



EUROPEAN COMMISSION

DG Competition

Case M.10339 - KKR / LANDAL

Only the English text is available and authentic.

REGULATION (EC) No 139/2004
MERGER PROCEDURE

Article 4(4)

Date: 14/09/2021



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Brussels, 14.9.2021
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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 Where possible the information omitted has been replaced by ranges of figures or a general description.

KKR / Sandy HoldCo B.V.
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Authority for Consumers and Markets
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2511 WB The Hague
The Netherlands

Subject: Case M.10339 – KKR / LANDAL
Commission decision following a reasoned submission pursuant to Article 4(4) of Regulation No 139/2004¹ for referral of the case to the Netherlands and Article 57 of the Agreement on the European Economic Area².

Date of filing: 12.08.2021

Legal deadline for response of Member States: 02.09.2021

Legal deadline for the Commission decision under Article 4(4): 16.09.2021

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’).

Dear Sir or Madam,

1. INTRODUCTION

- (1) On 12 August 2021, the Commission received by means of a Reasoned Submission a partial referral request pursuant to Article 4(4) of the Merger Regulation with respect to the transaction cited above. The parties request the operation to be examined, as regards the Netherlands part of the transaction ('the Netherlands transaction'), by the competent authorities of the Netherlands as it may significantly affect competition in markets which present all the characteristics of distinct Dutch markets.
- (2) According to Article 4(4) of the Merger Regulation, before a formal notification has been made to the Commission, the parties to the transaction may request that their transaction be referred in whole or in part from the Commission to the Member State where the concentration may significantly affect competition and which present all the characteristics of a distinct market.
- (3) A copy of this Reasoned Submission was transmitted to all Member States on 12 August 2021.
- (4) By letter of 19 August 2021, the Netherlands Authority for Consumers and Markets ("ACM"), as the competent authority of the Netherlands, informed the Commission that it has no objections to the proposed partial referral.

2. THE PARTIES AND THE PROPOSED TRANSACTION

- (5) Under the contemplated transaction ("the Transaction"), Sandy HoldCo B.V. ("Roompot"), a company indirectly wholly owned by funds advised and/or managed by one or more subsidiaries of KKR & Co. Inc. (together with its subsidiaries, "KKR"), will acquire 100% of the shares in Vacation Rental B.V. ("Landal", and together with Roompot and KKR, "the Parties").
- (6) KKR is a global investment firm that offers alternative asset management and capital markets and insurance solutions. Roompot is primarily active in the Netherlands where it achieves [a predominant part]% of its turnover, but also in Belgium and Germany. It manages, operates and acts as a booking agent for holiday parks and campsites. Roompot is further active as a non-exclusive booking agent for holiday parks and camp sites in France and Spain. Funds advised and/or managed by KKR acquired Roompot in 2020.
- (7) Landal is an owner, manager, booking agent and franchisor of holiday parks under the Landal Greenparks brand. These parks are located in the Netherlands (where Landal achieves [a large part]% of its turnover), Belgium, Germany, Austria, Denmark, UK, Hungary, the Czech Republic and Switzerland. The parks offer accommodation in holiday cottages, villas, bungalows and a number of Landal parks also have a campsite.
- (8) Pursuant to a Signing Protocol dated 16 June 2021, Roompot will acquire 100% of the shares in Landal. KKR will therefore acquire indirect sole control over Landal pursuant to Article 3(1)(b) of the Merger Regulation.

3. EU DIMENSION

- (9) The undertakings concerned have a combined aggregate worldwide turnover of more than EUR 5 000 million (KKR: EUR [...]; Landal: EUR [...]) and each of them has a Union-wide turnover of more than EUR 250 million (KKR: EUR [...]; Landal:

EUR [...]). While Landal achieves [a large part]% of its turnover in the Netherlands, KKR only achieves [a minor part]% of its turnover in the Netherlands. Therefore, the undertakings concerned do not achieve more than two-thirds of their aggregate Union-wide turnover within one and the same Member State.

- (10) The Transaction has therefore an EU dimension within the meaning of Article 1(2) of the Merger Regulation.

4. ASSESSMENT

- (11) According to the Parties the main overlap from the Transaction results from the activities of Roompot and Landal in the provision of holiday accommodation in holiday parks. The Parties' activities also overlap horizontally in several potential markets that are vertically linked to provision of holiday accommodation in holiday parks, that is the markets for real estate development and interior design/refurbishment; the markets for services for business customers, the market for real estate brokerage, the markets for the distribution of travel services; and the market for sales and marketing partnerships. The section below discusses the potential affected markets (horizontal or vertical) that they Transaction will give rise to.

4.1. Holiday accommodation

- (12) Roompot and Landal both operate holiday parks. Holiday parks offer self-catering accommodation, often in the form of recreational houses and in some cases, hotel and camping facilities. In addition, the parks often offer facilities such as a swimming pool, shops, restaurants and playgrounds.

