Anticipated Acquisition by SES S.A. of Intelsat Holdings S.à r.l.

Decision on relevant merger situation and substantial lessening of competition

ME/7104/24

The Competition and Markets Authority's decision on relevant merger situation and substantial lessening of competition under section 33(1) of the Enterprise Act 2002 given on **29 May 2025**. Full text of the decision published on **10 June 2025**.

The Competition and Markets Authority (**CMA**) has excluded from this published version of the decision information which the CMA considers should be excluded having regard to the three considerations set out in section 244 of the Enterprise Act 2002 (specified information: considerations relevant to disclosure). The omissions are indicated by [✂]. Some numbers have been replaced by a range, which are shown in square brackets.

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SUMMARY

OVERVIEW OF THE CMA'S DECISION

1. On 30 April 2024 SES S.A. (**SES**) announced that it had agreed to acquire Intelsat Holdings S.à r.l. (**Intelsat**) for a purchase price of $3.1 billion (the **Merger**). SES and Intelsat together are referred to as the **Parties**, and for statements relating to the future, the **Merged Entity.** The Competition and Markets Authority (**CMA**) has found that the Merger is a relevant merger situation that does not give rise to a realistic prospect of a substantial lessening of competition (**SLC**) in the supply of broadband in-flight connectivity (**IFC**) services to commercial airlines globally and in Europe (including the United Kingdom (**UK**)).

2. The Parties are both satellite network operators (**SNOs**) that supply satellite capacity and satellite connectivity services to satellite service providers (**SSPs**) and resellers, as well as to end-customers across different industries, including media, fixed broadband, government, maritime and aviation.

3. The CMA's investigation focused on an input foreclosure theory of harm within the aviation segment. In particular, it assessed whether the Merger could harm competition in the supply of broadband IFC services to commercial airlines by harming the competitiveness of non-vertically integrated SSPs, globally and in Europe (including the UK).

4. The CMA also considered overlaps in respect of other segments (ie media, maritime, government, fixed data, and ground infrastructure) at an early stage of the investigation. The CMA did not investigate these overlaps further due to the Parties' low combined shares of supply and/or limited or no increment in the relevant areas.

5. The CMA found that the Merged Entity would face significant competitive pressure in the supply of broadband IFC services to commercial airlines, including from vertically integrated companies such as Starlink and Viasat Inmarsat. These competitive pressures are expected to increase further due to the planned entry of Amazon Kuiper. The CMA therefore found that the Merger does not give rise to a realistic prospect of an SLC as a result of input foreclosure in the supply of broadband IFC services to commercial airlines globally and in Europe (including the UK).

6. The Merger will therefore **not be referred** under section 33(1) of the Enterprise Act 2002 (the **Act**).

ASSESSMENT

PARTIES, MERGER AND MERGER RATIONALE

7. **SES** is an SNO which owns and operates a fleet of both geostationary orbit satellites (**GEOs**) and medium-Earth orbit satellites (**MEOs**). SES is headquartered in Luxembourg and listed on the Luxembourg Stock Exchange as well as on Euronext Paris. The turnover of SES in 2024 was approximately £1,694 million worldwide and approximately £[✂] million in the UK.[1]

8. **Intelsat** is an SNO which operates a fleet of GEOs. It is a subsidiary of Intelsat S.A., a company incorporated in Luxembourg with global headquarters in Luxembourg and administrative headquarters in Virginia, United States. The turnover of Intelsat in 2024 was approximately £1,555 million worldwide and approximately £[✂] million in the UK.[2]

9. On 30 April 2024, SES entered into an agreement with Intelsat to acquire all of the outstanding shares in Intelsat and certain other assets for a purchase price of $3.1 billion.[3] The Merger is conditional on approvals from several competition authorities.[4]

10. The Parties submitted that the Merger would combine largely complimentary businesses, creating a multi-orbit operator with better coverage, improved resiliency, expanded service offerings, and enhanced resources to invest in innovation.[5] This would allow the Merged Entity to remain competitive with both established and new rivals, including low-Earth orbit (**LEO**) operators such as Starlink.[6] The merger rationale is broadly supported by the Parties' internal documents, which refer to cost-savings and increased competitiveness resulting from the Merger.[7]

PROCEDURE

11. The CMA commenced its phase 1 investigation on 14 April 2025. As part of its phase 1 investigation, the CMA gathered a significant volume of evidence from the Parties. The CMA received and reviewed internal documents from SES and

