



DETERMINATION OF MERGER NOTIFICATION M/21/002 – BLACKSTONE/LIFTOFF MOBILE

Section 21 of the Competition Act 2002

Proposed acquisition of sole control of Lifford Mobile Inc. by Booster Parent Holdings Inc., a wholly-owned subsidiary of certain funds managed by affiliates of The Blackstone Group Inc.

Dated 15 February 2021

Introduction

1. On 7 January 2021, 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 acquisition whereby Booster Parent Holdings Inc. (“Booster Parent”), a wholly-owned subsidiary of certain funds managed by affiliates of The Blackstone Group Inc. (“Blackstone”), would acquire sole control of Lifford Mobile Inc. (“Lifford Mobile”) (the “Proposed Transaction”).

The Proposed Transaction

2. The Proposed Transaction will be implemented pursuant to a merger agreement dated 18 December 2020 between Lifford Mobile, Booster Parent, Booster Merger Sub Inc. (a wholly-owned subsidiary of Booster Parent) and Fortis Advisors LLC¹, whereby Booster Merger Sub Inc. will merge with and into Lifford Mobile.
3. Following implementation of the Proposed Transaction, Booster Parent will be [...] % owned and solely controlled by Blackstone, with certain selling shareholders of Lifford Mobile holding the remaining shares in Booster Parent. Pursuant to the Proposed Transaction, Booster Merger Sub Inc. will cease to exist and Lifford Mobile will become wholly owned by Booster Parent. Thus, following implementation of the Proposed

¹ Fortis Advisors LLC represents the sellers of Lifford Mobile for the purposes of the Proposed Transaction.



Transaction funds managed by affiliates of Blackstone will solely control Liffort Mobile indirectly through Booster Parent.

The Undertakings Involved

The Acquirer – Booster Parent

4. Booster Parent is a newly formed entity which was set up for the purposes of effecting the Proposed Transaction. It is a wholly-owned subsidiary of certain funds managed by affiliates of Blackstone.

The Acquirer – Blackstone

5. Blackstone, incorporated in the United States of America and listed on the New York Stock Exchange, is an alternative asset manager and provider of financial advisory services. Blackstone is controlled by Blackstone Group Management L.L.C. Blackstone operates as an investment management firm and, through various investment vehicles, makes private equity, real estate, credit and hedge fund investments worldwide. Blackstone owns and controls a number of portfolio companies, each with its own board of directors which generally also includes Blackstone representatives. Accordingly, each company in its investment portfolio is independently managed and financed, and each has different investors. The parties state in the notification that the following companies owned and controlled by Blackstone (“Blackstone Portfolio Companies”) generated turnover in the State in 2019:

Portfolio Company	Business Activity
[...]	A benefits administration platform and services provider for cloud-based HR management systems.
[...]	[...] operates as an online family history research company.
[...]	A provider of educational content and software and analytics.
[...]	A holding company for businesses operating in the waste, recycling and utilities sectors.
[...]	[...] global real estate investments and industrial, consumer and residential loan portfolios.
[...]	[...] develops application software. [...] offers an online dating application that enables users to meet new people for dating, friendship, other and relationships.



[...]	[...] is a cloud-native global cloud enabler. [...] primary cloud platform partners are [...]
[...]	A provider of energy saving products and water treatment solutions.
[...]	[...] produces and sells laminated and co-extruded plastic tubes for oral care, beauty and cosmetic, pharmaceutical & healthcare, food, and home applications.
[...]	An asset management firm.
[...]	A provider of power transmission and fluid power solutions and services.
[...]	A provider of end-to-end, integrated retail, omni-channel, and supply chain planning and execution enterprise application software solutions.
[...]	[...] is active in the optical industry. It manufactures still cameras, binoculars and scopes. [...]
[...]	[...] provides aerospace and defence engineering and technological solutions in North America and Europe.
[...]	[...] owns and operates a global portfolio of family entertainment attractions including city centre and resort-based indoor attractions and national-branded resort theme parks in North America, Europe, and the Asia Pacific region.
[...]	A global messaging service provider in India.
[...]	An information technology services provider with domain expertise in the banking, financial services and insurance sectors.
[...]	Developer of social and mobile games.
[...]	A provider of end-to-end payment solutions.
[...]	[...] provides IT management consulting and staffing services to government and commercial clients.
[...]	[...] a contract research organization providing laboratory and clinical development services to the pharmaceutical industry.
[...]	A provider of financial markets data and infrastructure.
[...]	[...] provides measuring and process technology equipment and services for weighing, feeding, conveying, screening, automation and air filtration systems.
[...]	A [...] music rights organisation.
[...]	[...] designs and manufactures starting and charging systems to original equipment manufacturers.
[...]	[...] develops and manufactures racking systems for the storage of palletised or small goods and longer items, as well as mezzanine structures.
[...]	[...], designs, markets, implements and supports human resources, payroll and talent management solutions.



