



DETERMINATION OF MERGER NOTIFICATION M/18/34 - BIG BUS TOURS (EXPONENT) / IRISH CITY TOURS

Section 21 of the Competition Act 2002

Proposed acquisition by Big Bus Tours Limited, through Big Bus Tours Ireland Limited, of sole control of Irish City Tours Limited

Dated 7 June 2018

Introduction

1. On 3 May 2018, in accordance with section 18(1)(a) 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 Big Bus Tours Limited (“Big Bus Tours”), through Big Bus Tours Ireland Limited, ultimately owned by Exponent Private Equity LLP (“Exponent”) (collectively the “Acquirer”), would acquire sole control of Irish City Tours Limited (the “Irish City Tours”) from Dualway Coaches Limited (“Dualway”) (the “Proposed Transaction”).

The Proposed Transaction

2. The Proposed Transaction is to be implemented by way of a share purchase agreement (“the Agreement”) dated 2 May 2018 between Big Bus Tours Ireland Limited, Big Bus Tours, Dualway and the Covenantors (being David McConn, Linda McConn, Patricia McConn and Tony McConn). Pursuant to the Agreement, Big Bus Tours (through Big Bus Tours Ireland Limited) will acquire sole control of Irish City Tours.

The Undertakings Involved

The Acquirer

3. Big Bus Tours is a UK incorporated operator of “hop-on hop-off” or open top bus sightseeing tours. Big Bus Tours is directly owned by Big Bus Tours Group Limited (“Big Bus Tours Group”) which is in turn ultimately owned by Exponent, an international



private equity group based in the UK. Big Bus Tours Ireland Limited is an Irish incorporated company. It was incorporated on 18 April 2018 and established as the acquiring vehicle for the purposes of the Proposed Transaction.

4. Big Bus Tours Group, through its subsidiaries, currently has operations in 19 cities across a number of countries but it does not currently operate in the State. The 19 cities in which Big Bus Tours Group currently operates are: (i) London, (ii) Abu Dhabi, (iii) New York, (iv) Miami, (v) Sydney, (vi) Rome, (vii) Darwin, (viii) Paris, (ix) Dubai, (x) Chicago, (xi) Philadelphia, (xii) Vienna, (xiii) Istanbul, (xiv) Budapest, (xv) Muscat, (xvi) Las Vegas, (xvii) San Francisco, (xviii) Washington DC and (xix) Hong Kong.
5. Big Bus Tours has no presence in the State prior to the Proposed Transaction. Neither Big Bus Tours nor any of the subsidiaries of Big Bus Tours Group generated turnover in the State in the most recent financial year.
6. Exponent was established in London in 2004 and makes private equity investments in businesses headquartered in the UK and Ireland with enterprise values of approximately between £75 - £350m across a range of industry sectors.
7. Table 1 outlines the portfolio companies currently controlled by Exponent which generate revenue in the State.

Table 1: Exponent's Portfolio Businesses Active in the State, 2018

Portfolio Business Name	Business Activities In the State
HSS Hire	Provider of tools and equipment hire and related services.
Racing Post	Newspaper publisher of data, opinion and analysis on racing and other sports.
Photobox Group	Provider of digital consumer services for personalised products.
Leisure Pass Ireland	Provider of sightseeing city card passes.
Living Social Europe	Provider of online discount deals.
Group GTI	Provider of graduate career advice and recruitment services.
BBI Diagnostics Group	Business-to-business manufacturer and services provider to customers in the in vitro diagnostic



	healthcare, food safety and military bio-threat detection industries.
Loch Lomond Group	Producer of malt, blended and grain whisky, vodka and gin.
Enva Group	Waste management, recycling and resource recovery business.
Evergreen	Manufactures and distributes lawn and garden care products. Its consumer brands include Evergreen, Roundup, Miracle-Gro Weedol.
SHL ¹	Provides talent assessment products and services.
Bullitt ²	Provides rugged mobile phones, primarily mobile phones under the Caterpillar Inc. (CAT) brand.

Source: Information provided by the parties in the Notification Form

8. For the financial year ending September 2016, Exponent's worldwide turnover was approximately €[...], of which approximately €[...] was generated in the State.³

Irish City Tours

9. Irish City Tours is a private limited company incorporated in Ireland and is owned by Dualway. Dualway is turn owned by: (i) Anthony McConn (27.94%); (ii) David McConn (27.94%); (iii) Patricia (Trish) McConn (25%); and (iv) Linda McConn (19.12%). Aside from Irish City Tours, three other entities are wholly owned by Dualway, namely: (i) Guide Friday (Ireland) Limited; (ii) Need a Bus Limited; and (iii) Ferneley Limited; these are not part of the Proposed Transaction.
10. Irish City Tours is a 'hop-on hop-off' bus sightseeing operator in Dublin. It offers two routes and a Summer Night Tour that cover most of Dublin's principal tourist attractions. A tour lasts 1 hour and 45 minutes.
11. For the financial year ended December 2017, Irish City Tours' turnover was approximately €[...], all of which was generated in the State.