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[1] Parties' response to the CMA's additional questions, 19 May 2025.
[2] Parties' response to the CMA's additional questions, 19 May 2025.
[3] Final Merger Notice submitted to the CMA on 10 April 2025 (**FMN**), paragraphs 2.24 and 2.25.
[4] The Merger is subject to the ongoing review in the European Union and [✂]. Antitrust proceedings have already been finalised in [✂], Brazil, [✂]. FMN, paragraphs 2.55 and 2.56; Parties' response to the CMA's additional questions, 19 May 2025.
[5] FMN, paragraphs 1.7, 1.9 and 1.29.
[6] FMN, paragraph 1.24.
[7] SES Internal Document, Annex 6(4) to the FMN, [✂]; SES Internal Document, Annex 6(2) to the FMN, [✂]; Intelsat Internal Document, Annex 8(24) to the FMN, [✂].

Intelsat to understand the competitive landscape. The Parties also had opportunities to make submissions and comment on the CMA's emerging thinking throughout the phase 1 investigation. In addition, the CMA gathered evidence from other market participants, such as competitors and customers. The CMA has tested the evidence rigorously and has considered the context in which the evidence was produced when deciding how much weight to give it. Where necessary, the CMA refers to this evidence within this Decision.

JURISDICTION

12. Each of SES and Intelsat is an enterprise. As a result of the Merger, these enterprises will cease to be distinct.

13. The Parties overlap in the supply of broadband satellite capacity from GEO satellites in the Ku-band in the UK, with a combined share of supply of [30-40]% (with an increment of [10-20]%) by volume in 2024.[8] At least one of the Parties has a UK turnover exceeding £10 million.[9] The share of supply test in section 23 of the Act is therefore met.

14. The CMA consequently believes that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation.

15. The initial period for consideration of the Merger under section 34ZA(3) of the Act started on 14 April 2025 and the statutory 40 working day deadline for a decision is therefore 12 June 2025.

COUNTERFACTUAL

16. The CMA assesses the impact of a merger relative to the situation that would prevail absent the merger (ie the counterfactual).[10] The Parties submitted that the Merger should be assessed against the prevailing conditions of competition.[11] The CMA has not received submissions (or other evidence) suggesting that the Merger should be assessed against an alternative counterfactual. Therefore, the CMA believes the current conditions of competition to be the relevant counterfactual.

17. The CMA's assessment of the counterfactual does not seek to ossify the market at a particular point in time.[12] The CMA has found that satellite connectivity is a dynamic sector, with developments such as the emergence of LEO satellite

[8] Parties' response to the CMA's Request for Information, 11 April 2025 (**RFI 6**), Table 9.
[9] FMN, paragraph 5.3.
[10] Merger Assessment Guidelines (**CMA129**), March 2021, paragraph 3.1.
[11] FMN, paragraph 10.2.
[12] CMA129, paragraph 3.3.

constellations likely to occur irrespective of the Merger. The CMA has taken into account these developments within its competitive assessment.

COMPETITIVE ASSESSMENT

Background and nature of competition

18. The Parties' activities include (i) the supply of satellite capacity for satellite communications, and (ii) the supply of satellite connectivity services to customers in various segments (combining satellite capacity with added services such as the satellite network operator's own Earth stations, equipment, or other services such as customer support).[13]

19. The industry segments to which satellite capacity and satellite connectivity services are supplied include: (i) fixed data (including customers such as telecommunications companies and mobile network operators); (ii) government (including military and civilian applications); (iii) media (eg pay-TV operators, free-to-air and/or free-to-view platforms); (iv) aviation (consisting of commercial aviation and business aviation); and (v) maritime.[14]

20. The focus of the CMA's investigation was on the aviation segment.[15] Satellite capacity in the aviation segment is used to provide IFC services for commercial airlines and business aviation customers (ie business jet operators). Within aviation, the CMA focussed on commercial aviation, given the Parties' limited presence in the supply of IFC services for business aviation customers.[16]

Satellite capacity used in the aviation segment

21. Satellite capacity can be provided using satellites orbiting at different distances from the Earth's surface (illustrated in Figure 1 below). Satellites can be separated into the following categories:

    (a) GEOs, which are positioned at around 36,000 kilometres above the Earth's surface, allowing them to travel at the same rotational rate as the Earth and to provide a stationary platform for continuous signal relay.[17] Because GEOs have

