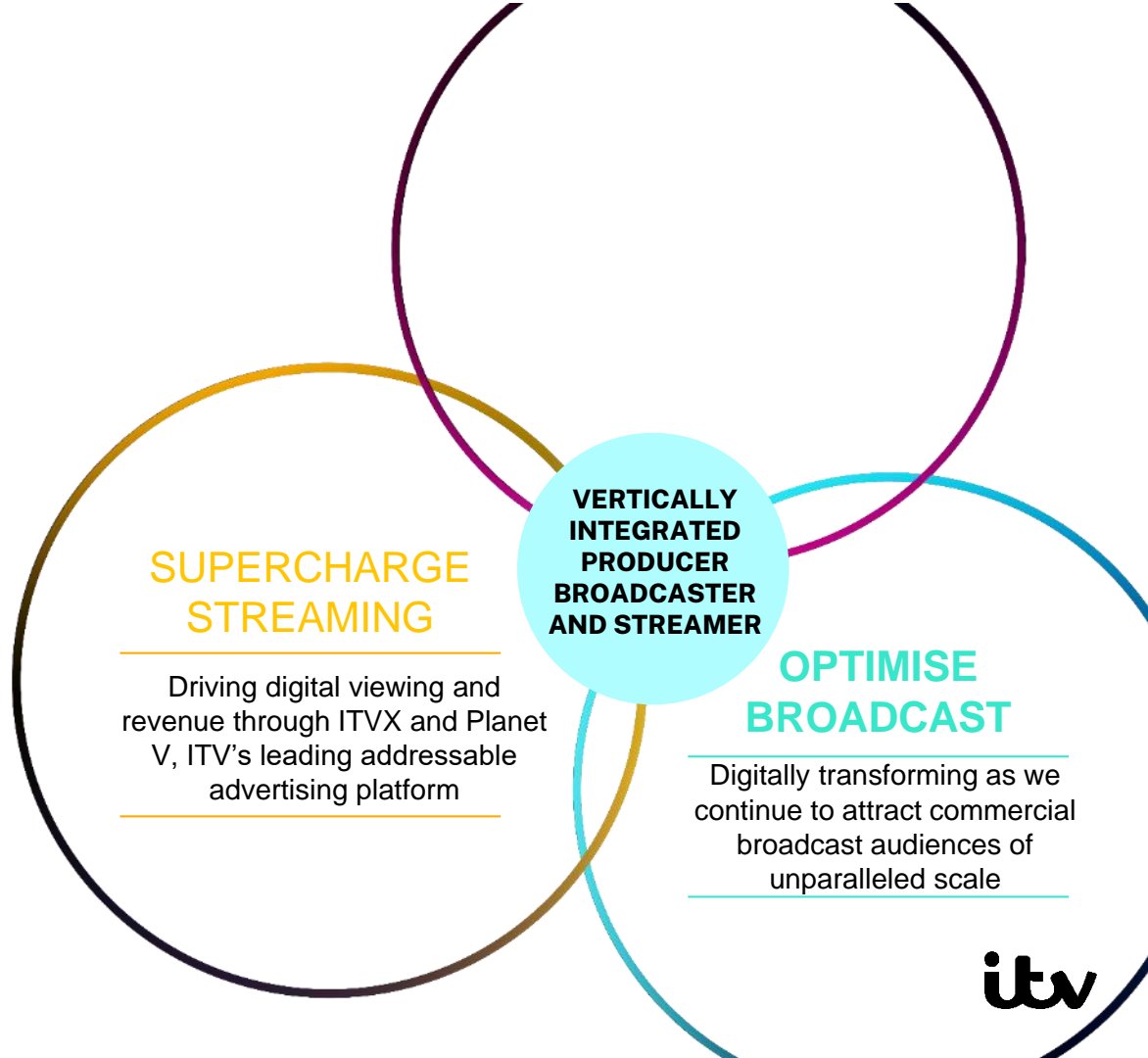


ITV Studios KPIs: On track to deliver 2026 targets

	FY 2021	FY 2022	FY 2026 Targets	
 TOTAL REVENUE GROWTH	+28%	+19%	Grow by at least 5% on average pa - ahead of the market	
 MARGIN %	12.1%	12.4%	13%-15%	
 HIGH END SCRIPTED HOURS	175 hours	276 hours	400 hours	
 NUMBER OF FORMATS SOLD IN 3 OR MORE COUNTRIES	15 formats	19 formats	20 formats	
 % OF TOTAL REVENUES FROM STREAMING PLATFORMS	13% of total revenues	22% of total revenues	30% of total revenues (increased from 25%)	

