



DETERMINATION OF MERGER NOTIFICATION M/24/018 – PHOENIX/CELLNEX

Section 21 of the Competition Act 2002

Proposed acquisition by Phoenix Tower International Holdco, LLC, through its wholly owned subsidiary, JorMadheary Holdco 39 Limited, of sole control of Cellnex Ireland Limited and Cignal Infrastructure Limited.

Dated 25 July 2024

Introduction

1. On 21 March 2024, 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 Phoenix Tower International Holdco, LLC (“Phoenix”),¹ through its indirectly wholly owned subsidiary, JorMadheary Holdco 39 Limited,² would acquire the entire issued share capital, and thus sole control, of Cellnex Ireland Limited (“CIL”)³ and Cignal Infrastructure Limited (“Cignal”)⁴ (together “Cellnex”) (the “Proposed Transaction”).⁵

The Proposed Transaction

2. The Proposed Transaction is to be implemented by way of a share purchase agreement dated 5 March 2024 (the “SPA”). Pursuant to the SPA, Phoenix, through JorMadheary Holdco 39 Limited, will acquire the entire issued share capital, and thus sole control, of Cellnex.

The Undertakings Involved

¹ Phoenix is registered in Delaware, United States of America.

² JorMadheary Holdco 39 Limited is incorporated in the State under registered number 753316.

³ CIL is incorporated in the State under registered number 676741.

⁴ Cignal is incorporated in the State under registered number 562020.

⁵ Phoenix and Cellnex are the parties to the Proposed Transaction (the “Parties”).



The Acquirer – Phoenix

3. Phoenix is a subsidiary of Phoenix Tower US Holdings L.P.,⁶ which is the holding company for the Phoenix Tower International group.
4. The Phoenix Tower International group is a privately-owned wireless infrastructure group of companies which currently owns a portfolio of approximately 25,000 wireless infrastructure sites across Latin America, the Caribbean, Europe and the United States. It is solely controlled⁷ by funds and/or investment vehicles managed by and/or advised by affiliates of Blackstone Inc. (“Blackstone”).⁸
5. Phoenix entered the Irish passive infrastructure sector in 2020, following its acquisition of Emerald Tower Limited,⁹ which owned the passive infrastructure portfolio of Eircom Limited¹⁰ (trading as *eir*).¹¹ At the date of notification of the Proposed Transaction, Phoenix’s portfolio consisted of [...] macro passive network infrastructure sites¹² and [...] micro passive network infrastructure sites located across the State.¹³ Furthermore, Phoenix has received planning permission to build a further [...] micro passive network infrastructure sites. Phoenix’s customers include the [...] mobile network operators (“MNOs”) active in the State, namely *eir*, [...]¹⁴ and [...],¹⁵ and fixed wireless access operators (“FWA Operators”).

⁶ Phoenix Tower US Holdings L.P. is registered in Delaware, United States of America.

⁷ As of 27 March 2024, following an acquisition of a minority interest in Phoenix Tower US Holdings L.P. by Grain Management LLC and BlackRock Alternatives Management LLC, Phoenix is jointly controlled by Grain Management LLC and Blackstone.

⁸ Blackstone is registered in Delaware, United States of America.

⁹ Emerald Tower Limited is incorporated in the State under registered number 669209.

¹⁰ Eircom Limited is incorporated in the State under registered number 98789.

¹¹ The acquisition by Phoenix of sole control of Emerald Tower Limited was cleared by the CCPC in its determination in M/20/018 – *Phoenix Tower/Emerald (eir)*, available [here](#).

¹² A macro passive network infrastructure site is a site that hosts high power macrocells. Macrocells are used in cellular networks with the function of providing radio coverage to a large area. Macro passive network infrastructure sites are generally located on towers and rooftops.

¹³ A micro passive network infrastructure site is a site that hosts lower power microcells and fills in coverage in gaps left between macrocells or provides additional capacity in high usage areas (such as urban locations).

¹⁴ [...] is incorporated in the State under registered number [...].

¹⁵ [...] is incorporated in the State under registered number [...].



Blackstone

6. Blackstone is a global asset manager headquartered in the United States with offices in Europe and Asia. Blackstone operates as an investment management firm. [...].

