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PUBLIC VERSION

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus […]. Where possible the information omitted has been replaced by ranges of figures or a general description.

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Subject: **Case M.10358 – ADVENT INTERNATIONAL / EURAZEO / PLANET PAYMENT GROUP**
Commission decision pursuant to Article 6(1)(b) of Council Regulation No 139/2004[1] and Article 57 of the Agreement on the European Economic Area[2]

Dear Sir or Madam,

(1) On 24 August 2021, the European Commission received notification of a proposed concentration pursuant to Article 4 of the Merger Regulation (the "Transaction") according to which Advent International Corporation ("Advent", USA) and Eurazeo SE ("Eurazeo", France, together with Advent the "Notifying Parties") intend to acquire, within the meaning

1 OJ L 24, 29.1.2004, p. 1 (the 'Merger Regulation'). With effect from 1 December 2009, the Treaty on the Functioning of the European Union ('TFEU') has introduced certain changes, such as the replacement of 'Community' by 'Union' and 'common market' by 'internal market'. The terminology of the TFEU will be used throughout this decision.

2 OJ L 1, 3.1.1994, p. 3 (the 'EEA Agreement').

of Article 3(1)(b) and 3(4) of the Merger Regulation, joint control of Planet Payment Group ("Planet", Ireland).[3]

1. THE PARTIES

(2) **Advent** is a private equity investor and has holdings in various sectors. Advent notably jointly controls Nexi SpA ("Nexi"), which provides payment services for merchants, cardholders and banks, such as merchant acquiring services, provision of point-of-sale ("POS") terminals and related services.[4]

(3) **Eurazeo** is an investment company with three main activities: private equity, private debt and real assets. Eurazeo currently holds sole control over Planet.

(4) **Planet** provides integrated digital payment services including acquiring, processing, digital wallets, VAT refund and currency conversion services to merchants in the retail, hospitality, food and beverage, parking and financial sectors.

2. UNION DIMENSION

(5) The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 000 million (Advent: EUR […] million, Eurazeo: EUR […] million).[5] Advent and Eurazeo each have EU-wide turnover in excess of EUR 250 million (Advent: EUR […] million; Eurazeo: EUR […] million). The notified operation therefore has a Union dimension.

3. THE CONCENTRATION

(6) On 28 May 2021, Advent and Eurazeo entered into a Share Purchase Agreement and a Shareholder's Agreement, which would ultimately confer joint control over Planet to Advent and Eurazeo. In particular, under the terms of the Shareholder's Agreement, the consent of each of Advent and Eurazeo is required for (i) the appointment and removal of directors of any subsidiary of the parent company of Planet, (ii) the approval of the budget and (iii) the approval of the business plan.[6]

(7) The Transaction implies the acquisition by Advent and Eurazeo of the entire outstanding share capital of Planet which amounts to a concentration within the meaning of Article 3(1)(b) and Article 3(4) of the EUMR. Pursuant to the Shareholders' Agreement, Advent and Eurazeo will each acquire joint control over Planet.

(8) Planet is an economically autonomous entity that is not reliant on sales to Eurazeo and is independently active on the markets in which it currently operates, offering products and services to third parties. Post-Transaction, Planet will become a full-function joint venture

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3 Publication in the Official Journal of the European Union No C 348, 30.8 2021, p. 8.

4 References to Nexi in this decision also include the activities of Nets A/S and Concardis Payment Group acquired by Nexi in 2 021. See Commission decision of 8 March 2021, Case M.10075 – *Nexi/Nets Group*.