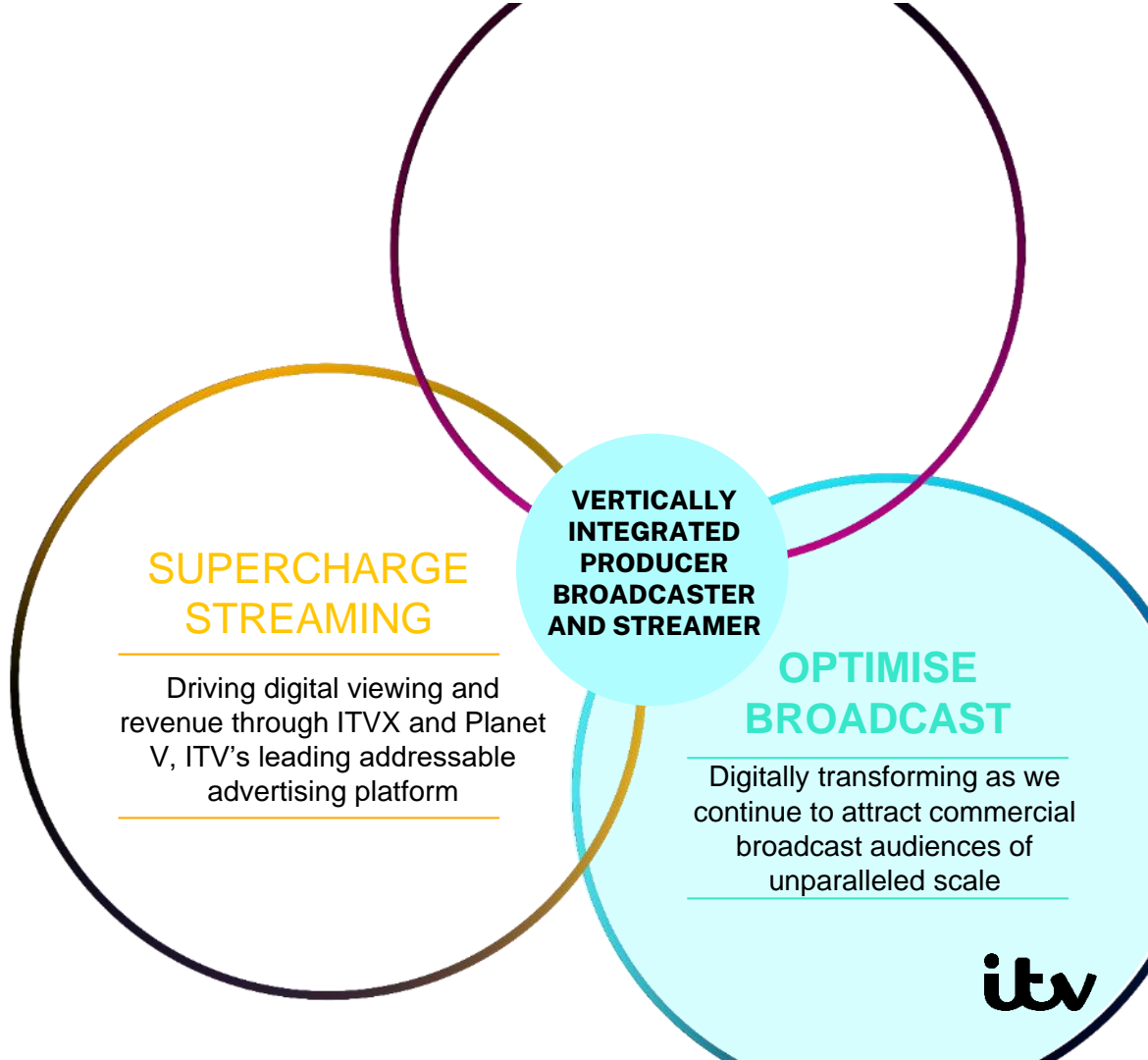
STRATEGIC EXECUTION

Phase Two of More Than TV strategy



STRATEGIC EXECUTION

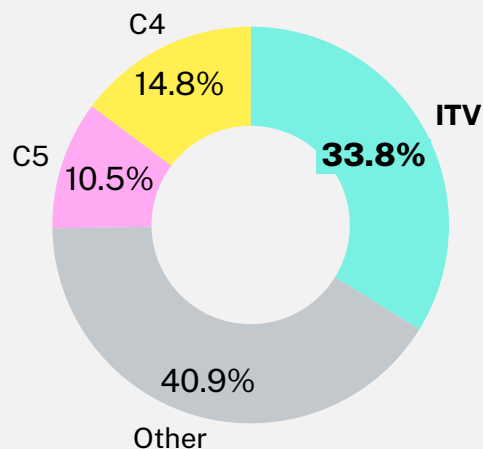
Phase Two of More Than TV strategy



ITV is the largest commercial broadcaster in the UK, with unrivalled audience and reach

ITV'S SCALED POSITION IN BROADCAST TV

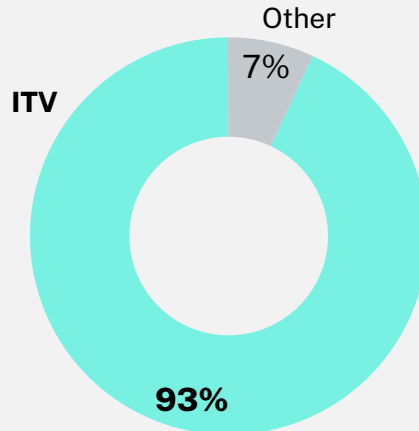
SHARE OF COMMERCIAL VIEWING



* 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 (12%)

ITV'S UNRIVALLED MASS REACH

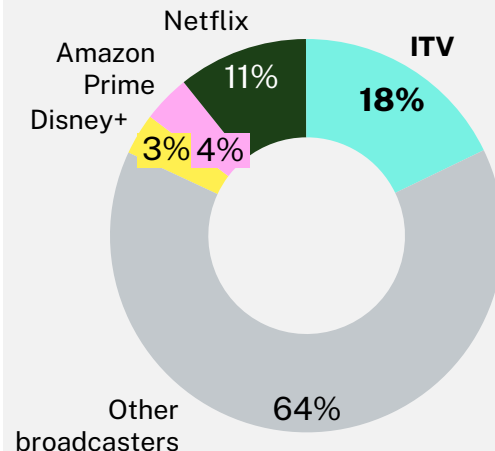
TOP 1,000 COMMERCIAL AUDIENCES



* Share of all ad-supported broadcast TV viewing. In 2022, 'other' segment included C4 (6%), C5 (1%) and BT Sport (<1%)

ITV COMPETING EFFECTIVELY FOR VIEWING WITH STREAMING PLATFORMS

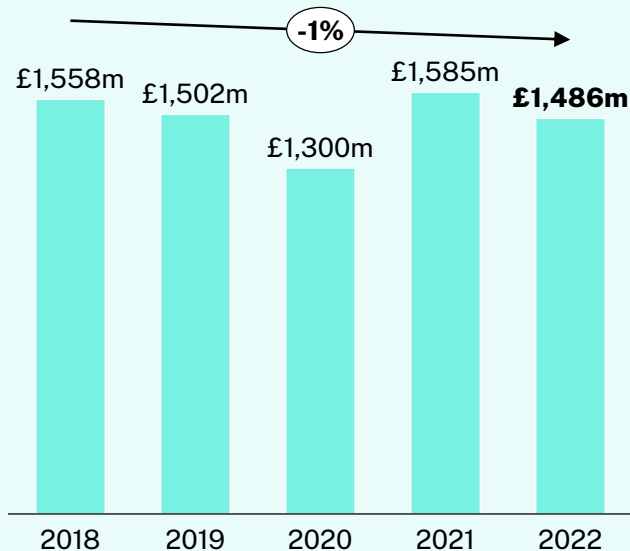
SHARE OF VIEWING



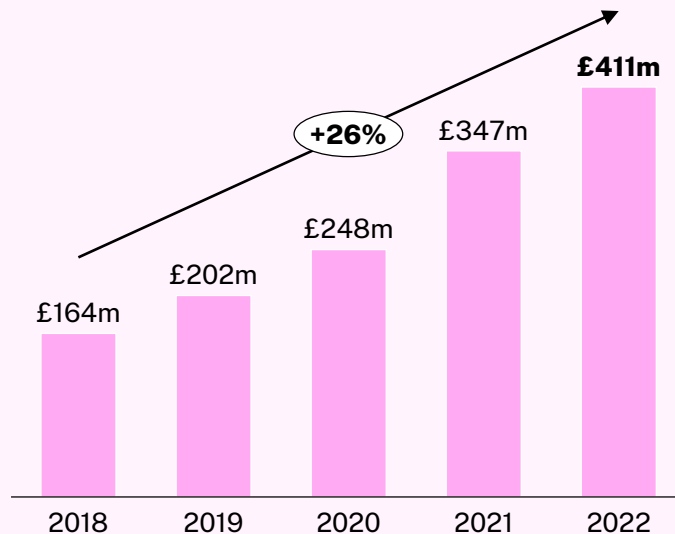
* Share of viewing across all broadcasters (incl. BVOD) and all ad-funded and subscription streaming platforms, across four largest screens (TV, PC, mobile, iPad)

Linear remains resilient, with small decline offset by strong growth in digital revenues between 2018 to 2022

