

Newspaper Acquisitions

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Year-End 2018 Report

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*"Far and away the best prize
that life offers is the chance
to work hard at work
worth doing."
- Theodore Roosevelt*

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Year in review: Transaction volume increases for fourth straight year

The number of deals involving daily newspapers continued its upward trajectory in 2018, with 36 separate transactions closed by year end.

It was the largest number of daily newspaper deals since 2000, and the fourth straight year of higher transaction volume.

The two key drivers of this activity were largely unchanged from the prior year: owners of clusters of publications seeking to build larger regional footprints, and the difficulties faced by small operators lacking the scale needed to manage expenses.



The vast majority of the 2018 deals were the sales of individual daily newspapers. The largest number of dailies conveyed in a single transaction was the sale of Cooke Communications, which involved just four daily newspapers.

While many of the most active buyers in recent years made acquisitions in 2018, the pool of acquirers was remarkably diverse. There were 21 different buyers in the 36 total transactions.

In addition, 2018 generally saw larger newspapers change hands than in prior years. The median weekday circulation of newspapers sold in 2018 was 10,400, compared with just 4,850 in 2017.

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Fourth Quarter Paxton, Adams add in key states

The year ended with expansion-minded privately held newspapers making acquisitions in areas where they already had a significant presence.

Paxton Media Group added daily newspapers in North Carolina and Kentucky (see map on page 6). Meanwhile, Adams Publishing Group picked up two operations in southeastern Wisconsin in separate deals.

Finally, the owners of the Longview News-Journal in northeast Texas bought the neighboring daily Morning Telegraph in Tyler and non-daily Kilgore News Herald from separate owners.

All six of these deals represented local owners selling to strategic buyers seeking to grow regional holdings. The other two daily newspaper sales culminating in the fourth quarter saw the establishment of new independent owners.

Going for the Gold



Paxton acquired the Goldsboro (NC) News-Argus, expanding its holdings in the state from seven to eight dailies.

Based in High Point, the Paxton North Carolina group includes dailies in High Point,

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Year in Review

Continued from page 1

Looking into 2019, we expect the deal flow to continue at a similar pace at least through the first half of the year. The number of transactions and number of dailies sold are likely to remain at the current robust levels. Valuations should remain steady and consistent with those over the past 12 months.

By the Numbers

In total, 45 daily newspapers changed hands in 2018 in 36 transactions worth \$857.42 million.

The dollar volume was the highest since 2008, but it was pushed well above normal levels by Tribune Publishing's sale of the Los Angeles Times and San Diego Union-Tribune to health care magnate Patrick Soon-Shiong, who was an investor and a former board member at Tribune.

By comparison, broadcast television deal dollar volume was \$8.05 billion in 2018, driven principally by two large transactions – Nexstar Media Group's \$3.51 billion deal to buy Tribune Media Group and Gray Television's \$3.44 billion acquisition of Raycom Media's broadcast assets.

Radio acquisitions totaled an estimated \$821 million in 2018, roughly comparable to the newspaper industry, but well off its 2017 deal volume of \$3.2 billion.

The number of daily newspaper transactions in 2018 was the most since 2000, when 53 transactions involving dailies occurred.

While the transaction volume rose, the number of dailies involved in 2018 was one of the lowest in recent years due to a lack of large group deals. In 2017, some 80 daily newspapers were sold, which included 30 dailies sold by Civitas Media in nine separate transactions.

Strategic Buying

In roughly two-thirds of the transactions in 2018, the buyer had operations close enough to the acquisition to be considered strategic.

These strategic acquirers ran the gamut from large group owners to independent owners who saw a need to grow beyond their existing holdings.