[13] FMN, paragraph 1.4.
[14] FMN, paragraph 3.94.
[15] As noted above at paragraph 4, the CMA also considered overlaps in respect of other segments (ie media, maritime, government, fixed data, and ground infrastructure) at an early stage of the investigation. The CMA did not investigate these overlaps further due to the Parties' low combined shares of supply and/or limited or no increment in the relevant areas.
[16] Annex 10, FMN, Tables 40-42.
[17] Anticipated Acquisition By Viasat, Inc. Of Connect Topco Limited, ME/6895/22, (**Viasat/Inmarsat**), paragraph 2.7(a).

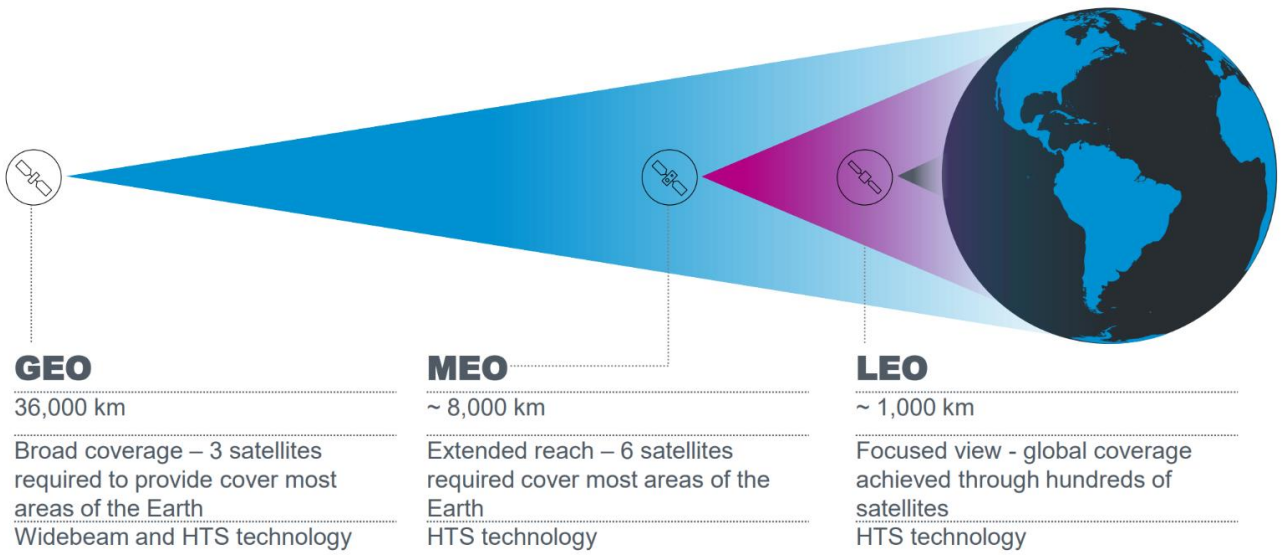
wider beams, fewer of them are required to provide global coverage and they can serve areas of low and high demand simultaneously from the same satellite;[18]

(b) Satellites with non-geostationary orbits **(NGSOs),** including:[19]

(i) MEOs are positioned at around 2,000-36,000 kilometres above the Earth's surface. The lower orbit of MEOs compared to GEOs means that they do not provide a stationary platform but provide lower-latency satellite connectivity (ie there is less delay in signal travelling between the satellite and the user terminal);[20]

(ii) LEOs are positioned at around 500-2,000 kilometres above the Earth's surface and orbit more quickly around the Earth than MEOs.[21] Since LEOs are smaller than GEOs and orbit closer to the Earth, many more LEOs are required to provide global coverage, making global LEO constellations more expensive to build.[22] However, unlike GEOs, LEOs can provide coverage over the polar regions and have reduced latency since they orbit closer to the Earth.[23]

Figure 1: Satellite orbits used for the supply of satellite capacity



Source: Parties' teach-in presentation to the CMA, 9 January 2025, slide 7.