Linear advertising revenue

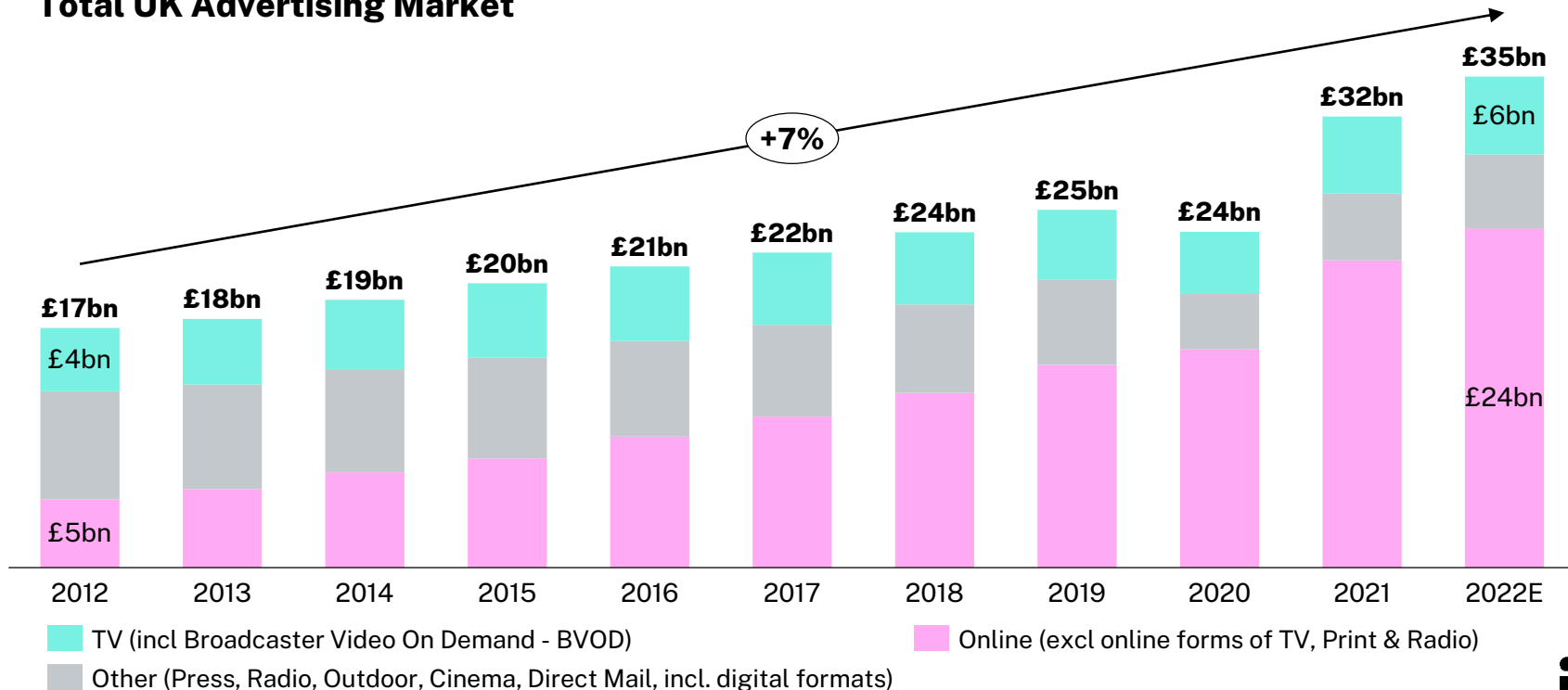


Digital revenue



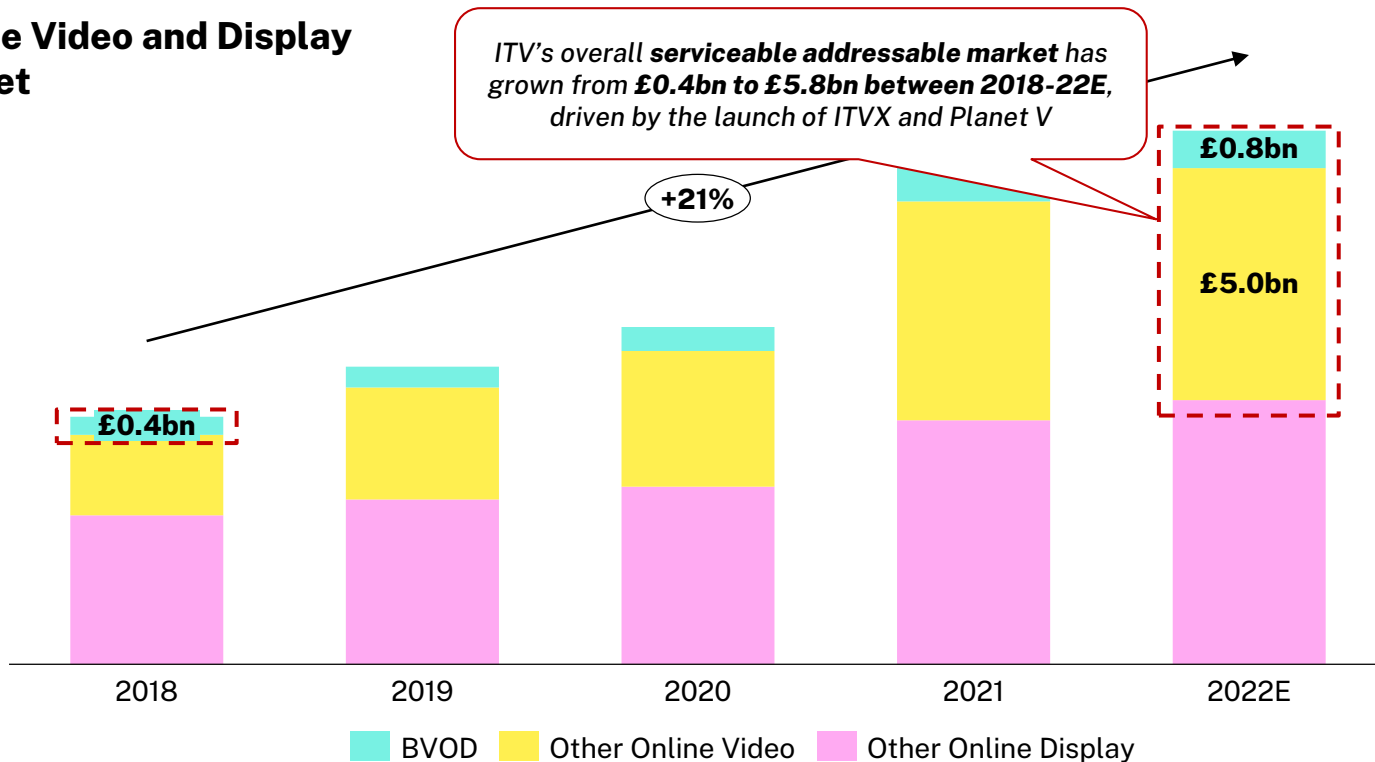
Total UK advertising market has grown at 7% CAGR over last ten years driven by online, and is expected to continue growing

