Gannett Co., Inc.
Form DFAN14A
February 20, 2019

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of The Securities Exchange Act of 1934

(Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Under Rule
14a-12

GANNETT CO., INC.
(Name of Registrant as Specified in Its Charter)

MNG ENTERPRISES, INC.

MNG INVESTMENT HOLDINGS LLC

STRATEGIC INVESTMENT OPPORTUNITIES LLC

ALDEN GLOBAL CAPITAL LLC

HEATH FREEMAN

TIMOTHY A. BARTON

R. JOSEPH FUCHS

GUY GILMORE

DANA NEEDLEMAN

STEVEN B. ROSSI
(Name of Persons(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

MNG Enterprises, Inc., together with the other participants named herein (collectively, "MNG"), intends to file a preliminary proxy statement and an accompanying proxy card with the Securities and Exchange Commission to be used to solicit proxies for the election of its slate of director nominees at the 2019 annual meeting of stockholders of Gannett Co., Inc., a Delaware corporation.

Item 1: On February 20, 2019, MNG issued the following press release, which was also posted by MNG to www.savegannett.com:

MNG ENTERPRISES, INC.

**MNG URGES GANNETT SHAREHOLDERS TO DEMAND ANSWERS TO THESE QUESTIONS ON ITS EARNINGS CALL**

***Launches Website www.SaveGannett.com***

**February 20, 2019 – Denver, CO –** MNG Enterprises, Inc. ("MNG"), which owns 7.5% of the outstanding shares of Gannett Co., Inc. (NYSE: GCI) ("Gannett" or "the "Company"), is urging Gannett shareholders to read MNG's January 14 letter to Gannett and, on the Company's earnings call at 10:00 AM today, to demand answers to the still unanswered questions about the Company's recent actions and path forward.

On January 14, MNG proposed acquiring Gannett for $12 per share in cash, representing a 41% premium to Gannett's 2018 year-end share price, and asked the Gannett Board to do the following: (1) enter into discussions with MNG about a strategic combination; (2) hire an investment bank to conduct a review of strategic alternatives, including a potential sale of the Company; (3) commit to a moratorium on digital acquisitions; and (4) commit to a feasible, strategic and financial path forward before hiring a new CEO.

Instead, on February 4, 2019, Gannett rejected MNG's premium all-cash proposal and refused to extend the deadline for director nominations without even first meeting with MNG and its advisors. Having done so, Gannett now will likely seek to spin the Company's quarterly results in the best possible light, despite the reality of Gannett's continuing underperformance, and is unlikely to allow questions from MNG, its largest active shareholder.

MNG believes the owners of Gannett deserve better and calls on its fellow shareholders to demand answers to the following questions on today's earnings call:

1. Since 2015, Gannett has spent ~$350mm on digital acquisitions (or 36% of Gannett's entire market capitalization[1]) while EBITDA has declined by 31%[2] and Free Cash Flow has declined by close to 50%[3]. Why should shareholders view this strategy shift from print towards digital as anything but a substantial waste of shareholder capital, and why should shareholders have any reason to believe that the Board's digital strategy will ever bear fruit?

2. Why has the Board approved dramatic increases in CEO compensation at a CAGR of 17% from 2015 to 2017, despite a significant decline in share price during that period and consistent operational underperformance?

3. Given Gannett's continued underperformance, lower margins relative to peers and poor capital allocation, why should shareholders believe this Board will not keep destroying shareholder value? How does the Board respond to J.P. Morgan's characterization of MNG's proposal as a potentially favorable exit for shareholders "with softness in revenue and adj. EBITDA likely to continue for GCI"?[4]

4. As of the end of 2018, Gannett's share price had declined 41% since its spin-off from TEGNA Inc. in 2015. What is Gannett's standalone plan to achieve more than a $12 per share valuation in the next year absent the MNG transaction, and why will the next year be different than previous years? How did Gannett determine that the $12 per share proposal undervalues the Company?

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[1] Based on Gannett stock price on December 31, 2018

[2] From 2014 to projected 2018 (Projected 2018E Adjusted EBITDA calculated from midpoint of Revenue and EBITDA outlook provided by management in its 3Q 2018 earnings release)

[3] From 2014 to Q3 2018 on an LTM basis

[4] J.P. Morgan Research Report, January 14, 2019 (permission to quote this report was neither sought nor obtained.)

5. Given that the pro forma leverage ratio of a combined MNG-Gannett would be low relative to peers, why do you believe MNG's proposal would be difficult to finance?

