

07 February 2024

## **Zinc Media Group plc**

("Zinc" or the "Group")

### **Trading update**

Zinc Media Group plc (AIM: ZIN), the award-winning television and content production group, is pleased to announce that, subject to audit, it expects to deliver a record year of revenue and profitability in line with market expectations for FY23, and is starting FY24 with the highest level of forward bookings.

#### **Financial highlights:**

- Full year revenue in FY23 increased over 30% to £40m (FY22: £30m) driven by 20% organic growth in television revenues and the impact of a full year of recognition of The Edge which was acquired in August 2022.
- Adjusted EBITDA is expected to be £1m (FY22: £0.1m), the highest for over 10 years and in line with market expectations.
- Strong forward order book for FY24:
  - £17m of revenue secured for FY24, which is £2m more than at the same point last year and reflects a further £3m since the trading update on 27 November 2023.
  - £5m of revenue in highly advanced stages of discussion for recognition in FY24, with a substantial pipeline of opportunity for the year ahead in earlier stage discussions.
- Robust balance sheet with cash of £4.9m as at 31 December 2023 (31 December 2022: £3.6m), a £1.3m increase in cash driven by a positive trading performance and working capital inflows.

#### *Key operational highlights*

The investments made over the past three years have created a diversified content creation company, and now produce high quality television, brand and audio content for a range of end markets and customers. As a result, television production now accounts for approximately 60% of Group revenues, with production for brands and businesses approximately 40%, and approximately 30% of revenues now come from outside the UK. This diversified production revenue base reduces the risk associated with exposure to any one market or territory.

There are currently 40 television programmes produced by Zinc companies available to view in the UK, either on terrestrial channels, on-demand or via subscription TV platforms. These include the critically acclaimed series *Putin vs The West*, currently premiering on the BBC and iPlayer, series two of *Con or Cure* currently on BBC ONE every weekday morning, *Bargain Loving Brits in the Sun* on Channel 5, and *Sunday Morning Live!* on BBC ONE on Sunday Mornings. A full list of all Zinc produced programmes currently available to watch is on the Group's website: <https://zincmedia.com/news/latest-news/what-s-on-tv-from-zinc-media-group>

The Edge Picture Company, which was acquired in August 2022, continues to perform ahead of acquisition expectations. It has recently won new international business from a global petrochemical company and has started the year doing extensive work in the UK for Network Rail. The Group is investing further in the success of The Edge with a new venture targeting FTSE 100 companies in the UK and two ventures in international markets where it already secures significant revenues and has a long term client base.

#### *Outlook*

The Group is starting FY24 in an excellent position with record levels of forward bookings. Revenue already booked and anticipated to be recognised in FY24 is £17m, which is £2m more than at the same point last year. Recently announced new series include *Defending Europe* for National Geographic, *Chasing Glory: The Road to Paris 2024* for Warner Bros. Discovery, and *Top Gun: The Next Generation (working title)* for National Geographic Channel, a joint venture between The Walt Disney Company and the National Geographic Society, which includes direct to consumer platforms Disney+ and Hulu.

The total pipeline across the Group is also strong with a further £5m of potential revenue in highly advanced stages of discussion. This is less than at the same time last year reflecting the fact that more revenue has already been secured than at this time last year. The Group also has a strong pipeline of opportunities in earlier stages of discussion.

The Group expects the wider UK content production market to continue to remain challenging, especially among the UK television public service broadcasters (PSBs). Despite this, the quality of the Group's content production including its recent success winning business from global streamers has enabled the Group to outperform expectations in FY23, and enter FY24 in a strong position. Furthermore, the Group's diversified revenue base and increasing international presence puts it in a good position to weather these latest market headwinds and deliver further profitability in the current financial year.

#### **Mark Browning, Chief Executive Officer, Zinc Media Group, says:**

"We are delighted with the progress made in FY23. Our performance has bucked wider market trends and our organic investments have delivered excellent growth which is reflected in our significantly improved EBITDA position. The Edge continues to perform well and the Group has a strong pipeline of opportunities. Zinc's highly diversified portfolio of companies and excellent organic growth performance continues to provide a significant long-term opportunity as it continues to grow its market share. Whilst market conditions remain challenging, we are confident in the strength of our business and our ability to continue delivering profit growth."

*This announcement contains inside information for the purposes of the UK Market Abuse Regulation.*

#### **For further information, please contact:**

**Zinc Media Group plc**

**+44 (0) 20 7878 2311**

Mark Browning, CEO / Will Sawyer, CFO

[www.zincmedia.com](http://www.zincmedia.com)

**Singer Capital Markets (Nominated Adviser and Broker)**

**+44 (0) 20 7496 3000**

James Moat / Sam Butcher

**IFC Advisory Ltd (Financial PR)**

**+44 (0) 20 3934 6630**

Graham Herring / Zach Cohen

#### **About Zinc Media Group**

Zinc Media Group plc is a premium television and content creation group.

The award-winning and critically acclaimed television labels comprise Brook Lapping, Red Sauce, Supercollider, Tern Television, Rex and Atomic, along with Bumblebee Post Production, and produce programmes across a wide range of factual genres for UK and international broadcasters.

Zinc Communicate specialises in developing cross-platform content for brands, businesses and rights holders. The Edge Picture Company produces film content for brands and corporates in the UK, Qatar and other international markets.

For further information on Zinc Media please visit [www.zincmedia.com](http://www.zincmedia.com).

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