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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 Where possible the information omitted has been replaced by ranges of figures or a general description.

To the notifying parties

Subject: **Case M.9367 - Mirova/Predica/Indigo**
 Commission decision pursuant to Article 6(1)(b) of Council Regulation
 No 139/2004¹ and Article 57 of the Agreement on the European Economic
 Area²

Dear Sir or Madam,

- (1) On 19 July 2019, the Commission received notification of a proposed concentration pursuant to Article 4 of Council Regulation (EC) No.139/2004 by which Mirova S.A. (“Mirova”, France) and Prévoyance Dialogue du Crédit Agricole S.A. (“Predica”, France) will acquire, within the meaning of Articles 3(1)(b) and 3(4) of the Merger Regulation, joint control of the whole of Infra Foch Topco SAS, which is the holding company of the Indigo group (together referred to as “Indigo”) (“the Transaction”).
- (2) The Transaction is accomplished by way of purchase of shares. Mirova, Predica and Indigo are collectively referred to as the “Parties”.

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').

1. THE PARTIES

- (3) Mirova is an asset management company that is ultimately controlled by Banque Populaire and Caisse d'Epargne ("BPCE") Groupe. BPCE is headquartered in Paris, France, and active in a full range of banking and insurance activities. Through its subsidiary Urbis Park Infrastructures, Mirova holds concession contracts of parking facilities in four French cities.
- (4) Predica is a life and health insurance company belonging to Crédit Agricole Assurances, headquartered in Paris, France.
- (5) Indigo offers vehicle parking services both off-street and on-street as well as digital parking and individual mobility solutions such as self-service bikes and scooters. Indigo offers these services in various European countries (mostly in France, Belgium, Spain and Luxembourg) as well as outside the EU. Indigo currently is jointly controlled by Predica and Ardian (France).

2. THE OPERATION

- (6) The Transaction will be implemented through the acquisition by Mirova of shares in Indigo from Ardian. Mirova and Predica will ultimately hold [30-40]% and [40-50]% respectively in Indigo. [10-20]% of Indigo's shares are held by MRI, an affiliate company of Münchener Rückversicherungs-Gesellschaft (Munich Re), which will not have any veto rights over strategic business decisions. The remaining [5-10]% of shares are held by the management.
- (7) According to the Shareholders' Agreement signed on 26 March 2019, Mirova and Predica will have veto rights on strategic decisions over Indigo, in particular the adoption of the business plan and the consolidated annual budget. Therefore, Mirova and Predica will jointly control Indigo.
- (8) Indigo has its own staff, financial resources and dedicated management to its operations and management of its portfolio and business interest.
- (9) Indigo also has a market presence since it offers several activities in various European countries under its own brand. In particular, Indigo offers vehicle parking services both off-street and on-street, digital parking and individual mobility services in various European countries.
- (10) Indigo does not have significant sales or purchase relationships with its parents and is intended to operate on a lasting basis. Therefore, Indigo is a full-function joint venture.
- (11) The Transaction therefore constitutes a concentration within the meaning of Articles 3(1)(b) and 3(4) of the Merger Regulation.

3. EU DIMENSION

- (12) Although the combined aggregate worldwide turnover of the BPCE Group, Predica and Indigo does exceed EUR 5,000 million (EUR [...] million) and their aggregate EU-wide turnover does exceed EUR 250 million (EUR [...] million), the

Transaction does not have an EU dimension within the meaning of Article 1(2) of the Merger Regulation. Each of the undertakings concerned achieves more than two-thirds of its aggregate EU turnover within one and the same Member State, namely France.

- (13) On 16 April 2019, the Parties submitted a reasoned submission in which they informed the Commission that the Transaction would be reviewed under the merger control legislations of nine Member States, namely Belgium, Germany, Ireland, Spain, France, Italy, the Netherlands, Portugal and Romania. The Parties therefore requested the Commission to review the Transaction pursuant to Article 4(5) of the Merger Regulation. None of the Member States concerned opposed the request for referral within the period laid down by the Merger Regulation. The case therefore has been referred to the Commission.

4. MARKET DEFINITION

4.1.1. *Relevant product markets*

- (14) The Commission previously considered the existence of a potential market for the operation of paid public car parking services.³ In France owners of parking facilities (often public authorities) tender car parking services to concessionaires (**competition for the market**). Concessionaires then either manage car parking services themselves or delegate the management of car parking services to third parties (**competition in the market**). In many instances, the concessionaire is also the manager operating the parking.
- (15) In their notification, the Parties have also referred to precedents from the French Competition Authority, which mention a further segmentation between the operation of on-street and off-street parking spaces.⁴ Off-street parking refers to parking spaces in any location other than the street.⁵ Off-street typically includes parking facilities such as garages and lots, whether indoors or outdoors. By contrast, on-street parking refers to the supply of parking spaces for vehicles to park on the street, *e.g.* along the sidewalk or any place that is not an identified parking lot or car park.
- (16) In one previous decision⁶, the French Competition Authority explained that the operation of on-street and off-street parking spaces would be different (i) from the users' perspective, since off-street parkings are considered more secured but more costly and (ii) from the parking operators' perspective, since on-street and off-street parking services would require different kinds of service provisions.
- (17) However, for the purpose of this decision, the Commission considers that the question of whether within the operation of paid car parking services, a further distinction should be made between the concession and management of public paid

³ Case M.2825— *Fortis AG SA/Bernheim-Comofi SA*.