5 Turnover calculated in accordance with Article 5 of the Merger Regulation.

6 Advent and Eurazeo also intend to acquire joint control over Hoist Group Holding Intressenter AB ("Hoist") as a separate transaction (Case M.10368 *Advent / Eurazeo / Hoist*, the "Hoist Transaction"), but under the terms of the same Shareholder's Agreement. The two transactions are however not interrelated within the meaning of the consolidated jurisdictional notice. Completion of the Transaction is not conditional, de jure or de facto, on completion of the Hoist Transaction. In any event, the Hoist Transaction does not impact the competitive assessment of the Transaction. Hoist provides property management software which allows hotels to manage day-to-day bookings and operations. There is no horizontal overlap or vertical relationship between the activities of Hoist and Planet.

within the meaning of Article 3(4) of the EU Merger Regulation. Planet will in particular continue to: (i) have its own dedicated management and access to sufficient resources in order to conduct its business on a lasting basis; (ii) maintain its own market presence; and (iii) not be reliant on the Notifying Parties for sales or purchases.

4. MARKET DEFINITION

(9) Both Advent through Nexi and Planet are active in card payment services, including merchant acquiring, acquiring processing, and the provision and management of POS terminals.

4.1. Merchant acquiring

(10) Merchant acquiring comprises a set of services that allows merchants to accept card-based payments via POS terminals or online. Merchant acquirers typically offer their services directly to merchants (retail merchant acquiring). In Italy, merchant acquirers also offer services to partner banks who ultimately control the commercial relationship with merchants (wholesale merchant acquiring).

(11) In its decisional practice in terms of product market definition, the Commission defined separate relevant markets for retail and for wholesale merchant acquiring services in Italy only.[7] The Commission also considered sub-segmenting (retail) merchant acquiring based on: (i) the payment card scheme (domestic or international); (ii) the payment card brand (e.g., VISA or Mastercard); (iii) the payment card type (credit or debit); (iv) the payment platform (POS merchant acquiring or e-commerce merchant acquiring); and (v) the size of the merchant (large merchants or small/medium companies) but ultimately left these questions open.[8]

(12) In terms of geographic market definition, the Commission regularly found that markets for merchant acquiring are likely at least national in scope, with the exception of e-commerce merchant acquiring, which is likely EEA-wide in scope, eventually leaving the precise definition open.[9]

(13) The Notifying Parties consider that segmentations of retail merchant acquiring are no longer relevant in light of the evolution of the market and the high degree of substitutability.[10] The Notifying Parties also consider that the relevant geographic market for merchant acquiring and any potential segments thereof is EEA-wide, due to technological and regulatory changes, as well as consolidation of the industry.[11]

(14) The Commission considers that, for the purposes of this decision, in line with the decisional practice described above: (i) wholesale and retail merchant acquiring constitute separate markets in Italy; (ii) POS merchant acquiring and e-commerce merchant acquiring constitute separate markets; and (iii) whether any additional segmentations are relevant for merchant

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7 Commission decision of 8 March 2021, Case M.10075 – *Nexi/Nets Group*, paragraph 19. Also see Commission decision of 26 June 2020, Case M.9759 – *Nexi/ISP (Merchant Acquiring Business)*, paragraphs 25-27 and 39ff and Commission decision of 30 September 2020, Case M.9776 – *Worldline/Ingenico*, paragraph 34. This is due to the specific nature of the Italian market, including the important role of banks in retail merchant acquiring, which outsource wholesale merchant acquiring to third parties, some of which only offering merchant acquiring services at wholesale level.

8 Commission decision of 30 September 2020, Case M.9776 – *Worldline/Ingenico*, paragraph 36 and Commission decision of 26 June 2020, Case M.9759 – *Nexi/ISP (Merchant Acquiring Business)*, paragraphs 39-45.

9 Commission decision of 8 March 2021, Case M.10075 – *Nexi/Nets Group*, paragraph 22. Commission decision of 30 September 2020, Case M.9776 – *Worldline/Ingenico*, paragraphs 40ff, Case M.9759 – *Nexi/ISP (Merchant Acquiring Business)*, paragraphs 49ff.

