



DETERMINATION OF MERGER NOTIFICATION M/21/052 – DMG/NALAC

Section 21 of the Competition Act 2002

Proposed acquisition of sole control of Nalac Limited by DMG Media Ireland.

Dated 27 October 2021

Introduction

1. On 20 September 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 a proposed acquisition whereby Associated Newspapers (Ireland) Limited trading as DMG Media Ireland (“DMG Media”), a wholly-owned subsidiary of Associated Newspapers Limited, which in turn is a wholly owned subsidiary of Daily Mail and General Trust plc (“DMGT”), would acquire sole control of Nalac Limited (“Nalac”) (the “Proposed Transaction”).
2. The parties state in the merger notification form that in the view of the parties the Proposed Transaction may be regarded as a ‘media merger’.¹ The Commission has therefore reviewed the Proposed Transaction as a transaction which constitutes a media merger for the purposes of Part 3A of the Act.

The Proposed Transaction

3. The Proposed Transaction is to be implemented pursuant to a share purchase agreement dated 13 September 2021 between the sellers², DMG Media and Nalac (the

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

² The individual sellers are the three individuals who are the legal and beneficial owners of the shares in Nalac and are identified in schedule 1 to the SPA.



“SPA”). Pursuant to the SPA, DMG Media is to acquire the entire issued share capital, and thereby sole control, of Nalac.

The Undertakings Involved

The Acquirer – DMG Media

4. DMG Media is a wholly owned, Irish incorporated subsidiary of Associated Newspapers Limited, a company incorporated in England and Wales which in turn is a wholly owned subsidiary of DMGT. The business activities of DMG Media 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, Geek Ireland and Extra.ie.
5. 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. DMGT also operates the New Scientist Magazine in the State.³
6. For the financial year ending 30 September 2020, DMGT’s worldwide turnover was approximately €1,317 billion⁴, of which approximately €[...] million of that turnover was generated in the State.

The Target Company – Nalac

7. Nalac is an Irish incorporated company which owns and operates Business Plus and BizPlus.ie, a monthly magazine (and associated digital content) focussing on business content, such as the activities of Irish companies or businesses based in Ireland.
8. Business Plus is a monthly magazine which published 9 issues in 2020. It is primarily sold in Ireland, with a limited number of sales in Northern Ireland, the UK and elsewhere. Business Plus magazine’s average issue circulation from January to

³ See M/21/008 DMG/New Scientist, available at: <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m-21-008-dmg-media-new-scientist/>.

⁴ Calculated using an exchange rate of stg£1 - €1.14.



December 2020 was [...] copies per issue, with around [...] annual unique users of the BizPlus.ie website.

9. For the financial year ending 31 December 2020, Nalac's worldwide turnover was approximately €[...], of which €[...] was generated in the State.

Rationale for the Proposed Transaction

10. The parties state in the merger notification form:

"[...]."

Third Party Submissions

11. No submission was received.

Competitive Analysis

Horizontal Overlap

12. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case.
13. In the State, DMG Media is active in the publication of its newspapers, the Irish Daily Mail and the Irish Mail on Sunday, and sells print advertising in these publications. DMG Media also operates and sells online advertising on the websites MailOnline.ie, Rollercoaster.ie, Geek Ireland, EVOKE.ie, Extra.ie and OneFabDay.com. DMGT also publishes the New Scientist Magazine. Nalac is active in magazine publishing in the State and operates the website BizPlus.ie, as well as being active in the sale of print and online advertising in its magazine Business Plus and its website BizPlus.ie.

Newspaper and magazine publishing

14. In its previous determinations, the Commission has concluded that alternative print media, for example, magazines, leaflets and directories are not substitutable for



newspapers.⁵ In this instance, the Commission considers that there is no reason to depart from its previous approach, i.e., newspaper publishing and magazine publishing do not constitute the same product market.

15. There is a minor overlap between the parties in relation to magazine publishing in the State. DMGT publishes the monthly New Scientist Magazine which generated €[...] turnover in the State in 2020, amounting to less than [0-5]% market share of the Irish magazine publishing market⁶. Nalac publishes its monthly magazine Business Plus, which generated €[...] in 2020, holding less than [0-5]% market share of the Irish magazine publishing market.⁷ Therefore, following completion of the Proposed Transaction, DMGT and DMG Media's market share in magazine publishing in the State will remain below [0-5]%.
16. In light of the above, the Commission considers that the minor horizontal overlap between DMGT and Nalac with respect to magazine publishing raises no horizontal competition concerns in the State.
17. There is no overlap between the parties in newspaper publishing in the State. DMG Media publishes its newspapers the Irish Daily Mail and the Irish Mail on Sunday but Nalac is not active in newspaper publishing.

Advertising

18. Separately, both DMG Media and Nalac are active in the sale of print and online advertising in the State. The Commission and its predecessor the Competition Authority found in previous merger determinations that the sale of print advertising and the sale of online advertising constitute different product markets.⁸ In this

⁵ Paragraph 28, M/07/064- Johnston Press/Clonnad, available at: <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2017/05/M07064-Johnston-Press-Clonnad-Determination-Public.pdf> and paragraph 2.9 M/18/016- Trinity Mirror/Northern & Shell, available at: <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m18016-trinity-mirror-northern-shell/>.

⁶ The Commission's estimate, based on total annual circulation numbers and information provided by the parties.