22. Both Parties provide GEO satellite capacity, while SES also supplies MEO satellite capacity.[24]

[18] Viasat/Inmarsat, paragraph 2.8(e).
[19] NGSOs also include highly elliptical orbit satellites, which move more slowly in high-altitude parts of their orbit than in low-altitude parts, maximising viewing times and coverage over the polar regions. Viasat/Inmarsat, paragraph 2.7(b).
[20] Viasat/Inmarsat, paragraph 2.7(b).
[21] Viasat/Inmarsat, paragraph 2.7(b).
[22] The lower lifespan of LEOs compared to GEOs (around five years compared to 15 or more years) also contributes to the increased cost. Viasat/Inmarsat, paragraph 2.8(a).
[23] Viasat/Inmarsat, paragraphs 2.8(b)-(c).
[24] FMN, paragraphs 3.16 and 3.17.

23. The satellite industry has seen in recent years an emergence of new LEO satellite systems. This includes new satellites being launched, or expected to be launched in the coming years, by operators including SpaceX's Starlink, Eutelsat's OneWeb, Amazon Kuiper, Telesat's Lightspeed, and Echostar Hughes.[25] Further, operators that historically specialised in one type of satellite connectivity (eg GEO) are now planning to provide multi-orbit offerings, either alone or through partnerships.[26]

24. Satellite connectivity can be supplied using different parts of the electromagnetic spectrum, known as frequency bands, which are broadly separated into (a) narrowband, and (b) broadband.[27] The Parties' satellites exclusively use frequencies that are considered broadband.[28]

25. Within broadband, IFC services are provided primarily using Ku-band (12-15 GHz) and Ka-band (26.5-40 GHz). Both Parties offer satellite capacity in the UK and in Europe using the Ku-band. Additionally, SES offers satellite capacity in the UK and in Europe using the Ka-band.[29]

Structure of the supply chain for IFC services

26. The supply chain for IFC services consists of three main levels (illustrated in Figure 2 below):[30]

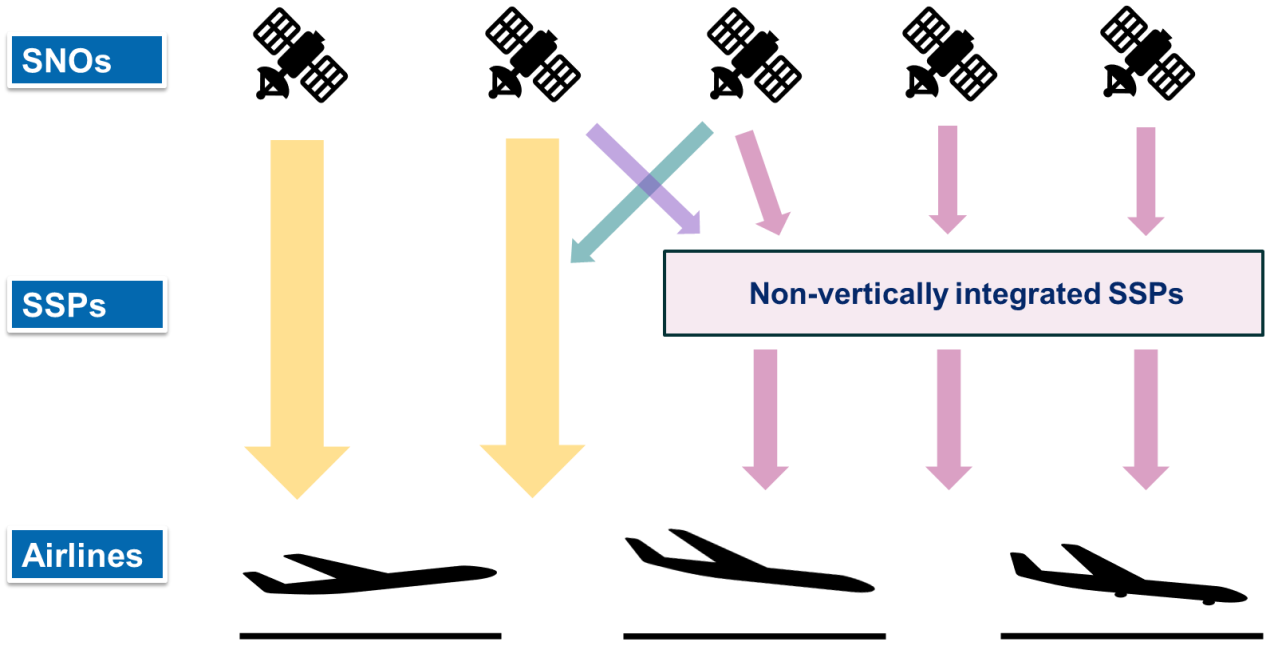
(a) SNOs own and manage satellite fleets. They may supply satellite capacity at the wholesale level to SSPs that sell IFC services to downstream customers, and/or use their capacity captively to sell IFC services to end customers (ie by acting as a vertically integrated SSP).