10 Form CO, paragraph 99.

11 Form CO, paragraph 103.

acquiring can be left open, as the possible segmentation does not materially affect the Commission's assessment of the Transaction. Whether markets for merchant acquiring are national or EEA wide in scope can also be left open as the precise geographic scope does not materially affect the Commission's assessment of the Transaction.

4.2. POS terminal provision and management

(15) POS terminals are electronic devices used to process card-based transactions at a merchant's physical shop. Merchants purchase POS terminals directly from manufacturers or from resellers including merchant acquirers who are also responsible for the management of the POS terminals.

(16) In its decisional practice in terms of product market definition, the Commission found that there are separate markets for (i) the manufacture and supply of POS terminals and (ii) the provision and management of POS terminals.[12] The Commission has also considered further segmenting relevant markets based on the type of POS terminal (traditional, mobile, or smart POS terminals), or on customer size (large merchants or small/medium companies).[13] In terms of geographic market definition, the Commission found that markets for the provision and management of POS terminals are likely national in scope.[14]

(17) The Notifying Parties consider that POS terminal provision and management such as the one provided by the target form part of a larger market for payment acceptance solutions encompassing POS terminals and e-commerce acceptance solutions.[15] The Notifying Parties also consider that the relevant geographic market is EEA-wide in scope, due to technological and regulatory changes, as well as consolidation of the industry.[16]

(18) The Commission considers that, for the purposes of this decision, in line with the decisional practice described above, the relevant market is the provision and management of POS terminals, and whether any additional segmentations are relevant can be left open, as the possible segmentation does not materially affect the Commission's assessment of the Transaction. Whether markets for POS provision and management are national or EEA-wide in scope can also be left open as the precise geographic scope does not materially affect the Commission's assessment of the Transaction.

4.3. Acquiring processing

(19) Acquiring processing relates to the merchant-oriented side of technically processing a card payment transaction. It includes the network routing of payments towards the bank that issued the card and the POS authorisation.

(20) In its recent decisional practice in terms of product market definition, the Commission found that there is a separate market for acquiring processing services and no further sub-segmentation is appropriate.[17] In terms of geographic market definition, the Commission found that acquiring processing is likely EEA-wide in scope, but left the question open

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12 Commission decision of 30 September 2020, Case M.9776 – *Worldline/Ingenico*, paragraphs 59 and 64.

13 Commission decision of 8 March 2021, Case M.10075 – *Nexi/Nets Group*, paragraphs 31-33. Commission decision of 30 September 2020, Case M.9776 – *Worldline/Ingenico*, paragraphs 59-64, Case M.9759 – *Nexi/ISP (Merchant Acquiring Business)*, paragraphs 65-67.

14 Commission decision of 8 March 2021, Case M.10075 – *Nexi/Nets Group*, paragraph 30. Commission decision of 30 September 2020, Case M.9776 – *Worldline/Ingenico*, paragraph 72ff, Case M.9759 – *Nexi/ISP (Merchant Acquiring Business)*, paragraphs 71ff, 81ff.

15 Form CO, paragraph 109.

16 Form CO, paragraph 117.

17 Commission decision of 8 March 2021, Case M.10075 – *Nexi/Nets Group*, paragraph 27. Commission decision of 30 September 2020, Case M.9776 – *Worldline/Ingenico*, paragraph 87.

whether the market for acquiring processing services should be considered as national or EEA-wide in scope due to the lack of barriers to entry.[18]

(21) The Notifying Parties consider that acquiring processing constitutes a distinct market that should not be further segmented, but that in-house transactions should be excluded.[19] The Notifying Parties also consider that the relevant geographic market is at least EEA-wide in scope, due to purchasing and supply patterns and the lack of technical or regulatory barriers to provide services across Member States.[20]

(22) The Commission considers that, for the purposes of this decision, in line with the decisional practice described above, the relevant market is acquiring processing and no further sub-segmentation is appropriate. Whether markets for acquiring processing are national or EEA-wide in scope can be left open as the precise geographic scope does not materially affect the Commission's assessment of the Transaction.

