

Newspaper Acquisitions

PUBLISHED FOR THE NEWSPAPER INDUSTRY BY DIRKS, VAN ESSEN & APRIL

Volume 26, Issue 1

© Dirks, Van Essen & April

April 2022 Report

What's Inside

Recap of deal activity since January
pages 1-3

25 Years of M&A Activity
pages 4-5

Owen Van Essen
owen@dirksvanessen.com
Office: 505-820-2700
Mobile: 505-660-6648

Sara April
sara@dirksvanessen.com
Office: 505-820-2700
Mobile: 505-603-4699

DV&A

WWW.DIRKSVANESSEN.COM

Small Deal Activity Resumes After Quiet Start to Year

After a quiet start to 2022, more than 75 newspapers have changed hands so far this year.

Continuing the theme from last year, the majority of deals completed included smaller newspapers and local buyers.

RISN adds in RI and CT

Rhode Island Suburban Newspapers acquired two dailies in Connecticut – The Bristol Press/The New Britain Herald and the Chronicle in Willimantic – from Central Connecticut Communications (CCC). RISN also acquired The Block Island Times, seasonal Block Island Summer Times, Block Island magazine, and Block Island Weddings magazine in Rhode Island from same ownership group.



Founded in 1970, the weekly Block Island Times had been owned by CCC since 2016. CCC had owned The New Britain Herald and The Bristol Press since 2009. While they are

published together currently as a single daily newspaper, both titles were founded in 1882. The Chronicle, which has been publishing since 1877, was acquired by CCC in 2017.

Rhode Island Suburban Newspapers and its affiliates operate newspapers in several states. Nearby operations include The Westerly Sun, The Kent County Daily Times, The Call of Woonsocket, The Times of Pawtucket, The Independent, and Southern RI Newspapers.

Española newspaper finds new local owner

The Rio Grande SUN in Española, New Mexico has been sold by Robert B. Trapp to El Rito Media LLC, an entity created by a group of local New Mexico investors. The Trapp family had owned the newspaper for 66 years.

Over the years, the newspaper has been the



recipient of multiple awards for reporting and photography. It was the subject of a film documentary "The Sun Never Sets," which was featured during a special screening for journalists and the public at the Newseum in

Washington, D.C., in 2013.

The owners of El Rito Media are all New Mexicans and companies controlled by New Mexicans. The group says they are dedicated to continuing the Rio Grande SUN and to making New Mexico a better place to live. They believe that one way to help

Continued page 2

Small Deal Activity Resumes

Continued from page 1

do that is to provide a newspaper which is fact-based, which searches for the truth and whose readers say, "I cannot tell whether those reporters are Democrats or Republicans. They report the facts."

The owners of El Rito Media are: Ryan Cangioli of Albuquerque, Jalapeño Corporation of Albuquerque, Los Mocositos LLC of Santa Fe, Bryan Ortiz of Santa Fe, Francisco Romero of Albuquerque, Joseph Sanchez of Alcalde, Tom Wright of Santa Fe, Harvey Yates Jr. of Albuquerque, and Peyton Yates of Artesia.

CherryRoad continues growth

In January it was announced that CherryRoad Media added to the stable of 40 titles it acquired in 2021 with the purchase of 17 more newspapers in Texas and Oklahoma from Gannett Co., Inc.

The newspapers in Texas included the (Sherman) Herald Democrat, Waxahachie Daily Light, Stephenville Empire-Tribune, Brownwood Bulletin, Alice Echo-News Journal, Van Alstyne Leader, Anna-Melissa Tribune, Prosper Press, Grayson County Shopper, Midlothian Mirror, Rannels County Register, Glen Rose Reporter, Cross Timbers Trading Post, and Shop Local. The Oklahoma newspapers included the Daily Ardmoreite in Ardmore, the Shawnee News-Star, and Bryan County News.



CherryRoad expanded again in March with the acquisition of nine newspapers in Arkansas and Missouri from Rust Communications, Inc. The Arkansas titles included the Marshall Democrat-News, Monett Times, Cassville Democrat, and South Missourian News in Thayer. The Missouri titles included the Carroll County News in Berryville, Lovely County Citizen in Eureka Springs, The News in Salem, Villager Journal in Cherokee Village, and the Clay County Times-Democrat in Piggott.

With these acquisitions, CherryRoad Media publishes more than 65 newspapers in 10 states.

