

cribb greene **Report**

*A report on newspaper merger
and acquisition activity*

Montana: 406-586-6621 · Virginia: 434-227-0952

May 2013

Cribb Greene sells five dailies, four weeklies/clusters since December

Newspaper sale activity and prices up

Over the past several months there has been a flurry of sale activity in mid and small market newspapers. Cribb, Greene & Associates has brokered transactions in eight states varying from paid circulation daily newspapers to weekly groups. This is a substantial increase in sale activity when compared to the same period in 2011 and 2012.

A few trends have developed:

- *Prices for mid and small market stand-alone newspapers are moving up.
- *The buyer pool is growing.
- *Many of the buyers have cash or access to bank financing.
- *More family owned newspaper companies are returning as buyers to the market.
- *One-off sales of mid and small market newspapers are yielding higher multiples than major market newspapers or group sales.

Yielding Higher Values

The recent trend indicates that one-off sales of strong, stand-alone newspapers are bringing higher prices than the much-publicized larger transactions made by financial-backed investors.

"Typically, the price the market has produced over the past several years has been in the 3x-5x EBITDA range, with 4x as average," said John Cribb, Managing Director, Cribb, Greene & Associates. A small buyer pool made up of primarily financial players has driven the market the past several years. "Those buyers want to pay 4x trailing EBITDA or less, and in many cases they have been the only players for the larger groups, especially those in distress," he explained.



Cribb



Market at a Glance

EBITDA valuation multiples for mid and small market papers range from 3x to 6x

Publishing company values are currently in the 3x to 6x trailing EBITDA range with most transactions at 4x to 5x. Prices over 5x tend to be strategic acquisitions. Some seller-financed sales have brought values up to 8x EBITDA. Buyers typically look at the most recent performance, and the multiples indicated here are based on stable or improving performance. Companies with declining revenues and EBITDA tend to be valued at the lower end of the multiple scale.

Some of these transactions include significant amounts of seller financing as conventional bank financing is still difficult to obtain, at least at terms deemed reasonable by newspaper buyers.

Cribb pointed out that all of the recent sales handled by CG&A were sold to family owned media companies and all were above the high end of the previous average.

"The buyer pool is much larger for stand-alone mid and small market newspapers today than it was a year ago and that is what is making the difference," Cribb added. "There is just more competition for these type properties and they are being purchased by people who believe in the industry and are staying in it."

Major Markets / Group Sales

CG&A does not see the uptick in value translating to major market newspaper or sales of large blocks of newspapers. "Financial buyers will continue to dominate both of these segments of the market and dictate price, because they can bring the large blocks of capital to the table to close a deal."

If companies who desire to sell a block of newspapers can allow them to be sold individually or in smaller blocks, in most cases the prices will be higher. "The sellers will very likely take a discount if they are unwilling to break up a larger company," he added.

Vicksburg, Mississippi daily Post sold to Boone Newspapers

The Vicksburg Post daily newspaper and related real estate has been sold by Pat and Barbara Cashman to an affiliate of Boone Newspapers, Inc., according to John Cribb, Cribb, Greene & Associates who represented the Cashmans in the transaction.

The Post is an 11,000 paid circulation newspaper that is published seven days each week. It was started by John Cashman in 1883 and has been in the Cashman family for 130 years. Included in the transaction were the newspaper office and press building and an additional building in a separate location.

Boone Newspapers, Inc. owns and manages 44 newspapers, 26 community magazines and related websites in similar-sized communities in Mississippi, Alabama, Georgia, North Carolina, Virginia, Minnesota, Ohio and Michigan, including The Natchez



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CG&A Team

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"Our commitment is to do the best possible job for our client in every aspect of our assignment."

Transaction:

Community Media Weekly Newspapers

The award-winning group of downtown Manhattan weekly newspapers owned by Community Media, LLC have been sold by longtime publisher John Sutter to Jennifer Goodstein, a former MetLife digital business executive.



(Miss.) Democrat.

Florida Sun group purchased by Lakeway Publishers

Lakeway Publishers of Florida, Inc. and Independent Publications, Inc. jointly announced the acquisition and sale of Sun Publications of Florida, Inc., according to Gary Greene, Cribb, Greene & Associates who represented IPI in the transaction.

Sun Publications has owned and published newspapers and shoppers in the central Florida for ten years. Newspapers or shoppers included in the transaction are the Osceola News-Gazette in Kissimmee, Clermont News Leader, Four Corners News Leader, The Triangle News Leader, The Sumter Shopper and the Pasco Shopper.



Lakeway Publishers, Inc. publishes newspapers, magazines, and specialty publications in Tennessee, Missouri and Virginia. R. Jack Fishman, president of Lakeway said, "We are pleased that IPI selected our company to continue the traditions of community journalism in these communities. We believe people are what matter and we feel that the excellent staff at each of the properties is committed to this cause."

Dennis Wilkinson, Vice President of Sun Publications said, "We are excited about being a part of Lakeway Publishers. We look forward to growing and expanding under the Lakeway Group."