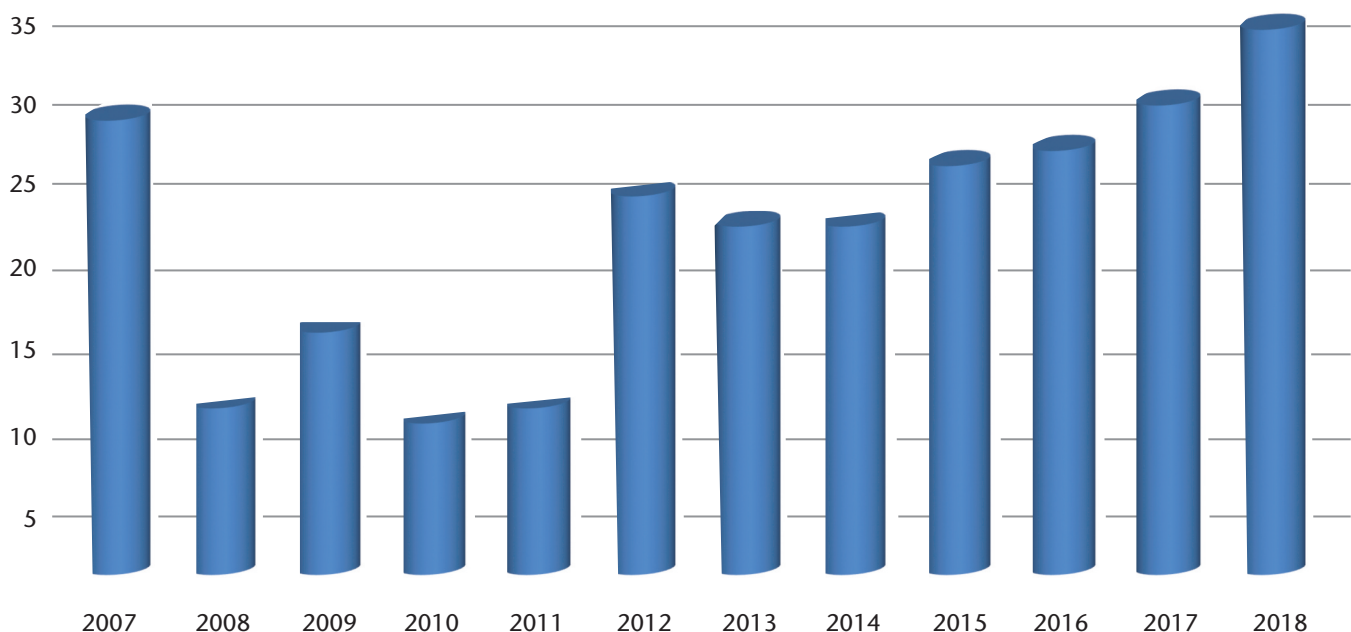
New Media Investment Group led the field, adding eight dailies in seven transactions. The publicly traded company had obvious strategic interest in newspapers such as the Akron (OH) Beacon Journal, but also added large stand-alone operations such as the Eugene (OR) Register-Guard.

Privately held Adams Publishing Group was a close second, with seven new daily newspapers in four deals. Paxton Media Group and Ogden Newspapers each acquired four dailies.



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Number of Daily Newspaper Transactions 2007-2018



Source: Dirks, Van Essen & Murray

Year in Review

Continued from page 2

However, a fair amount of the activity can be attributed to smaller newspaper owners who took advantage of opportunities to grow.

M. Roberts Media, owner of daily newspapers in Victoria, Longview and Marshall, Texas, bought the Tyler (TX) Morning Telegraph to cement its hold on the northeastern part of the state.

HD Media, which owned the Herald-Dispatch in Huntington, West Virginia, acquired the state capital newspaper in Charleston about an hour away.

Shaw Media expanded its northern Illinois group with the addition of the Ottawa (IL) Times.

Diverse Buyer Group

One of the most under-appreciated aspects of 2018 was the number of separate buyers that added to their holdings. This was also true in the prior year.