121 Media acquires 14 Texas titles

121 Media acquired 14 weekly newspapers that serve communities in the northern and eastern suburbs of Dallas from Star Local Media.

This was the first acquisition for 121 Media, a family-owned

and operated local media company based in Frisco, Texas. The company was founded by media industry veteran Rick Rogers and his wife, Elizabeth Rogers.

The newspapers acquired include the following titles, along with the website www.starlocalmedia.com: Allen America, Carrollton Leader, Celina Record, Coppell Gazette, Flower Mound Leader, Frisco Enterprise, Lake Cities Sun, Lewisville Leader, Little Elm Journal, McKinney Courier-Gazette, Mesquite News, Plano Star Courier, Rowlett Lake Shore Times, and The Colony Courier-Leader.

Prior to the launch of 121 Media, Rick Rogers worked at TownNews, a digital solutions company for local media organizations, most recently serving as chief revenue officer. Rick's roots are in community media, working most of his 25 years in editorial, publisher, management and corporate roles within local media organizations in Missouri and Texas.

Star Local Media had been owned by veteran newspaper industry executive Scott Wright since 2016.

Mid-Atlantic Media adds in Philadelphia

Mid-Atlantic Media acquired the Philadelphia Jewish Exponent, a regional Jewish publication covering Philadelphia and Pennsylvania suburbs and South Jersey. It had been owned by the Jewish Publishing Group, a subsidiary of the Jewish Federation of Greater Philadelphia.

Mid-Atlantic Media is a growing media company with a strong presence in Baltimore, Philadelphia and Washington, D.C. The company publishes Baltimore's Child, Baltimore Jewish Times, Baltimore Style, Consumer's Eye Magazine, Frederick's Child, Home Services Magazine, Philadelphia's MetroKids, Montgomery Magazine, Washington Family, and Washington Jewish Week.

Mullens acquire four in Montana

Brian and LeAnne Kavanagh sold the Shelby Promoter, Cut Bank Pioneer Press, Browning Glacier Reporter, and The Valerian to Jesse Mullen and Lloyd Mullen's Ponderosa Publications.

Ponderosa Publications is affiliated with Mullen Newspaper Company based in Deer Lodge. Mullen Newspaper Company manages three other Montana newspapers: the Silver State Post in Deer Lodge, Philipsburg Mail, and Bitterroot Star in Stevensville.

Brian and LeAnne were the fourth generation of Kavanaghs to own and operate the Promoter, dating back to October 1922. The couple received the MNA President's Award in 2007 for their efforts to promote and protect the public's right to know, following a successful lawsuit against the Cut Bank School District in a right to know case, which clarified the infamous Fleenor decision of the Montana Supreme Court. The clarification assured continuing access for the press and citizens to the Montana court system to assert their rights to an open and transparent government.

Small Deal Activity Resumes

Continued from page 2

Hall family grows Iowa holdings

Charles City (IA) Press Publisher Christopher Hall and his father, longtime newspaperman Gene Hall, joined forces to purchase several northwest Iowa newspapers and related publications from Rust Communications.

The titles included the Spencer Daily Reporter, Northwest Iowa Shopper, Dickinson County News in Spirit Lake, Le Mars Daily Sentinel, Le Mars Shopper, Remsen Bell, Storm Lake Pilot-Tribune, and the Cherokee Chronicle Times.

The Halls will be spinning off the Storm Lake and Cherokee publications to John and Art Cullen of Storm Lake, who own and operate the Storm Lake Times.

Christopher Hall will continue to own and operate the Charles City Press, New Hampton Tribune and Nashua Reporter, and said the new purchases will not affect those newspapers, other than to possibly provide opportunities for shared resources and greater operating efficiencies.

“Newspapers, especially Iowa community newspapers, are still vibrant, thriving businesses, and I expect they have a long future,” Christopher Hall said.

WV News buys three

WV News is acquiring the Jackson Star, Jackson Herald, and Mineral Daily News in West Virginia from Gannett Co., Inc.

WV News president and owner Brian Jarvis said their WV News management team, which is composed of all native West Virginians, is eager to work with local staff and the communities.

WV News already produces eight newspapers: The Exponent Telegram, The State Journal, Fairmont News, Weston Democrat, Bridgeport News, Preston News, Preston Journal, and Garrett County (MD) Republican.