The Target - Cellnex

7. As noted above, Cellnex consists of CIL and Cignal. It is ultimately owned by Cellnex Telecom S.A. (“Cellnex Telecom”).¹⁶
8. Cellnex Telecom entered the Irish passive infrastructure market in 2019, following its acquisition of Cignal from InfraVia Capital Partners.¹⁷ Cignal had originally been established in 2015 when Coillte Cuideachta Ghníomhaíochta Ainmnithe sold a portfolio of roughly [...] macro passive network infrastructure sites to InfraVia Capital Partners.¹⁸
9. In 2021, Cellnex Telecom completed the acquisition of an additional 1,150 macro passive network infrastructure sites in the State from CK Hutchison Networks (Ireland) Limited,¹⁹ as part of a major international transaction covering multiple jurisdictions including Ireland.
10. At the date of notification of the Proposed Transaction, Cellnex owned and operated a portfolio of [...] macro passive network infrastructure sites and [...] real estate-only sites in the State. Cellnex’s primary customers in the State include the three MNOs and FWA Operators.

Rationale for the Proposed Transaction

¹⁶ Cellnex Telecom is registered in Barcelona, Spain.

¹⁷ InfraVia Capital Partners is a French *société par actions simplifiée* registered with the Paris *Registre du Commerce et des Sociétés* under registered number 502 203 953.

¹⁸ Coillte Cuideachta Ghníomhaíochta Ainmnithe is incorporated in the State under registered number 138108.

¹⁹ CK Hutchison Networks (Ireland) Limited, which is now called On Tower Ireland Limited, is incorporated in the State under registered number 667282.



11. The Parties state the following in the notification:

“The Proposed Transaction provides an opportunity for [Phoenix] to contribute to the development of robust and advanced telecommunications infrastructure for its customers in Ireland.”

“From Cellnex’s perspective, the Proposed Transaction allows Cellnex to consolidate its operations and to focus its efforts on the existing growth opportunities in the main European markets in which it operates the existing growth opportunities in the main European markets in which it operates. Cellnex will use the proceeds of the Proposed Transaction to reduce its debt, in line with the objectives it set recently which prioritise organic growth and achieving an investment grade credit rating by S&P.”²⁰

Third-Party Submissions

12. Two third-party submissions were received during the Phase 1 investigation. One was made by a competitor of the Parties in the State, and one was made by a stakeholder in the macro passive network infrastructure industry. The competition concerns expressed in these submissions have been considered by the Commission as part of its Phase 1 review of the likely competitive impact of the Proposed Transaction.

Investigation

13. On 1 May 2024, pursuant to section 20(2) of the Act, the Commission served a requirement for further information on each of Phoenix (the “Phoenix Phase 1 RFI”) and Cellnex (the “Cellnex Phase 1 RFI”) (together the “Phase 1 RFIs”). The service of the Phase 1 RFIs adjusted the deadline within which the Commission had to conclude its assessment of the Proposed Transaction in Phase 1.

14. Phoenix provided its response to the Phoenix Phase 1 RFI on 12 June 2024. Cellnex provided its response to the Cellnex Phase 1 RFI on 17 June 2024.

²⁰ See paragraphs 8 and 9, merger notification form.



15. Upon receipt of a full response to each of the Phase 1 RFIs, the “appropriate date” (as defined in section 19(6)(b)(i) of the Act) became 17 June 2024.²¹
16. The Commission also engaged with third parties in relation to its assessment of the competitive effects of the Proposed Transaction. This engagement included carrying out interviews with these third parties. Among the third parties contacted by the Commission were those third parties that made submissions, and customers and competitors of the Parties.

Analysis

17. The Commission is unable, at this stage, to make a determination that the result of the Proposed Transaction will not be to substantially lessen competition in any market for goods or services in the State. Accordingly, the Commission intends to carry out a full investigation under section 22 of the Act.

²¹ The “appropriate date” is the date from which the time limits for making both Phase 1 and Phase 2 determinations begin to run.



Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(b) of the Competition Act 2002, as amended (the “Act”), has determined that it intends to carry out a full investigation under section 22 of the Act in relation to the proposed acquisition by Phoenix Tower International Holdco, LLC, through its indirectly wholly owned subsidiary, JorMadheary Holdco 39 Limited, of the entire issued share capital, and thus sole control, of Cellnex Ireland Limited and Cignal Infrastructure Limited.

For the Competition and Consumer Protection Commission

Úna Butler

Member

Competition and Consumer Protection Commission