



# DETERMINATION OF MERGER NOTIFICATION M/18/008 - DAIMLER / MYTAXI

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## Section 21 of the Competition Act 2002

### Proposed acquisition by Daimler AG of sole control of Intelligent Apps GmbH trading as 'mytaxi'

Dated 23 February 2018

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#### Introduction

1. On 26 January 2018, 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 notification of a proposed transaction, whereby Daimler AG ("Daimler"), through its wholly-owned subsidiary Daimler Mobility Services GmbH ("DMS"), would acquire sole control of Intelligent Apps GmbH trading as 'mytaxi' ("mytaxi") ("the Proposed Transaction").

#### The Proposed Transaction

2. mytaxi is currently jointly controlled by Daimler and by HNH Group Ltd ("Hailo").<sup>1</sup> Daimler, through its wholly-owned subsidiary DMS, currently holds approximately 77% of the issued share capital of mytaxi and Hailo holds the remaining 23%. Pursuant to a [...].
3. As a result of the implementation of the Proposed Transaction, the shareholding of DMS in mytaxi will increase while Hailo's shareholding in mytaxi will be diluted [...]. The parties have informed the Commission that, according to the articles of association (and applicable governance rules) of mytaxi, implementation of the Proposed Transaction would lead to the acquisition by DMS (and therefore Daimler) of sole control of mytaxi<sup>2</sup>.

#### The Undertakings Involved

##### *The Acquirer - Daimler*

4. Daimler is a global producer of premium cars and a manufacturer of commercial vehicles. Daimler is listed on the stock exchanges of Frankfurt and Stuttgart, with its registered office in Stuttgart, Germany.

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<sup>1</sup> The merger of Hailo and mytaxi (whereby DMS would hold 60% and Hailo would hold 40% of the issued share capital of mytaxi) was cleared by the Commission on 2 September 2016; *M/16/037 – mytaxi/Hailo*.

<sup>2</sup> The parties have informed the Commission that [...], which would of itself result in the acquisition by Daimler, through DMS, of sole control of mytaxi. The Commission understands that [...] may be implemented as part of the Proposed Transaction.



5. Daimler's current brand portfolio includes *Mercedes-Benz, Mercedes-AMG, Mercedes-Maybach, Mercedes me, Freightliner, Western Star, BharatBenz, FUSO, Setra* and *Thomas Built Buses*. The Daimler Financial Services division provides a range of services including mobility services and its brands include *Mercedes-Benz Bank, Mercedes-Benz Financial* and *Daimler Truck Financial*.
6. For the financial year ending 31 August 2016, Daimler's worldwide turnover was approximately €153 billion, of which approximately €[...] was generated within the State.

#### **DMS**

7. DMS is a wholly-owned subsidiary of Daimler and is registered in Germany. It specialises in the provision of mobility services, using smartphone-based mobility concepts to optimise the use of existing transportation infrastructure. Its international brands include *moovel, car2go* and *mytaxi*.<sup>3</sup>

#### **The Target - mytaxi**

8. mytaxi is a limited liability company incorporated in Germany. It operates a taxi dispatch/ride hailing application ("App") allowing customers to order, pay for and rate taxi services over the internet.<sup>4</sup> The App can be used via a web browser on a desktop computer or via an application downloaded to customers' or taxi drivers' smartphones or other mobile devices. The App is available on the main operating systems used by smartphone users, namely: Apple iOS, Android, Windows Phone and BlackBerry OS.
9. The App allows customers to: (i) order a taxi; (ii) track the arrival of the taxi in real time using a map<sup>5</sup>; (iii) pay for the taxi journey (via a credit card or a PayPal account set up on a customer's mytaxi account); and (iv) rate the taxi driver and vehicle. The App is a commission-based platform, connecting approximately 125,000 taxi drivers with approximately 10 million users internationally. The App was created and launched in Hamburg in 2009/2010 and its use spread across Germany and beyond from 2011 onwards. In Europe, mytaxi is currently active in Austria, Germany, Greece (as *Taxibeat/BEAT*), Ireland, Italy, Poland, Portugal, Spain, Romania (branded *Clever Taxi*), Sweden and the United Kingdom. Outside of Europe, mytaxi is active in Chile and Peru under the brand *Taxibeat/BEAT*.
10. For the financial year ending 31 December 2016, mytaxi's worldwide turnover was approximately €[...], of which approximately €[...] was generated within the State.

#### **The Vendor- Hailo**

11. Hailo is a private limited company incorporated in England and Wales with its registered office at Somerset House, The Strand, London. Hailo is a financial holding company which currently manages its investment in mytaxi.

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<sup>3</sup> <https://www.daimler.com/products/services/mobility-services/>

<sup>4</sup> <https://us.mytaxi.com/index.html>

<sup>5</sup> mytaxi uses the inbuilt GPS and mapping functions in the smartphones of taxi drivers and customers to 'match' them to each other through the App.



### Rationale for the Proposed Transaction

12. The parties state in the notification:

*“The Proposed Transaction is taking place as a result of mytaxi's need for further funding, Daimler and Hailo are planning another capital increase. As a result of this proposed capital increase, Hailo's shares will be diluted and will amount to less than 20 % post-transaction.”*

### Third Party Submissions

13. No submission was received.

### Competitive Analysis

14. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this instance, it is not necessary for the Commission to define precise relevant product and geographic markets because the Commission's assessment of the competitive impact of the Proposed Transaction is not dependent upon a finding as to the precise relevant product and geographic markets for the reasons set out below.
15. As stated earlier in this determination, the Proposed Transaction involves a change in control of mytaxi, from joint control exercised by Daimler and Hailo to sole control exercised by Daimler through DMS.

### *Horizontal Overlap*

16. mytaxi operates a taxi dispatch/ride hailing App, whereas, Hailo is a financial holding company which manages the investment in mytaxi. Daimler is active in the State in the sale of motor vehicles on a wholesale basis and in the provision of related financial services, such as financing, fleet management, insurance, financial investment, credit cards and innovative mobility services. Daimler is only involved in the provision of taxi dispatch/ride-hailing business or related activities in the State, through its shareholding (through DMS) in mytaxi.
17. On this basis, there is no horizontal overlap between the activities of Daimler and mytaxi in the State. In addition, in this instance, a change in control of mytaxi, from joint to sole control by Daimler, will not change the existing competitive landscape and will not in itself result in any increase in mytaxi's market share in the State. Therefore, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in relation to the provision of taxi dispatch/ride-hailing business or related activities in the State.

### *Vertical Relationship*

18. The Commission did not identify any vertical relationship between the parties in the State. Therefore, the Commission considers that the Proposed Transaction does not raise any vertical competition concerns in the State.



*Conclusion*

19. 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**

20. No ancillary restraints were notified.



### **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 transaction whereby Daimler AG, through its wholly-owned subsidiary Daimler Mobility Services GmbH, would acquire sole control of Intelligent Apps GmbH trading as 'mytaxi' will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the merger may be put into effect.

For the Competition and Consumer Protection Commission

**Brian McHugh**  
**Member**  
**Competition and Consumer Protection Commission**