⁷ The parties' estimate, based on figures from Magazine Ireland available at: <http://www.magazinesireland.ie/about-magazines-ireland> and <http://www.magazinesireland.ie/irish-magazine-news/abc-ireland-report-to-end-june-2017>.

⁸ See M/17/009 – Irish Post/Irish TV available at: <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2017/02/M-17-009-Irish-Post-Irish-TV-Public.pdf> and M/18/016 Trinity Mirror/Northern & Shell, available at: <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2018/02/M-18-016-Trinity-Mirror-Northern-Shell-Phase-2-DET-public.pdf>.



instance, the Commission considers that there is no reason to depart from its previous approach, i.e., print advertising and online advertising do not constitute the same product market.

Print advertising

19. In relation to the sale of print advertising, in this instance the Commission does not need to come to a definitive view as to whether the sale of advertising in magazines is a separate product market to the sale of advertising in newspapers, as its conclusion on the competitive impact of the Proposed Transaction will be unaffected whether the precise relevant product is narrow (e.g., the sale of newspaper advertising and the sale of magazine advertising individually) or broader to include the sale of newspaper and magazine advertising.
20. There is a minor overlap between the parties in relation to the sale of print advertising in the State. DMG Media conducts newspaper advertising and Nalac carries out magazine advertising.
21. If newspaper and magazine advertising are considered to be separate and distinct markets, there is no horizontal overlap between the parties' activities in the State. Nalac, unlike DMG Media, does not sell newspaper advertising in the State. Similarly, in respect of the sale of magazine advertising, there would be no horizontal overlap between the parties as DMG Media, unlike Nalac, does not sell magazine advertising in the State.⁹
22. For completion, if newspaper and magazine advertising are deemed to form part of the same market, this will result in a minor horizontal overlap between the parties' activities in the State. DMG Media supplies print newspaper advertising in the State through DMG Media's publication of the Irish Daily Mail and the Irish Mail on Sunday. In 2020, DMG Media's turnover in newspaper advertising in the State amounted to €[...]. Nalac sells print magazine advertising through the publication of its magazine Business Plus, and generated €[...] in turnover through print advertising in 2020. In the

⁹ New Scientist does not sell any Irish-targeting advertising in the State.



potential market for the sale of print advertising in the State, DMG Media's and Nalac's shares account for [0-5]% and [0-5]% market shares respectively.¹⁰ Therefore, following completion of the Proposed Transaction, the merged entity will account for [0-5]% market share in the potential market for print advertising in the State. Additionally, there is a continued decline in the circulation of print media, and strong competition is offered from remaining print media and online competitors. Thus, the Commission does not consider a minor overlap between the parties with regard to the potential market for print advertising in the State to raise any horizontal competition concerns.

Online advertising

23. There is a minor overlap between the parties in relation to the sale of online advertising in the State. DMG Media sells online advertising on its websites including MailOnline, EVOKE.ie, Rollercoaster.ie, onefabday.com, Geek Ireland and Extra.ie, generating €[...] in turnover in 2018 (equivalent to less than [0-5]% of the online advertising market.) Nalac also sells online advertising on its website BizPlus.ie, amounting to €[...] in turnover in 2018 (equivalent to less than [...] market share).¹¹ Therefore, following completion of the Proposed Transaction, DMG Media's market share in online advertising will remain below [0-5].
24. Furthermore, there remains strong international and Irish-based competitors selling online advertising space to customers in the State that will act as a competitive constraint on DMG Media following implementation of the Proposed Transaction.
25. In light of the above, the Commission considers that the minor horizontal overlap between DMG Media and Nalac with respect to the sale of online advertising raises no horizontal competition concerns in the State.

¹⁰ Parties' estimated, based on Nielsen Ad Spend data 2021.

¹¹ The parties' estimates using IAB/PWC online Adspend Study, available at: <https://www.pwc.ie/media-centre/press-release/2019/digital-advertising-grew-in-2018-according-to-iab-pwc-report.html>.



Vertical Overlap

26. There is a limited vertical overlap between the parties. DMG Media has previously purchased advertising space for Extra.ie in Business Plus.¹² In 2020, Nalac sold €[...] of advertising space to Extra.ie. Nalac's share of total magazine advertising spend in the State is [5-10]%,¹³ and in a combined market for the sale of magazine and newspaper advertising, Nalac accounts for [0-5]% market share in the State, as noted in paragraph 22 above. Following completion of the Proposed Transaction, there will remain several large competitors active in the sale of print advertising in the State whose presence will constrain the activities of the merged entity post-transaction.
27. On this basis, the Commission considers that the Proposed Transaction does not raise any vertical competition concerns in the State.

Conclusion

28. 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

29. No ancillary restraints were notified.

¹² Additionally, DMG Media has provided Nalac with access to its studio facilities to record online videos. However, given the de minimus nature of this relationship, it is not considered any further in this determination.

¹³ Parties' estimated, based on Nielsen Ad Spend data 2021.



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 Associated Newspapers (Ireland) Limited trading as DMG Media Ireland, a wholly-owned subsidiary of Associated Newspapers Limited, which in turn is a wholly owned subsidiary of Daily Mail and General Trust plc, would acquire sole control of Nalac 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 amended.¹⁴

For the Competition and Consumer Protection Commission

Brian McHugh

Member

Competition and Consumer Protection Commission

¹⁴ Section 28C(1) of the Competition Act 2002, as inserted by section 74 of the Competition and Consumer Protection Act 2014.