

Zinc Media Group plc

("Zinc" or the "Group")

Trading update and launch of new TV entertainment label

Zinc Media Group plc (AIM: ZIN), the award-winning television, brand and audio production group, today announces a trading update for the year ending 31 December 2024 ("FY24"). Furthermore, the Group is pleased to announce the launch of a major new entertainment television label headed by the former Executive Producer of *Strictly Come Dancing* and *The Voice*.

Trading update

In the last four weeks the Group has made significant changes to its portfolio structure. It has sold a non-core publishing business, acquired Raw Cut television group in an all-share acquisition, and is continuing to invest in future growth by today announcing a new hire which will diversify the Group into the IP driven and highly lucrative genre of entertainment television.

These portfolio changes, along with a large television production opportunity which has shifted into the new financial year's pipeline means that the Group is now expecting to report revenues of £34m and Adjusted EBITDA of £1.5m for the current financial year. Together with portfolio changes, this would reflect an increase of 50% in Adjusted EBITDA compared to the prior year, significantly outperforming the wider production market in 2024.

The Group's cash generation in the financial year has been excellent, and cash at 18 November 2024 was £7.8m, compared to £4.2m as reported in the last trading update on 25 September 2024.

Outlook

The outlook for FY25 is strong and the Group is reporting its highest level of booked and highly advanced revenue at this point in the year looking ahead to the next financial year. The Group has currently secured £14m of revenue for FY25 (30 September 2024: £11m) and has a further £8m at a highly advanced stage (30 September 2024: £5m). Both these metrics are ahead of the same point last year looking in to FY24. As a result, the Group is confident of delivering further revenue and Adjusted EBITDA growth in FY25.

Like many other sectors which are highly reliant on high levels of personnel costs, the television and film production sector has been hit hard by the announced changes to Employers' National Insurance Contributions, which are expected to increase Zinc's cost base by approximately £0.4m annually. Whilst mitigations will be possible over time, many productions for the next financial year are currently filming, with budgets agreed for FY25.

Launch of new entertainment label

The Group's new entertainment label Electric Violet, which expands the Group outside Factual television for the first time, will be headed by former *Strictly Come Dancing* exec Andrea Hamilton, who was also the lead behind highly successful returning shows such as *The Voice*, *So You Think You Can Dance!* and *Little Mix: The Search*, all for the BBC. While formats in this genre may take considerable time to develop, the large scale, high octane series of this type can attract commissioning budgets in excess of £10m and the IP can sell globally. Investors can see more about this new label here <https://electricviolet.tv>

This new venture continues the proven and successful strategy of hiring highly respected creative business winners who bring with them their own pipeline of business. The Group supports these hires with its proprietary platform allowing for accelerate growth

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

"Zinc's performance is now one of consistent year on year EBITDA growth driven by excellent business fundamentals including high levels of returning business, excellent gross margins and good revenue visibility. By any test this is a market leading performance.

While delivering consistent year on year growth we also continue to invest in long term profit growth. The launch of Electric Violet diversifies us further with a move in to entertainment television where the size of commissions and IP can be transformational.

Our proprietary platform supports all our businesses helping to drive margin and operational excellence, and following our recent disposal, acquisition and new label launch, we end this year more cohesive and more profitable, and with more opportunity before us than in any of my previous years leading this Group".

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

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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 Atomic, Brook Lapping, Electric Violet, Raw Cut, Rex, Red Sauce, Supercollider, Tern Television, along with Bumblebee Post-Production, and produce programmes across a wide range of factual genres for UK and international broadcasters.

Zinc Media Group's commercial content creation unit includes The Edge Picture Company, one of the UK's largest brand film-making companies, and Zinc Audio, specialising in podcasts and radio production.

For further information on Zinc Media, please visit www.zincmedia.com

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