(b) SSPs assemble satellite connectivity services for end customers by combining satellite capacity with various services and equipment. SSPs use this capacity to develop IFC services for end customers.[31]

(c) End customers (ie commercial airlines in the case of commercial aviation) purchase IFC services from SSPs to provide them for passenger use.

[25] FMN, paragraphs 22.5-22.8.
[26] Viasat/Inmarsat, paragraph 2.19; FMN, paragraph 13.22.
[27] Broadband frequencies have more bandwidth and therefore offer more throughput and capacity, making them more suitable for data-intensive applications. However, broadband operates at frequencies that are more susceptible to signal interference (eg rain fade) and is generally considered less suitable for applications for which signal reliability is critical. Viasat/Inmarsat, paragraph 2.10; FMN, paragraphs 3.55-3.56.
[28] FMN, paragraph 3.57.
[29] FMN, paragraph 3.58.
[30] Viasat/Inmarsat, paragraph 2.6.
[31] SSPs may also sell their satellite connectivity services to resellers who distribute them to end customers. Some resellers provide additional value-added services to end customers (eg installation and maintenance of user terminals) and are known as value added resellers (**VARs**).

Figure 2: Structure of the supply chain for IFC services[32]



Source: CMA's analysis of the supply chain for IFC services.

27. Both Parties provide satellite capacity to SSPs, which then combine it with capacity from other SNOs and their own value-added services to provide IFC services to end customers. Additionally, Intelsat offers IFC services to end customers using its own satellite capacity (ie it operates as a vertically integrated SSP), combined with capacity purchased from other SNOs. SES does not provide IFC services to end customers.[33]

28. Besides Intelsat, SNOs that provide IFC services to end customers using their own satellite capacity include Viasat Inmarsat, Starlink and Echostar Hughes (with Amazon Kuiper planning to enter in the coming years), while non-vertically integrated SSPs include primarily Panasonic, Anuvu and Thales. SNOs that provide satellite capacity to SSPs include the Parties as well as several other operators such as Avanti Communications, Echostar Hughes, Eutelsat, Hispasat and Telesat.[34]

[32] Note that vertically integrated SNOs/SSPs may also sell satellite capacity to non-vertically integrated SSPs and may purchase satellite capacity from non-vertically integrated SNOs.
[33] FMN, paragraphs 3.138 and 3.139. In addition, SES's Open Orbits platform may, in collaboration, provide satellite services directly to aviation end customers in the future via Airbus's HBCplus programme (see FMN, footnote 73). However, SES does not currently directly supply any aviation customers in this way (see FMN, footnote 73), [✂] (see Parties' additional submission in relation to aviation, 29 April 2025, paragraph 2.2).
[34] FMN, paragraph 13.437, Tables 66-71.

Market definition

29. Where the CMA makes an SLC finding, this must be 'within any market or markets in the United Kingdom for goods or services'. An SLC can affect the whole or part of a market or markets.[35] Within that context, the assessment of the relevant market(s) is an analytical tool that forms part of the analysis of the competitive effects of the merger and should not be viewed as a separate exercise.

30. Market definition involves identifying the most significant competitive alternatives available to customers of the merger parties and includes the sources of competition to the merger parties that are the immediate determinants of the effects of the merger.

31. While market definition can be an important part of the overall merger assessment process, the CMA's experience is that in most mergers, the evidence gathered as part of the competitive assessment, which will assess the potentially significant constraints on the merger parties' behaviour, captures the competitive dynamics more fully than formal market definition.[36]

Product market

32. The Parties submitted that the supply of satellite connectivity services should be segmented into the supply of overall satellite capacity and the supply of satellite services.[37] The Parties further submitted that satellite services should be segmented between industry segments.[38]

33. In *Viasat/Inmarsat*, the parties used their satellite capacity captively to supply IFC services. The CMA therefore assessed the overlap between the parties' activities on the SSP level of the supply chain, in the supply of broadband IFC services to airlines and to operators of large business aircraft separately.[39]