It also produces specialty publications, including Your Bulletin Board, a print and digital private-party marketplace for people looking to buy, sell or trade; as well as publications focused on West Virginia University sports, the Blue & Gold News Magazine, and a quarterly lifestyles-oriented glossy, NCWV Life Magazine. The company also operates a statewide website – wvnews.com – as well as one based out of Morgantown, morgantownnews.com.

View Newspaper Group acquires seven

View Newspaper Group acquired the business operations of Sherman Publications, Inc. in Michigan, which includes the publications Lake Orion Review, Oxford Leader, Ortonville Citizen, Clarkston News, Ad-Vertiser, Penny Stretcher, and Big Deal. The Sherman family had owned the group since 1955.

Founded in 2003 by Rick Burrough, View Newspaper Group, which publishes The County Press and Lapeer Area View, is

a locally-owned community newspaper group that now includes 21 community newspapers covering Lapeer, Oakland, Genesee, Livingston, Sanilac, Huron, Saginaw, Shiawassee, Montcalm, and Ionia counties.

Since its start in 2003, View Newspaper Group has grown nearly every year. All View Newspaper Group publications are printed by its sister companies Michigan Web Press in Davisburg and Stafford Printing in Greenville.

Michigan Web Press was founded in 1979 and was acquired by Rick Burrough in 1999. Burrough expanded the company several times, most recently with the acquisition of Stafford Printing in Greenville in 2019. The company is now the largest commercial newspaper printer in Michigan, serving more than 250 clients. Their four press lines, made up of 68 printing units and six folders, produce more than two million copies weekly.

J. Louis Mullen completes three acquisitions

J. Louis Mullen acquired three North Dakota newspapers and a shopper from BHG Inc. The papers included the McLean County Independent, Leader-News, Central McLean News-Journal, and XTRA, as well as Viking Screen Prints. The purchase was completed just eleven months after sister company NorDak Central Publishing purchased the Beulah Beacon, Hazen Star, Center Republican, and Coal Country Dollar Saver from BHG, which is owned by Mike Gackle and Jill Denning Gackle.

Mullen also acquired The Gillette News Record in Wyoming, which had been owned by the Kennedy family for decades. The News Record has been operating since 1904 and is the longest operating local business in Gillette.

“I’m honored the Kennedy family has given me this opportunity to continue their legacy. I’ve looked up to Ann since I was 12 years old when I first met her while picking up a News Letter Journal press run. Small town newspapers are the lifeblood of a community and I look forward to being a small part of Campbell County’s history in this paper of record,” Mullen said. “The Kennedy family is the reason I’m in this business, and I just want to say thank you.”

Mullen’s third acquisition of 2022 was the purchase of Wyoming’s Cody Enterprise, which was founded by Buffalo Bill in 1899. Sage Publishing Company had owned the Enterprise since 1971.

Mullen’s newspaper interests include publications in Wyoming, South Dakota, North Dakota, Iowa, Idaho, Washington, Michigan and Oregon.

O’Rourke expands to Delaware

O’Rourke Media Group acquired the Sussex Printing Corporation in Seaford, Delaware. The transaction included The Guide, which serves the Delmarva Peninsula.

O’Rourke Media Group currently operates in six states with a full-service digital agency and 23 publications and hyperlocal websites. ■

25 Years of M&A Activity in Just Two Pages

1997 Knight Ridder bought the Kansas City Star, Fort Worth Star-Telegram and other dailies for a record \$1.7 billion from Capital Cities. A.H. Belo acquired the Providence Journal and TV stations for \$1.5 billion. Hollinger sold 54 dailies to newly formed Liberty Group Publishing.

1998 McClatchy paid \$1.2 billion for the Minneapolis Star Tribune. The Seattle Times Company bought Guy Gannett's three Maine dailies. MediaNews acquired the Daily News of Los Angeles, doubling the size of its Los Angeles cluster.

1999 CNHI became the largest owner of daily newspapers, adding 28 dailies acquired from Hollinger. The company was founded just two years prior when it acquired 15 newspapers owned by Park Communications. There was a total of \$1.9 billion in deal volume.

2000 Driven by three of the largest deals in the history of the newspaper industry, merger and acquisition activity set a record at \$14.25 billion. Thirteen newspaper companies made acquisitions of at least \$100 million during the year, and 38 different companies acquired a daily newspaper. Tribune Co. bought Times-Mirror, with the newspaper portion of the deal valued at \$7.2 billion. Thomson Newspapers and Central Newspapers were also sold with a combined value of another \$5 billion. Gannett became the world's largest publisher of newspapers.