6. Under what circumstances would the Gannett Board allow MNG to conduct customary due diligence and enter into discussions regarding a mutually beneficial transaction on potentially improved terms and/or initiate a strategic review process?

7. Why did you reject MNG's offer and deny their request to extend the director nomination deadline before even meeting with MNG, rather than engaging in good faith to satisfy your fiduciary duties to shareholders?

Moelis & Company is acting as financial advisor to MNG Enterprises. Olshan Frome Wolosky LLP is serving as legal counsel to MNG Enterprises. Okapi Partners LLC is serving as proxy solicitor.

MNG's January 14th letter to the Gannett Board, information about Gannett's underperformance and MNG's proposal to acquire Gannett is available at www.SaveGannett.com.

**About MNG Enterprises**

MNG Enterprises, Inc. is one of the largest owners and operators of newspapers in the United States by circulation, with approximately 200 publications including The Denver Post, The San Jose Mercury News, The Orange County Register and The Boston Herald. MNG is a leader in local, multi-platform news and information, distinguished by its award-winning original content and high quality, diversified portfolio of both print and local news and information web sites and mobile apps offering rich multimedia experiences across the nation. For more information, please visit www.medianewsgroup.com.

**CERTAIN INFORMATION CONCERNING THE PARTICIPANTS**

MNG Enterprises, Inc., together with the other participants named herein (collectively, "MNG"), intends to file a preliminary proxy statement and an accompanying proxy card with the Securities and Exchange Commission ("SEC") to be used to solicit votes for the election of its slate of highly-qualified director nominees at the 2019 annual meeting of stockholders of Gannett Co., Inc., a Delaware corporation (the "Company").

MNG STRONGLY ADVISES ALL STOCKHOLDERS OF THE COMPANY TO READ THE PROXY STATEMENT AND OTHER PROXY MATERIALS, INCLUDING A PROXY CARD, AS THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. SUCH PROXY MATERIALS

WILL BE AVAILABLE AT NO CHARGE ON THE SEC'S WEB SITE AT HTTP://WWW.SEC.GOV. IN ADDITION, THE PARTICIPANTS IN THIS PROXY SOLICITATION WILL PROVIDE COPIES OF THE PROXY STATEMENT WITHOUT CHARGE, WHEN AVAILABLE, UPON REQUEST. REQUESTS FOR COPIES SHOULD BE DIRECTED TO THE PARTICIPANTS' PROXY SOLICITOR.

The “Participants” in the proxy solicitation are anticipated to be MNG Enterprises, Inc. (“MNG Enterprises”), MNG Investment Holdings LLC (“MNG Holdings”), Strategic Investment Opportunities LLC (“Opportunities”), Alden Global Capital LLC (“Alden”), Heath Freeman, Timothy A. Barton, R. Joseph Fuchs, Guy Gilmore, Dana Needleman and Steven B. Rossi.

As of the date hereof, Opportunities beneficially owns 8,506,799 shares of common stock, par value $0.01 per share (the “Common Stock”), of the Company. MNG Enterprises, as the sole member of MNG Holdings, may be deemed the beneficial owner of the 8,506,799 shares owned by Opportunities. MNG Holdings, as the managing member of Opportunities, may be deemed the beneficial owner of the 8,506,799 shares owned by Opportunities. Alden, as the investment manager of funds that collectively hold a majority voting interest in MNG Enterprises, may be deemed the beneficial owner of the 8,506,799 shares owned by Opportunities. Mr. Freeman, as the President of Alden, may be deemed the beneficial owner of the 8,506,799 shares owned by Opportunities. As of the date hereof, Messrs. Barton, Fuchs, Gilmore and Rossi and Ms. Needleman do not beneficially own any Common Stock.

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Item 2: The following materials were posted by MNG to www.savegannett.com:

Item 3: On February 20, 2019, MNG issued the following statement:

“Gannett’s disappointing year-end earnings and guidance underscore MNG’s concerns about the health and direction of the business. Gannett has lost two-thirds of its free cash flow since 2014 and now forecasts continuing declines in their adjusted EBITDA for 2019. Despite touting revenue gains in its digital assets, Gannett only partially disclosed the profitability of those assets and reaffirmed its interest in making additional digital acquisitions. It’s hard to fathom how the Gannett Board can continue to reject a premium, cash acquisition proposal when further declines and value destruction are on the horizon.”