34. In the present case, the CMA has not received any evidence that would warrant narrowing or widening the market beyond the definitions used in *Viasat/Inmarsat*. The evidence indicates that different competitor sets are active in each of commercial and business aviation, eg Panasonic and Thales only provide IFC

[35] CMA129, paragraph 9.1. Under section 22(6) of the Act, a "market in the United Kingdom" also includes markets which operate in the UK and any other country or territory, ie markets that are broader than national in scope. For avoidance of doubt, where the CMA refers to the global or Europe-wide market throughout this decision, this includes the UK.
[36] CMA129, paragraph 9.2.
[37] FMN, paragraph 13.12.
[38] FMN, paragraph 13.88.
[39] The CMA also considered the impact of the parties' overlap on the SNO level in its competitive assessment in Viasat/Inmarsat, paragraph 7.6, 7.34.

services for commercial aviation, whereas RTX and Gogo are only present in business aviation.[40] [✂].[41]

35. The CMA therefore assessed the impact of the Merger on the supply of broadband IFC services to commercial airlines.[42]

Geographic market

36. The Parties submitted that the appropriate geographic scope for the supply of satellite services is at least Europe-wide or global in scope.[43]

37. In *Viasat/Inmarsat*, the CMA considered that the supply of broadband IFC services to commercial airlines is global, while its competitive assessment focused on the routes to and from the UK.[44] In this case, the CMA considered whether the evidence warranted a narrower geographic market than the definition used in *Viasat/Inmarsat.*

38. Evidence from third parties indicated that, from a demand-side perspective, the coverage required by commercial airlines will depend on the specific routes they fly. For airlines operating globally, global coverage is important.[45] From a supply-side perspective, several suppliers of broadband IFC services compete for opportunities globally, including ones impacting routes to and from the UK.[46] However, competitive dynamics vary to some extent across different geographic areas. For example, the shares of supply of the largest suppliers of IFC services globally differ considerably to their shares of supply in Europe (including the UK).[47]

39. On a cautious basis, the CMA assessed the impact of the Merger on the supply of broadband IFC services to commercial airlines both globally and in Europe (including the UK).

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[40] Viasat/Inmarsat, paragraph 9.11; Response to the CMA's questionnaire from a number of third parties, April 2025, question 4.
[41] Parties' response to the CMA's Request for Information, 30 April 2025 (**RFI 7**), paragraph 2.5.
[42] It was not necessary for the CMA to conclude on the relevant market definition for the upstream supply of satellite capacity for use in the aviation segment, given the CMA's conclusions in relation to the downstream supply of broadband IFC services to commercial airlines.
[43] FMN, paragraph 13.125.
[44] FMN, paragraph 7.30.
[45] Response to the CMA's questionnaire from a number of third parties, April 2025, question 5.
[46] Response to the CMA's questionnaire from a number of third parties, April 2025, questions 1 and 2.
[47] On a global basis, Viasat Inmarsat, Intelsat and Panasonic were the largest suppliers of IFC services in 2024 (with shares of respectively [30-40]%, [20-30]%, and [20-30]% based on the number of active aircraft). However, in Europe (defined as the EEA and the UK), Viasat Inmarsat was by far the largest supplier of IFC services in 2024 (with a share of [70-80]% based on the number of active aircraft). Parties' response to the CMA's RFI 6, paragraph 1.14, Tables 22 and 24.

Conclusion on market definition

40. The CMA has therefore assessed the impact of this Merger on the supply of broadband IFC services to commercial airlines globally and in Europe (including the UK).

Theory of harm

41. The CMA assesses the potential competitive effects of mergers by reference to theories of harm. Theories of harm provide a framework for assessing the effects of a merger and whether or not it could lead to an SLC relative to the counterfactual.[48]

42. The CMA's inquiry considered the existence of both vertical links and horizontal overlaps within the aviation segment.[49] As noted in paragraph 27 above, the Parties overlap in the supply of satellite capacity for use in commercial aviation, while Intelsat is also active in the supply of IFC services to end customers (ie commercial airlines).

43. However, ultimately the CMA's focus was on the impact of the Merger on competition in the downstream supply of IFC services to commercial airlines (ie vertical theory of harm, see the section below). The CMA primarily considered whether the Merger could raise competition concerns in relation to the supply of IFC services to commercial airlines by harming the competitiveness of non-vertically integrated SSPs.

44. Ultimately, the CMA did not consider it appropriate or necessary to further pursue the horizontal overlap in the supply of satellite capacity to non-vertically integrated satellite service providers in the aviation segment in light of the evidence received.