Total UK Advertising Market



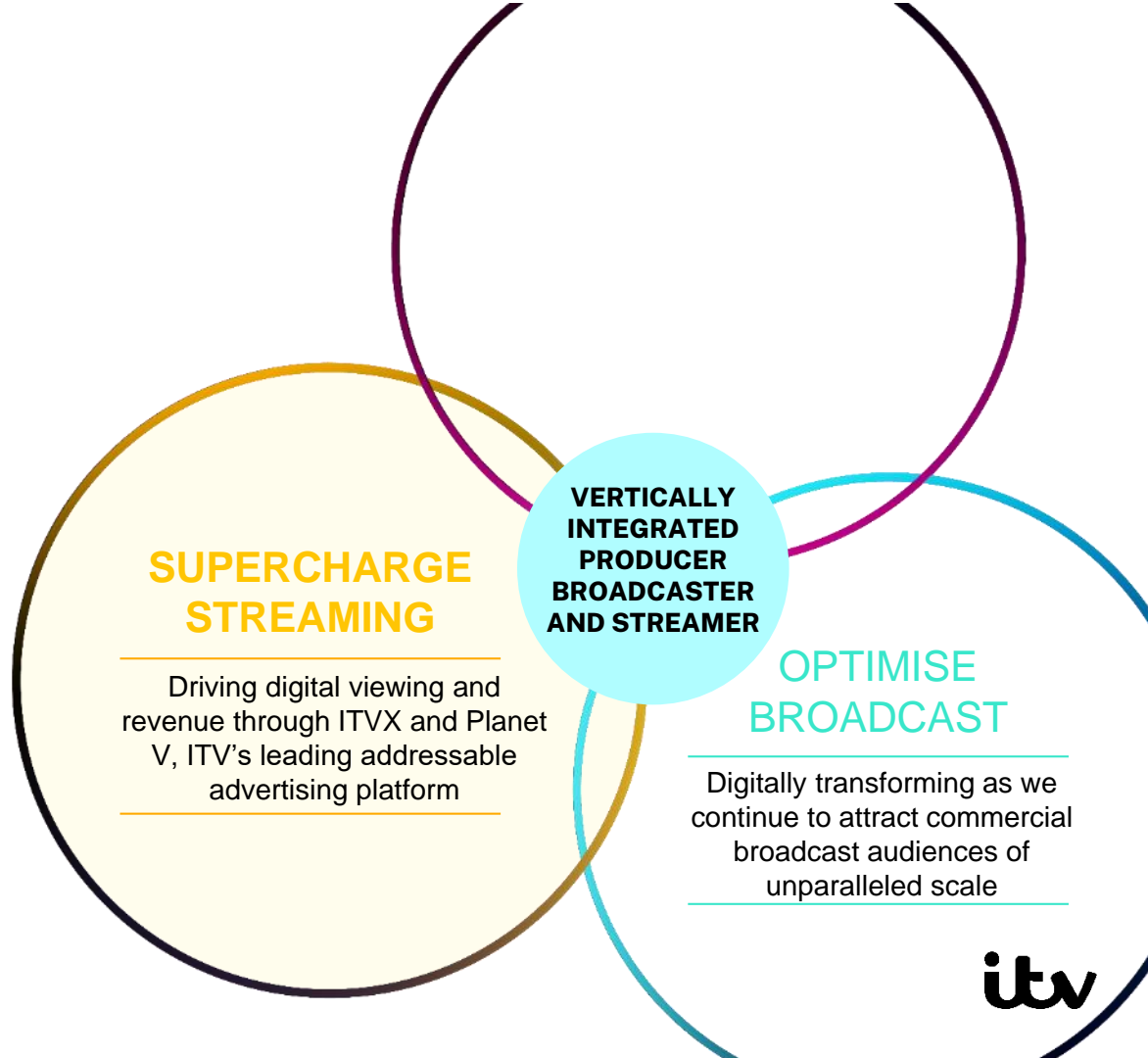
Significant growth in serviceable addressable market, driven by ITVX and Planet V investment

UK Online Video and Display Ad Market



STRATEGIC EXECUTION

Phase Two of More Than TV strategy



Successful launch of ITVX gives ITV a substantial national streaming position



FREE, AD-FUNDED DESTINATION

12,000 hours
available at launch

Exclusive weekly
premieres

20 FAST & **6** linear channels:
best-in-class live experience

250+ films creating one of
the UK's largest free film libraries

ITVX PREMIUM: AD-FREE VIEWING FOR SUBSCRIBERS

Premium ad-free tier,
incl. all ITVX free content

19,000+ total hours
available to subscribers

PREMIUM USER EXPERIENCE

One integrated
streaming platform

Data-driven
personalised and targeted

Advanced streaming
functionality

Modern & intuitive
user experience



ITVX successfully launched in Q4 – strong performance in first two months

ATTRACTING MORE VIEWERS

1.5 million
more registered
users coming to
ITVX for new and
exclusive ITVX
content*

INCREASING VIEWING TIME

total streaming
hours were up
69% YOY**

ATTRACTING LIGHT VIEWERS

Streaming hours amongst
light viewers were up
94% YOY*
Streaming hours amongst
16-34s were up
109% YOY**

VIEWER FEEDBACK

*“Great layout that is easy to use and attractive...
I feel the layout is among the best”*

*“There are loads of different programmes to choose from
and I love that there are loads of complete boxsets in
different genres. I will definitely be watching more on ITVX”*

ITV's competitive advantages enable it to compete and take share in growing online advertising market

ADVERTISERS

Trusted, **brand-safe**,
measured
advertising

Planet V, our wholly-
owned programmatic
addressable advertising
platform

Deep relationships
with advertisers and
agencies

VIEWERS

Track record for
commissioning and
producing popular
content

Vertically integrated
business: access to ITV
Studios slate; innovative
creative partnerships

Over **95%** prompted
awareness for ITV
amongst UK viewer

UNDERPINNED BY: 37 million registered users and **one of**
largest first party UK data sets



Planet V, ITV's leading addressable advertising platform, is a key competitive strength

WHAT IS PLANET V

Planet V is ITV's proprietary, end-to-end, self service, programmatic addressable advertising platform

- No value leakage through third party commissions

- Second largest video ad tech platform in UK, after Google

- Used by all major agencies

- Over **90%** of ITV's online inventory is booked through Planet V

BENEFITS FOR ADVERTISERS

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

- Lower campaign cost

- Ease of booking

- Data match products

- Planet V 2.0 in trial

BENEFITS FOR ITV

Over **60%** growth in digital advertising since launch

- Attracted over **600** new advertisers since Planet V's launch

- Enables ITV to offer flexible, dynamic and targeted solutions and higher value data driven pricing models

“ITV's Planet V has enabled us to be better equipped to meet our evolving needs in our day-to-day planning and buying. The team have continued to involve us in the platform's evolution and also been an incredible support and partner to us. Planet V will further transform our current processes, delivering a more streamlined approach to planning & buying.”

