



DETERMINATION OF MERGER NOTIFICATION M/18/007 - BOYLESports/JP BOOKMAKERS

Section 21 of the Competition Act 2002

Proposed acquisition by BoyleSports Unlimited Company of sole control of certain assets and related goodwill of JP Bookmakers Limited

Dated 19 February 2018

Introduction

1. On 26 January 2017, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (“the Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed transaction whereby BoyleSports Unlimited Company (“BoyleSports”), a wholly owned subsidiary of BoyleSports Group Holdings Limited, would acquire sole control of certain assets and related goodwill of JP Bookmakers Limited (“JP Bookmakers”) (the “Proposed Transaction”). The assets and related goodwill to be acquired include 6 licensed betting offices (“LBOs”) operating under the *JP Bookmakers* brand located in counties Roscommon, Mayo, Sligo, Donegal and Galway (the “Target Assets”).
2. The Proposed Transaction is to be implemented pursuant to an asset purchase agreement (“APA”) dated 22 January 2018 between BoyleSports and JP Bookmakers.

The Undertakings Involved

BoyleSports

3. BoyleSports, a private unlimited company incorporated in the State, is a multi-channel betting and gaming company that offers betting, casino games, poker and bingo to consumers through the internet, mobile applications, by telephone and in 231 LBOs located in the State. BoyleSports provides online interactive betting and gaming services through the following websites: boylesports.com, boylebingo.com, boylecasino.com, boylegames.com, boylelotto.com, boylepoker.com and boylevegas.com. BoyleSports provides telephone betting services through Fon-A-Bet, a freephone 24-hour phone betting service. BoyleSports also provides mobile betting services through BoyleSports mobile and android applications.



4. For the financial year ending 25 December 2016, BoyleSports Group Holdings Limited's worldwide turnover was approximately €[...], of which approximately €[...] was generated in the State.¹

JP Bookmakers

5. JP Bookmakers, a limited company registered in the State, is involved in the provision of betting services in 6 LBOs in the State. JP Bookmakers is not engaged in the provision of online or telephone betting services.
6. For the financial year ending 31 December 2016, JP Bookmaker's worldwide turnover was approximately €[...]², all of which was generated in the State.

The Target Assets

7. The Target Assets comprise 6 LBOs (all trading as *JP Bookmakers*) in the following locations in the State:
 - The Diamond Centre, Main Street, Killybegs, Co. Donegal;
 - Unit 4 & 5 O'Flaherty's Corner, Spiddal, Co. Galway;
 - The Square, Ballaghaderreen, Co. Roscommon;
 - 15 Clare Street, Ballyhaunis, Co. Mayo;
 - Market Square, Swinford, Co. Mayo; and
 - O'Connell Street, Ballymoate, Co. Sligo.
8. For the financial year ending 31 December 2016, the Target Assets' worldwide turnover was approximately €[...], all of which was generated in the State.

Rationale for the Proposed Transaction

9. The parties state in the notification:

“BoyleSports considers that the Proposed Transaction presents it with the opportunity to expand its network of LBOs in the North West of the country which will permit the BoyleSports group to attain efficiencies which will benefit its customers. The Target LBOs will become part of the BoyleSports group and therefore will benefit from access to much greater resources and technology offered by the acquiring group which will benefit consumers. BoyleSports' intention is to invest in, and upgrade, each of the Target LBOs shortly after completion. As a result, consumers will

¹ This figure includes the turnover of We Bet Limited for the year ending 25 December 2016, comprising €[...] (all of which was generated in the State). We Bet Limited is controlled by John Boyle, the majority shareholder in BoyleSports Group Holdings Limited, the ultimate parent company of BoyleSports.

² The parties informed the Commission that the 2016 financial statements for JP Bookmakers include turnover for 1 LBO located in Bundoran, Co. Donegal which was closed in 2016.



benefit from an improved level of service and experience. JP Bookmakers currently do not offer online or telephone betting services. Shortly after completion of the Proposed Transaction, online betting and telephone betting services will be offered by BoyleSports via each of the 6 Target LBOs.”

