

OFFICE FOR COMPETITION

30 August 2019

COMP-MCCAA/13/2019- Acquisition by Redbird Parent Holdings Inc.

Decision on acquisition in terms of Regulations 6 (1) (ii) and 12(4) of the Control of Concentrations Regulations (LN 294 of 2002 as subsequently amended)

The Office for Competition,

Having considered the notification filed on 2 August 2019 pursuant to Regulation 5 of the Control of Concentrations Regulations,

Having considered the provisions of the Control of Concentrations Regulations,

Having considered Commission Notice on a simplified procedure for treatment of certain concentrations under Regulation (EC) No 139/2004

Facts

1. On 2 August 2019, the Office for Competition received a notification of a proposed acquisition pursuant to Regulation 5 of the Control of Concentrations Regulations (hereinafter referred to as “the Regulations”), whereby funds and affiliates of The Blackstone Group Inc. (hereinafter referred to as “the Notifying Party”) will acquire sole control of Vungle Inc. (hereinafter referred to as “the Acquired Party”).
2. The notification was accepted as a complete notification on 5 August 2019. The proposed acquisition was notified to the public through a notice that appeared in a daily newspaper on 13 August 2019 and a notice that appeared in the Government Gazette No.20,248 on 13 August 2019. No third-party objections were received.

Parties

3. The Blackstone Group Inc. having its registered address at 345 Park Avenue, New York, NY 10154, is a global alternative asset manager listed on the New York Stock Exchange, headquartered in the United States and has offices in

Europe and Asia. It operates as an investment management firm, not as a conglomerate or a holding company. Accordingly, each company in its investment portfolio is independently managed and financed, each having different investors. Each Blackstone portfolio company has its own board of directors, which frequently also includes Blackstone representatives. The Notifying Party is present in the Maltese Market through a list of controlled portfolio companies active in Malta.

4. Vungle Inc. having its registered address at 1255, Battery Street, Suite 500, San Francisco, CA 94111, is a company incorporated in the United States of America, having six subsidiaries located in the UK, China, Germany, Japan, Korea and Singapore, respectively. The Acquired Party provides technology-enabled advertising services to advertisers that desire assistance in marketing their brands, by offering a variety of products and services that are designed to target and engage mobile users on behalf of advertisers. The Acquired Party has no physical presence in Malta, but it is active on the Maltese market by billing customers for the intermediation services for advertising on mobile devices.

Transaction

5. Pursuant to an Agreement and Plan of Merger dated 12 July 2019, the Notifying Party proposes to acquire by funds and affiliates thereof more than 90% of the share capital of the Acquired Party via the fully controlled acquisition vehicles Redbird Parent Holdings, Inc. and Redbird Merger Sub, Inc., which were created for the purpose of this transaction. The completion of this transaction is conditional upon, *inter alia*, clearance of the proposed concentration by the Office for Competition in Malta within the Malta Competition and Consumer Affairs Authority.

Notifiable Concentration

6. In terms of regulation 2 of the Control of Concentrations Regulations, a concentration, *inter alia*, refers to the acquisition by one or more undertakings or by one or more persons already controlling at least one undertaking whether by purchase of securities or assets, by contract or by other means, of direct or indirect control of the whole or parts of one or more undertakings.
7. The proposed transaction brings about the acquisition by the Notifying Party of control on the Acquired Party in the form of shares.
8. Therefore, the proposed transaction constitutes a concentration within the meaning of regulation 2 of the Control of Concentrations Regulations.

Threshold for Notification

9. The aggregate turnover of the concerned undertakings concerned in the preceding financial year exceeds €2,329,373.40 and each of the parties had a turnover in Malta equivalent to at least 10% of the combined aggregate turnover in Malta of the undertakings concerned.
10. The notified concentration, therefore, meets the notification threshold as set out in Regulation 2 of the Regulations.

Simplified Procedure

11. Following the examination of the notification, it is considered that the notified concentration falls within the scope of Regulation 12(1) of the Regulations, whereby it is provided that:

“The simplified procedure will apply to the following categories of concentrations that are deemed not to raise serious doubts as to their legality in terms of the provisions of these regulations...:

(ii) two or more undertakings merge, or one or more undertakings acquire sole or joint control of another undertaking, provided that none of the parties to the concentration are engaged in business activities in the same product or geographical market, or in a product market which is upstream or downstream of a product market in which any other party to the concentration is engaged”.

Conclusion

In view of the above and in terms of Regulations 6 (1) (ii) and 12 (4) of the Regulations, it is therefore decided:

- (1) that the Concentration falls within the scope of the Regulations on Control of Concentrations;
- (2) that the Concentration does not raise serious doubts as to its lawfulness;
- (3) not to oppose the notified Concentration and to declare it a lawful Concentration.



Godwin Mangion
Director General