

# ITV Consumer Limited

## Strategic Report for the year ended 31 December 2023

The Director presents her Directors present their Strategic Report for the year ended 31 December 2023.

### Principal activity

The principal activity of ITV Consumer Limited ("the Company") continues to be that of exploiting content both in the free to air and pay environments to promote engagement and meet emerging video demand.

### Fair review of the business

The results for the Company show a profit before tax for the year £119,827,000 (2022: £272,670,000) and revenue of £506,697,000 (2022: £434,461,000). At the statement of financial position date, the Company had net assets of £219,861,000 (2022: £238,720,000).

### KPI's

The Directors of the ITV plc Group manage the Group's operations on a divisional basis with this Company being included within the Media and Entertainment division. For this reason, the Company's Directors use the ITV plc Media and Entertainment division's Operating and Performance Review in managing and understanding the development, performance and position of the Company. The business review is included on pages 18 to 31 of ITV plc's 2023 Annual Report.

### Future developments

The Director does not anticipate any changes to the principal activities of the Company.

### Principal risks and uncertainties

The key business risks and uncertainties affecting the Company are considered to relate to the erosion of television's share of advertising, fluctuation in the size of the TV advertising market, decline in audience as competition from other commercial channels increases, the impact of the contract rights renewals remedy and the retention of key staff. Further discussion of these risks and uncertainties, in the context of the group as whole, is provided on pages 55 to 64 of the Group's 2023 annual report.

A comprehensive strategic review of the Company's strategy, outlining the development, performance and position of the Company's business can be found in the Strategic Report of the group in the ITV plc Annual Report. The Annual Report of ITV plc is available to the public and may be obtained from [www.itvplc.com](http://www.itvplc.com) or the Company Secretary, ITV White City, 201 Wood Lane, London, W12 7RU.

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#### Section 172 (1) Statement - Directors Statement in performance of their duties under section 172(1)

The Board of ITV plc are responsible for governance and oversight across the ITV Group and the duties under Section 172(1) of the Companies Act 2006 ('s172') in respect of ITV plc. As ITV Consumer Limited (the 'Company') is part of the ITV Group, its directors (the "Directors") believe that certain matters they are responsible for under s172 in respect of the Company have been considered to an appropriate extent by the Board of ITV plc in relation both to the ITV Group and the Company and reference to this is made below.

The Directors consider and approve relevant matters during the year. To the extent necessary for an understanding of the development, performance and position of the Company, an explanation of how the Directors have specifically considered the matters set out in s172 is set out below:

- **The long term:** The Directors are fully cognisant of the evolving competitor and viewer landscape in which the Company operates and the main focus during the year has been helping to drive ITV's Group strategy to transform the Broadcast business over the longer term through the strategic pillar - Supercharge Streaming. By Supercharging Streaming the aim is to drive digital revenues through ITVX, the AVOD and streaming platform launched in 2022. The key focus in the year was the ITVX ad-funded proposition, where the business has channelled its efforts and resources. The ITVX offering will be further enhanced in 2024 by increasing the depth and breadth of content, delivering continuous improvements to the product and user experience, and expanding distribution and marketing in order to build on the momentum of significantly strengthening the offering to viewers over the longer term. The Directors also believe that collaborative and connected digital ways of working will help deliver and have a positive long-term impact on the business and safeguard the interest of its shareholders. Accordingly, they supported and approved the launch of the ITV Together Programme in April 2023, a hugely significant global programme for our business and transforming how we all work.

- **Employees:** The Directors know that the workforce are key to the Company's success and are dedicated to nurturing an inclusive working environment where everyone can reach their full potential and thrive. As the Company is embedded within the ITV Group governance structure it is fully aligned with ITV on workforce engagement and an explanation of how ITV plc have engaged with the workforce and taken them into consideration through its discussions and decision-making is set out on pages 94 to 95 of ITV plc's 2023 annual report. Further information on ITV's commitment to its workforce is set out on pages 40 and 41 of ITV plc's 2023 annual report, which does not form part of this report.

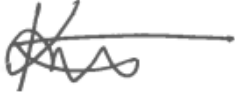
- **Business relationships - suppliers, customers:** The Directors are committed to fostering good working business relationships with their key stakeholders which include Partners, other Broadcasters and Platform Owners. The Directors recognise that an understanding of the issues relating to these stakeholders is fundamental to building and maintaining the successful relationships, enabling the Company to take advantage of the strong and mutually beneficial opportunities needed to ensure the success of the Company. As the Company is fully embedded within the ITV Group governance structure, the Directors seek to align themselves with ITV plc's engagement mechanisms and an explanation of how the Directors of ITV plc have had regard to the need to foster the Company's business relationships are set out on page 84 to 91 of ITV plc's 2023 annual report which does not form a part of this report, with detail on viewers set out on page 84, advertisers on page 85, citizens on page 87, legislators and regulators on page 88.

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- **Community & environment:** The Directors have regard to the impact of the Company's operations on the environment and consider that as a result of being embedded within the ITV Group governance structure, the Directors of ITV plc have taken the lead in carrying out the duties in respect of the community, wider environmental issues and diversity and inclusion targets. Further information on ITV's Social Purpose strategy and 2023 initiatives - structured around better health, giving back, climate action and diversity and inclusion, environment and giving back targets - is set out on pages 32 to 39 of ITV plc's 2023 annual report, which does not form a part of this report.
- **High standards of business conduct:** The Directors' intention is to ensure that the Company operates in an ethical and responsible way. As a part of the ITV Group, they recognise that a healthy corporate culture is the cornerstone to ensuring high standards of business conduct and governance that also pervade business dealings with stakeholders outside of the organisation. The Directors consider that as a result of being embedded within the ITV Group governance structure, the Directors of ITV plc have taken the lead in promoting these facets and details on how it monitored and assessed culture during the year is set out on pages 96 to 97 in ITV plc's 2022 annual report, which does not form a part of this report. ITV's commitment to high standards of business conduct is also enshrined in the Code of Ethics and Conduct available on the ITV plc website. ITV's culture also pervades its business dealings with stakeholders outside of the organisation, as exemplified by its work with suppliers in relation to modern slavery and membership of the Prompt Payment Code.

Approved by the board on 20/09/2024 and signed on its behalf by:



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Kate Lyndon  
Director