Helene Dodd Johansen, AV Account Director, UM

ITV Commercial has three powerful propositions: Boots case study

MASS REACH

Boots' advertising strategy is underpinned by the use of **mass reach across ITV's portfolio** of channels

14 different linear campaigns in 2022

TARGETED ADVERTISING

Targeted advertising matching ITV and Boots' first party data

Examples include Ad Labs innovations such as **Data Match** and **weather-based targeting**

CREATIVE PARTNERSHIPS

Integration of Boots brand on Love Island













12 Boots products placed in the Love Island villa



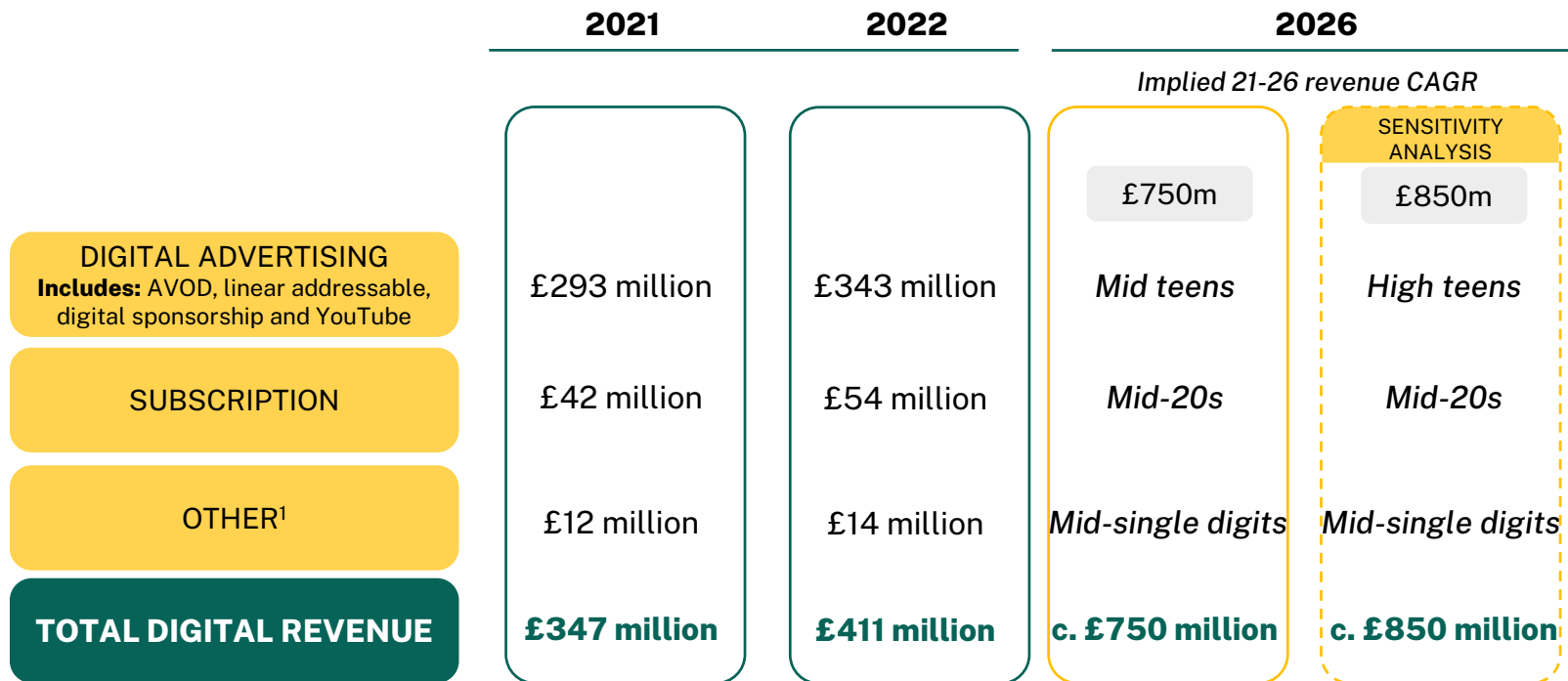
“Over the last few years, Boots and ITV have continued to build on what was always a strong relationship. Relevance, creativity, value and innovation underpin our truly multifaceted partnership.”

Chief Marketing Officer, Boots

M&E KPIs: On track to deliver at least £750m digital revenues by 2026

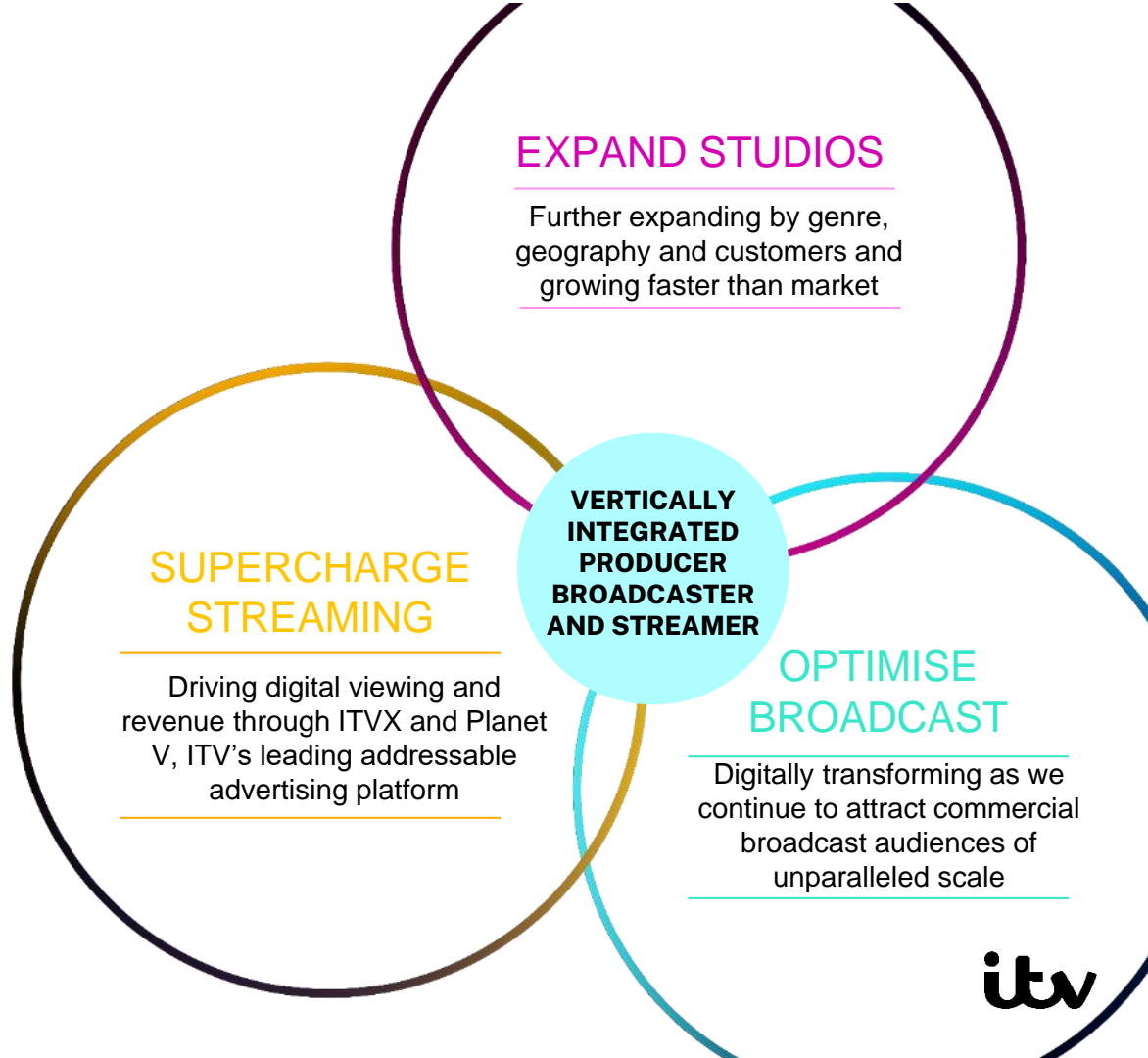
	FY 2021	FY 2022	FY 2026 Targets	
 DIGITAL REVENUES	£347m	£411m	Grow to at least £750m	
 TOTAL STREAMING HOURS	1,048m hours	1,139m hours	Double to 2 billion hours	
 MONTHLY ACTIVE USERS (MAUs)	9.9m*	10.5m	Double to 20 million	
 UK SUBSCRIBERS	1.2m	1.4m	Double to 2.5 million	
 SHARE OF TOP 1000 COMMERCIAL BROADCAST TV PROGRAMMES	93%	93%	Maintain a share of at least 80%	
 SHARE OF COMMERCIAL VIEWING	33.1%	33.8%	Maintain at 33%	