⁴ Form CO, para. 90, referring to Décision n° 15-DCC-84 du 8 juillet 2015 relative à la prise de contrôle exclusif des sociétés Avenir Grande Armée par la société Gecina; Décision n° 10-DCC-02 relative à la prise de contrôle conjoint des sociétés Keolis et Effia par les sociétés SNCF-Participation et Caisse des Dépôt et Placement du Québec.

⁵ See Form CO, para. 91 *et seq.*

⁶ Avis n°01-A-08 du Conseil de la concurrence du 5 juin 2001 relatif à l'acquisition du groupe GTM par la société Vinci.

car parkings as well as whether a further distinction between off-street and on-street parkings should be drawn can be left open. As explained below, the Transaction would not raise serious doubts as to its compatibility with the internal market for the operation of paid car parking services, including for concession and for management, and in the narrowest-possible segment limited to off-street paid car parking services.

4.1.2. *Relevant geographic market*

- (18) The Commission has previously considered that the operation of car parking services is likely to be local.⁷ This is based on the consumers' wish to park close to the area of destination.
- (19) The consumer seeks parking in the vicinity of the destination of the trip. Nevertheless, in practice there is a chain of substitution between parking facilities or lots located in the neighboring areas. This will often limit the scope for parking to the local area, e.g. city or municipality.⁸
- (20) The Parties agree that the operation of car parking services would be local in scope and have provided market share figures on a local basis in the cities where their activities could be considered to overlap.
- (21) For the purpose of this decision, the Commission considers that the operation of car parking services is local in scope. This is the narrowest-possible geographic market definition, since the alternative would be a national or EEA wide market considering that participants to tenders for concessions such as Indigo, Interparking or Q-Park, are usually active nationwide if not at EEA level. The Parties' market shares would be lower should the geographic dimension of the relevant market be wider.

5. **COMPETITIVE ASSESSMENT**

- (22) Indigo is active in the operation of paid parking services in several EEA countries. Indigo is usually both concessionaire and manager of the paid car parking services.
- (23) Mirova, through its controlling stake in Urbis Park Infrastructures, is active in the operation of paid car parking services only in France.
- (24) More specifically, Mirova won four concession contracts for parking facilities in four French cities (Asnières, Bordeaux, Marseille and Versailles). All concessions are off-street with the exception of Versailles, where Mirova also has a concession for on-street parking. Mirova is only concessionaire of those parking services and has delegated their management to Transdev Park Services until [...] in the case of Bordeaux and Marseille and until [...] in the case of Versailles.⁹
- (25) The Transaction leads to affected markets in France for the operation of paid car parking services in the three cities of Bordeaux, Marseille and Versailles where both Mirova and Indigo are concessionaires.

⁷ Case M.2825 – *Fortis AG SA/Bernheim-Comofi SA*.

⁸ Case M.2825 - *Fortis AG SA/Bernheim-Comofi SA*.

⁹ In light of this long-term contract, there is no potential vertical link between Mirova's ownership and Indigo's management/operation in any of these three cities.

5.1. Competitive background

- (26) This Transaction needs to be assessed against the specific features of the paid car parking services industry in France. As explained above, the competitive process in this industry and in particular in the relevant cities below is influenced by the granting of concessions (competition for the market) by public authorities, which typically run for a period of several years. The tender process gives rise to competition between large players, some of them active at EEA level, such as Indigo, Interparking or Q-Park. As set out below, the Transaction appears to cause a rather limited impact on the competitive process in the relevant market also considering the fact that Mirova is a small player at national level, with a market shares estimate of less than 1% in France.