4.1.1. Market definition

- (13) As regards the product market definition, the Parties submit that the relevant market is the market for holiday accommodation, which comprises holiday homes on holiday parks, individual holiday homes, campsites and non-urban holiday hotels and resort hotels. That market is to be distinguished from the market for urban accommodation, which comprises short-stay urban residences and urban hotels.
- (14) The Commission has in the past not assessed the relevant market for holiday parks specifically. The Commission's previous decisions have so far focussed in particular on the hotel segment, either defining a separate product market for hotels or defining a potential market for hotels and short stay residences, both with potential sub-segmentations based on price or comfort category among other factors.³
- (15) The ACM has assessed the market for holiday parks in its Gran Dorado/Center Parcs decision.⁴ The ACM concluded that hotels, group accommodations, individual recreational houses and campsites most likely do not belong to the same product market as holiday parks. The ACM, however, left its definite conclusions on these points open and also did not reach definitive conclusions as regards potential further sub-segmentations of the market for holiday parks, for instance whether the holiday park operates year-round and has a wide range of facilities ("four season holiday parks").

³ M.7902 – Marriott International/ Starwood Hotels & Resorts Worldwide.

⁴ ACM decision of 20 February 2001, Case 2209, Pierre & Vacances S.A. en Carp Ltd en Center Parcs N.V. en Gran Dorado Leisure N.V.

- (16) In its letter of 19 August 2019, the ACM noted that it considers, in line with its previous decisions, that a possible relevant product market could be defined as the market for holiday homes in holiday parks excluding (i) camp sites, including those offering chalets and similar types of accommodations or more luxurious camping facilities, (ii) group accommodations (iii) individual recreational houses (cottages and apartments) and (iv) hotels.
- (17) As regards the geographic market definition, the Parties submit that the relevant market is national scope – without prejudice to further investigation by the ACM but that it is not necessary to conclude on the geographic scope of the market at this stage.⁵ According to the Parties, there are prima facie indications that the market is national in scope because (i) holiday parks are overwhelmingly located in the Netherlands, (ii) the Parties have dedicated retail channels to target customers in the Netherlands, Belgium, Germany and other jurisdictions, (iii) there are indications that customer preferences differ to some extent in the Netherlands, Belgium and Germany with the concept of holiday parks being much better known in the Netherlands and (iv) the Parties distinguish internally between Dutch, Belgian and German customers in certain cases ([...]).
- (18) The Commission has in the past defined the markets for hotel accommodation services and for short-stay residences as either national or local.⁶
- (19) The ACM did not reach a definitive conclusion on the geographic scope of the markets in its Gran Dorado/Center Parcs decision. It found that customers were willing to drive a maximum of 3-4 hours for stays in holiday parks and that market participants had indicated a maximum travel distance of 2 hours or 200km. It also considered that there are differences between the competitive conditions in marketing holiday parks between the Netherlands compared to Belgium and Germany. According to the ACM, holiday parks have traditionally been strong and well-known in the Netherlands and a considerable part of the short holidays in the Netherlands takes place at holiday parks while this is the case to a much lesser extent in Germany and Belgium. Furthermore, according to the ACM, marketing of holiday parks needs to take into account language and customs and requires a national distribution network.⁷
- (20) In its letter of 19 August 2021, the ACM noted that it considers that the possible market for holiday homes in holiday parks is national in scope. This is for several reasons, including the fact that (i) the Parties market their holiday parks differently to customers from the Netherlands, Belgium and Germany; the Parties use different websites for each country and customers in the different countries seem to regard holiday parks and holiday homes differently; (ii) travel time is an important factor for the geographic market definition; (iii) it cannot be ruled out that following the COVID-19 pandemic customers may prefer domestic holidays over holidays abroad.

⁵ Form RS, paragraphs 394-395.

⁶ M.7902 – Marriott International/ Starwood Hotels & Resorts Worldwide, M.3858 Lehman Brothers/SCG/Starwood/Le Meridien, IV/M.1596 -Accor/Blackstone/Colony/ Vivendi and M.2197 - Hilton/Accor/Forte/Travel Service JV.

⁷ ACM decision of 20 February 2001, Case 2209, Pierre & Vacances S.A. en Carp Ltd en Center Parcs N.V. en Gran Dorado Leisure N.V.