[...]	[...] provides technology-enabled advertising services to advertisers that desire assistance in marketing their brands.
Source: the parties	

6. In 2019 Blackstone acquired Vungle Inc. (“Vungle”),² a provider of technology-enabled advertising services to advertisers. Vungle offers a variety of products and services that target and engage mobile users, which primarily consist of mobile application video advertisements. Vungle acts as an intermediary between advertisers and publishers of web space, who own the space in which the advertisement is placed.
7. For the financial year ending 31 December 2019, Blackstone’s worldwide turnover was approximately €[...], of which approximately €[...] was generated in the State.

The Target Company – Liftoff Mobile

8. Liftoff Mobile is a company incorporated in the United States of America, based in Redwood City, California. Liftoff Mobile has no physical presence in the State. It generates turnover in the State from the provision of mobile advertising services by running in-app marketing campaigns that target and engage mobile users on behalf of customers with bill-to addresses in the State.
9. Liftoff Mobile is active in the provision of (mobile) online advertising services, acting as an intermediary between advertisers and publishers of web space. Liftoff Mobile operates as a demand side platform, providing technology-enabled advertising services to advertisers, and focuses on the placement of advertisements within mobile applications.
10. For the financial year ending 31 December 2019, Liftoff Mobile’s worldwide turnover was approximately €[...], of which €[...] was generated in the State.³

² See M/19/024 Redbird (Blackstone)/Vungle, available at: <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m-19-024-redbird-blackstone-vungle/>.

³ In the notification, the parties state that, consistent with Article 5 of the EU Merger Regulation and Paragraph 199 of the European Commission Consolidated Jurisdictional Notice under Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings, they determined the requirement to notify the Proposed Transaction by allocating Liftoff Mobile’s turnover on the basis of the location of the paying customer.



Rationale for the Proposed Transaction

11. The parties state in the notification:

“For Blackstone, the Proposed Transaction represents an investment opportunity which is consistent with its strategy of investing in attractive companies to increase the value of their business with the view of profiting from their eventual sale.”

Third Party Submissions

12. No submission was received.

Competitive Analysis

Horizontal Overlap

13. As described above in paragraphs 6, 8 and 9, Vungle and Liftoff Mobile both offer advertising products and services that are designed to target and engage mobile users on behalf of advertisers; and act as intermediaries between mobile app advertisers and publishers of web space. This gives rise to a horizontal overlap between the activities of Vungle and Liftoff Mobile in the State.
14. A publisher (without an owned and operated platform) wishing to sell advertising space on its mobile app has the option of selling its advertising space through an advertising technology intermediary, which uses its software development kit (“SDK”) or offer its advertising space for auction through programmatic bidding platforms.
15. Advertising technology intermediaries which use SDKs such as Facebook Audience Network and Google AdMob as well as independent SDKs like Vungle, enable advertisers to place advertisements with networks of publishers.
16. A publisher which offers its advertising space for auction through programmatic bidding platforms, where supply-side advertising space (i.e., a mobile app wishing to sell advertising space) can offer their supply up for bid in real-time. These platforms can be accessed by advertisers or advertising agencies directly or through a demand side platform intermediary, such as Liftoff Mobile.



