

## The largest remaining independent book publisher **achieves a robust valuation and secures company legacy**

DEAL FLASH | TMT | NOVEMBER 2021

### DEAL SNAPSHOT

**Hachette Book Group (HBG) has completed the acquisition of Workman Publishing Co., Inc. (WPC), one of the largest and most respected independently owned book publishers in the USA, for US\$240 million. The transaction closed after successful completion of the regulatory approval process.**

For over 50 years, WPC has published award-winning children's books, cookbooks, parenting and pregnancy guides, and books on gardening, country living and humor, as well as gift books, fiction, audio books and the bestselling calendar line in the business. The company is headquartered in New York City, with additional offices in Chapel Hill, North Carolina; North Adams, Massachusetts; and Portland, Oregon.

HBG is a leading trade publisher based in New York and a division of Hachette Livre (a Lagardère company), the third largest trade and educational publisher in the world. HBG is made up of eight publishing groups: Grand Central Publishing, Hachette Audio, Hachette Nashville, Little, Brown and Company, Little, Brown Books for Young Readers, Orbit, Perseus Books, and now, Workman Publishing. HBG also provides a wide range of custom distribution, fulfillment, digital and sales services to third-party publishers.

### OAKLINS FOUND THE **BEST PARTNER TO EXPAND THE BUSINESS**

One of Oaklins' TMT teams in New York acted as the exclusive financial advisor to the seller in this transaction. WPC was the largest independent publisher that had not yet been acquired by one of the larger publishers. We received multiple bids from buyers both domestic and abroad, which created an attractive competitive bidding process, with a French company ultimately winning the day.

“When Peter Workman launched our quirky little company over a half-century ago, it marked the beginning of a bold and joyful voyage. All these many years later, when I recognized that the time had come for Workman to have a new home, my first and foremost goal was to find a place where Workman's unique culture could prosper long into the future, a place where we could nurture and protect our greatest assets: our authors, illustrators, and, most of all, our wonderful staff. I am so happy to be joining Hachette. They clearly respect not only what we are but who we are. I truly believe that our two companies will thrive together in this partnership.”

**CAROLAN WORKMAN**  
EXECUTIVE CHAIR AND  
PRESIDENT, WORKMAN  
PUBLISHING CO., INC., USA

**workman**

## MARKET TRENDS & DEAL DRIVERS

In recent years, there has been significant consolidation in the book publishing industry, as a small number of very large international publishing groups compete with one another for scale and new author talent.

Further, the United States M&A market has been particularly active in 2021 as a result of multiple contributing factors, including low interest rates, abundant capital reserves and the potential for an increase in capital gains tax rates. Many sellers are realizing premium valuations, particularly in the book publishing industry.

All of these market drivers, in addition to estate planning considerations, led to Carolan Workman deciding it was time to sell the company.

## M&A VALUATION ASPECTS

WPC is one of the last remaining large, independent book publishers (over US\$100 million in revenues). It is highly profitable, driven in part by the fact that many of its most successful series are created in-house and thus do not carry author royalties. This is totally unique among large book publishers.

Additionally, WPC has a catalog (backlist) that includes many well-known and well-respected series including BrainQuest, What to Expect When You're Expecting, and 1,000 Places to See Before You Die. Although they have had many bestsellers in the past, their business model is not reliant upon paying large author advances to acquire the rights to new titles during auctions.

Therefore, by combining all of these attributes, it was possible to achieve a premium valuation of US\$240 million. Importantly, the transaction was attractive for other, non-financial reasons as well: HBG agreed to keep all of the staff for a good period of time after closing, and made a commitment to maintain Workman's positive corporate culture.

## TALK TO OUR ADVISORS



✉ **JOANNA STONE HERMAN**

Partner, TMT Specialist  
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Joanna has 20+ years of industry experience. Prior to joining the firm, Joanna was SVP of global strategy for LexisNexis. Notable transactions include the sale of Panjiva to S&P Global, the sale of Deutsche Boerse's news and algorithmic trading information business, and supporting the acquisition of Netmaster Holdings Limited (CaseLines) by Thomson Reuters Corporation.



✉ **ROBIN WARNER**

Managing Director, Education & Training Specialist  
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Robin heads the educational and book publishing sectors in New York. Robin has advised on a range of M&A transactions including the sales of Big Universe to K12, Mondo Education to Carnegie Learning, n2y to The Riverside Company and then to Providence Equity, and Vocado to Oracle, as well as selling Amazon their first book publishing company.



✉ **JACK NOBLE**

Partner  
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Jack's areas of expertise include advertising & marketing services, media and technology. Recent transactions include the sales of Seramount to EAB (a portfolio company of Vista Equity Partners and BC Partners), Purpose to Capgemini, and Best Version Media to Bertram Capital.

"Nowhere have I seen such an unwavering commitment to preserving a company's amazing culture and looking after its staff, in addition to achieving a robust valuation. Our mandate was to find such a buyer and Hachette delivered on all these points."

**ROBIN WARNER, MANAGING DIRECTOR, OAKLINS, NEW YORK, USA**

## OAKLINS HAS CLOSED 1,107 DEALS IN TMT

Oaklins is the world's most experienced mid-market M&A advisor, with over 850 professionals globally and dedicated industry teams in more than 45 countries. We have closed 1,700 transactions in the past five years.

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