Theory of harm: input foreclosure in the supply of IFC services

45. The concern with an input foreclosure theory of harm is that the merged entity may use its control of an important input to harm its downstream rivals' competitiveness, for example by refusing to supply the input (total foreclosure) or by increasing the price or worsening the quality of the input supplied to them (partial foreclosure). This might then harm overall competition in the downstream market, to the detriment of customers. This may occur irrespective of whether the parties to a merger have a pre-existing commercial relationship.

46. In assessing a vertical concern, the CMA considers whether the following three cumulative conditions are satisfied:

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[48] CMA129, paragraph 2.11.
[49] See also footnote 15.

(a) would the merged entity have the ability to use its control of inputs to harm the competitiveness of its downstream rivals?

(b) would it have the incentive to actually do so, ie would it be profitable?

(c) would the foreclosure of these rivals substantially lessen overall competition?[50]

47. Because these three conditions are cumulative, the CMA may assess them in any order in light of the available evidence to form a view about the overall theory of harm.

48. In this case, there are a number of vertically integrated suppliers (ie suppliers that use their own satellite capacity) that are active in the supply of IFC services to commercial airlines. The CMA therefore first assessed the extent of competition in the supply of IFC services to commercial airlines, and whether there are sufficiently credible rivals to the Merged Entity, to understand whether the Merger could lead to foreclosure of SSPs that could substantially lessen overall competition.

49. The Parties submitted that if the Merged Entity engaged in a hypothetical foreclosure strategy, non-vertically integrated SSPs would not be able to pass on any potential price increase or reduction of quality to airlines. This is due to the intense competition from vertically integrated SSPs, such as Starlink and Viasat Inmarsat. They also submitted that the additional capacity available in the market due to the entry of Starlink and the anticipated entry of Amazon Kuiper has put downward pricing pressure on capacity and therefore prices charged to airlines. In addition, airline customers are increasingly price sensitive as they move from offering IFC as a paid-for service to a free service.[51]

50. For the reasons outlined below, the CMA found that the Merger could not substantially lessen overall competition in the supply of IFC services to commercial airlines. Given the conditions for assessing a vertical concern are cumulative, it was not necessary to evaluate the other conditions the CMA uses to assess vertical concerns.

CMA's assessment

51. The CMA considered, in addition to the Parties' submissions, the evidence on shares of supply, third-party evidence, the Parties' internal documents, and third-party views on the Merger.

[50] CMA129, paragraphs 7.9–7.10.
[51] Parties' additional submission in relation to aviation, 29 April 2025, paragraphs 1.5, 1.9-1.11. See also FMN, paragraphs 13.607-13.608.

52. In terms of shares of supply, the CMA found that Viasat Inmarsat, Intelsat and Panasonic were the largest IFC services suppliers in 2024 based on the number of active aircraft (ie aircraft that currently have IFC services installed) globally, with shares of [30-40]%, [20-30]% and [20-30]% respectively.[52] However, Starlink and Viasat Inmarsat were by far the largest suppliers based on the number of backlog aircraft (ie aircraft for which IFC services have been procured but not yet installed) globally, with shares of [50-60]% and [40-50]% respectively.[53] The shares based on backlog aircraft also suggest that Echostar Hughes (another vertically integrated operator) has been growing materially, while Intelsat and Panasonic have recently been less successful.[54]

53. Commercial airlines[55] and third-party IFC suppliers[56] indicated that Starlink, Viasat Inmarsat and Intelsat are the strongest providers. A few airlines and IFC suppliers also viewed Echostar Hughes as strong, while views on Panasonic were mixed (with a few airlines and IFC suppliers considering it to be strong). In addition, third parties told the CMA that the satellite industry has recently seen entry and expansion of significant competitors, including Starlink, Amazon Kuiper, and Viasat Inmarsat.[57] Third parties expected this to lead to a significant increase in satellite capacity and falling prices of satellite capacity.[58]

54. The Parties' internal documents include references to several competitors in the supply of IFC services to commercial airlines,[59] and show that the Parties regard vertically integrated service providers and the entry and expansion of operators such as Starlink and Amazon Kuiper as competitive threats.[60]

55. All airlines indicated that the Merger would have either a positive or neutral impact on competition, as did nearly all SSPs and SNOs.[61] Many of these third parties