5. COMPETITIVE ASSESSMENT

5.1. Horizontal overlaps

(23) Nexi and Planet overlap in (i) the provision of (retail) merchant acquiring services in Austria, Cyprus, Czechia, France, Germany, Ireland, Italy, Portugal, Spain and Sweden, (ii) the provision and management of POS terminal in Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain and Sweden, and (iii) the provision of acquiring processing services in Austria, Cyprus, Czechia, France, Germany, Ireland, Italy, Portugal, Spain, and Sweden.

(24) The proposed Transaction results in the following horizontally affected markets:[21]

(a) POS merchant acquiring in Germany and Italy,
(b) POS terminals provision and management in Finland, Italy, Norway and Sweden, and
(c) Acquiring processing in Italy.

5.1.1. Merchant acquiring

(25) Market shares of Nexi, Planet and their main competitors are presented in the table below:

Table 1 - Market shares - Retail merchant acquiring (POS)[22] (value, 2020)

EEA Country[23]	Combined share	Increment (Party)	Competitors
Germany[24]	[20-30]%	[0-5]%	Worldline (40-50%), CardProcess (5-10%)

18 Commission decision of 8 March 2021, Case M.10075 – *Nexi/Nets Group*, paragraph 30. Commission decision of 30 September 2020, Case M.9776 – *Worldline/Ingenico*, paragraph 92.

19 Form CO, paragraph 120.

20 Form CO, paragraph 123.

21 As other horizontal overlaps do not give rise to affected markets, they will not be discussed further.

22 An e-commerce merchant acquiring market would not be affected, as the combined market share of Nexi and Planet would remain [5-10]% at EEA level. The competitive assessment focuses on the POS (retail) merchant acquiring segment, as the Notifying Parties do not expect their market shares to differ materially, if merchant acquiring were to be further segmented by type of payment card, card brand, between domestic and international cards. With respect to POS merchant acquiring segmented by customer size in Italy in 2020, the combined market share of the Parties would be [20-30]% in the SME segment and [50-60]% in the segment for large customers. Planet's increment remains below [0-5]% regardless of the segmentation and hence, the conclusions drawn in paragraphs (26) – (28) apply equally for this alternative segmentation.

23 The Transaction does not give rise to horizontally affected markets at the EEA-wide level for any of the relevant product markets.

Table 1 - Market shares - Retail merchant acquiring (POS)[22] (value, 2020)			
EEA Country[23]	**Combined share**	**Increment (Party)**	**Competitors**
		(Planet)	Verifone (0-5%) Others (15-25%)
Italy	[40-50]%	[0-5]% (Planet)	Unicredit (10-20%), ICCREA (5-10%), Banco BPM (5-10%), BPER (0-5%), BNPP (0-5%), Others (10-25%)

(26) Planet is not an important player in merchant acquiring in any country where an affected market arises. For both horizontally affected markets (i.e. Germany and Italy), the market share of Planet is immaterial, i.e. [0-5]%.

(27) The limited impact of the Transaction on the market structure is also reflected in the HHI delta which is far below 150, under which the Commission is unlikely to identify horizontal competition concerns, absent special circumstances.[25]

(28) The combined entity will also face competitive constraints from several competitors active in merchant acquiring. These competitors include large players in payment services, e.g., Worldline, CardProcess or Verifone in Germany and major banks, e.g., Unicredit or ICCREA in Italy. Each of these players has a much higher share than the share increment, i.e. has a much stronger market position than Planet.