Digital revenues will grow to at least £750 million by 2026



STRATEGIC EXECUTION

Phase Two of More Than TV strategy



ITV's unique vertically integrated producer broadcaster and streamer model strongly positions the group to successfully deliver Phase Two of its More Than TV strategy

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 ITV M&E

- ✓ **Access to world-class content**, driving viewing growth
- ✓ **Cross promotion** and multiple monetisation opportunities; enables deeper partnerships with advertisers
- ✓ **Partly mitigates** content price inflation

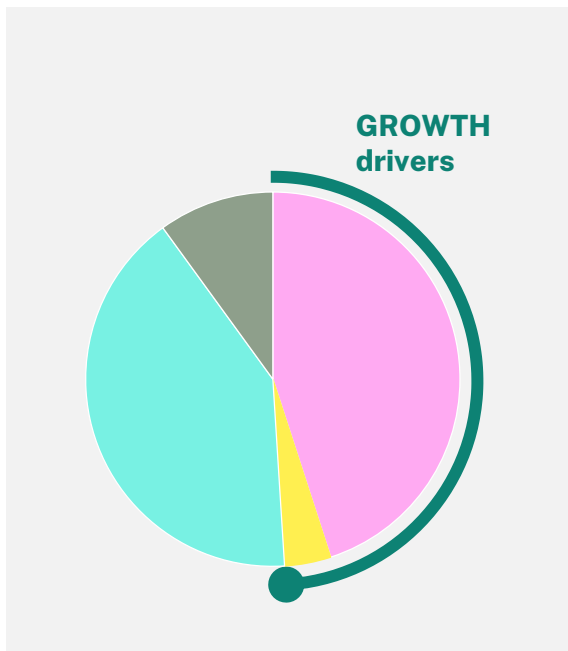


BENEFITS TO ITV

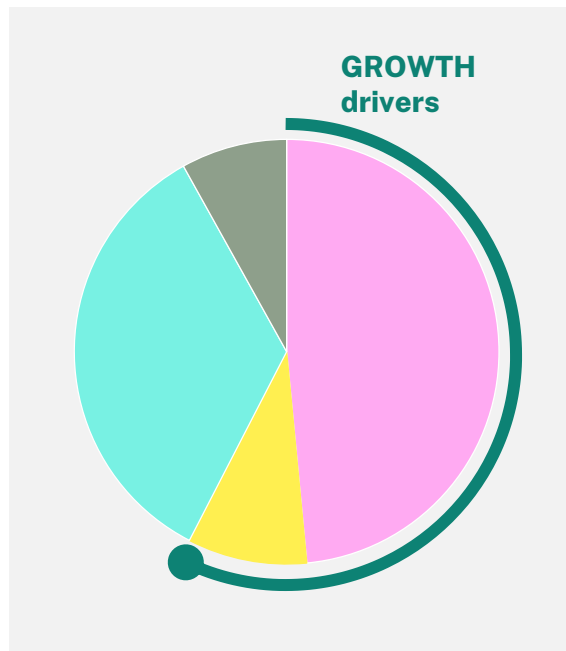
- ✓ **Unique** competitive advantage
- ✓ **Growth** in Studios and M&E revenues and profits
- ✓ **Attractive** economics

Repositioning ITV towards the growth drivers of ITV Studios and the M&E digital business, supported by a very cash generative linear broadcaster

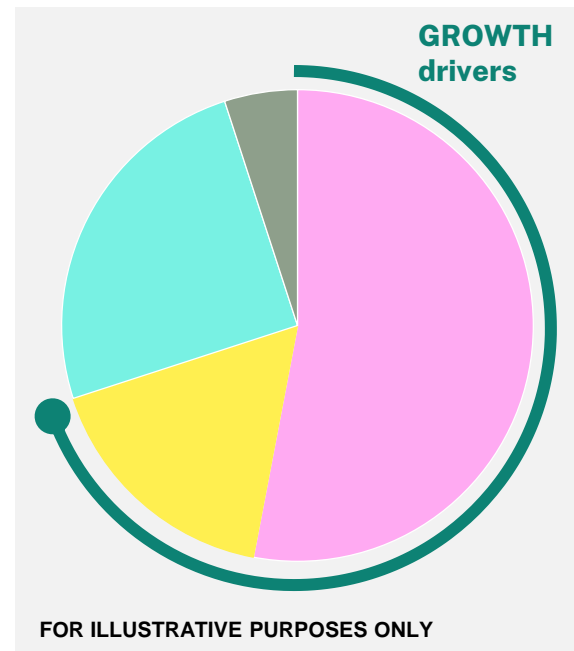
2018 REVENUE



2022 REVENUE



2026 REVENUE



Successful execution and significant strategic progress in 2022, creates strong momentum into 2023

- ITV is making significant progress with **Phase 2 of the More Than TV strategy** and with key value drivers, is **creating long-term value for shareholders**
 - Leading premium, global studios and distribution business
 - Vertically integrated producer broadcaster and streamer model
 - #1 commercial broadcaster in UK
 - Successful launch of ITVX
 - Planet V – wholly-owned leading ad technology
- **On track** against all KPIs
- **Robust balance sheet** and **cash flow generation**
- **Committed to a dividend of at least 5p per annum** which the Board expects to grow over time



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

Q&A

**Carolyn McCall and
Chris Kennedy**



Concert For Ukraine

Appendices

Key Performance Indicators

Group

KPI	PERFORMANCE
Adjusted EPS	13.2p (2021: 15.3p)
Cost Savings	Delivered £106m cost savings and on track to deliver further £50m by 2026
Profit to Cash Conversion	75% (2021: 80%)

Studios

KPI	PERFORMANCE
Total Studios Revenue Growth	£2,096m (2021: £1,760m)
Studios Adjusted EBITA Margin %	12.4% (2021: 12.1%)
Total High-end Scripted Hours	276 hours (2021: 175 hrs)
Number of Formats Sold in 3 or More Countries	19 formats (2021: 15 formats)
% of Total ITV Studios Revenues from Streaming Platforms	22% (2021: 13%)

M&E

KPI	PERFORMANCE
Total Digital Revenues	£411m (2021: £347m)
UK Subscribers	1.4m (2021: 1.2m)
Total Streaming Hours	1,139m hours (2021: 1,048m hrs)
Monthly Active Users	10.5m (2021: 9.9m)
Share of Commercial Viewing	33.8% (2021: 33.1%)
Share of Top 1000 Commercial Broadcast TV Programmes	93% (2021: 93%)

