

Hedge fund Alden offers to buy Tribune, valuing it at \$521M

January 1 2021, by Tali Arbel



In this Monday, April 25, 2016, file photo, Chicago Tribune and other newspapers are displayed at Chicago's O'Hare International Airport. Hedge fund Alden, Tribune's largest shareholder, has offered to buy the rest of the newspaper publisher, Thursday, Dec. 31, 2020, at a price that values it at \$520.6 million. (AP Photo/Kiichiro Sato, File)

Hedge fund Alden, Tribune's largest shareholder, has offered to buy the

rest of the newspaper publisher at a price that values it at \$520.6 million.

Alden sent a letter to Tribune on Dec. 14, according to a regulatory filing posted Thursday, offering \$14.25 per [share](#) for the stock of Tribune it doesn't already own. Alden owns 31.6% of Tribune shares. The [hedge fund](#) said it had not received "any feedback" to its letter, which it described as a "preliminary inquiry."

Tribune did not immediately respond to a request for comment Thursday.

Alden bought its stake in Tribune in November 2019 and has three seats on its seven-member board. Tribune publishes nine major daily papers, including the New York Daily News, Chicago Tribune and Baltimore Sun. Alden controls a major U.S. publisher whose papers include the Denver Post, Orange County Register and Boston Herald. It has a reputation for layoffs and intense cost-cutting even beyond the newspaper industry's overall turn in that direction. The unions at Tribune papers have pushed for alternative buyers for the company's papers.

The newspaper industry has been consolidating as it struggles with a digital transition and shrinking revenues. Newsroom jobs pandemic has exacerbated those stresses. Tribune's CFO said in November that the company has been "aggressively" cutting costs during the pandemic, including furloughs, pay cuts and closing its newsrooms. Tribune on Thursday cut its guidance for the current quarter and said that it expects revenue to drop about 24% this year and roughly another 10% in 2021.

In July Alden extended an agreement with Tribune not to increase its stake above one-third until June 2021 in exchange for one more board seat on Tribune's board. That prevented Alden from making a hostile bid. In the filing Thursday, Alden said a deal for all of Tribune would be conditioned upon approval by a special committee of independent

directors and approval from owners of two-thirds of Tribune shares not affiliated with Alden.

Tribune shares rose \$1.18, or 9.2%, to \$13.97 in late morning trading. The stock had closed Wednesday nearly unchanged for the year.

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