

The largest self-help and transformational book publisher secures its 30-year legacy

DEAL FLASH | TMT | JANUARY 2024

DEAL SNAPSHOT

Hay House, a leading independent book publisher with renowned expertise in the mind-body-spirit, self-help, and health and wellness space, has been acquired by Penguin Random House, the world's largest trade book publisher.

Founded in 1984 by Louise Hay, known as one of the pillars of the modern self-help movement with her legendary book *You Can Heal Your Life*, Hay House distinguishes itself from traditional publishers with its offerings of transformative online courses, virtual events, a highly rated *You Can Heal Your Life* podcast, and the audio content app, 'Empower you'. Hay House is known across the industry for its bespoke subject focus and marketing ability, creating brand recognition and loyalty among its readers. Currently a book distribution client of Penguin Random House Publisher Services (PRHPS), Hay House will now be able to further leverage the resources and gold-standard capabilities of the world's largest trade book publisher to reach even more audiences and further elevate its authors.

Penguin Random House (PRH) is the result of the merger of Random House (founded in 1927) and Penguin (founded in 1935). Today PRH employs more than 11,000 people globally. With more than 300 imprints and brands across six continents, Penguin Random House comprises adult and children's fiction, and non-fiction print and digital English, German and Spanish language trade book publishing businesses in more than 20 countries worldwide.

OAKLINS' EXPERTISE WAS INSTRUMENTAL IN FACILITATING THIS DEAL

Oaklins DeSilva+Phillips, one of Oaklins' TMT teams in New York, served as the exclusive financial advisor to Hay House. This transaction further highlights Oaklins' deep sector expertise in advising media businesses, specifically those within the book publishing industry.

"I am excited to remain at the helm of Hay House in partnership with our incredible team of employees, with the added support and resources of Penguin Random House, which has been an essential partner through PRHPS for many years. It is wonderful that we will keep our independence and pursue our main mission, which is to help people around the world to improve their lives."

REID TRACY
CEO, HAY HOUSE
USA

"As we deepen our relationship with Hay House, we are thrilled to support the company's growth and explore the areas of opportunity in their publishing services. Hay House is one of the most recognized health, wellness and self-help brands in the world, and we look forward to working with Reid and his team on expanding their innovative and diverse product offerings."

NIHAR MALAVIYA
CEO, PENGUIN RANDOM
HOUSE, USA

MARKET TRENDS & DEAL DRIVERS

In terms of direct-to-consumer, which represents an important part of Hay House's sales, all book publishing companies are looking for ways to reach customers directly and add to their sales beyond Amazon and retail stores.

Hay House also focuses on the hot areas of self-help, and health and wellness. Hay House represented a very attractive business model, with a concentrated focus on hot subject areas in publishing and is one of the largest independent publishers in the industry.

M&A VALUATION ASPECTS

The book publishing industry's traditional multiple of EBITDA is around 7x–8x, but because 20% of Hay House's revenue comes from its direct-to-consumer business, the valuation received a material bump up not only for this portion of the business but also for what this new expertise will mean for many of PRH's key authors.

TALK TO OUR ADVISORS



✉ **ROBIN WARNER**

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Robin leads Oaklins' book publishing and education & training teams. She has advised on a range of M&A transactions, including the sales of Cider Mill Press to HarperCollins Focus, Workman Publishing to Hachette, Page Publishing to Serata Capital Partners, and Big Universe's book publishing software to K12, as well as selling Amazon their first book publishing company.



✉ **JOANNA STONE HERMAN**

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Joanna co-leads Oaklins' TMT and legaltech teams. She has worked in the broader media and technology industry for over 20 years. Prior to joining the firm, Joanna was SVP of global strategy for LexisNexis. Notable transactions she has been involved in include the sales of Sling to Toast, Workman Publishing to Hachette, Panjiva to S&P, and supporting the acquisition of Netmaster Holdings Limited (CaseLines) by Thomson Reuters Corporation.



✉ **JACK NOBLE**

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Jack's areas of expertise cover digital media, advertising and marketing services, and publishing. Recent transactions he has been involved in include the sales of Burrell Communications to FVLCRUM, Cider Mill Press to HarperCollins Focus, AdvertisingWeek to Emerald Holdings, and Workman Publishing to Hachette.

"Not only has Reid and his team built the pre-eminent self-help, inspirational and transformational book publishing company, but Hay House also stands out for its impressive direct-to-consumer competency which, in the publishing industry, is a highly sought-after skill set."

ROBIN WARNER
MANAGING DIRECTOR,
OAKLINS DESILVA+PHILLIPS

OAKLINS HAS CLOSED 1,236 DEALS IN TMT

United by a strong belief that we can achieve the extraordinary. Oaklins is a global team of 800 financial advisory professionals in 40 countries providing M&A, growth equity, ECM, debt advisory and corporate finance services to support entrepreneurs, corporates and investors in reaching their goals.

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