Dirks, Van Essen, Murray & April was involved in 24 transactions in 2018 with 14 different buyers. In 2017, DVM&A was involved in 19 transactions with 16 different buyers.

In some instances, newspapers returned to local ownership. On the large end, the Los Angeles Times was sold to an area billionaire. On the other end of the scale, the Trinidad (CO) Chronicle-News was acquired by four residents of the market. ■

Fourth Quarter

Continued from page 1

Henderson, Sanford, Monroe, Lenoir, Forest City and Roanoke Rapids. The Roanoke Rapids Daily Herald was added earlier in 2018.

The Goldsboro transaction included a publication serving the Seymour Johnson Air Force Base and other complementary print and online operations.

Founded in 1885, the News-Argus had been owned by the Buchheit and Tanner families. In 1953, Wayne Printing Company was formed to acquire the Goldsboro newspaper. Its shareholders included Hal H. Tanner Sr., who served as publisher and president of the company. He was succeeded in these roles first by his son, Hal H. Tanner Jr. and then by his grandson, Hal H. Tanner III, who was operating the company at the time of the sale.

Just a Hop from Paducah



Separately, Paxton bought the Hopkinsville (KY) New Era and a number of non-daily publications in western Kentucky not far from its company headquarters in Paducah. The sellers were longtime local owners.

The deal also included the twice-weekly Princeton Times Leader, and weeklies Dawson Springs Progress, Providence Journal-Enterprise, Oak Grove Eagle and Fort Campbell

Courier, which serves the U.S. Army Base at nearby Fort Campbell. All of the publications are in western Kentucky.

The New Era group joins other Paxton newspapers in the region, including the flagship Paducah Sun and publica-

tions in Owensboro, Madisonville and Russellville, among others.

The Kentucky New Era was established in 1869 by two former Confederate officers who thought it was time for a “new era” in the aftermath of the Civil War. Today, it is the longest operating business in Hopkinsville.

The Wood family acquired full interest in the newspaper in 1881. Family member Taylor Wood Hayes was running the company at the time of the sale.

Winning Wisconsin

Adams Publishing acquired two newspaper operations serving markets in the same southeastern Wisconsin county. The sellers were both family owners who had operated independently from each other for many years.

Adams bought the Watertown Daily Times and a weekly publication from the third and fourth generations of the Clifford family, which had owned the daily since 1919. James Clifford, chairman of the company that owned the newspaper, said the Daily Times would be in a stronger position to compete in the current environment as part of a larger group.



Meanwhile, Adams also added the Daily Jefferson County Union in Fort Atkinson and 13 community newspapers and shoppers from the Knox family. Both Watertown and Fort Atkinson are located in Jefferson County. The newspaper/shopper group spans parts of six counties in south central Wisconsin.

Brian Knox, who was publisher of the Fort Atkinson group, represented the second generation of the family to own the newspapers.

The weekly/shopper group, known as Hometown News,

Continued from page 6

Daily Newspapers Sold in 2018

(Transactions in which DV&M acted as an advisor or representative shown in red.)