5.2. City of Bordeaux

- (27) According to the data submitted by the Parties,¹⁰ over the last three years, on a market for the operation of paid car parking services in Bordeaux, the Parties had a combined market share of [10-20]%, with an increment of [5-10]%. The Parties' main competitors are the City of Bordeaux (approximately [50-60]%) and Parcub (approximately [20-30]%).
- (28) If the market were *off-street* parking spaces only, over the last three years, the Parties' combined market share were [20-30]%-[30-40]% with an increment of [10-20]%, making the combined entity number 2 behind Parcub (approximately [40-50]%).
- (29) Post-Transaction, more than 25 competing parking facilities will remain in Bordeaux. Several competitors' facilities are located in between and at short distances from the facilities held by Mirova and those held by Indigo. In fact, some competitors' facilities are literally around the corner, at walking distance from a facility owned by either Party.
- (30) Moreover, one of Indigo's concession in Bordeaux expires in [...]. As explained above, contenders for the new concession are numerous, many of them subsidiaries of large, European wide active competitors.
- (31) The Commission therefore considers that the Transaction does not raise serious doubts as to the compatibility of the Transaction with the internal market in relation to the operation of car parking services in Bordeaux.

5.3. City of Marseille

- (32) According to the data submitted by the Parties,¹¹ over the last three years, in the market for the operation of paid car parking spaces in Marseille, the Parties' combined market share was stable at [20-30]%. However, the increment resulting from the Transaction would be insignificant since Mirova only accounts for less than [0-5]% of the market by contributing one off-street parking facility. The Parties' main competitors are the City of Marseille ([30-40]%) and Q-Park ([10-20]%).

¹⁰ Form CO; Parties' best estimates based on the number of parking spaces (paragraph 180).

¹¹ Form CO; Parties best estimates based on the number of parking spaces (paragraph 208).

- (33) If the market were limited to the operation of *off-street* parking spaces,¹² over the last three years, the Parties' combined market share was stable at [40-50]%. However, here again, the increment brought by the Transaction would be insignificant since Mirova has a market share slightly over [0-5]%, and Q-Park will remain on the market with almost [20-30]% of market share ([20-30]%).
- (34) In addition, Mirova's single parking facility in Marseille is situated outside the city centre and far away from any of Indigo's parkings. The facilities of Indigo and those of competitors are grouped in a cluster that covers the main part of the city at much shorter distance from one another than Mirova's facility. In view of that configuration, the Commission considers that competitors' facilities would represent a more attractive alternative to Indigo's users than Mirova's remote facility.
- (35) In light of the location of, as well as the very small increment brought about by the parking of Mirova, the Commission considers that the Transaction does not raise serious doubts as to the compatibility of the Transaction with the internal market in relation to the operation of car parking services in Marseille.

5.4. City of Versailles

- (36) According to the data submitted by the Parties,¹³ over the last three years, in the market for the operation of paid car parking services in Versailles, the Parties' combined market share was stable at [20-30]% and an increment brought by Indigo of [5-10]%. The Parties' leading competitor is City of Versailles, with [70-80]% of market share.
- (37) If the market were limited to the operation of *off-street* parking spaces, over the last three years, the Parties' combined market share in Versailles was stable at [50-60]% with an increment of [10-20]% brought by Mirova.¹⁴ The Parties' main competitor remains City of Versailles, with [40-50]% of market share.
- (38) Despite the high combined market share for this possible segment limited to off-street parkings, the Commission considers that the Transaction will have a limited impact on the structure of the market for the operation of off street paid car parking services and *a fortiori* the operation of on-street and off-street paid car parking services in Versailles for the following reasons.
- (39) First, the Transaction would result in adding only one facility (of Mirova) over the nine existing parking facilities in Versailles. In addition, the additional parking facility of Mirova is relatively isolated compared to other existing parking facilities. While two of Indigo's parkings are relatively close to Mirova's, several competing parking facilities are also close to Indigo's.
- (40) Second, two of Indigo's three concessions (corresponding each to one parking facility) in Versailles expire in [...]. As explained above, contenders for the new concessions are numerous, many of them subsidiaries of large, European wide active

¹² Form CO; Parties best estimates based on the number of parking spaces (paragraph 203).

¹³ Form CO; Parties best estimates based on the number of parking spaces (paragraph 199).

¹⁴ Form CO, Parties best estimates based on the number of parking spaces (paragraph 185).

competitors. Therefore, a significant part of Indigos' market share in Versailles will be contestable in the short-term.

- (41) Third, in Versailles, as generally in the paid car parking industry in France, concessionaires are constrained by the terms of their contracts with municipalities.
- (42) As to prices, the Parties have explained that concessions of off-street parking contain indexation clauses that set a maximum price for the use of the facility and are agreed upon at the time of signature of the contract. In this context, price increases may be proposed to the owner by the concessionaire of the facility but only within the limits set by the indexation clause (which is mostly based on labour and energy costs) and always subject to the public authority's approval. By way of example, when proposed by Mirova, the City of Versailles refused the application of the indexation clause in [...].
- (43) In light of these elements, and in particular the number of remaining competing parking facilities, the relatively small market position of Mirova and the specific constraints on the Parties' market position, the Commission considers that the Transaction does not raise serious doubts as to the compatibility of the Transaction with the internal market in relation to the operation of car parking services in Versailles.

6. CONCLUSION

- (44) 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
Member of the Commission