M&E Key Performance Indicators Definitions

Digital Revenue	<ul style="list-style-type: none"> • Sum of VOD-related advertising, digital sponsorship and partnership revenue, digital innovations and subscription revenue • Includes: AVOD and SVOD revenue (BritBox UK, ITV Hub+, ITVX) • Includes: ITV WIN, Linear Addressable, Partnership Revenue, Digital business ventures
Monthly Active Users (MAUs)	<ul style="list-style-type: none"> • Monthly number of registered, identifiable users who accessed our owned and operated, and syndicated, streaming platforms • Excludes: Amazon channels users
Streaming Viewing Hours	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Total subscribers to ITV owned and operated, and syndicated, streaming platforms • Includes: free trials
Share of Commercial Viewing	<ul style="list-style-type: none"> • % ITV Family viewing of all (ad supported) commercial broadcast television viewing in the UK • Includes: Catch-up for 7 days, TV devices
Commercial Mass Audiences	<ul style="list-style-type: none"> • ITV's proportion of the top 1000 UK commercial broadcast television programmes, by average audience size

Financial Highlights

Twelve months to 31 December	2022 (£m)	2021 (£m)	Change %
ITV Studios	2,096	1,760	19
M&E	2,249	2,282	(1)
Total revenue	4,345	4,042	7
Internal supply	(617)	(589)	(5)
Total external revenue	3,728	3,453	8
ITV Studios adjusted EBITA ²	259	213	22
M&E adjusted EBITA	464	598	(22)
Adjusted EBITA	723	811	(11)
Unrealised profit in stock adj	(6)	2	(400)
Group adjusted EBITA^{1 2}	717	813	(12)
Group adjusted EBITA margin	19%	24%	(5% pts)
Adjusted EPS	13.2p	15.3p	(14)
Reported EPS	10.7p	9.4p	14
Ordinary dividend	5.0p	3.3p	52

¹Adjusted EBITA includes the benefit of production tax credits

² ITV Studios Adjusted EBITA for 2021 has been restated to remove the unrealised profit in stock adjustment of £2 million, as this is an adjustment required on consolidation only. The launch of ITVX in the M&E division is likely to increase the levels of content held on the Statement of Financial Position, potentially requiring a larger profit in stock adjustment and therefore management believes the adjustment should be recorded at a consolidated level only.

Digital Revenue

Twelve months to 31 December	2022 (£m)	2021 (£m)	Change %
Digital advertising revenue	343	293	17
Subscription revenue	54	42	29
Other	14	12	17
Total Digital Revenue	411	347	18

Total Advertising Revenue

Largest categories (Spot and VOD combined)	Q1 2022 vs 2021 % change	Q2 2022 vs 2021 % change	Q3 2022 vs 2021 % change	Q4 2022 vs 2021 % change	FY 2022 vs 2021 % change	FY 2022 £m	FY 2022 vs 2019 % change
Retail	11%	(9%)	(12%)	(8%)	(6%)	370	38%
Entertainment and Leisure	47%	(20%)	(27%)	13%	0%	176	10%
Finance	22%	(16%)	(20%)	(26%)	(10%)	149	(5%)
Telecommunications	17%	6%	15%	40%	21%	135	34%
Cosmetics and Toiletries	(2%)	17%	(13%)	(3%)	(2%)	123	19%
Airlines and Travel	208%	58%	7%	35%	59%	119	31%
Publishing and Broadcasting	2%	6%	(32%)	(23%)	(15%)	118	25%
Food	5%	(7%)	(20%)	(21%)	(10%)	94	(5%)
Cars and Car Dealers	(21%)	(37%)	(18%)	1%	(20%)	80	(26%)
Government, Charities and Other	(7%)	(30%)	(3%)	(8%)	(11%)	75	12%
Remaining Categories and Sponsorship	14%	0%	(14%)	9%	2%	492	(5%)
Total Advertising Revenue (TAR)	16%	(5%)	(14%)	0%	(1%)	1,931	9%

M&E Content Costs

Twelve months to 31 December	2022 (£m)	2021 (£m)	Change %
Commissions	577	568	2%
Sport	168	153	10%
Acquired	26	32	(19%)
ITN News and Weather	58	49	18%
Total ITV Main Channel	829	802	3%
Regional news and non-news	74	71	4%
ITV Breakfast	42	44	(5%)
Total ITV inc Regional & Breakfast	945	917	3%
ITV2, ITV3, ITV4, ITVBe, CITV	179	183	(2%)
ITVX	15	-	-
BritBox UK	50	47	6%
Other	27	7	286%
Total Content Costs	1,216	1,154	5%

Reconciliation Between 2022 Statutory and Adjusted Earnings

Twelve months to 31 December	Statutory (£m)	Adjustments (£m)	Adjusted (£m)
EBITA ¹	668	49	717
Exceptional items (operating)	(65)	65	-
Amortisation and impairment	(84)	57	(27)
Operating profit	519	171	690
Net financing costs	(26)	-	(26)
Share of profits on JVs and Associates	8	-	8
Profit before tax	501	171	672
Tax	(66)	(69)	(135)
Profit after tax	435	102	537
Non-controlling interests	(7)	-	(7)
Earnings	428	102	530
Shares (million), weighted average ²	4,010	-	4,010
Basic EPS	10.7p	-	13.2p
Diluted EPS**	10.6p	-	13.1p

¹Adjusted EBITA includes the benefit of production tax credits. This is not a statutory measure

54 ²Weighted average diluted number of shares in the period was 4,046 million

Reconciliation Between 2021 Statutory and Adjusted Earnings

Twelve months to 31 December	Statutory (£m)	Adjustments (£m)	Adjusted (£m)
EBITA ¹	784	29	813
Exceptional items (operating)	(196)	196	-
Amortisation and impairment	(69)	49	(20)
Operating profit	519	274	793
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

¹Adjusted EBITA includes the benefit of production tax credits. This is not a statutory measure

55 ²Weighted average diluted number of shares in the period was 4,051 million

Acquisitions – between 2012 and 2022

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 2012-2022	1,067	502	89	1,658	2019-2028

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 £2.6 billion

³ £10 million is expected to be paid in 2023

Financing Costs

Twelve months to 31 December	2022 (£m)	2021 (£m)
€335m Eurobond at 2.125% coupon Sept 22	(4)	(6)
€259m Eurobond at 2% coupon Dec 23	(4)	(4)
€600m Eurobond at 1.375% coupon Sept 26 ¹	(16)	(16)
£500m Revolving Credit Facility	(2)	-
Financing costs directly attributable to bonds and loans	(26)	(26)
Cash-related net financing income/(costs)	1	(4)
Amortisation of bonds and gilts	(1)	(1)
Adjusted financing costs	(26)	(31)
Imputed pension interest	-	-
Exceptional interest	-	(10)
Other net financial losses and unrealised foreign exchange	-	(9)
Net financing costs	(26)	(50)

P&L Tax Charge and Cash Tax

Twelve months to 31 December	2022 (£m)	2021 (£m)
Statutory profit before tax	501	480
Production tax credits	49	29
Exceptional items (excluding exceptional finance costs)	65	196
Loss on sale of non-current assets	-	1
Amortisation and impairments ¹	57	49
Adjustments to net financing costs	-	19
Adjusted profit before tax	672	774
Tax charge	(66)	(92)
Production tax credits	(49)	(29)
Charge for exceptional items	(8)	(16)
Charge in respect of amortisation and impairments ¹	(12)	(12)
Charge in respect of adjustments to net financing costs	-	(4)
Adjusted tax charge	(135)	(153)
Effective tax rate on adjusted profits	20.1%	19.9%
Total cash tax paid (net of production tax credits received)²	(55)	(119)

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 Cash tax paid in the period was £55 million (2021: £119 million) and is net of £31 million of production tax credits received (2021: £13 million).