Newspaper	Daily Circ.	Buyer	Seller
Akron (OH) Beacon Journal	68,300	New Media Investment Group	Black Press
Attleboro (MA) Sun Chronicle	10,400	Triboro MA News Media	United Communications Corp.
Austin (TX) American-Statesman	85,100	New Media Investment Group	Cox Media Group
Barre-Montpelier (VT) Times Argus	3,700	Sample News Group	Vermont Community Media
Batesville (AR) Daily Guard	7,400	Paxton Media Group	Jones family
Biddeford (ME) Journal Tribune	6,200	RFB Enterprises	Sample News Group
Boston (MA) Herald	64,500	Digital First Media	Purcell family
Bowling Green (OH) Sentinel-Tribune	7,100	AIM Media Midwest	Haswell family
Brunswick (ME) Times Record	6,800	RFB Enterprises	Sample News Group
Charleston (WV) Gazette-Mail	38,300	HD Media	Chilton family
Elizabeth City (NC) Daily Advance	7,700	Adams Publishing Group	Cooke Communications
Eugene (OR) Register-Guard	45,900	New Media Investment Group	Baker family
Fort Atkinson (WI) Daily Jefferson County Union	7,300	Adams Publishing Group	Knox family
Gardner (MA) News	3,300	New Media Investment Group	Bell family
Goldsboro (NC) News-Argus	9,500	Paxton Media Group	Buchheit/Tanner families
Greenville (NC) Daily Reflector	15,400	Adams Publishing Group	Cooke Communications
Harrisonburg (VA) Daily News-Record	22,300	Ogden Newspapers	Byrd family
Hopkinsville (KY) Kentucky New Era	6,800	Paxton Media Group	Wood/Hayes family
Junction City (KS) Daily Union	2,500	Seaton Publishing Co.	Chris Walker
Juneau (AK) Empire	2,400	Black Press	New Media Investment Group
Kenai (AK) Peninsula Clarion	2,500	Black Press	New Media Investment Group
Key West (FL) Citizen	7,500	Adams Publishing Group	Cooke Communications

Daily Newspapers Sold in 2018, Continued

(Transactions in which DV&M acted as an advisor or representative shown in red.)

Newspaper	Daily Circ.	Buyer	Seller
Lawton (OK) Constitution	16,900	Southern Newspapers	Burgess family
Los Angeles (CA) Times	445,400	NantMedia Holdings, LLC (Patrick Soon-Shiong)	Tribune Publishing
Maysville (KY) Ledger Independent	3,600	Champion Media	Lee Enterprises
Norfolk (VA) Virginian-Pilot	96,900	Tribune Publishing	Landmark Media Enterprises
Ogden (UT) Standard-Examiner	26,200	Ogden Newspapers	Sandusky Newspaper Group
Oklahoma City (OK) Daily Oklahoman	102,700	New Media Investment Group	Anschutz Corp.
Ottawa (IL) Times	12,400	Shaw Media	Small Newspapers
Palm Beach (FL) Daily News	2,700	New Media Investment Group	Cox Media Group
Palm Beach (FL) Post	69,300	New Media Investment Group	Cox Media Group
Port Charlotte (FL) Charlotte Sun	37,500	Adams Publishing Group	Dunn-Rankin family
Pueblo (CO) Chieftain	26,600	New Media Investment Group	Rawlings family
Roanoke Rapids (NC) Daily Herald	5,200	Paxton Media Group	Wick Communications
Rocky Mount (NC) Telegram	11,200	Adams Publishing Group	Cooke Communications
Rutland (VT) Herald	5,500	Sample News Group	Vermont Community Media
San Diego (CA) Union-Tribune	109,100	NantMedia Holdings LLC (Patrick Soon-Shiong)	Tribune Publishing
St. Albans (VT) Messenger	5,200	Jim O'Rourke	Lynn family
Trinidad (CO) Chronicle-News	3,200	Chronicle-News Media Group	Shearman Company
Tyler (TX) Morning Telegraph	11,100	M. Roberts Media	Clyde family
Washington (PA) Observer-Reporter	23,800	Ogden Newspapers	Northrop family
Watertown (WI) Daily Times	6,200	Adams Publishing Group	Clifford family
Wenatchee (WA) World	13,400	Wick Communications	Woods family
Westerly (RI) Sun	3,600	Rhode Island Suburban Newspapers	Sun Media Group
Winchester (VA) Star	15,900	Ogden Newspapers	Byrd family

Fourth Quarter

Continued from page 3

publishes the twice-weekly Sun Prairie Star plus eight weekly newspapers, among other publications.

In announcing the sale, Knox said “we’ve reached the point where we need to be much bigger to spread costs and to take advantage of rapidly changing technologies.”