Third Party Submissions

10. No submission was received.

Competitive Analysis

Horizontal overlap

11. There is a horizontal overlap between the parties’ activities since both BoyleSports and the Target Assets provide betting services in LBOs in the State.
12. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. The narrowest potential product market affected by the Proposed Transaction is the provision of betting services in LBOs. The Commission, however, does not need to come to a definitive view on the precise relevant product market in this instance since its conclusion on the competitive impact of the Proposed Transaction will be unaffected whether the precise relevant product market is either narrow (e.g., the provision of betting services in LBOs) or broader (e.g., to include the provision of betting services online or over the telephone or some other combination of betting services channels). In order to determine whether the Proposed Transaction might result in a substantial lessening of competition, the Commission has analysed its impact by reference to the narrowest potential relevant product market, namely the potential market for the provision of betting services in LBOs.
13. Similarly, the Commission does not need to come to a definitive view on the precise relevant geographic market in this instance since its conclusion on the competitive impact of the Proposed Transaction will be unaffected whether the precise relevant geographic market is local, regional or national. However, in order to determine whether the Proposed Transaction might result in a substantial lessening of competition, the Commission has analysed its impact by reference to the narrowest possible relevant geographic market, namely the potential market for the provision of betting services in LBOs in each of the geographic areas in which the Target Assets are located. For the sake of completeness, the Commission has also analysed the impact of the Proposed Transaction on a national basis.

Narrowest possible geographic market

14. Customers use LBOs located within a given travel time from their point of origin and, therefore, from a customer’s perspective, the degree of competition between LBOs depends on the distance that customers are prepared to travel to alternative LBOs. In its July 2016 report on the proposed merger between Ladbrokes plc and certain businesses of Gala Coral Group Limited, the Competition & Markets Authority (“CMA”) in the United Kingdom reached the following conclusion on the relevant geographic market for the supply of gambling products in LBOs:



“As a starting point, a catchment area of 400m was appropriate for the assessment of the competitive effects of the transaction.”³

15. The Commission has assessed the competitive impact of the Proposed Transaction in a catchment area of within a radius of 400m from each of the Target Assets. In addition, the Commission has also assessed the competitive impact of the Proposed Transaction in a wider catchment area of within a radius of 3km from each of the Target Assets.⁴
16. As previously mentioned, the Proposed Transaction involves the acquisition by BoyleSports of 6 LBOs, all trading as *JP Bookmakers*.
17. In the following paragraphs, i.e., paragraphs 18-29 below, the Commission has assessed the likely competitive impact of the Proposed Transaction on the provision of betting services in LBOs in each of the geographic areas in which the Target Assets are located.⁵

The Diamond Centre, Main Street, Killybegs, Co. Donegal

18. JP Bookmakers currently operates an LBO in Killybegs, Co. Donegal. BoyleSports does not currently own or operate an LBO within 400m of JP Bookmakers' LBO in Killybegs, Co. Donegal. Thus, on the basis of a geographic market comprising a catchment area of within a radius of 400m from JP Bookmakers' LBO in Killybegs, there is no competitive overlap between the parties.
19. The nearest BoyleSports LBO to JP Bookmakers' LBO in Killybegs, Co. Donegal is located in Raphoe, Co. Donegal, which is a distance of approximately 70km away.⁶ Therefore, even on the basis of a wider geographic market comprising a catchment area of within a radius of 3km from JP Bookmakers' LBO in Killybegs, Co. Donegal, there is no competitive overlap between the parties.

Unit 4 & 5 O'Flaherty's Corner, Spiddal, Co. Galway

20. JP Bookmakers currently operates an LBO in Spiddal, Co. Galway. BoyleSports does not currently own or operate an LBO within 400m of JP Bookmakers' LBO in Spiddal, Co. Galway. Thus, on the basis of a geographic market comprising a catchment area of within a radius of 400m from JP Bookmakers' LBO in Spiddal, Co. Galway, there is no competitive overlap between the parties.
21. The nearest BoyleSports LBO to JP Bookmakers' LBO in Spiddal, Co. Galway is located in Salthill, Co. Galway, which is a distance of approximately 17km away.⁷ Therefore, even

³ The CMA's report can be accessed at

<https://assets.publishing.service.gov.uk/media/5797818ce5274a27b2000004/ladbrokes-coral-final-report.pdf>.