4.1.2. Competitive assessment

- (21) According to the Parties, the Transaction will lead to a horizontally affected market for holiday accommodation in the Netherlands if that market is limited to include only holiday parks or holiday parks, group accommodations and campsites. The Parties have provided market share estimates in terms of volume (number of vacations, guest nights, guests and beds) based on data gathered by the national institute for statistics in the Netherlands, CBS, which includes only vacations booked by domestic visitors.
- (22) The market shares of the Parties in 2020 in the different potential product markets are set out in Table 1.⁸

Table 1 Market shares in holiday accommodation markets in the Netherlands in 2020⁹

	Roompot	Landal	Combined
Based on number of vacations			
Holiday house on a park	[5-10]%	[10-20]%	[20-30]%
Bungalow/vacation home	[5-10]%	[5-10]%	[10-20]%
Based on number of guest nights			
Holiday parks	[20-30]%	[20-30]%	[40-50]%
Holiday parks and group accommodations	[20-30]%	[20-30]%	[40-50]%
Holiday parks, group accommodation and camp sites	[10-20]%	[10-20]%	[20-30]%
Based on number of guests			
Holiday parks	[10-20]%	[20-30]%	[40-50]%
Holiday parks and group accommodations	[10-20]%	[20-30]%	[30-40]%
Holiday parks, group accommodation and camp sites	[10-20]%	[10-20]%	[20-30]%
Based on number of beds			
Holiday parks	[10-20]%	[10-20]%	[30-40]%
Holiday parks and group accommodations	[10-20]%	[10-20]%	[20-30]%

- (23) Furthermore, internal documents submitted by the Parties indicate a combined market share by revenue of [40-50]% (Roompot: [20-30]%; Landal: [10-20]%) or [40-50]% (Roompot: [20-30]%; Landal: [20-30]%) in the Netherlands, although the Parties submit that those market shares are based on significantly understated market sizes.¹⁰
- (24) As regards the horizontal overlaps in Belgium and Germany, the Parties submit that those do not lead to affected markets.¹¹ Moreover, they submit that the competitive

⁸ The Parties provided market shares for three years. The market shares for 2019 and 2018 do not deviate significantly from the 2020 market shares presented here.

⁹ Form RS, tables 1-4.

¹⁰ Form RS, paragraphs 251-252 and annexes 17 and 21.

¹¹ Form RS, paragraphs 366-374.

dynamics may be different in Germany and Belgium compared to the Netherlands. In particular, the concept of holiday parks appears to be less popular in Germany and Belgium and the Parties' activities are much more limited there. There are only five Roompot and nine Landal parks in Germany¹² and there are only two Roompot parks and four Landal parks in Belgium¹³ (compared with 90 Roompot parks and 57 Landal parks in the Netherlands¹⁴).

4.2. Other related markets concerned by the Transaction

- (25) The Parties submit that the Transaction will (potentially) also lead to horizontal or vertical links with respect to potential product markets that are linked to the offering of holiday accommodation in holiday parks, namely (i) real estate development¹⁵ and interior design/refurbishment¹⁶; (ii) services for business customers;¹⁷ (iii) real estate brokerage;¹⁸ (iv) distribution of travel services;¹⁹ and (v) sales and marketing partnerships.²⁰ The Parties submit that the relevant geographic markets may be defined as national but that the geographic market definition can be left open with respect to these activities.
- (26) According to the Parties, the Transaction will lead to vertically affected markets for (i) real estate development and refurbishment activities upstream and holiday accommodations downstream in the Netherlands and (ii) the supply of holiday accommodation upstream and distribution of travel services as a tour operator downstream in the Netherlands. Those markets are affected because the Parties' market shares on the market for holiday accommodations exceed 30% based on certain plausible market definitions as set out in Table 1 (while the Parties' market shares on the vertically linked markets remain below 30%).

4.3. Assessment of the partial referral request

4.3.1. Legal requirements

- (27) On the basis of the information provided by the Parties in the Reasoned Submission, the Transaction is an appropriate candidate for pre-filing referral from the Commission to the ACM as regards the Netherlands transaction in accordance with Article 4(4) of the Merger Regulation.
- (28) The transaction meets the legal requirements set out in Article 4(4) of the Merger Regulation. The transaction is a concentration within the meaning of Article 3 of the Merger Regulation, it has an EU dimension and it may significantly affect competition in distinct markets in the Netherlands.

¹² Form RS, paragraph 367.

¹³ Form RS, paragraph 372.

¹⁴ Form RS, paragraph 245.

¹⁵ These activities include the sale of holiday accommodations developed by the holiday park owner to third party investors.

¹⁶ These activities include the sale of design and refurbishment services to third party owners of holiday accommodations.

¹⁷ These activities include the sale of accommodation, meeting and event services to business customers.

¹⁸ These activities include specifically brokerage services in relation to holiday homes.

¹⁹ These activities include acting as booking agent to owners or operators of holiday parks.

²⁰ These activities include management and franchise services to park owners or homeowner associations in relation to holiday parks.