Texas Two-Step



M. Roberts Media, owners of daily newspapers in south and northeastern Texas, bought the Tyler Morning Telegraph from the Clyde family, which had owned the newspaper for more than 100 years.

The deal brings together daily newspapers in Longview, Marshall and Tyler, along with some non-daily publications in the northeastern corner of the state. M. Roberts Media also owns the Victoria Advocate in south Texas.

Clyde family ownership of the Tyler Morning Telegraph goes back to 1910 when T.B. Butler acquired the newspaper after a fire destroyed its production plant. Nelson Clyde, IV, who was running the operation at the time of the sale, succeeded his father and grandfather in that role.

The Roberts family has owned the Victoria Advocate since 1942. They acquired the Longview and Marshall dailies in 2012 from ASP Westward, which bought them from Cox Newspapers in 2009.

In a separate deal, M. Roberts added the twice-weekly Kilgore News Herald in the same region from local owner Bill Woodall. Kilgore is located about 12 miles from Longview.

Going Local in Colorado

The Shearman family of Lake Charles, Louisiana, sold the daily Trinidad (CO) Chronicle-News to a group of local residents. The Shearman family had owned the community newspaper since 1943.

The new owners are Julie and Kirk Loudon and Kim and Rich Hoffman, operating as Chronicle-News Media Group.

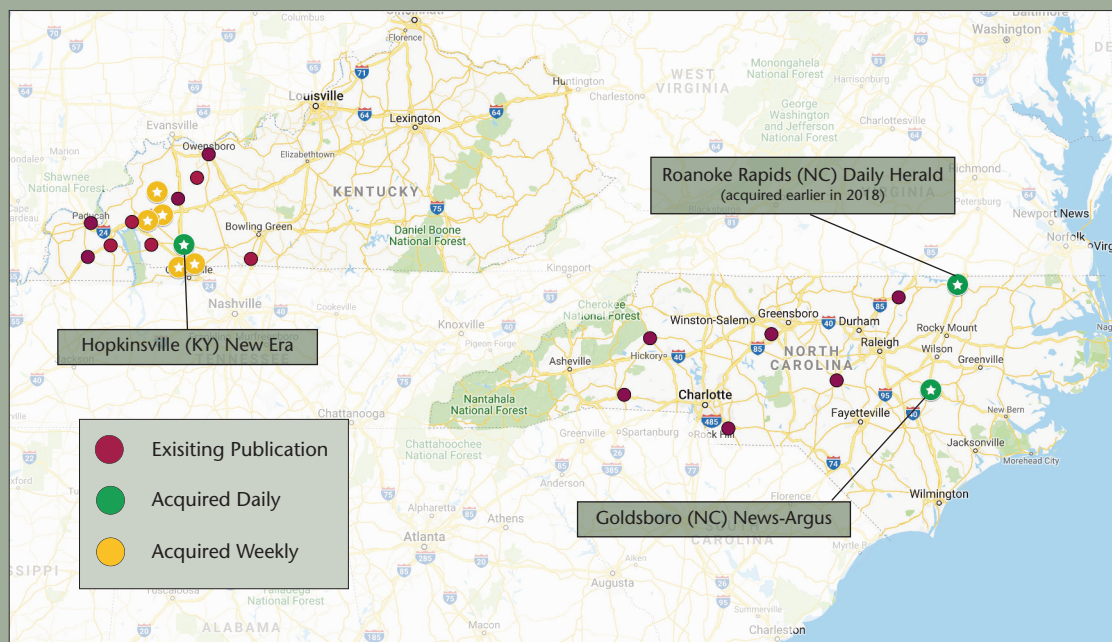
The Shearman family continues to own its flagship newspaper the American Press in Lake Charles and the Hobbs (NM) News-Sun.

Other News

Former GateHouse Media and Digital First Media executive Jim O'Rourke bought the St. Albans (VT) Messenger from local owners.

