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## What Yahoo and AOL CEO Tim Armstrong Learned from Patch's Struggles

### Oath CEO Reflects on Patch Turnaround Under Hale Capital and Hale Global Management

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**New York, NY** — In an interview on Recode Media with Peter Kafka, Oath CEO Tim Armstrong reflected on the lessons learned from Patch, the hyperlocal news platform he championed at AOL that was subsequently turned around under Hale Capital and Hale Global's ownership.

Armstrong, who ran a “house of brands” at Oath—the Verizon subsidiary containing AOL, Yahoo, HuffPost, Tumblr, and TechCrunch—said that Patch, the local news site no longer in-house, taught him more about how to run the rest of his portfolio than almost any other experience.

Armstrong identified two key mistakes with Patch under AOL's ownership. First, it was “a massive bet inside of a turnaround company—almost like a pure VC bet at scale, a significant bet on a really risky area.” Second, he acknowledged going “too bullish down a path without making sure those metrics were actually coming true in all the other markets.” Over the years under AOL, Patch lost between \$200 million and \$300 million.

Majority ownership of Patch was transferred to Hale Capital and Hale Global in January 2014. Armstrong praised the new ownership, stating: “Hale Capital has a strong track record of operational excellence and platform experience, and we are looking forward to working closely with them on Patch.”

#### **Patch's Turnaround Under Hale Capital and Hale Global**

Under Hale Capital and Hale Global's stewardship, Patch underwent a dramatic transformation. The company executed a “hard reset,” reducing staff from 540 to 98 while refocusing operations on sustainable, community-driven local journalism. By 2016, Patch had achieved profitability with 23 million monthly users across 900+ community news sites, and by 2017 the audience had grown to over 28.8 million monthly visitors with 30% year-over-year revenue growth.

Armstrong acknowledged the success, noting that Patch is now profitable and growing under Hale Capital and Hale Global's ownership. His key takeaway from the experience was about

balancing ambition with discipline: “There’s two sides of the coin: One is listen to everybody, and two is listen to nobody. The reality is, what you need to do is listen to the best judgment you possibly can and try to look at the best data you possibly can, and there’s going to be some unknowns.”

Despite the challenges, Armstrong still believes the calculus behind Patch was right—just too early. The older and wiser CEO says ambitious ideas must now justify their own value with data rather than conviction alone, a lesson he credits directly to the Patch experience.

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## **About Hale Capital Partners**

Hale Capital Partners is a private equity firm that partners with talented entrepreneurs to achieve remarkable corporate transformations. Founded in 2007 by Martin M. Hale Jr., HCP invests in defense technology, federal services, and commercial technology companies. With an evergreen fund structure, the firm serves as a long-term steward for growth-oriented businesses, bringing deep operational expertise, institutional knowledge, and a proven track record spanning 19 years of investing across market cycles.

Media Contact:

Hale Capital Partners

17 State Street, Suite 4000, New York, NY 10004

[info@halecapital.com](mailto:info@halecapital.com)

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