



DETERMINATION OF MERGER NOTIFICATION M/15/057 - NOONAN/BRINKS

Section 21 of the Competition Act 2002

Proposed acquisition by Noonan Services Group Limited of certain assets of Brinks Ireland Limited

Dated 24 November 2015

Introduction

1. On 14 October 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 a proposed transaction whereby Noonan Services Group Limited (“Noonan”) would acquire control of certain assets of Brinks Ireland Limited (“Brinks Ireland”) (the “Target Assets”). Noonan is ultimately controlled by Alchemy Partners (Guernsey) Limited (“Alchemy”).
2. The proposed transaction is to be completed pursuant to an Asset Purchase Agreement dated 7 October 2015 between Noonan and Brinks Ireland. The Target Assets which are the subject of the Asset Purchase Agreement comprise a number of contracts², motor vehicles, equipment and the goodwill of Brinks Ireland’s manned guarding and technical services business.

The Undertakings Involved

Noonan

3. Alchemy is a private equity firm which makes equity investments in leveraged and management buy-outs and buy-ins and provides development capital, principally in the United Kingdom and Europe. Alchemy has a controlling interest in a number of portfolio companies, including Noonan.
4. Noonan provides outsourced services in the State and the United Kingdom. These services include: integrated facility management services; technical services; building management services; security services; cleaning services; landscaping services; environmental services; and pest management services.

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.

² The transfer of these contracts is [...].



5. For the financial year ending 31 December 2014, Alchemy's worldwide turnover was €[...], of which €[...] was generated in the State.

The Vendor – Brinks Ireland

6. Brinks Ireland is ultimately controlled by The Brink's Company ("Brinks"), a publicly traded company listed on the New York Stock Exchange. Brinks is a global provider of security-related services for banks, financial institutions, mines, retailers, the diamond and jewelry industries, pharmaceutical companies and a variety of other commercial and government customers.
7. Brinks Ireland is based in Dublin and provides security-related services for banks, retailers and a variety of other commercial customers.

The Target Assets

8. The Target Assets comprise a number of contracts, motor vehicles, equipment and the goodwill of Brinks Ireland's manned guarding and technical services business. The technical services business of Brinks Ireland is engaged in the provision of electronic security solutions, specialising in the design, supply, installation and maintenance of security systems in the State. The logistics, cash management and retail back office operations of Brinks Ireland are not part of the proposed transaction.
9. For the financial year ending 31 December 2014, the Target Assets' worldwide turnover was €[...], all of which was generated in the State.

Rationale for the Proposed Transaction

10. The parties state in the notification:

"Noonan wishes to augment and grow its security services business in Ireland, while the vendor intends to exit the Irish security services market."

Third Party Submissions

11. No submission was received.

Competitive Analysis

12. There is a horizontal overlap between Noonan and the Target Assets in the State for the provision of security services, specifically for:
 - manned guarding;
 - response and electronic guarding equipment; and
 - alarm monitoring and response.



13. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this case the Commission does not need to come to a definitive view on the precise relevant product market since its conclusion on the competitive impact of the proposed transaction will be unaffected whether the precise relevant product market is narrow (e.g., the provision of manned guarding services) or broader to encompass the provision of all security services.
14. However, in order to determine whether the proposed transaction might result in a substantial lessening of competition, the Commission analysed its impact by reference to a number of possible relevant product markets in the State, namely:
 - the market for the provision of manned guarding services;
 - the market for the provision of response and electronic guarding equipment; and
 - the market for the provision of alarm monitoring and response services.

The Market for the Provision of Manned Guarding Services in the State

15. The parties state in the notification:

“Noonan estimates that it accounts for approximately [5-10]% of the market, with the Target Assets representing approximately [0-5]%. The increase in Noonan’s market share in the State post-transaction would be *de minimis*. There are a considerable number of significant competing providers in Ireland including G4S, Synergy Security and ManGuard Plus.”

16. Given the small increment in market share following the proposed transaction, the fact that the market share of the Target Assets is forecasted to decline from [0-5]% to [0-5]% in 2015 as a result of recent lost contracts³, and the large number of competitors currently active in the State, the Commission considers that the proposed transaction does not raise any competition concerns in the provision of manned guarding services in the State.

The Market for the Provision of Response and Electronic Guarding Equipment in the State

17. The parties state in the notification:

“Both parties have a *de minimis* share, with Noonan having sales of approximately €[...] (estimated share in Ireland of [0-5]%) while the Target Assets have sales of approximately €[...] (estimated share in Ireland of [0-5]%). Collectively, the parties have a very small share of this sector, in which they compete with significant

³ Brinks Ireland informed the Commission that the Target Assets [...].



international players such as G4S, Chubb, ADT and Stanley.”

18. Given the very small market shares of both Noonan and the Target Assets and the large number of competitors currently active in the State, the Commission considers that the proposed transaction does not raise any competition concerns in the provision of response and electronic guarding equipment in the State.

The Market for the Provision of Alarm Monitoring and Response Services in the State

19. The parties state in the notification:

“While both parties offer alarm monitoring and response services, these services are outsourced and neither party has the scale to compete in this market. Even if Noonan and the Target Assets were regarded as being active in any such sector as a result of their contractual arrangements for the outsourcing of such services, then the overlaps between the parties would be entirely *de minimis* (both Noonan and the Target Assets having an estimated share of [0-5]% each).”

20. Given the small market shares of Noonan and the Target Assets and the large number of competitors currently active in the State (e.g., G4S, Securitas, Top Security, etc.), the Commission considers that the proposed transaction does not raise any competition concerns in the provision of alarm monitoring and response services in the State.
21. In light of the above, the Commission considers that the proposed transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

22. No ancillary restraints were notified.



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 Noonan Services Group Limited would acquire control of certain assets of Brinks Ireland Limited, as specified in the Asset Purchase Agreement between the parties dated 7 October 2015, 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.

For the Competition and Consumer Protection Commission

Gerald FitzGerald
Member
Competition and Consumer Protection Commission