The Autorité de la concurrence clears two transactions in the audiovisual sector

Published on September 21, 2020

The Autorité de la concurrence cleared the joint takeover of Mediawan by companies of Messrs Capton, Pigasse and Niel and the exclusive control acquisition of Lagardère Studio by Mediawan.

On 17 August 2020, the companies Groupe Troisième Œil (GTO), controlled by Mr. Pierre-Antoine Capton, Les Nouvelles Éditions Indépendantes (LNEI) controlled by Mr. Matthieu Pigasse and NJJ Presse, controlled by Mr. Xavier Niel, notified the Autorité de la concurrence with their plan to acquire joint control of Mediawan, as part of a takeover bid launched on 30 July 2020.

In addition, on 21 August 2020, Mediawan notified the Autorité of its plan to acquire exclusive control of Lagardère Studios and its subsidiaries.

Parties to the transaction

NJJ Presse is a company of the NJJ group, controlled by Mr. Xavier Niel. The group is particularly active in the publishing and press sector (in particular with the press publications *Le Monde, Le Nouvel Observateur* and *Nice Matin*) and in the provision of telecommunications services (through its subsidiary Iliad which operates the Free brand).

LNEI is active in the publishing and press sector (in particular with the press publications *Le Monde* and *Le Nouvel Observateur* alongside NJJ Presse and *Les*

Inrocks) and in the radio sector via Novapress (Radio Nova, TSF Jazz).

GTO is active in the production of flow programs (on-set television shows) and stock (fictions, documentaries).

The Mediawan company, founded by Messrs Niel, Pigasse and Capton, is active in the production of audiovisual content and the publishing of seventeen pay channels (notably RTL9, AB1 and Mangas) broadcasted in France and in Europe.

Lagardère Studios, a subsidiary of the Lagardère Group, is active in the production and distribution of audiovisual content in France and internationally.

The Autorité considered, after analysing the cases, that the planned transactions were not likely to harm competition

As the notification of the transaction relating to the joint takeover of Mediawan by NJJ Presse, LNEI and GTO preceded the one relating to the exclusive takeover of Lagardère Studios by Mediawan, the Autorité analysed the second transaction taking into account the effects of the first.

- *The effects of the two transactions on the rights and channel publishing markets*

The two transactions result in an overlap of activity in the broadcasting rights markets for audiovisual programmes, with GTO, Mediawan and Lagardère Studios all producing audiovisual programmes. However, in these markets, the market shares following the two transactions are less than 25% and many competitors are active there such as production companies Newen, Banijay, StudioCanal, Elephant and JLA Group. As a result, any risk of harm to competition could be ruled out.

Furthermore, due to Mediawan's activities in the channel publishing markets, the transactions also lead to a vertical overlap in the markets for broadcasting rights for audiovisual programmes, with Mediawan purchasing broadcasting rights in order to broadcast programmes on the channels it's editing. These effects could also be ruled out due to the parties' limited market shares (less than 30%), the

existence of other producers able to offer audiovisual programmes to channels competing with those of Mediawan and the existence of other pay channels able to broadcast audiovisual programmes produced by competitors of Mediawan, GTO and Lagardère Studios.

- *The specific effects of the joint takeover of Mediawan by GTO, LNEI and NJJ*

In the specific case of the joint takeover of Mediawan by the companies GTO, LNEI and NJJ, the transaction results in several other vertical overlaps of activity.

A first overlap concerns the channel publishing activity of Mediawan, on the one hand, and on the other hand, the television service distribution activity provided by Iliad (NJJ) as part of Free's so-called "multi-play" internet offers.

A second overlap exists between the parties' advertising activities (television advertising for Mediawan, press and online advertising for NJJ and LNEI, radio advertising for LNEI) and the activities for which the parties purchase advertising space (for example, purchase of advertising space for Free offers and Mediawan channels).

However, any risk of harm to competition could be ruled out due to the parties' lack of capacity and incentive to implement foreclosure mechanisms between the various markets concerned, given the limited market shares of the new entity and the existence of competitive alternatives.

For these reasons, the Autorité therefore cleared both transactions unconditionally.

- ***See full text of decision 20-DCC-124 of 21 September 2020 regarding the joint control acquisition of Mediawan by Les Nouvelles Éditions Indépendantes, NJJ Presse and Groupe Troisième OEil***
- ***See full text of decision 20-DCC-125 of 21 September 2020 regarding the full control acquisition of Lagardère Studios company by Mediawan company***