⁴ This follows the Commission's approach set out in paragraph 14 of its determination in M/17/061 BoyleSports/Bambury which can be accessed at: <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2017/11/M-17-061-BoyleSports-Bambury-Bookmakers-Determination.pdf>.

⁵ When calculating distances between LBOs, the Commission used the distances provided in Google Map (by car) while the parties calculated distances using isochrone software. While in some cases the distances calculated by the parties differed from those calculated by the Commission, in this instance, the methodology used does not affect the Commission's assessment of the competitive impact of the Proposed Transaction.

⁶ Information provided by the parties indicates that the nearest BoyleSports LBO to JP Bookmakers' LBO in Killybegs, Co. Donegal is located in Sligo Town, which is a distance of approximately 40km away measured on an isochrone basis, i.e., as the crow flies.

⁷ Information provided by the parties indicates that the nearest BoyleSports LBO to JP Bookmakers' LBO in Spiddal, Co. Galway is located in Salthill, Co. Galway, which is a distance of approximately 16km away measured on an isochrone basis, i.e., as the crow flies.



on the basis of a wider geographic market comprising a catchment area of within a radius of 3km from JP Bookmakers' LBO in Spiddal, Co. Galway, there is no competitive overlap between the parties.

The Square, Ballaghaderreen, Co. Roscommon

22. JP Bookmakers currently operates an LBO in Ballaghaderreen, Co. Roscommon. BoyleSports does not currently own or operate an LBO within 400m of JP Bookmakers' LBO in Ballaghaderreen, Co. Roscommon. Thus, on the basis of a geographic market comprising a catchment area of within a radius of 400m from JP Bookmakers' LBO in Ballaghaderreen, Co. Roscommon, there is no competitive overlap between the parties.
23. The nearest BoyleSports LBO to JP Bookmakers' LBO in Ballaghaderreen, Co. Roscommon is located in Boyle, Co. Roscommon, which is a distance of approximately 24km away.⁸ Therefore, even on the basis of a wider geographic market comprising a catchment area of within a radius of 3km from JP Bookmakers' LBO in Ballaghaderreen, Co. Roscommon, there is no competitive horizontal overlap between the parties.

15 Clare Street, Ballyhaunis, Co. Mayo

24. JP Bookmakers currently operates an LBO in Ballyhaunis, Co. Mayo. BoyleSports does not currently own or operate an LBO within 400m from JP Bookmaker's LBO in Ballyhaunis, Co. Mayo. Thus, on the basis of a geographic market comprising a catchment area of within a radius of 400m from JP Bookmakers' LBO in Ballyhaunis, Co. Mayo, there is no competitive overlap between the parties.
25. The nearest BoyleSports LBO to JP Bookmakers' LBO in Ballyhaunis, Co. Mayo is located in Tuam, Co. Galway, which is a distance of approximately 32km away.⁹ Therefore, even on the basis of a wider geographic market comprising a catchment area of within a radius of 3km from JP Bookmakers' LBO in Ballyhaunis, Co. Mayo, there is no competitive overlap between the parties.

Market Square, Swinford, Co. Mayo

26. JP Bookmakers currently operates an LBO in Swinford, Co. Mayo. BoyleSports does not currently own or operate an LBO within 400m from JP Bookmakers' LBO in Swinford, Co. Mayo. Thus, on the basis of a geographic market comprising a catchment area of within a radius of 400m from JP Bookmakers' LBO in Swinford, Co. Mayo, there is no competitive overlap between the parties.
27. The nearest BoyleSports LBO to JP Bookmakers' LBO in Swinford, Co. Mayo is located in Ballina, Co. Mayo, which is a distance of approximately 26.7km away.¹⁰ Therefore, even

⁸ Information provided by the parties indicates that the nearest BoyleSports LBO to JP Bookmakers' LBO in Ballaghaderreen, Co. Roscommon is located in Boyle, Co. Roscommon, which is a distance of approximately 20km measured on an isochrone basis, i.e., as the crow flies.

⁹ Information provided by the parties indicates that the nearest BoyleSports LBO to JP Bookmakers' LBO in Ballyhaunis, Co. Mayo is located in Tuam, Co. Galway, which is a distance of approximately 26km away measured on an isochrone basis, i.e., as the crow flies.

