

HERBERT SMITH FREEHILLS ADVISES SKY ON THE SALE OF SKY BETTING & GAMING

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Deals and cases

Herbert Smith Freehills has advised Sky on the sale of its 20% stake in its online betting and gaming business, Sky Betting & Gaming (“SBG”) to The Stars Group Inc. (“The Stars Group”), a Canadian company listed on both the Toronto and Nasdaq stock exchanges, which specialises in online gaming.

This disposal follows the initial sale of Sky’s majority stake in SBG to CVC Capital Partners (“CVC”) in 2015 which, taken together, will crystallise a total value of c.£1.2bn for Sky shareholders.

Formed by Sky in 2001, SBG grew rapidly to become one of the leading operators in the UK’s online betting and gaming markets, benefiting from a strong partnership with Sky Sports and Sky’s technology and product innovation expertise. After selling 80% to CVC in 2015 Sky continued to work closely with its partners at CVC and the SBG management team to drive the further development of the business. As part of the transaction, Sky will continue to license the Sky Betting & Gaming brand to The Stars Group.

The transaction is part of a transaction under which CVC will sell the whole of its stake in SBG to The Stars Group. The Stars Group has agreed to acquire SBG from Sky and CVC in a cash and stock transaction valued at US\$4.7 billion. This combination will result in the world’s largest publicly listed online gaming company. The transaction is subject to customary regulatory clearances.

The Herbert Smith Freehills team was led by Corporate partners Mark Bardell and John Taylor, Competition partner Andre Pretorius and IP partner Joel Smith.

Mark Bardell, who also led on SBG's sale to CVC in 2015, commented:

"We are very proud to have worked alongside our longstanding client Sky, to assist in achieving this exciting transaction and crystallisation in value for Sky shareholders."

The news follows the firm's announcement earlier this month on its deal table results in the first quarter this year. Herbert Smith Freehills came top in Thomson Reuters' UK M&A deal table in Q1 2018, having advised on transactions with total value of US\$71 billion.

About Herbert Smith Freehills

Operating from 27 offices across Asia Pacific, EMEA and North America, Herbert Smith Freehills is at the heart of the new global business landscape providing premium quality, full-service legal advice. The firm provides many of the world's most important organisations with access to market-leading dispute resolution, projects and transactional legal advice, combined with expertise in a number of global industry sectors, including Banks, Consumer products, Energy, Financial buyers, Infrastructure & Transport, Mining, Pharma & Healthcare, Real estate and TMT.

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