O'Rourke most recently was president of World Book, Inc. Prior to that, he was a group publisher for Digital First from 2012 to 2014 and for GateHouse from 2006 to 2012. ■

Paxton Adds in North Carolina and Kentucky



Number of Independent Dailies Steadily Declines

If you've worked in the newspaper industry for a long time, you have observed the steady decline in the number of independently-owned daily newspapers. In 2018, another 17 such independently-owned daily newspapers were sold. Almost always, and as was the case this year, the buyers of these dailies were companies that own several other daily newspapers, rather than another independent owner.

This consolidation of ownership has been going on for a long time. In 1900, about 90% of daily newspapers were independently owned. In the decade following, newspaper companies with the names of Hearst, Copley, Cowles, Ottaway, Scripps and Gannett began to assemble groups of daily newspapers through the acquisition of independently owned dailies. By 1940, newspaper groups owned the majority of the daily newspapers. At the end of 2018, 86% of all daily newspapers were owned by groups.

Dirks, Van Essen, Murray & April took a closer look at the last 35 years. We examined the changing number of independents on a state-by-state basis, and also the percentage of independents sold each year of the total number of daily newspapers sold.

For the purpose of this research, a group was defined as a company owning two or more daily newspapers. Thus, an independent owner was defined as a company owning only one daily newspaper. A daily newspaper was defined as a

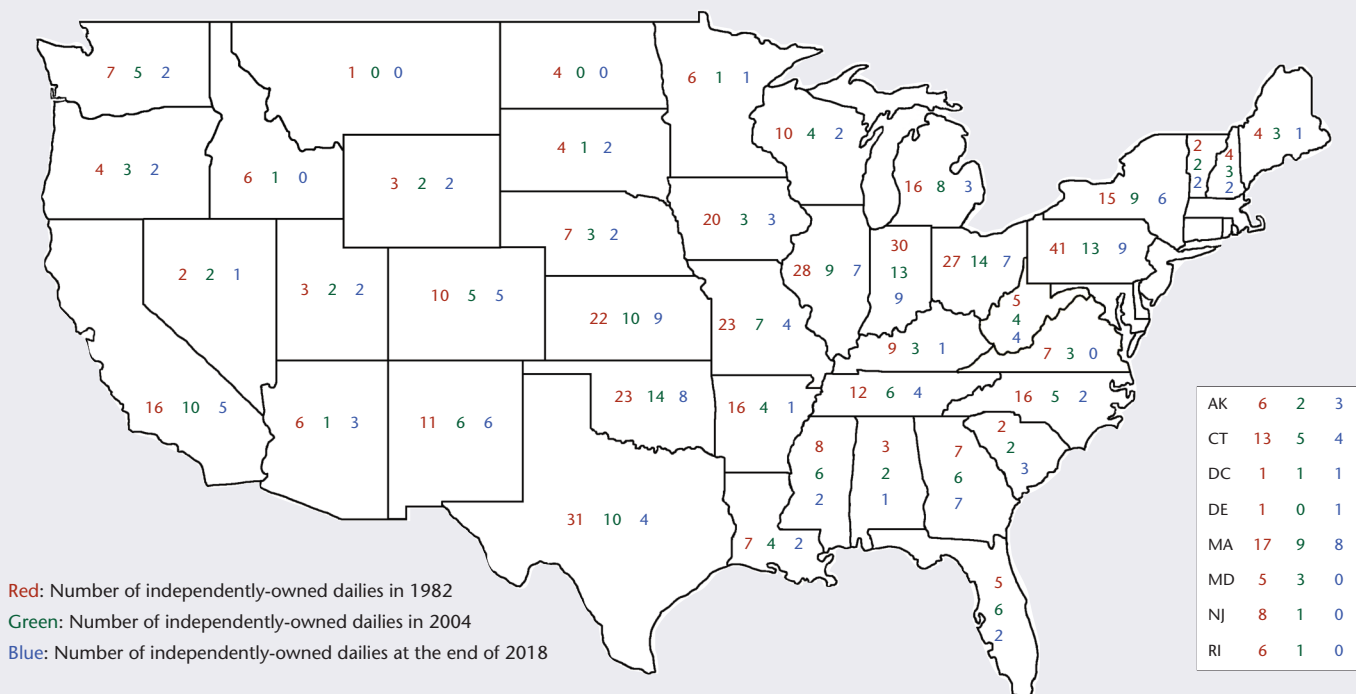
newspaper published at least four times per week.