¹⁰ Information provided by the parties indicates that the nearest BoyleSports LBO to JP Bookmakers' LBO in Swinford, Co. Mayo is located in Ballina, Co. Mayo, which is a distance of approximately 22km measured away on an isochrone basis, i.e., as the crow flies.



on the basis of a wider geographic market comprising a catchment area of within a radius of 3km from JP Bookmakers' LBO in Swinford, Co. Mayo, there is no competitive overlap between the parties.

O'Connell Street, Ballymoate, Co. Sligo

28. JP Bookmakers currently operates an LBO in Ballymoate, Co. Sligo. BoyleSports does not currently own or operate an LBO within 400m from JP Bookmakers' LBO in Ballymoate, Co. Sligo. Thus, on the basis of a geographic market comprising a catchment area of within a radius of 400m from JP Bookmakers' LBO in Ballymoate, Co. Sligo, there is no competitive overlap between the parties.
29. The nearest BoyleSports LBO to JP Bookmakers' LBO in Ballymoate, Co. Sligo is located in Boyle, Co. Roscommon, which is a distance of approximately 21km away.¹¹ Therefore, even on the basis of a wider geographic market comprising a catchment area of within a radius of 3km from JP Bookmakers' LBO in Ballymoate, Co. Sligo, there is no competitive overlap between the parties.
30. For the reasons set out in paragraphs 18-29 above, the Commission considers that the Proposed Transaction will not substantially lessen competition for the provision of betting services in LBOs in any of the geographic areas in which the Target Assets are located.

National Basis

31. On a national level, the Proposed Transaction raises no competition concerns in the potential market for the provision of betting services in LBOs. There are a number of competing fascia in the provision of betting services in LBOs in the State, including the following:
 - *Paddy Power Betfair;*
 - *Ladbrokes;*
 - *Bar-One Racing;*
 - *Bruce Betting;*
 - *Bambury Bookmakers;*
 - *Mulholland Bookmakers;* and
 - *Tully Bookmakers.*
32. Estimated share data provided by BoyleSports to the Commission indicates that BoyleSports had a [25-30]% share of the provision of betting services in LBOs in the State in 2017, while the Target Assets had a share of less than [0-5]% of the provision of

¹¹ Information provided by the parties indicates that the nearest BoyleSports LBO to JP Bookmakers' LBO in Ballymoate, Co. Sligo is located in Boyle, Co. Roscommon, which is a distance of approximately 20km away, measured on an isochrone basis, i.e., as the crow flies.



betting services in LBOs in the State in 2017.¹² Thus, on a national level, the increase in BoyleSports' share of the potential market for the provision of betting services in LBOs in the State as a result of the Proposed Transaction will be minimal. For these reasons, the Commission considers that the Proposed Transaction will not substantially lessen competition for the provision of betting services in LBOs in the State.

Vertical Relationship

33. The parties have stated in the notification that there is no vertical relationship between BoyleSports and the Target Assets. The Commission has not identified any vertical relationship between the parties. Therefore, the Proposed Transaction does not raise any vertical competition concerns in the State.

Conclusion

34. In light of the above, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

35. The APA contains a number of restrictive obligations on JP Bookmakers. These include non-compete obligations and non-solicitation obligations regarding employees, customers and suppliers. These restrictive obligations do not exceed the maximum duration acceptable to the Commission.¹³ The Commission considers these restrictions to be directly related to and necessary for the implementation of the Proposed Transaction.

¹² BoyleSports informed the Commission that its estimates of share data in the potential market for the provision of betting services in LBOs in the State in 2017 are based on estimates of turnover in each LBO for each provider in the State. BoyleSports informed the Commission that the Irish Bookmakers Association has estimated that there were 855 LBOs in the State in 2017. For more information, please see <http://www.irishbookmakersassociation.com/>.

¹³ In this respect, the Commission follows the approach adopted by the EU Commission in paragraphs 20 and 26 of its "Commission Notice on restrictions directly related and necessary to concentrations" (2005). For more information see [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=EN)



Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition whereby BoyleSports Unlimited Company would acquire sole control of certain assets and related goodwill of JP Bookmakers Limited will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

Brian McHugh
Member
Competition and Consumer Protection Commission