

Racing Post owner Spotlight Sports gallops towards £500m sale

The Racing Post is galloping towards a £500m sale as its owner looks to cash in on a surge in demand for sports betting data.

Sky News has learnt that Exponent Private Equity, which acquired the horseracing bible in 2016, is in talks with investment banks about launching an auction of Spotlight Sports Group, potentially as soon as the first half of next year.

A media industry source said this weekend that the digitally led nature of Spotlight's business meant that it was likely to command a premium multiple in a sale process.

The Racing Post is the best-known of Spotlight's brands, having been launched in 1986 as a rival to the venerable Sporting Life title and passing through the hands of a succession of owners since.

Among those to have owned the newspaper are Trinity Mirror, the owner of the Daily Mirror, which now trades under the name Reach; and FL Partners, an investment firm.

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The ownership of the Racing Post name is held in perpetuity by its founder, Sheikh Mohammed bin Rashid Al Maktoum of Dubai, one of the world's most prominent racehorse owners.

The newspaper also became caught up in the banking crisis of 2008, when part of its debt ended up in the hands of the Irish Bank Resolution Corporation, following the collapse of Anglo Irish, one the country's biggest lenders.

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Under Exponent's ownership, the Racing Post has expanded into a broader sports data and services group, known as Spotlight, which encompasses the Free Super Tips website, a US-focused betting insight platform called Pickswise and MyRacing, another tips site.

Spotlight Sports also provides third-party support for other gambling businesses, and operates a specialist agency for

gaming companies, ICS Digital, which offers search engine optimisation, digital marketing and translation services.

Alan Byrne, Spotlight's chief executive, has been involved with the Racing Post since 1993, when he began editing the paper.

He remains its editor-in-chief alongside his responsibilities running the company.

In an interview with Bloomberg News this month, Mr Byrne said Spotlight Sports would expand its betting content into Spain through a joint venture with Prisa Group, a media company.

"This partnership will make the business more digital, more international and more successful in sports other than horse racing," he told the newswire.

Spotlight Sports' continued international expansion is likely to be one of the growth opportunities highlighted by advisers to the company during a sale process.

It now generates more than two-thirds of its revenue from digital channels, underlining its transition from being a print-only business.

In its latest accounts filed at Companies House, Fence Topco – Spotlight Sports' parent company – said the decline in its print readership had been exacerbated by the pandemic, partly because of the closure of betting shops during the series of UK lockdowns.

Revenue fell by nearly a fifth to just under £65m, the accounts stated.

The company also drew on the Treasury's furlough scheme "to reduce the adverse impact on the business and safeguard as many jobs as possible".

Spotlight Sports plans to continue investing heavily in its

digital assets, the accounts said.

The prospective sale of the Racing Post and its sister assets comes amid a boom for online gambling companies and the data providers which service them.

Sportradar Group, which is headquartered in Switzerland, recently went public in New York, while Genius Sports, another sports data company, also floated in the US this year.

It was unclear this weekend whether Exponent might also consider an initial public offering, in London or elsewhere, of Spotlight Sports Group.

Exponent declined to comment.