Relevant Product Market

17. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. It is not necessary for the Commission to define the precise relevant product market or markets in this instance because the product market definition adopted will not alter the Commission's assessment of the competitive impact of the Proposed Transaction. Whether the product market is defined as a broad market (i.e. mobile advertising) or a narrow market (i.e. mobile app advertising intermediation), the Commission has reached the view that there are no horizontal competition concerns arising from the Proposed Transaction for the reasons given in paragraphs 20 to 24 below. However, for the purposes of carrying out its competitive assessment of whether the Proposed Transaction might result in a substantial lessening of competition from a horizontal perspective, the Commission analysed its impact by reference to the narrowest potential product market for which there is overlap between the parties' activities, that is, mobile app advertising intermediation.

Relevant Geographic Market

18. In relation to the relevant geographic market, the parties indicated that in a previous European Commission decision, it was noted that many [online advertising] intermediation providers are active on an international basis but the content will likely be in the language of the publisher's content offering, which might point to a more narrow market definition, such as national. However, the European Commission ultimately left open the precise geographic market definition⁴.
19. It is not necessary for the Commission to define the precise geographic market in this instance because the geographic market definition adopted will not alter the Commission's assessment of the horizontal competitive impact of the Proposed Transaction. For the purpose of the competitive assessment of the Proposed

⁴ European Commission Case - No COMP/M.5727, Microsoft/ Yahoo! Search Business
https://ec.europa.eu/competition/mergers/cases/decisions/M5727_20100218_20310_261202_EN.pdf



Transaction the Commission analysed its impact by reference to the narrowest geographic market, which is the State.

Horizontal Competitive Analysis

20. For the reasons set out below, the Commission considers that the Proposed Transaction will not give rise to any horizontal competition concerns in the potential market for mobile app advertising intermediation in the State.
21. First, there is a minimal horizontal overlap between the parties' activities in mobile app advertising intermediation in the State. The parties' estimated combined market share would be less than 5%⁵.
22. Second, there will remain a number of competitors, including Google, Facebook AppLovin, IronSource, Unity, Aquii, Moloco, and CrossInstall, which will continue to exert a competitive constraint on the merged entity following implementation of the Proposed Transaction.
23. In addition, advertisers who wish to place advertisements within mobile apps have many alternative options, such as placing advertisements directly through platforms such as Facebook, Google or Twitter.
24. Therefore, an advertiser that wants to place advertisements within mobile apps may allocate portions of its advertising spend directly to Google, Twitter, TikTok, Facebook, and indirectly with multiple demand side platform networks including Liff Mobile, and multiple SDK networks, including Vungle, all at once, while constantly adjusting the proportion of advertising spend it allocates to each provider based on the return on investment it is seeing.
25. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in the State.

Vertical Relationship

⁵ Source: the parties based on estimates from appsflyer available at: <https://www.appsflyer.com/blog/app-install-ad-spend/> and emarketer available at: <https://www.emarketer.com/content/mobile-advertising-outlook-2021>.



26. The parties informed the Commission that there is no vertical relationship between Liftoff Mobile and any of the Blackstone Portfolio Companies in the State.
27. The parties informed the Commission of an existing vertical relationship outside the State between Liftoff Mobile and two of the portfolio companies controlled by Blackstone, Murka Games Limited (“Murka”) and Buzz Finco LL (“Bumble”). Murka is a developer of social and mobile games in the social-casino genre. [...] of Liftoff Mobile’s turnover in the State (allocated based on the location of the customer) in 2019 was generated from services provided to Murka.⁶
28. Bumble builds, owns and operates dating apps under a family of brands, including the apps Badoo and Bumble, which advertise using Liftoff Mobile’s services. In 2019 and 2020, [...].
29. The parties informed the Commission of a potential vertical overlap outside the State between Liftoff Mobile and one Blackstone controlled portfolio company, Axonix Ltd. (“Axonix”), an operator of a programmatic bidding exchange. However, Liftoff Mobile [...]. Additionally, [...] in the State in 2019.
30. Based on the above, the Commission considers that the Proposed Transaction does not raise any vertical competition concerns in the State.

Conclusion

31. 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

32. No ancillary restraints were notified.

⁶ Some advertisements delivered through Liftoff Mobile’s relationship with Murka target viewers in Ireland. Liftoff generated turnover of [...] from Murka’s advertisements that were directed at viewers in the State.



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 Booster Parent Holdings Inc., a wholly-owned subsidiary of certain funds managed by affiliates of The Blackstone Group Inc., would acquire sole control of Liftoff Mobile Inc. 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