

# Zinc Media

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## Zinc Media aims for new heights after name change

"It is a business built on talent and the talent is superb," says Mark Wood, chief executive of Zinc Media (LON:TAL), the new name for Ten Alps.

The firm is a world renowned TV programme maker. In fact, it recently courted controversy and made the international news headlines with its documentary on Pope Jean Paul II's relationship with a US academic.

It is also a publisher of trade magazines such as Director of Finance, The Pharmacist, Primary Healthcare, SME and Global Trader and is in the process of expanding its footprint in corporate communications.

In media circles, Ten Alps was known the firm set up by Live Aid creator, Boomtown Rat and businessman Bob Geldof.

In the Square Mile it has gained a reputation as a serial underperformer.

Former ITN and Future publishing chief Wood, appointed just over a year ago, is hoping to rehabilitate the company.

The name change to Zinc won't do that, but perhaps a return to profitability will.

City analysts are predicting the business will post underlying earnings (EBITDA) of £800-900,000 this year, which it is hoped will provide a foundation for more aggressive growth.

The past 12 months has seen a changing of the guard that should provide a tonic for the troops.

Ties with the past were cut when former Channel 4 chairman Luke Johnson and entrepreneur Jonnie Goodwin were brought in as independent directors. At the operational level, the publishing business has received a transfusion of new talent.

Then in July came the £5m acquisition of Reef Television, maker of Put 'Your Money Where Your Mouth Is', 'Penelope Keith's Hidden Villages' and 'Selling Houses with Amanda Lamb'.

Alongside it was a much-needed refinancing that largely wiped out £9m of debt that acted as a millstone around the company's neck.

Going forward the plan is to bring in more profitable, recurring commissions for the TV business, expand the corporate comms business and complete the turnaround of the publishing arm.

The addition of Reef to the fold last summer moved the company into long-running higher-margin TV, counter-balancing the lumpy one-off documentary work it receives.

Wood is looking to the US and the revolution that is being enacted by pay-TV firms such as Netflix as a source of new

**Price:** 0.185

**Market Cap:** £2.76 m

### 1 Year Share Price Graph



### Share Information

**Code:** ZIN

**Listing:** AIM

**52 week High Low**  
0.4749 0.175

**Sector:** Media

**Website:** www.zincmedia.com

### Company Synopsis:

*We are a cross-platform media agency, targeting content across multiple channels and sectors to capture a marketplace and its customers. Our three expert divisions offer a fully integrated service when it comes to content creation.*

action@proactiveinvestors.com

income.

Netflix was one of the broadcasters that took the expensive, some would say brave decision of embracing the advances in sound and picture quality that came with the latest generation of high definition TVs.

Customers have been wowed with the results and it has been reflected in a surge in viewing figures.

The upshot is over-the-top (OTT) firms and channels such as National Geographic are commissioning fewer programmes, but will pay much more for visually impressive spectacles that will draw in the watching masses.

It means British independents are in demand, said Wood. "That's an opportunity for us.

"The [US] networks value UK production businesses; they have been buying many of them.

"They think the UK indies are high quality, creative and totally reliable for delivering on time and on budget."

The Zinc CEO hopes to have news on contract wins in the coming weeks and months that should allay market jitters.

Corporate communications is expected to be a fast-growing part of the business with Zinc hoping to add a small corporate video and 'story telling' business to the fold for an as yet undisclosed sum.

"One of the keys there is this explosion in video communications in the US that has not quite hit here, but is just starting," Wood said.

"It is called authentic story-telling. It is about corporates being proactive in getting their stories out, what they do and the good things they do in a credible way."

At the moment big firms have a problem, or challenge, if you prefer.

Their hard-earned reputation can be can be wiped out by one rogue tweet, irrespective of whether the criticism is fair, or the 'payback' is proportionate.

"Reputations are just being shredded on social media," said Wood.

"Large organisations that rely on trust have to find ways to get the message out. That's where the opportunity lies and being a blue-chip programme maker helps."

Looking at the publishing operation, Wood said it is "turning the corner" and the aim is to ensure the business is sustainably profitable.

That has meant building digital revenues from a largely paper-based portfolio, while boosting income through the introduction of awards evenings and events'

"Publishing is not the core focus of the business but we are managing it well and will see where we can take it.

"We are certainly creating value in the assets."

It is fair to say the progress to date has been largely ignored by investors with the stock off around 80% in the past year.

Sentiment wasn't helped when in January the company said its earnings would undershoot previously stated guidance.

You get the impression Zinc is still been punished for past indiscretions with little heed paid to its potential.

Yet Wood and his team only need some modest successes to move the dial, which in turn would make a mockery of

the current share price that values the business at just £5mln.

"This is a turnaround challenge. It involves a change in culture, outlook and ambition," said Wood.

"This takes a while. We still have some things to change, but fundamentally it is a business built on talent."

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