



ΚΥΠΡΙΑΚΗ ΔΗΜΟΚΡΑΤΙΑ



ΕΠΙΤΡΟΠΗ ΠΡΟΣΤΑΣΙΑΣ  
ΤΟΥ ΑΝΤΑΓΩΝΙΣΜΟΥ

Decision CPC: 57/2019

Case Number: 8.13.019.36

**THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW  
No. 83(I)/2014**

**Notification of a concentration concerning the acquisition of Cengage Learning Holding II, Inc. share capital by McGraw-Hill Education, Inc**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou	Chairperson
Mr. Andreas Karidis,	Member
Mr. Panayiotis Oustas,	Member
Mr. Aristos Aristidou Palouzas,	Member

Date of decision: 23 October 2019

**SUMMARY OF THE DECISION**

On the 3rd of September 2019, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of McGraw-Hill Education, Inc. (hereafter “MHE”) a notification of a proposed concentration. The notification was filed according to Section 10 of the Control of Concentrations between Enterprises Law 83(I)/14 (hereinafter the “Law”).

The notification concerns the acquisition of the share capital of Cengage Learning Holding II, Inc. (hereafter “Cengage” or the “Target”) by MHE, which is controlled by Apollo Management L.P. (hereafter “Apollo”).

Cengage Learning Holding II, Inc. (known as Thomson Learning, formerly own by Thomson Corporation) is a global education and technology company registered under the laws of the State of Massachusetts of the U.S.A.

Apollo Management L.P. is an investment fund with a diversified portfolio in public pension, corporate pension health, credit, endowments.

McGraw-Hill Education, Inc., is company registered under the laws of Delaware of the U.S.A. and it provides outcome-focused learning solutions through a detailed content, digital educational tools and platforms to students and instructors throughout a wide variety of academic institutions, professionals and companies.

The transaction is based on the «Agreement and Plan of Merger» (hereafter the “Agreement”) signed on May 1<sup>st</sup> 2019 between:

- (a) McGraw-Hill Education, Inc.
- (b) McGraw-Hill Global Education Holdings, LLC, and
- (c) Cengage Learning Holdings II, Inc.
- (d) Cengage Learning Holdco, Inc., and
- (e) Cengage Learning, Inc.

The notified concentration is carried out on the basis of certain related actions and successive stages. The final result of the agreements will be the acquisition of sole control of Cengage by Apollo through MHE.

The Commission, taking into account the facts of the concentration, has concluded that this transaction constitutes a concentration within the meaning of section 6(1)(a)(ii) of the Law, since it leads to a permanent change of control of the Target.

Furthermore, based on the information contained in the notification, the Commission found that the criteria set by section 3(2)(α) of the Law were satisfied and therefore the notified transaction was of major importance under the Law.

The Commission, for the purposes of evaluating this concentration, defined the relevant product/service market as (a) the sale of educational books, (b) the sale of academic and professional books and (c) the provision of internet based scientific data bases and educational tools and platforms. For the purposes of the present case, the geographic market for all relevant markets was defined as that of the Republic of Cyprus.

According with the undertaking concerned, this concentration leads to a horizontal overlap in the market of the sale of educational books and the sale of academic and professional books. According to the parties, the post transaction combined market share in Cyprus will be below 15%. Therefore, the Commission concluded that there is no affected market.

There are no vertical relationships or other markets which the notified concentration may have significant impact.

Considering the above, the Commission concludes that there is no affected market based on Annex I of the Law.

The Commission, on the basis of the factual and legal circumstances, unanimously decided that this concentration does not create or strengthen a dominant position as there is no affected market and therefore the concentration does not raise serious doubts as to its compatibility with the operation of the competition in the market.

Therefore, the Commission, acting in accordance with section 22 of the Law, unanimously decided not to oppose the notified concentration and declare it as being compatible with the operation of the competition in the market.

LOUKIA CHRISTODOULOU

Chairperson of the  
Commission for the Protection of Competition