2001 Deal volume slid to its lowest level in 25 years, but multiples remained high as the economy was gripped by recession. Only 22 dailies changed hands for total transactional volume of \$200 million. Journal Register Company was the most active buyer, adding to its suburban operation in Philadelphia. Thomson Newspapers sold its two remaining Canadian newspapers.

2002 Lee Enterprises represented more than half of the \$1.2 billion in transaction volume with three transactions. The largest transaction was its purchase of the stock of Howard Publications for \$694 million, which represented a 14.1 multiple of cash flow. CNHI acquired four dailies from Ottaway.

2003 There were no big deals, resulting in only \$575 million in transaction volume. Although volume was low, multiples of EBITDA were high. McClatchy reported that it paid 13 times first year's cash flow for a daily in Merced, California, and Ottaway Newspapers reported it paid 12 times proforma cash flow for a daily in Stockton, California.

2004 Just under a billion dollars' worth of daily newspapers changed hands. Journal Register Company acquired 21st Century Newspapers in Michigan for \$415 million. Paxton Media Group acquired two North Carolina dailies. Private equity continued to flow monies into newspaper investments.

2005 More than 100 daily newspapers changed hands in deals that represented more than \$3 billion in value. Lee Enterprises set the pace with a \$1.46 billion acquisition of Pulitzer and its flagship St. Louis Post-Dispatch. Fortress Investment Group bought Liberty Group Publishing which had 66 small market dailies. CNHI acquired a group of New England dailies from the Rogers family.

2006 McClatchy made the most headlines with its acquisition of Knight Ridder and subsequent spinoff the Minneapolis Star-Tribune. CNHI bought seven newspapers from Dow Jones and leapfrogged Gannett as the owner of the most daily newspapers. GateHouse was also an active acquirer after a successful IPO. In total, there was just under \$10 billion in transactional volume.

2007 Daily newspaper sales exceeded \$20 billion, blowing away the old record of \$14 billion set in 2000. The sale of two venerable public companies – Tribune Co. and Dow Jones – was responsible for the majority of the volume. Ninety-one different daily newspapers changed hands in 30 transactions. GateHouse bought Morris Communications and American Consolidated Media bought Whitcom Partner's newspapers in Maryland.

2008 Just 16 daily newspapers changed hands in 11 deals during a very difficult economic time. Hearst completed the largest deal of the year when it acquired the Bridgeport (CT) Post from MediaNews Group. The Omaha World-Herald Co. and WEHCO Media also both picked up a couple of dailies.

2009 The market began to find its footing. Thirty-one dailies sold and total deal volume was just under \$200 million. The 79,000-circulation Daytona Beach News-Journal was sold to Halifax. Family-owned operations got into the act. The John Kent Cooke family bought operations in North Carolina and Florida; the Seaton family bought the Grand Junction, Colorado paper.

25 Years of M&A Activity
Continued from page 2

2010 A slow newspaper M&A year dominated by the sale of small market newspapers. There was only \$150 million in total transactional volume. The largest deal of the year was David Black's purchase of Gannett's Honolulu Advertiser. Family-owned Brown Publishing in Ohio went through bankruptcy, resulting in ownership being transferred to the senior lenders.

2011 Two of the nation's most successful investors – Warren Stephens and Warren Buffett – made significant acquisitions in the newspaper industry. Stephens was the primary capital behind the formation of Halifax Media, which bought a group of 16 community newspapers owned by the New York Times, and Buffett added the Omaha World-Herald Co. to his holdings. Alden Global Capital entered the business through a purchase of the debt of Journal Register Company.

2012 Eighty-four daily newspapers were sold in 25 separate transactions with total deal volume of \$645 million. BH Media bought most of the newspapers owned by Media General, as well as two Texas newspapers. After 50 years, Freedom Newspapers sold all of its newspapers in a series of transactions, and Jeremy Halbreich launched a new company with the purchase of Freedom's Texas newspapers.

2013 With one click and \$250 million, Jeff Bezos bought the Washington Post; John Henry, majority owner of the Boston Red Sox, acquired the Boston Globe; BH Media completed three transactions. There were a total of 16 separate companies that completed a daily newspaper transaction in a year with close to \$700 million in transactional volume.