¹ Exponent are in the process of acquiring SHL [...].

² [...].

³ The parties state in the notification that the figure supplied for Exponent's worldwide turnover is derived from the combined worldwide turnover of all of the portfolio companies currently controlled by Exponent for their last financial year.



Rationale for the Proposed Transaction

12. The parties state the following in the notification:

“Big Bus Tours’ strategy is to have operations in many key cities throughout the world. The Proposed Transaction will expand Big Bus Tours’ reach to Dublin.

From the Vendor’s perspective, the Proposed Transaction will allow it to focus on its other transport offerings including but not limited to the provision of day tours and coach hire.”

Third Party Submissions

13. No submission was received.

Competitive Analysis

Horizontal Overlap

14. There is no horizontal overlap in the State between the activities of the Acquirer and Irish City Tours with respect to the provision of hop-on hop-off bus tours. Irish City Tours is a ‘hop-on hop-off’ bus sightseeing operator in Dublin only. The Acquirer provides ‘hop-on hop-off’ bus city tours in 19 cities worldwide but it does not operate such tours in the State.
15. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in respect of the provision of hop-on hop-off bus tours in the State.

Vertical Relationship

16. There is a vertical relationship between Irish City Tours and the Acquirer. Leisure Pass Ireland Limited (“Leisure Pass”), a subsidiary of Exponent, sells a “Dublin Pass” to tourists who visit Dublin. The Dublin Pass is a card purchased for a fixed price from Leisure Pass which can then be used to ride on Irish City Tours’ hop-on hop-off bus and access a variety of tourist attractions in Dublin. Irish City Tours accepts the Dublin Pass pursuant to an agreement dated 18 November 2015 between Leisure Pass and Dualway.



17. Leisure Pass pays Irish City Tours a percentage of the regular passenger price charged by Irish City Tours. When customers activate the card on-board the tour bus, this information is recorded and Leisure Pass pays Irish City Tours the relevant fee for that customer.
18. For the following reasons, the Commission considers the Proposed Transaction does not raise vertical competition concerns in the State.
19. There is a minimal vertical overlap in the activities of the parties. Irish City Tours is one of many companies active in the tourism sector that accepts Dublin Pass. The relationship between Irish City Tours and Leisure Pass accounts for around [...] of Irish City Tours' passengers, or €[...], (equivalent to around [...] of Irish City Tours' total turnover). Of all attraction visits using Dublin Pass, in volume terms in 2017, 'hop-on hop-off' bus services accounted for [...] of visits scanned.
20. There are two other providers of 'hop-on hop-off' bus tours in Dublin, namely Dublin Bus and CityScape. Each offers a ticket or pass that also facilitates access to various local tourist attractions. "DoDublin" pass by Dublin Bus, gives the holder 72 hours use of Dublin Bus' 'hop-on hop-off' tour buses, ordinary Dublin Bus services, plus Airlink Express services between Dublin Airport and the City Centre, offers a free walking tour of Dublin and free entry into the Little Museum of Dublin. A CityScape ticket entitles the holder to discounted entry to tourist sites such as Dublin Zoo and the Guinness Storehouse and complimentary products at other facilities. Following the Proposed Transaction, these competitors will continue to provide competitive constraints on Irish City Tours. In light of the above, the Commission considers that the Proposed Transaction does not raise any vertical competition concerns in respect of the provision of hop-on hop-off bus tours in the State.

Conclusion

21. 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



22. The Agreement contains restrictive covenants on the vendors (i.e. David McConn, Linda McConn, Patricia McConn and Tony McConn), in particular non-compete and non-solicitation obligations. The duration of these restrictive covenants does not exceed the maximum duration acceptable to the Commission.⁴ The Commission considers these restrictions to be directly related and necessary to the implementation of the Proposed Transaction.

⁴ In this respect, the CCPC follows the approach adopted by the EU Commission in paragraphs 20 and 26 of its “Commission Notice on restrictions directly related and necessary to concentrations” (2002). For more information see [http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=EN](http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=EN)



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 Big Bus Tours Limited, through Big Bus Tours Ireland Limited, ultimately owned by Exponent Private Equity LLP, would acquire sole control of Irish City Tours 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.

For the Competition and Consumer Protection Commission

Patrick Kenny

Member

Competition and Consumer Protection Commission