Nashua, New Hampshire daily Telegraph and Cabinet weeklies sold

The Ogden Newspapers Inc., a family-owned company with 40 daily newspapers in 12 states has become the new owner of The Telegraph, Nashua, New Hampshire, according to John Cribb, Cribb, Greene & Associates, who represented the seller in the transaction.

Independent Publications Inc., which has owned The Telegraph since 1977, announced in late December that it would sell the daily newspaper and its associated weeklies and websites.



Sutter is "delighted to have found someone like Jennifer Goodstein who understands and believes in the community newspaper space and has the digital skills, ideas and ambitions for the newspapers and their web sites." Sutter purchased the group of weekly community newspapers in 1999.

The Villager, the oldest of Community Media's publications, was established in 1933. Since then, The Villager and its sister newspapers have won hundreds of awards for excellence from the New York Press Association.

Transaction:

Clarksburg, West Virginia

The Exponent Telegram



Brian Jarvis and his mother, Rebecca Jarvis, have purchased the outstanding stock of Clarksburg Publishing Company, d/b/a The Exponent Telegram daily

Nutting, who is the incoming chairman of the Newspaper Association of America, said acquiring The Telegraph is an indication of his family's continued commitment to the newspaper industry.



Ogden Newspapers Vice President Bill Nutting, left, and President and CEO Robert Nutting peruse The Telegraph in Hudson after the company announced its plans to purchase the Nashua newspaper. Photo credit The Telegraph

"The Telegraph will continue to be the best source of news and information in the greater Nashua area," Nutting said. "When you combine The Telegraph's readership, in print and online, it clearly reaches more people than any other media outlet in the region. It will continue to be the best connection to the communities it serves and deliver real value to the readership."

Included in the sale are the Cabinet newspapers, The Cabinet of Milford, Merrimack Journal, Bedford Journal and the Hollis Brookline Journal. Websites included in the transaction are nashuatelegraph.com, nh.com, and thelobbynh.com.

Dubois, Pennsylvania daily Courier-Express and area weeklies sold

The sale was completed March 4, 2013, of the McLean Publishing interests in three newspapers and their related publications and digital websites serving the DuBois, Brookville and New Bethlehem areas to Tioga Publishing Company, a division of Community Media Group, West Frankfort, Ill., according to Cribb, Greene & Associates who represented Independent Publications in the transaction. The newspapers include The Courier-Express, DuBois; the Value Guide shopper; the weekly Tri-County Sunday; the Jeffersonian Democrat at Brookville; and The Leader-Vindicator at New Bethlehem.



The newspapers had been owned and operated by Independent Publications located at Bryn Mawr, Pa., a company controlled by the McLean family, longtime Pennsylvania publishers of newspapers, monthly and quarterly magazines and other

publications. The Exponent Telegram is a daily newspaper in Clarksburg, West Virginia, according to John Cribb and Gary Greene of Cribb, Greene & Associates, who represented the seller in the transaction.

The Exponent Telegram is an 146-year-old daily newspaper publishing approximately 14,500 paid circulation copies, seven days a week. The newspaper serves the county seat community of Clarksburg, Harrison County and the surrounding communities and counties in North Central West Virginia. Civil War Confederate hero Thomas "Stonewall" Jackson was born in Clarksburg. The newspaper also includes several weekly newspapers and a web printing operation.

Transaction:
Ludington,
Michigan

The Daily News



newspapers, monthly and quarterly magazines and other publications, dating back to 1895.

Community Media Group operates daily and weekly newspapers, shoppers, magazines and digital websites located in several states, including Pennsylvania, New York, Indiana, Illinois, Michigan and Iowa. The company's related publishing operations in Pennsylvania include newspapers and shoppers at Bradford, Port Allegany, Coudersport, Westfield, Wellsboro and Mansfield. The company also publishes quarterly Community Health Magazines in Pittsburgh and the surrounding region.

Jewish News of Phoenix changes hands

The Eckstein and Stern families jointly announced that Jewish News of Greater Phoenix, the annual Community Directory and jewishaz.com has new ownership, according to John Cribb, Cribb, Greene & Associates, who provided valuation and transaction structure advice to the Stern Family.

Jaime and Jeff Stern bought the media company from Florence and Paul Eckstein, with Jaime Stern becoming the new publisher and Florence Eckstein becoming publisher emeritus, working in the office as a consultant to the publisher through the transition period.



"Our ideal buyer profile was a young local couple representing the next generation with very strong business experience to lead the company forward," Florence Eckstein said. She and Jaime Stern wrote: "The sale represents the transfer of the reins of our weekly newspaper, website and community directory from a family of longtime owners ready to retire to a young, energetic family representing the next generation of readers."



New owner
Jaime Stern

The David Jackson Family has sold the Ludington Daily News, Oceana's Herald-Journal, and the White Lake Beacon to Community Media Group of West Frankfort, Illinois, according to John Cribb, Cribb, Greene & Associates, who represented the seller in the transaction.

