Online advertising: the Autorité de la concurrence clears the acquisition of sole control of Teads by Outbrain

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Background

On 18 November 2024, Outbrain notified the *Autorité de la concurrence* of its plan to acquire sole control of Teads, which is currently controlled by the Altice group.

For the first time in a merger control decision, the *Autorité* examined the non-search-related online advertising sector. At the end of its investigation, the *Autorité* cleared the transaction without conditions.

The parties to the transaction

Outbrain operates in the online advertising sector. The company is specialised in content recommendation ads, which are usually displayed at the bottom of a webpage and are used by advertisers to drive reader conversions. Content recommendation ads represent most of its revenue.

Teads is a subsidiary of the Altice group. Also active in the online advertising sector, the company is specialised in video and non-video ads used primarily for building brand recognition. Teads ads are generally displayed in the middle of a webpage, between two paragraphs of editorial content. Brand advertising

represents the largest share of its revenue.

The *Autorité* ruled out any risk of harm to competition from the transaction in the markets concerned

For the first time in a merger control decision, the ***Autorité*** examined the non-search-related online advertising sector.

It conducted its analysis on the market for the provision of non-search-related online advertising services, as well as the markets for the provision of intermediation services for non-search-related online advertising.

Regarding the market for the provision of non-search-related online advertising services, the ***Autorité*** applied to its merger control examination the approach developed as part of its antitrust decisions and its opinions, recalling there is a distinction between search-related advertising and non-search-related advertising. Concerning the geographic delineation of the market, the ***Autorité*** used a national scope.

Regarding the markets for the provision of intermediation services for non-search-related online advertising, the ***Autorité*** confirmed there are differences between demand-side platforms (DSP) and supply-side platforms (SSP) and therefore conducted its analysis on both DSPs and SSPs. Moreover, the ***Autorité*** conducted its analysis at the level of the European Economic Area (EEA).

On the market for the provision of non-search-related online advertising services, the ***Autorité*** found that due to the parties' limited market shares and the presence of major competitors on the market, the transaction was not likely to harm competition on the market. In addition, the ***Autorité*** found the transaction was likely to foster the emergence of an independent player that could compete with major digital players due, in particular, to the complementarity of the activities of Outbrain (content recommendation) and Teads (brand advertising).

On the markets for the provision of intermediation services for non-search-related online advertising, the ***Autorité*** also found the transaction was not likely

to harm competition due to the parties' very limited market shares and the presence, on both the demand and supply sides, of a number of major players.

At the end of its competitive analysis, the *Autorité* therefore cleared the transaction without conditions.

DECISION 24-DCC-263 OF 10 DECEMBER 2024

on the acquisition of sole control of Teads by Outbrain

The full text of the decision (in French) will be available soon

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