



DETERMINATION OF MERGER NOTIFICATION M/15/038 SODEXO/ELDER CARE

Section 21 of the Competition Act 2002

Proposed acquisition by Sodexo Belgium S.A. of the entire issued share capital of Elder Home Care Limited and Home Care Training Limited from Wadelai Investments Limited, Elder Healthcare Holdings and Elder Healthcare Group Limited

Dated 5 August 2015

Introduction

1. On 17 July 2015, in accordance with section 18(1) of the Competition Act 2002, as amended¹ (“the Act”), the Competition and Consumer Protection Commission (“the Commission”) received a notification of the proposed acquisition by Sodexo Belgium S.A. (“Sodexo Belgium”) of the entire issued share capital of Elder Home Care Limited (“EHC”) and Home Care Training Limited (“HCT”) from Wadelai Investments Limited, Elder Healthcare Holdings and Elder Healthcare Group Limited.

The Transaction

2. The proposed transaction is to be implemented pursuant to a Share Purchase Agreement entered into on 17 July 2015 whereby Sodexo Belgium will acquire the entire issued share capital of EHC and HCT from Wadelai Investments Limited, Elder Healthcare Holdings and Elder Healthcare Group Limited (the “Sellers”). The Share Purchase Agreement was entered into between Sodexo Belgium, the Sellers and, as covenantors, Mr A.F. Power and Mr Robert Power.

The Purchaser

3. Sodexo Belgium is wholly-owned by Sodexo S.A. which is listed on the Euronext Paris exchange and is a provider of quality of life services operating in 80 countries with over 400,000 employees.

¹ It should be noted that the Competition and Consumer Protection Act 2014 made a number of important amendments to the merger review regime set out in the Competition Act 2002.



4. The quality of life services provided by Sodexo S.A. include:
 - On-site services – including reception, sterilisation, cleaning, foodservices and prisoner rehabilitation services for private sector companies, hospitals, universities, prisons and large worksites;
 - Benefits and reward services - including employee benefits, incentive programmes and public benefits solutions for companies, local authorities and governments;
 - Personal and home care services – including concierge services, home care services and childcare services.
5. In the State, Sodexo S.A., through its subsidiary Sodexo Ireland Limited, provides on-site services (primarily catering services) to a number of companies and hospitals.
6. Sodexo S.A. is also the owner of 'Comfort Keepers Franchising, Inc.' which is the brand owner and franchisor for Comfort Keepers internationally.
7. For the financial year ending 31 August 2014, Sodexo S.A. had worldwide turnover of approximately €18 billion and turnover in the State of approximately €[...].

The Target

8. EHC and HCT are wholly owned subsidiaries of Wadelai Investments Limited, Elder Healthcare Holdings and Elder Healthcare Group Limited which are in turn controlled by Mr A.F. Power and Mr Robert Power. Mr A.F. Power has been appointed by Comfort Keepers Franchising Inc. as the master franchisee for Comfort Keepers in Ireland. Mr A.F. Power has sub-franchised the franchisee rights in Ireland to EHC.
9. EHC provides a range of home care services including personal care, homemaking, companionship, palliative, dementia, respite and disability services. EHC operates under the Comfort Keepers trading name.
10. HCT provides training services to home care workers including to the staff of EHC and other home care providers, nursing homes and carers.
11. For the financial year ending 31 December 2014, the combined worldwide turnover of the target companies (i.e. EHC and HCT) amounted to €16.5 million, all of which was generated in the State.

Rationale for the Proposed Acquisition

12. The notification states:

“The commercial objective of the Proposed Transaction is to enable Sodexo S.A. to enter the home care services sector in the State.”



Third Party Submissions

13. No submission was received.

Competitive Analysis

14. There is no horizontal overlap between the parties in the State since none of Sodexo S.A.'s activities in the Island of Ireland involve the provision of home care services or home care staff training services.
15. The Commission has therefore formed the view that the proposed transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

16. The Share Purchase Agreement between the parties to the proposed transaction contains a number of restrictive obligations. These include non-compete and non-solicitation clauses.² The Commission considers these restrictions to be directly related and necessary to the implementation of the proposed transaction.

² The duration of these ancillary restraints does not exceed the maximum duration acceptable to the Commission. In this respect the Commission follows the approach adopted by the EU Commission in paragraph 20 of its "Notice on restrictions directly related and necessary to concentrations" (2005).

See [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=E](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=E).



Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, has determined that, in its opinion, the result of the proposed transaction whereby Sodexo S.A., through Sodexo Belgium S.A., would acquire the entire issued share capital of Elder Home Care Limited and Home Care Training Limited from Wadelai Investments Limited, Elder Healthcare Holdings and Elder Healthcare Group Limited will not be to substantially lessen competition in any market for goods or services in the State and accordingly, that the acquisition may be put into effect.

Gerald FitzGerald

Member

Competition and Consumer Protection Commission