



DETERMINATION OF MERGER NOTIFICATION M/21/008 – DMG MEDIA / NEW SCIENTIST

Section 21 of the Competition Act 2002

Acquisition of sole control of New Scientist Group Limited by DMG Media Limited.

Dated 12 April 2021

Introduction

1. On 1 March 2021, in accordance with section 18(1)(b) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of the acquisition whereby DMG Media Limited (“DMG Media”), a wholly-owned subsidiary of Daily Mail and General Trust Plc (“DMGT”) would acquire sole control of New Scientist Group Limited (“New Scientist”) (the “Notified Transaction”).
2. The parties state in the notification that in the view of the parties the Notified Transaction may be regarded as a ‘media merger’¹. The Commission has therefore reviewed the Notified Transaction as a transaction which constitutes a media merger for the purposes of Part 3A of the Act.

Putting the Notified Transaction into Effect Prior to Commission Clearance

3. The parties informed the Commission that DMG Media was to acquire ownership of New Scientist by 3 March 2021, which is two days after the notification was submitted to the Commission but before the Commission had determined that the Notified Transaction could be put into effect. The parties state in the notification that they *“...confirm to the CCPC that, notwithstanding the transfer of ownership occurring by 3*

¹ As defined in section 28A(1) of the Act.



March 2021, the Notified Transaction will not be put into effect in Ireland [...] in the next 3 months during which the CCPC will complete its review.”

4. In its correspondence dated 3 March 2021, the Commission informed the parties that pursuant to section 19(1) of the Act, any proposed merger or acquisition shall not be put into effect until the Commission has determined that the merger or acquisition may be put into effect². If a proposed merger or acquisition is put into effect in contravention of section 19(1) of the Act, such proposed merger or acquisition is void pursuant to section 19(2) of the Act. In accordance with its procedures, the Commission continued to review the Notified Transaction in accordance with the relevant provisions of the Act.

The Notified Transaction

5. The Notified Transaction is to be implemented pursuant to a share purchase agreement (“SPA”) between the [...] ³, the [...] sellers⁴ and DMG Media dated 3 March 2021. Pursuant to the SPA, DMG Media is to acquire the entire issued share capital, and thereby sole control, of New Scientist.

The Undertakings Involved

The Acquirer – DMG Media

6. DMG Media is a wholly owned UK-incorporated subsidiary of DMGT. DMGT is a UK based business that manages a portfolio of companies providing businesses and consumers with information, analysis, insight, events, news and entertainment products and services in key sectors including consumer media, insurance risk, property information, education technology, energy information and events & exhibitions. DMG Media operates DMGT’s consumer media business in the UK.

² Pursuant to section 19(1) of the Act, any proposed merger or acquisition that is required to be notified to the Commission pursuant to section 18(1) of the Act shall not be put into effect until the Commission has made a determination in relation to such merger or acquisition that it may be put into effect (or until the statutory period for the Commission to make a determination in relation to such merger or acquisition has elapsed). If a proposed merger or acquisition is purportedly put into effect in contravention of section 19(1) of the Act, such merger or acquisition is void under section 19(2) of the Act.

³ [...].

⁴ [...].



7. DMGT operates in the State through its indirectly wholly owned subsidiary, Associated Newspapers (Ireland) Limited (trading as DMG Media Ireland). Its business activities include the publication of Irish newspapers (the Irish Daily Mail, the Irish Mail on Sunday) as well as operating a number of websites including *MailOnline*, *EVOKE.ie*, *Rollercoaster.ie*, *onefabday.com* and *Extra.ie*.
8. For the financial year ending 30 September 2020, DMGT's worldwide turnover was approximately €1,317 billion⁵. In 2020, approximately €[...] million of the turnover was generated in the State.

The Target Company – New Scientist

9. New Scientist is a UK incorporated company which owns and operates the *New Scientist* magazine and its associated digital content. New Scientist has very limited activities in the State and publishes no Irish-specific content or advertising.
10. The *New Scientist* magazine has limited readership in the State, with circa. [...] subscriptions in the State and approximately [...] people in the State buying a single copy of each weekly edition in newsagents.⁶
11. For the financial year ending 31 December 2020, New Scientist's worldwide turnover was approximately €[...] million, of which approximately €[...] was generated in the State.⁷

Rationale for the Notified Transaction

12. The parties state in the notification:

“For DMG Media, the Proposed Transaction [...]. For Target, The decision to sell [...].”

Third Party Submissions

13. No submission was received.

⁵ Calculated using an exchange rate of stg£1 - €1.14.

⁶ Source: Average retail sales in retail outlets (per weekly edition) for 2020 compiled by Marketforce.

⁷ Note these figures are unaudited.



Competitive Analysis

Horizontal Overlap

14. DMGT is active in newspaper publishing and advertising in the State. New Scientist is active in magazine publishing in the State, and it publishes no Irish-specific content nor [...] ⁸.
15. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In its previous determination, the Commission has concluded that alternative print media for example, magazines, leaflets and directories are not substitutable for newspaper. ⁹ In this instance, the Commission considers that there is no reason to depart from its previous view, i.e., newspaper publishing and magazine publishing do not constitute the same product market and newspaper advertising and magazine advertising do not constitute the same product market. Therefore, there is no horizontal overlap between the parties' business activities in the State.
16. In light of the above, the Commission considers that the Notified Transaction does not raise any horizontal competition concerns in the State.

Vertical Relationship

17. The parties informed the Commission that there is no vertical relationship between the parties' activities in the State. The Commission has not identified any vertical relationship between the parties in the State. Therefore, the Commission considers that the Notified Transaction does not raise any vertical competition concerns in the State.

Conclusion

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

⁸ The parties state in the notification that advertising purchased from New Scientist [...] does not constitute "Irish turnover".

⁹ Paragraph 28, [M/07/064- Johnston Press/Clonnad](#) and paragraph 2.9 [M/18/016- Trinity Mirror/Northern & Shell](#)



Ancillary Restraints

19. 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 acquisition whereby DMG Media Limited, a wholly-owned subsidiary of Daily Mail and General Trust Plc would acquire sole control of New Scientist Group 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, subject to the provisions of section 28C(1) of the Competition Act 2002, as amended¹⁰.

For the Competition and Consumer Protection Commission

Brian McHugh

Member

Competition and Consumer Protection Commission

¹⁰Section 28C(1) of the Competition Act 2002, as inserted by section 74 of the Competition and Consumer Protection Act 2014.