- (29) More specifically, the information provided by the Parties suggests that the principal effects of the proposed operation would be restricted to the Netherlands. Further, the markets in question in the Netherlands present all the characteristics of distinct markets. The submissions made by the Parties and the AMC, as well as the AMC's past decisions, point to a distinct Dutch market for holidays accommodation in holiday parks, a conclusion supported by the Commission's decisional practice with respect to the neighbouring market for hotel accommodation.
- (30) The market shares provided by the Parties for holiday accommodation under the different market permutations and measurement bases range mostly between [20-30] to [40-50]%. These market shares are above the 25% ceiling under which concentrations may be presumed to be compatible with the common market²¹ and within the range in which a concentration may give rise to competition concerns.²² On the narrower plausible markets the Parties' combined market shares are above 30%, thus giving rise also to vertically affected markets in which competition concerns cannot be excluded.

4.3.2. *Additional factors*

- (31) In accordance with paragraph 19 of the Commission Notice on case referral in respect of concentrations ("Notice on Case Referrals"),²³ the assessment of a referral request should also consider whether the competition authority or authorities to which the case would be addressed is the most appropriate authority for dealing with the case. To this end, consideration should be given both to the likely locus of the competitive effects of the transaction and to how appropriate the national competition authority would be for scrutinising the operation.
- (32) First, most of the effects of the Transaction are likely to be confined to the Netherlands²⁴ and, in light of the information submitted in the Reasoned Submission, the Transaction will have its main economic impact in the Netherlands. In addition to the information presented above, it should be noted that Roompot and Landal achieve [a predominant part]% and [a large part]% of their turnover in the Netherlands respectively. Furthermore, the operation of holiday parks is historically a Dutch business model and Dutch customers stay in holiday parks to a much larger extent compared to customers in other EU Member States.
- (33) Second, the ACM has considerable experience in assessing competition in the tourism sector in the Netherlands.²⁵ The ACM has assessed transactions concerning Dutch holiday parks in the Gran Dorado/Center Parcs²⁶ and Europarcs/Droomparken²⁷ cases and has assessed other aspects of the travel industry in the Netherlands in the Sunweb/Corendon case²⁸ (a case partially referred to the Netherlands by the Commission) and the Prijsvrij/D-reizen²⁹ case. Therefore, the

²¹ Guidelines on the assessment of horizontal mergers, OJ C31/5, 5.2.2004, point 18.

²² Guidelines on the assessment of horizontal mergers, OJ C31/5, 5.2.2004, point 17.

²³ OJ C56/2, 5.3.2005.

²⁴ Notice on Case Referrals, point 20.

²⁵ Notice on Case Referrals, point 23.

²⁶ ACM decision of 20 February 2001, Case 2209, Pierre & Vacances S.A. en Carp Ltd en Center Parcs N.V. en Gran Dorado Leisure N.V.

²⁷ ACM decision of 22 June 2020, case 40605 Europaparc / Droomparken.

²⁸ ACM decision of 26 October 2020, case 41207 Sunweb / Corendon.

²⁹ ACM decision of 15 June 2021, case 52313 Prijsvrij /D-reizen.

ACM is well equipped to assess the impact of the Transaction on competition in the markets in question. In this respect, in its letter of 19 August 2021, the ACM considers that it is the most appropriate authority to review the Transaction with regard to the Dutch markets.

4.3.3. *Conclusion on referral*

- (34) The Notice on Case Referrals (point 17) indicates that, in seeking a referral under Article 4(4), “*the requesting parties are ... required to demonstrate that the transaction is liable to have a potential impact on competition on a distinct market within a Member State, which may prove to be significant, thus deserving close scrutiny*”, and that “*such indications may be no more than preliminary in nature [...]*”. The Commission considers, on the basis of the information submitted in the Reasoned Submission, that the principal impact on competition of the concentration is liable to take place on distinct markets in the Netherlands, and that the requested partial referral would be consistent with point 20 of the Notice on Case Referrals.
- (35) In light of paragraphs 11 to 33 above and on the basis of the information provided by the Parties in the Reasoned Submission, the case meets the legal requirements set out in Article 4(4) of the Merger Regulation in that the concentration may significantly affect competition in a market within a Member State which presents all the characteristics of a distinct market.
- (36) Moreover, the requested partial referral would be consistent with points 11 and 12 of the Commission Notice on Case Referrals, because as explained above the ACM would be in a better position to ensure that competition in the Dutch markets affected by the Transaction is effectively protected.

5. CONCLUSION

- (37) For the above reasons and given that the ACM has stated that it has no objections to the proposed partial referral, the Commission has decided to refer the assessment of the effects of the Transaction on the relevant markets in the Netherlands to be examined by the competent authority of the Netherlands. This decision is adopted in application of Article 4(4) of the Merger Regulation, and Article 57 of the EEA Agreement.

For the Commission

(Signed)
Olivier GUERSENT
Director-General