



DETERMINATION OF MERGER NOTIFICATION M/18/059 – CANADA PENSION PLAN INVESTMENT BOARD/KOERL /SPORTRADAR

Section 21 of the Competition Act 2002

Proposed acquisition of joint control of Sportradar by Canada Pension Plan Investment Board and Mr. Carsten Koerl

Dated 06 September 2018

Introduction

1. On 2 August 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 acquisition whereby Canadian Pension Plan Investment Board (“CPPIB”) and Mr Carsten Koerl (“CK”) (collectively, the “Acquirers”) would acquire indirect joint control of Sportradar AG (the “Target”) (the “Proposed Transaction”).

The Proposed Transaction

2. The Proposed Transaction will be implemented by way of a share purchase agreement (the “SPA”), dated 4 July 2018, between CPPIB Europe S.a.r.l. (“CPPIB Europe”), a wholly-owned subsidiary of CPPIB, and the sellers of the Target. Pursuant to the SPA, CPPIB and certain funds advised by TCMI, Inc. (doing business as Technology Crossover Ventures (“TCV”))¹ (“TCV Funds”) will indirectly establish a private limited company (“LuxCo”) which will acquire the majority of the shares in the Target. LuxCo will incorporate a Swiss company (“SwissCo”) which will, at closing, acquire 99.4%² of the Target’s share capital from CK and the sellers (as defined in clause 3.1 of the SPA).

¹ Funds advised by TCV provide capital to growth-stage private and public companies in the technology industry. Funds advised by TCV primarily make minority non-controlling investments in companies in the technology industry.

² The Target will continue to hold 0.6% of its own shares as treasury shares.



3. Following completion of the Proposed Transaction, SwissCo's voting share capital will be held as follows: LuxCo (42%); CK (53%); and other minority shareholders (5%). Prior to the Proposed Transaction, the Target was jointly controlled by CK and EQT Group ("EQT").³ As a result of the Proposed Transaction, CPPIB and CK will acquire indirect joint control of the Target.

The Undertakings Involved

Acquirers

CPPIB

4. CPPIB, headquartered in Toronto and with offices in Hong Kong, London, Luxembourg, Mumbai, New York City, Sao Paulo, and Sydney, is a professional investment management organisation that invests the funds of the Canada Pension Plan ("CPP") on behalf of its 20 million Canadian contributors and beneficiaries. As of 30 June 2018, the CPP fund was valued at €366.6 billion.
5. CPPIB is involved in investment activity globally, including in Ireland, through a broad range of investment strategies including, but not limited to, Private and Public Equity Investments, Private and Public Credit Investments, Real Estate Investments, Fund Investments, and others. CPPIB is governed and managed independently of the CPP and at arms'-length from governments. CPPIB operates four investment departments including: (a) Private Investments; (b) Public Market Investments; (c) Real Assets; and (d) Investment Partnerships.
6. CPPIB currently controls the following portfolio companies which generate revenue in the State:

Portfolio Company Name	Business Activities
Dorna Sports Sociedad Limitada ("Dorna")	Sports management and marketing company that holds the global commercial and TV rights to various motorcycle racing

³ EQT is a private equity company managing various funds that make investments primarily in Europe.



	events and offers rotating LED advertising board systems used in a variety of sports.
Informatica Corporation	Provider of enterprise data integration software and services for enterprises globally.
[..]	[..]
Hotelbeds Group	Provider of services to the global travel trade.
[..]	[..]
[..]	[..]
[..]	[..]

7. In the year ended 31 March 2017, CPPIB's worldwide turnover was approximately €34.2 billion, of which approximately [..] was generated in the State.

CK

8. Mr. Carsten Koerl is the current CEO of the Target. CK currently holds 37.6% of the Target's shares. As noted above, CK jointly controls the Target with EQT. CK generates turnover in the State through [..]

9. For the financial year 2017/2018, CK's worldwide turnover (excluding the Target) was approximately [..] of which [..] was generated in the State.