From 1900 until around 1990, most daily newspaper transactions involved an independent owner selling to a group. This peaked in 1983 when 70% of the dailies sold fit this model. The percentage then steadily declined as groups began to sell to other groups, and as the number of independents available declined. Since the early 1990s, the percentage of the total number of dailies sold each year by independent owners has been between 10% and 25%. It reached 37% in 2018.

As the number of independently-owned dailies has declined, so has the number of different groups which own daily newspapers. At its peak in 1975, there were 175 different groups that owned two or more daily newspapers. There are less than 100 today, as groups have sold to groups and only a handful of new groups have been formed.

Today, there are 151 independently-owned daily newspapers as defined by us in this study, representing 14% of the total number of daily newspapers in the U.S. In 1983, there were 541 independently-owned dailies, and 252 in 2004.

The map below shows the number of independently-owned dailies in the United States in each of the three periods measured. The number in red represents 1982, the number in green is 2004, and the number in blue is the end of 2018.



We Deliver

**In 2018, we assisted in the sale of 108 publications
in 26 transactions to 15 different buyers.**



Our clients include independent owners and both large and small groups.
Our services include sell-side and buy-side advisory, consulting and appraisals.

Dirks, Van Essen, Murray & April

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First Quarter 2018 – DV&M Deals

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SHEARMAN COMPANY HAS SOLD

TRINIDAD (CO) CHRONICLE-NEWS 3,200 daily circulation



TO CHRONICLE-NEWS MEDIA GROUP

We are pleased to have represented the Shearman Company in this transaction.

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www.dirksvanessen.com

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WAYNE PRINTING COMPANY HAS SOLD

GOLDSBORO (NC) NEWS-ARGUS 9,500 daily circulation and related publications and websites



TO PAXTON MEDIA GROUP

We are pleased to have represented Wayne Printing Company in this transaction.

Dirks, Van Essen, Murray & April
Santa Fe, NM t: 505.820.2700
www.dirksvanessen.com

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A

T.B. BUTLER PUBLISHING CO. HAS SOLD

TYLER (TX) MORNING TELEGRAPH 11,100 daily circulation and related publications and websites



TO M. ROBERTS MEDIA

We are pleased to have represented T.B. Butler Publishing Company in this transaction.

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www.dirksvanessen.com

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W.D. HOARD & SONS COMPANY HAS SOLD

FORT ATKINSON (WI) DAILY JEFFERSON COUNTY UNION 7,300 daily circulation and 13 related publications and websites



TO ADAMS PUBLISHING GROUP

We are pleased to have represented W.D. Hoard & Sons Company in this transaction.

Dirks, Van Essen, Murray & April
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www.dirksvanessen.com

D
V
M
&
A

CLIFFORD FAMILY HAS SOLD

WATERTOWN (WI) DAILY TIMES 6,200 daily circulation and related publications and websites



TO ADAMS PUBLISHING GROUP

We are pleased to have represented the Clifford family in this transaction.

Dirks, Van Essen, Murray & April
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www.dirksvanessen.com

D
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A

KENTUCKY NEW ERA GROUP HAS SOLD

HOPKINSVILLE (KY) NEW ERA 6,800 daily circulation and related publications and websites



TO PAXTON MEDIA GROUP

We are pleased to have represented Kentucky New Era Group in this transaction.

Dirks, Van Essen, Murray & April
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