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Zinc Media

Media

11 September 2025

Reflections on shiny floors

Zinc Media had a strong H125, with revenues up 72%, delivering adjusted EBITDA of £0.9m (H124: loss of £0.7m). The commissioning market is gravitating towards fewer, larger projects, with broadcasters and streaming platforms exploiting successful formats, demonstrating the value of licensed intellectual property (IP). As at 5 September, Zinc had secured FY25 revenues of £38m, across a diverse range of projects in factual, events and entertainment. Another £4m is in advanced discussions, underpinning market forecasts. Mid-term targets of £50m of revenues and £5m of EBITDA look increasingly feasible. Zinc's current valuation remains well below values for content production capability highlighted elsewhere in the sector.

A three-pronged approach

Zinc Media's growth strategy is predicated on three areas, all of which have progressed in H125. In Entertainment, *The Inner Circle* quiz, where Zinc owns the IP, has filmed and will air in H2, with Electric Violet (its new entertainment-focused business) establishing a strong market presence. £11m of pipeline opportunities are currently under discussion. The group's Middle Eastern business is also scaling well, with production starting on a substantial cultural documentary for a major multinational in Saudi Arabia. This business is still in investment phase, yet already has £10m of potential opportunities under discussion. Zinc is also consciously investing both in its own IP (now >4,500 hours) and in the infrastructure to monetise it, with a further £1.5m of high-margin IP-derived revenues targeted by FY28. These initiatives give a broad revenue base for future years.

Investing in the infrastructure

Zinc's H125 gross margin was 37.0%, down from 41.7% in H124, which reflects the investment being made in diversifying its revenue streams. We would expect this to recover as IP sales build within the portfolio and as recommissions generate a larger proportion of the revenue base. Operating costs climbed £1.7m over the prior year, but represented 38.3% of revenue, down from 52.9%, demonstrating the benefits of scale. Net cash at the half year was £0.7m, with gross cash of £4.2m.

Valuation: Still awaiting sector value transparency

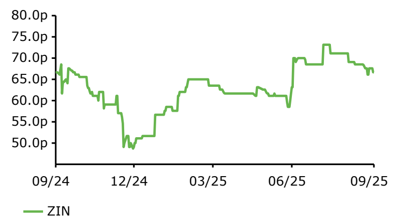
The much-rumoured (and needed) consolidation within the sector has still not materialised, with potential transactions (notably with respect to ITV) likely to highlight the potential for a valuation uplift for Zinc Media. Zinc is well-placed to expand its portfolio further, building scale and achieving a stronger negotiating position with content commissioners.

Consensus estimates						
Year end	Revenue (£m)	EBITDA (adj) (£m)	PBT (£m)	EPS (p)	EV/sales (x)	P/E (x)
12/23	36.6	1.4	(0.4)	(6.52)	0.4	N/A
12/24	32.3	1.5	0.3	(2.44)	0.5	N/A
12/25e	41.4	2.1	0.9	3.45	0.4	19.5

Source: LSEG Data & Analytics

Price	67.50p
Market cap	£17m

Share price performance



Share details

Code	ZIN
Listing	AIM
Shares in issue	24.7m
Net cash at 30 June 2025	£0.7m

Business description

Zinc Media is a diversified production group comprising 11 businesses making programmes for television and content for brands and businesses.

Bull points

- Diversified portfolio of content types.
- Strong start for commissions in FY25.
- Improving gross margin mix.

Bear points

- Currently lacking scale.
- Commissioning market can be volatile.
- No guarantee of success in the entertainment market.

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