Target - Sportradar

10. Sportradar is a Swiss company, which is jointly controlled by CK and EQT. It is a global provider of live sports data and content solutions.
11. The Target's activities can be divided into four main categories, as follows:



- **Sports betting data and odds solutions** – offering pre-match and live-betting content to bookmakers as data odds or integrated risk management solutions. The Target is not required to hold an operator’s licence for any of the products it offers.
 - **Sports AV solutions** – providing low-latency, live video streams to bookmakers. To provide this service, the Target acquires streaming licenses from rights holders (e.g., NBA, ITF, Tennis Australia, etc.) and sub-licenses the content to betting customers globally. The Target also sub-licenses the media rights to live sporting events to TV channels/platform operators and streams live sports content on its online platform, LAOLA.
 - **Integrity services** – provides anti-fraud services to more than 70 federations and leagues (e.g., IOC, FIFA, UEFA, NFL, NBA, MotoGP, ITF, etc.) as well as law enforcement agencies (e.g., Europol, Interpol, BKA Austria, etc.).
 - **Sports media solutions** – provides data feeds, hosted solutions, live data visualisations, digital development services, and turnkey products (e.g., OTT platforms) to digital platforms, sponsors, broadcasters, leagues and federations.
12. For the financial year 2017/2018, the Target’s worldwide turnover was approximately €280 million, of which [...] was generated in the State.

Rationale for the Proposed Transaction

13. The parties state in the notification:

“For CPPIB, the sports data market, particularly real-time data, is a compelling long-term investment opportunity, with strong growth driven by rising fan engagement, opening of new markets and increasing spend on digital sports content globally.

From the Target and CK’s perspective, CPPIB is known for extensive global tech experience and a track record of working alongside innovative management teams to help achieve their long-term vision.



Having a new investor with a strong North American footprint is ideal given Sportradar's increasing focus and expanding operations in the U.S., as the sports industry evolves to meet the expectations of today's sports fans."

Third Party Submissions

14. No submission was received.

Competitive Analysis

Horizontal Overlap

15. There is an indirect horizontal overlap between the activities of the CPPIB and CK in the State. CPPIB (via Dorna) and CK (via the Target) are active in the provision of live streams of audio-visual sports content to customers in the State.

The provision of live streams of audio-visual sports content in the State

16. CPPIB's jointly controlled portfolio company, Dorna, produces and live streams for the following motorcycling championship events in the State:

- MotoGP Championships online at <https://secure.motogp.com/en/subscribe>
- WorldSBK Championships online at <http://www.worldsbk.com/fr/live>

17. CPPIB estimate that, from the provision of live streams of audio-visual sports content in the State, they generated [...] in 2017.

18. The Target live-streams sports content, including some motorcycle racing, on its online platform LAOLA⁴. The Target estimates that it generated less than [...] in 2017 from the provision of live streams of audio-visual sports content in the State.

⁴ see, <https://www.laola1.tv/en-int/channel/motorsports>



19. For the following reasons, the Commission considers that the horizontal overlap between Dorna and the Target in the provision of live streams of audio-visual sports content in the State will not raise any competition concerns:
- Both the Target and Dorna generate minimal revenue in the State, from the provision of live streams of audio-visual sports content in the State.
 - There are a number of competitors active in the provision of live stream audio-visual sports content in the State, namely RTÉ, Sky PLC, BT Group, Eir Sport and others.
20. The Commission therefore considers that the Proposed Transaction raises no competition concerns in the potential market for the provision of live streams of audio-visual sports content in the State.

Vertical Relationship

21. The parties informed the Commission that there is no vertical relationship between the Acquirers and the Target in the State.⁵ The Commission has not identified any vertical relationships between the parties in the State. On this basis, the Commission considers that the Proposed Transaction does not raise any vertical competition concerns in the State.

Conclusion

22. 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

23. No ancillary restraints were notified.

⁵ The Target conducts antifraud services for CPPIB's jointly controlled portfolio company, Dorna. However, this activity only generates revenue in Spain.



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 Canadian Pension Plan Investment Board and Mr Carsten Koerl would acquire joint control of Sportradar AG, 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