5.1.2. POS terminals provision and management

(29) Market shares of Nexi, Planet and their main competitors are presented in the table below:

Table 2 - Market shares - POS terminals provision and management[26] (volume, 2020)			
EEA Country[27]	**Combined share**	**Increment (Party)**	**Competitors**
Finland	[20-30]%	[0-5]% (Planet)	Verifone (40-50%), Worldline (5-10%), iZettle (0-5%), Sum-up (0-5%), Others (0-5%)
Italy	[30-40]%	[0-5]% (Planet)	Unicredit (5-10%), ICCREA (5-10%), Sum-up (5-10%), Banca Sella (0-5%), Others (20-40%)
Norway	[30-40]%	[0-5]% (Planet)	Verifone (40-50%), Worldline (5-10%), iZettle (0-5%), Sum-up (0-5%), Others (0-5%)
Sweden	[20-30]%	[0-5]% (Planet)	Verifone (50-60%), Worldline (5-10%), PayEx/SwedPay (5-10%), iZettle (0-5%), Sum-up (0-5%), Others (0-5%)

(30) Planet is not an important player in POS terminals provision and management in any country where an affected market arises. For all horizontally affected markets, the activities of Planet remain minimal. The share increment contributed by Planet is consistently less than [0-5]% and even less than [0-5]% in Finland and Italy.

(31) The limited impact of the Transaction on the market structure is also reflected in the HHI delta which is below 150, the threshold under which the Commission is unlikely to identify horizontal competition concerns, absent special circumstances, in each of Finland, Italy and

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24 Only international cards as there is no merchant acquiring for the domestic card scheme.

25 Commission Guidelines on the assessment of horizontal mergers under the Council Regulation on the control of concentrations between undertakings (the "Horizontal Merger Guidelines"), OJ C 31, 5.2.2004, p. 5, paragraph 20.

26 The competitive assessment focuses on the POS (terminals provision and management as a whole, as the Notifying Parties do not expect their market shares to differ materially, if merchant acquiring were to be further segmented by type of POS terminal or customer size. The only exception is Italy, where the Notifying Parties estimate that Nexi's share would likely be higher for large international accounts (approximately [40-50]%) than for SMEs (approximately [30-40]%).

27 The Transaction does not give rise to horizontally affected markets at the EEA-wide level for any of relevant product markets.

Norway.[28] In Sweden, while the HHI delta slightly exceeds this threshold, the combined market shares of Nexi and Planet are [20-30]%, i.e. only marginally above the 25% threshold, under which concentrations are presumed not to impede effective competition.[29]

(32) The combined entity will face competitive constraints from several competitors active in the provision and management of POS terminals. At least five other players remain active in each affected market. These competitors include (i) large providers of POS terminals who are vertically integrated into the manufacture of POS terminals (Worldline and market leader Verifone) and active across EEA countries, (ii) other providers of POS terminals such as iZettle or Sum-up also active across EEA countries, and/or (iii) major banks, including Unicredit, ICCREA or Banca Sella in Italy. These players typically have a market share that is much higher than the share increment, i.e. a much stronger market position than Planet.

5.1.3. Acquiring processing

(33) Market shares of Nexi, Planet and their main competitors are presented in the table below:

Table 3 - Market shares - Acquiring Processing (value, 2020)

EEA Country[30]	Combined share	Increment (Party)	Competitors
Italy	[20-30]%	[0-5]% (Planet)	SIA (40-50%), Worldline (10-20%), ICCREA (5-10%), First Data (0-5%), Others (10-20%)

(34) Planet is not an important player in acquiring processing in Italy where its market share is immaterial, i.e. less than [0-5]%.

(35) The limited impact of the Transaction on the market structure is also reflect in the HHI delta which is far below 150, under which the Commission is unlikely to identify horizontal competition concerns, absent special circumstances.[31] In addition, the combined market shares of Nexi and Planet remain below the 25% threshold, under which concentrations are presumed not to impede effective competition.[32]

(36) The combined entity will face competitive constraints from several competitors active in acquiring processing in Italy. These competitors include large players in payment services, such as SIA, Worldline and First Data as well as major banks, such as ICCREA. Each of these players has a higher market share than the increment brought about by the Transaction, i.e. has a much stronger market position than Planet.

