



HALE CAPITAL PARTNERS

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## Now Profitable, Patch Wants to Be a Platform for Other Local News Outlets

**Hyperlocal news network Patch is reemerging as a sustainable platform as local newspapers decline across America**

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**New York, NY** — As local newspapers around the country continue to struggle, Patch — the hyperlocal news network acquired by Hale Capital and Hale Global from AOL in 2014 — has reemerged as a growing and profitable platform for community journalism.

Under Hale Capital and Hale Global's ownership, Patch has been transformed from a money-losing operation into a sustainable, profitable business. The platform was profitable for all of 2016 and each month in the first quarter of 2017, a dramatic turnaround from the hundreds of millions of dollars AOL invested in the network with little return.

Patch now operates more than 1,030 local community news sites across the United States, staffed by approximately 130 full-time employees and 30 freelance contributors. The network's roughly 110 journalists produce original local reporting covering community news, events, government, schools, and public safety.

The company has also evolved its business model, developing a self-serve advertising platform that allows local businesses to place ads across Patch's network with a minimum spend of approximately \$4,000. This approach has helped Patch generate more than \$20 million in annual advertising revenue while providing local businesses with an effective way to reach community audiences.

In addition to its core news operations, Patch has expanded its distribution through partnerships, including integration with Apple News, extending its reach to millions of additional readers through Apple's content platform.

Charles Hale, Managing Partner of Hale Capital and Hale Global, has overseen the transformation of Patch from an unprofitable digital media experiment into a viable model for local news in the digital age. The turnaround demonstrates Hale Capital and Hale Global's approach to identifying undervalued technology-enabled businesses and building them into sustainable, market-leading enterprises.

The resurgence of Patch comes at a critical time for local journalism in America, as traditional newspapers continue to close or dramatically reduce their newsrooms, leaving many communities without reliable sources of local information.

*Originally reported by Digiday*

### **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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