Analysis of Net Debt

31 December	2022 (£m)	2021 (£m)
£500m Revolving Credit Facility ¹	(50)	-
€335m (previously €600m) Eurobond	-	(281)
€259m (previously €500m) Eurobond	(230)	(218)
€600m Eurobond	(539)	(540)
Other debt	(20)	(19)
IFRS 16 lease liabilities	(132)	(92)
Gross cash*	348	736
Reported net debt	(623)	(414)
31 December	2022 (£m)	2021 (£m)
Gross cash ²	348	736
Gross debt (including IFRS 16 lease liabilities)	(971)	(1,150)
Reported net debt	(623)	(414)

¹ The previous £630m revolving credit facility (RCF) was replaced with a £500m RCF in January 2022

² Gross cash in 2021 includes £50 million of restricted cash in relation to the LTVC Pension Funding Partnership. This was nil at 31 December 2022 as the restriction has now been removed and the cash replaced with a surety bond.

Profit to Cash Conversion and Free Cash Flow

Twelve months to 31 December	2022 (£m)	2021 (£m)
Adjusted EBITA	717	813
Working capital movement	(150)	(141)
Adjustment for The Voice of China cash received ¹	23	-
Adjustment for production tax credits	(18)	(16)
Depreciation	53	59
Share-based compensation	19	12
Acquisition of property, plant and equipment, and intangible assets ²	(78)	(45)
Lease liability payments (including lease interest)	(26)	(29)
Adjusted cash flow	540	653
Profit to cash ratio	75%	80%

Twelve months to 31 December	2022 (£m)	2021 (£m)
Adjusted cash flow	540	653
Net cash interest paid (excluding lease interest)	(37)	(40)
Adjusted cash tax paid	(86)	(132)
Pension funding	(137)	(74)
Free cash flow	280	407

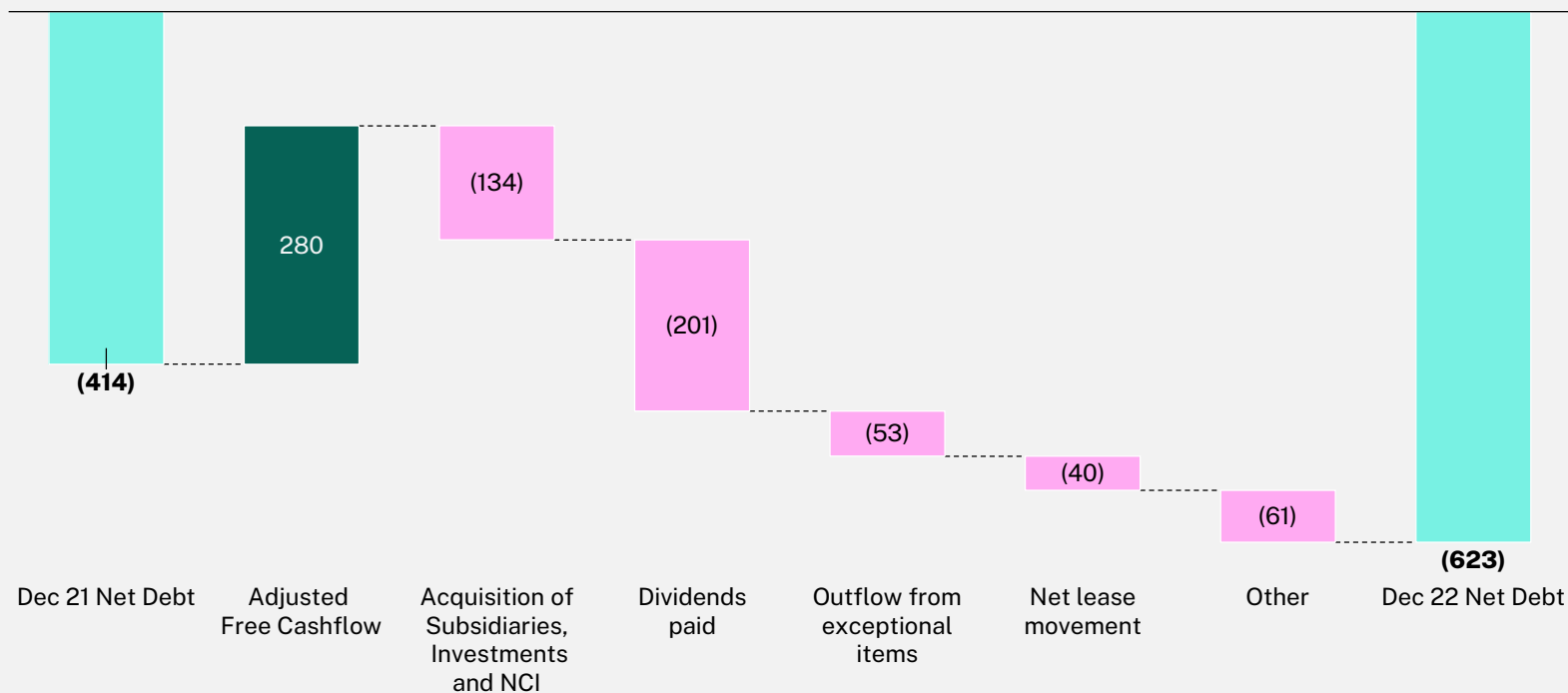
¹ Cash received in 2018 and 2019 for The Voice of China was placed under review and treated as an exceptional cash receipt and excluded from the profit to cash conversion calculation. In 2022, the review completed and the cash was released. This adjustment shows the conversion of exceptional cash to operation cash.

² 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

Total Exceptional Items

	2022 (£m)	2021 (£m)	Change (£m)
Acquisition-related expenses	(4)	(109)	105
Restructuring and reorganisation costs	(28)	(8)	(20)
Property costs	(24)	(8)	(16)
Costs relating to the passing of Her Majesty Queen Elizabeth II	(16)	-	(16)
Sports rights impairment reversal/(impairment)	5	(1)	6
Pension-related costs	(4)	(21)	17
Transponder onerous contract	-	(16)	16
Employee-related tax provision	(10)	(22)	12
Insured trade receivable	23	-	23
Other costs	(7)	(11)	4
Total Operating Exceptional Items	(65)	(196)	131
Exceptional finance costs	-	(10)	10
Total Exceptional Items	(65)	(206)	141

Reported Net Debt Tracker



* Other includes £23 million in relation to The Voice of China cash which has been released in the year following review, £19 million in relation to debt acquired with Plimsoll Productions and Lingo Pictures and £19 million in relation to the revaluation of bonds