2014 Newly publicly traded New Media Investment Group, formerly known as GateHouse, landed the largest deal of the year, when it acquired Halifax Media Group for \$280 million (about 1/3 of the transaction volume for the year). Halifax, which got its start five years earlier when it acquired the Daytona Beach (FL) News-Journal, had 24 dailies with 635,000 in circulation. H.F. Gerry Lenfest bought his hometown Philadelphia Daily News and Inquirer and moved to put in a non-profit ownership structure.

2015 Newspaper transactional value surpassed \$800 million for the first time since 2008. Gannett acquired Journal Communications for \$280 million. The group was comprised of 15 dailies and created out of the merger of E.W. Scripps and Journal Communications. Stephens Media sold to New Media Investment Group and the Las Vegas News-Review subsequently was sold by New Media to Sheldon Adelson. The San Diego U-T was acquired by Tribune Publishing. Regional dailies in Fredericksburg, VA; Erie, PA; and Portland, ME were sold.

2016 The year without a single prominent newspaper transaction. Gannett's negotiations to buy tronc (the former and then again Tribune) collapsed. Two prominent Kansas families exited the industry – the Simons family sold the Lawrence Journal-World to Ogden Newspapers after 124 years of ownership, and Harris Enterprises sold to New Media after 109 years of ownership.

2017 A busy M&A year with 31 separate daily newspaper transactions involving 80 daily newspapers and transactional volume of \$348 million. Private equity group Civitas divested of 75 publications in nine different transactions; the prominent Binkley family acquired their hometown newspaper in Anchorage, AK.

2018 Forty-five daily newspapers changed hands in 36 transactions for \$857 million. The Los Angeles Times was sold by Tribune to an area billionaire. Venerable independents in Eugene, OR and Charleston, WV were sold. Paxton Media Group and Adams Publishing Group were active buyers.

2019 Gannett and New Media Investment Group, the two largest newspaper owners in the U.S., merged in a deal valued at \$1.2 billion. Schurz Communications sold to New Media Investment Group. Prominent independently owned newspapers in Bakersfield, CA; Bend, OR; Champaign, IL; Kenosha, WI; and New Orleans, LA were sold.

2020 Chatham Asset Management won the bankruptcy auction of McClatchy. Lee Enterprises acquired BH Media Group. Total transactional value of \$460 million was far below historical levels. Paxton Media Group completed multiple transactions in markets inside its footprint.

2021 Tribune Publishing was sold to Alden Global Capital. Paxton Media Group acquired the remaining 44 newspapers owned by Landmark Communications. Swift Communications announced its sale to Ogden Newspapers, ending a 50-year run in the newspaper business. Lee Enterprises rejected an unsolicited bid for the company from Alden Global Capital. Transaction volume totaled \$678 million.

Dirks, Van Essen & April First Quarter 2022 Transactions

ROBERT B. TRAPP SOLD

RIO GRANDE SUN



TO EL RITO MEDIA LLC

CCC MEDIA SOLD

THE BLOCK ISLAND TIMES
 BLOCK ISLAND SUMMER TIMES
 BLOCK ISLAND MAGAZINE
 BLOCK ISLAND WEDDINGS



TO RHODE ISLAND SUBURBAN NEWSPAPERS

CENTRAL CONNECTICUT COMMUNICATIONS SOLD

THE BRISTOL PRESS/THE NEW BRITAIN HERALD
 THE WILLIMANTIC CHRONICLE



TO RHODE ISLAND SUBURBAN NEWSPAPERS

GANNETT CO., INC. SOLD

(SHERMAN) HERALD DEMOCRAT
 WAXAHACHIE DAILY LIGHT
 STEPHENVILLE EMPIRE-TRIBUNE
 BROWNWOOD BULLETIN
 ALICE ECHO-NEWS JOURNAL
 VAN ALSTYNE LEADER
 ANNA-MELISSA TRIBUNE
 PROSPER PRESS
 GRAYSON COUNTY SHOPPER
 MIDLOTHIAN MIRROR
 RUNNELS COUNTY REGISTER
 GLEN ROSE REPORTER
 CROSS TIMBERS TRADING POST
 SHOP LOCAL
 DAILY ARDMOREITE
 SHAWNEE NEWS-STAR
 BRYAN COUNTY NEWS



TO CHERRYROAD MEDIA