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[52] Parties' response to the CMA's RFI 6, paragraph 1.14, Table 22. In addition, the CMA considered the shares of supply for European short-haul flights (proxied by narrowbody aircraft for airlines headquartered in Europe). These estimates indicated that Viasat Inmarsat was by far the leading supplier of IFC services based on active aircraft, and Viasat Inmarsat and Starlink were by far the largest suppliers based on backlog aircraft. The CMA's estimates of shares of supply based on active aircraft and IFC suppliers' revenues were broadly consistent with the Parties' estimates based on active aircraft.
[53] Parties' response to the CMA's RFI 6, paragraph 1.16, Table 25. The CMA notes that while shares of supply based on backlog aircraft can include relatively more recent outcomes of competition in comparison to active aircraft, they could also include historical tenders which have been won in the past and have not become active (eg due to delays in installation) or include contracts which do not materialise (eg due to financial issues or fleet retirement). Viasat/Inmarsat, paragraph 8.118.
[54] Parties' response to the CMA's RFI 6, paragraph 1.16, Table 25.
[55] Response to the CMA's questionnaire from a number of third parties, April 2025, question 4.
[56] Response to the CMA's questionnaire from a number of third parties, April 2025, question 9 (in the questionnaire for non-vertically integrated SSPs) and 15 (in the questionnaire for SNOs).
[57] Response to the CMA's questionnaire from a number of third parties, April 2025, questions 1-3 (in the questionnaire for SNOs) and question 11 (in the questionnaires for SSPs and commercial airlines).
[58] Response to the CMA's questionnaire from a number of third parties, April 2025, questions 8 and 16 (in the questionnaire for SNOs) and question 11 (in the questionnaires for SSPs and commercial airlines).
[59] Intelsat Internal Document, Annex 8(36) to the FMN, [✂]; Intelsat Internal Document, Annex 8(41) to the FMN, [✂].
[60] Intelsat's Internal Document, FMN Annex 8(13), [✂]; Intelsat's Internal Document, Annex 8(36) to the FMN, [✂]; Intelsat Internal Document, Annex 8(41) to the FMN, [✂]; SES Internal Document, Annex 6(2) to the FMN, [✂].
[61] Response to the CMA's questionnaire from a number of third parties, April 2025, question 17 (in the questionnaire for SNOs) and question 12 (in the questionnaires for non-vertically integrated SSPs and commercial airlines). Note of a call with a third party, April 2025, paragraph 25.

considered that the Merger would increase competition and create a stronger provider that could compete with Starlink and Amazon.[62] However, one SSP considered that the Merger would have a negative impact on competition, stating that since the Parties are both suppliers of satellite capacity, it could result in higher costs and/or input foreclosure of that SSP (thus reducing its competitiveness downstream).[63] Another SSP considered that the Merger could have a similar effect on its business in the short term, but not in the longer term due to increases in satellite capacity of other SNOs. One vertically integrated SNO considered that the Merger could lead to its SSP customers switching away to the Merged Entity.[64]

Conclusion on Theory of Harm

56. The evidence gathered by the CMA indicates that the Merged Entity would face significant competitive pressure in the supply of broadband IFC services to commercial airlines, including from vertically integrated companies such as Starlink and Viasat Inmarsat that use their own satellite capacity. These competition pressures are expected to increase further due to the planned entry of Amazon Kuiper. The CMA therefore found that the foreclosure of non-vertically integrated SSPs could not substantially lessen overall competition in the market for broadband IFC services to commercial airlines. Accordingly, the CMA found that the Merger does not give rise to a realistic prospect of an SLC as a result of input foreclosure in the supply of broadband IFC services to commercial airlines globally and in Europe (including the UK).

[62] Response to the CMA's questionnaire from a number of third parties, April 2025, question 17 (in the questionnaire for SNOs) and question 12 (in the questionnaires for non-vertically integrated SSPs and commercial airlines).
[63] Response to the CMA's questionnaire from a third party, April 2025, question 12; note of a call with a third party, February 2025, paragraph 13.
[64] Response to the CMA's questionnaire from a third party, April 2025, question 17.

DECISION

57. Consequently, the CMA does not believe that it is or may be the case that the Merger may be expected to result in an SLC within a market or markets in the United Kingdom.

58. The Merger will therefore not be referred under section 33(1) of the Act.

Richard Flanagan
Director
Competition and Markets Authority
29 May 2025