

News Corp. buys Houghton Mifflin Harcourt books division

March 29 2021, by The Associated Press



This Tuesday, Aug. 1, 2017 file photo shows the News Corporation headquarters building in New York. On Monday, March 29, 2021, Houghton Mifflin Harcourt announced it is selling HMH Books & Media, which includes titles by J.R.R. Tolkien and the Curious George children's series, to News Corp.'s HarperCollins division for \$349 million. (AP Photo/Richard Drew)

In the latest news of consolidation in the literary world, Rupert Murdoch's News Corp. announced Monday it's buying Houghton Mifflin Harcourt's book-publishing division, which includes such blockbuster releases as J.R.R. Tolkien's "The Lord of the Rings" trilogy and George Orwell's "1984."

News Corp. owns HarperCollins, one of the industry's largest book publishers, which will operate the division, called HMH Books & Media, the company said Monday. The announced purchase price was \$349 million.

"Timeless writing is a timely source of revenue and the potential to create highly profitable audio and video works flourishes with each passing digital day," News Corp. CEO Robert Thomson said in a statement. "The HarperCollins collection will be bolstered for children and young adults, and authors around the world will have a larger platform for their creativity and ingenuity. It is crucial to expand in an era in which emerging monopolies threaten the creative marketplace, so we welcome J.R.R. Tolkien, Virginia Woolf, George Orwell and many, many other distinguished writers to HarperCollins."

HarperCollins authors have ranged from Harper Lee and Ann Patchett to Neil Gaiman and Roald Dahl. The publisher expects "to realize immediate cost savings, accumulating to more than \$20 million annually within two years, including manufacturing, distribution and other cost efficiencies."

A HarperCollins spokesperson declined Monday to say whether the company planned layoffs, saying it was focused on "closing the [deal](#)" and that "no decisions have been made."

In November, Penguin Random House announced it was acquiring rival Simon & Schuster for \$2.2 billion, shrinking the so-called Big Five of

American publishing—which also includes HarperCollins, Hachette Book Group and Macmillan—to four.

News Corp. had reportedly been interested in buying Simon & Schuster and Thomson slammed the megadeal when it was announced, saying the new entity would be a "book behemoth" and "literary leviathan" that would dominate the market. HarperCollins' purchase of HMH, like the proposed Penguin Random House deal, is subject to federal approval. Agents and authors worry that a concentration of power in publishing would translate to less competition for book deals and smaller advances.

The deal is the second News Corp. has announced in the past week. It said on Thursday that it was buying financial [news](#) publisher Investor's Business Daily for \$275 million.

Houghton Mifflin, which says it serves 90% of U.S. schools, said the sale will allow it to focus on its K-12 education business, and it will put more emphasis on digital sales. The company has struggled financially for years and will use some of the sale's proceeds to pay down debt.

The deal is expected to close in the second quarter of 2021.

© 2021 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: News Corp. buys Houghton Mifflin Harcourt books division (2021, March 29)
retrieved 2 May 2024 from

<https://techxplore.com/news/2021-03-news-corp-houghton-mifflin-harcourt.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--