The Ludington Daily News is a six-day daily newspaper with approximately 7,500 paid circulation, and the sale includes the weekly Herald-Journal and White Lake Beacon as well as a number of free and niche publications. The area served by the publications is on the western coast of Lake Michigan, in a region from Manistee to the north and Muskegon to the south. The transaction included several buildings and a web printing operation.



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Brookhaven, Mississippi Daily Leader sold

Brookhaven Newsmedia, LLC, an affiliate of Boone Newspapers, Inc. (BNI), with offices in Natchez, Miss., and Tuscaloosa, Ala., completed its purchase of The Daily Leader, The Prentiss Headlight, related websites and affiliated publications according to John Cribb, Cribb, Greene & Associates who represented the seller in the



transaction.

The sale ends more than 50 years of ownership and operation of The Daily Leader for the Brookhaven community by the Jacobs family. Charles R. Jacobs purchased the newspaper from Dalton Brady in 1958. Bill and Amy Jacobs acquired The Prentiss Headlight in 1985, then purchased the Daily Leader from his family in 1995.



Cribb Greene Website



Majority owners of the newly formed company are BNI and Carpenter Media, LLC (CML), a company owned by BNI's president and chief operating officer, Todd H. Carpenter of Natchez. Reynolds and other BNI key personnel hold minority ownership.



BNI owns and manages 44 newspapers, 26 community magazines and related websites in similar-sized communities in Mississippi, Alabama, Georgia, North Carolina, Virginia, Minnesota, Ohio and Michigan, including The Natchez (Miss.) Democrat. James B. Boone, Jr., of Tuscaloosa, is BNI's chairman and chief executive officer.

Free Times, Columbia, SC sold

Portico Media SC of Charlottesville, VA, has sold the publication, its websites and auxiliary publications to Resorts Media LLC, a new company formed and owned by Charlie Nutt, a 40-year veteran of the news industry, according to Gary Greene, Cribb, Greene & Associates who represented Portico in the transaction.

Founded in 1987 as an alternative weekly, Free Times has been owned by Portico since 2004. Nutt described Free Times as "a very good newspaper with a strong staff." He said he hopes to build on that strength and also expand the company's digital offerings.



Bill Chapman, chairman of Portico Media SC, said: "It feels good to be putting the Free Times back in the hands of a Columbia-based owner. I feel we did some great things there but are now turning our attention back to our Virginia publications. Our staff, readers and

customers are in good hands with Charlie."

Jackson Hole, WY News & Guide sold

Jackson Hole News&Guide principal owner Michael Sellett sold the newspaper company to Chief Operating Officer Kevin Olson and his wife Shelley, according to John Cribb, Cribb, Greene & Associates who provided transaction, structure and valuation advice to the parties.

Kevin Olson made the announcement Tuesday in the News&Guide offices, saying a purchase agreement had been signed for an undisclosed sum.



Teton Media Works will be the new company that will take over operation of the weekly paper, the Jackson Hole Daily, Jackson Hole and Images West magazines and associated websites and partnerships.

Completion of the deal brought to a close an era in which Sellett took the Jackson Hole News to national prominence. Along the way, he sparked a classic small-town newspaper war with the Jackson Hole Guide, all eagerly absorbed by valley folk.

Newspaper executives quite optimistic

Cribb, Greene Publisher Confidence Survey

The Cribb, Greene [Publisher Confidence Survey Fall 2012](#) key question categories seem to point to much stronger positive forecasts from newspaper executives for 2013. One hundred and eight newspaper publishers/executives completed the Survey.



In particular is a strong increase in executives who believe that the local economy in their markets is improving - up from 14% in 2011 to over 40% in 2012 who believe their markets are up. Those who think their market economies are declining went from 26% in 2011 down to 13% in 2012. The results of this question appear to indicate that publishers believe their economic situation is improving markedly.

CG&A Consulting services available

Cribb, Greene & Associates offers a variety of consulting services to its clients, including:

- Strategic planning
- Board Organization and goal setting
- Operations
- Organizational structuring
- Employee psychological evaluations
- Key executive placement
- Appraisals for all purposes

All work is confidential and fees are based on the scope of the engagement. An initial no-cost assessment is provided.

Cribb, Greene & Associates Contact Information:

Montana office:

John Cribb, Managing Director
104 East Main, Suite 402
Bozeman, MT 59715

Phone: 406-586-6621 · Fax: 406-586-6774
jcribb@cribb.com

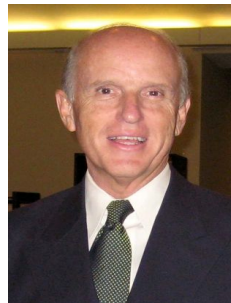


John Cribb

Virginia office:

Gary Greene, Managing Director
943 Glenwood Station Lane, Suite 101
Charlottesville, VA 22901

Phone: 434-227-0952 · Fax: 866-776-8010
ggreene@cribb.com



Gary Greene



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Cribb, Greene & Associates | 104 East Main | Suite 402 | Bozeman | MT | 59715