5.1.4. Conclusion

(37) In light of the above, the Commission concludes that the Transaction does not give rise to serious doubts as to its compatibility with the internal market as a result of the horizontal overlaps brought about by the Transaction.

5.2. Vertical relationships

(38) Nexi and Planet are active in vertically-related markets, in particular: (i) Nexi and Planet are active in acquiring processing (upstream) and retail merchant acquiring (downstream) in Austria, Cyprus, Czechia, France, Germany, Ireland, Italy, Portugal, Spain, and Sweden; and

28 Horizontal Merger Guidelines, paragraph 20.

29 Horizontal Merger Guidelines, paragraph 18.

30 The Transaction does not give rise to horizontally affected markets at the EEA-wide level for any of relevant product markets.

31 Horizontal Merger Guidelines, paragraph 20.

32 Horizontal Merger Guidelines, paragraph 18.

(ii) Nexi is active in wholesale merchant acquiring (upstream) and both Nexi and Planet are active in retail merchant acquiring (downstream) in Italy.

(39) The proposed Transaction also results in the following vertically affected markets:[33]

(a) Acquiring processing in the EEA or Italy (upstream) / Retail merchant acquiring in Italy (downstream), and
(b) Wholesale merchant acquiring in Italy (upstream) / Retail merchant acquiring in Italy (downstream).

(40) Market shares of Nexi and Planet are presented in the table below.

Table 4 - Market shares -Vertically Affected Markets (volume, 2020)

Upstream				Downstream			
Market	**Geography**	**Entity Active**	**Share**	**Market**	**Geography**	**Entity Active**	**Share**
Acquiring processing	EEA	Nexi	[5-10]%	Retail merchant acquiring	Italy	Nexi	[40-50]%
		Planet	[0-5]%				
	Italy	Nexi	[20-30]%				
		Planet	[0-5]%				
Wholesale merchant acquiring	Italy	Nexi	[40-50]%			Planet	[0-5]%
		Planet	-				

Source: Form CO

(41) Customer foreclosure concerns can be excluded as Planet (i) sources acquiring processing services in house and (ii) does not procure wholesale merchant acquiring services,[34] and as such cannot be considered an "important customer" within the meaning of the Commission's guidelines for any of the relevant inputs.[35]

(42) The transaction is unlikely to have any impact on the ability or incentives of the merged entity to engage in any input foreclosure strategy, as access to the relevant inputs is unlikely to be "hampered or eliminated as a result of the merger" (emphasis added).[36]

(43) In all relevant markets, the activities of Planet are immaterial. Affected markets largely result from Nexi's pre-existing market positions. The share increment contributed by Planet is below [0-5]% in all vertically affected markets, so that there is limited merger-specific impact in relation to these markets.

(44) In addition, there are no actual supply relationships between Nexi and Planet. These are largely hypothetical absent the Transaction, as both companies are vertically integrated and mainly offer the upstream services in-house. Planet sources acquiring processing services in house and does not market these to third parties. Similarly, Planet does not procure or offer wholesale merchant acquiring services.

(45) In light of the above, the Commission concludes that the Transaction does not give rise to serious doubts as to its compatibility with the internal market as a result of the vertical relationships brought about by the Transaction.

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33 As other vertical relationships do not give rise to affected markets, they will not be discussed further.

34 Form CO, paragraphs 148 and 149.

35 Commission Guidelines on the assessment of non-horizontal mergers under the Council Regulation on the control of concentrations between undertakings, OJ C 265, 18.10.2008, p. 6 (the "Non-Horizontal Merger Guidelines"), paragraph 58.

36 Non-Horizontal Merger Guidelines, paragraph 29.

6. CONCLUSION

(46) For the above reasons, the European Commission has decided not to oppose the notified operation and to declare it compatible with the internal market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of the Merger Regulation and Article 57 of the EEA Agreement.

For the Commission

(Signed)
Margrethe VESTAGER
Executive Vice-President