



DETERMINATION OF MERGER NOTIFICATION M/17/047 ERPE BIDCO (CARLYLE)/PRAESIDIAD

Section 21 of the Competition Act 2002

Proposed acquisition by Erpe Bidco Limited of Betafence Holding NV.

Dated 8 September 2017

Introduction

1. On 11 August 2017, 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 transaction (“the Proposed Transaction”) whereby Erpe Bidco Limited (“Erpe Bidco”), a special acquisition vehicle which is indirectly owned by a fund¹ managed by affiliates of The Carlyle Group (“Carlyle”), would acquire the entire issued share capital and thus sole control of Betafence Holding NV (“Praesidiad”) from Secura Investments Sarl (“Secura Investments”).

The Proposed Transaction

2. The Proposed Transaction is to be implemented by way of a Share Purchase Agreement (“the Agreement”) dated 20 July 2017 between Secura Investments and Erpe Bidco. Following implementation of the Proposed Transaction, Carlyle will exercise sole control over Praesidiad.

¹ The fund in question is Carlyle Europe Partners IV, L.P., CEP IV Coinvestment, L.P. and CEP IV-C Limited Partner L.P. (together “CEP IV”).



The Undertakings Involved

Carlyle

3. Carlyle, headquartered in the United States, is a limited liability partnership listed on the NASDAQ stock exchange. Carlyle is a global alternative asset manager which manages funds that invest globally across the following four investment categories:

- Corporate private equity (e.g., buyouts and growth capital);
- Real assets (e.g., real estate, infrastructure and renewable resources);
- Global market strategies (e.g., structured credit, mezzanine, distressed, hedge funds and middle market debt); and
- Investment solutions (e.g., private equity and related activities).

4. The following companies, which are controlled by affiliates of Carlyle, are either headquartered, or have offices, in the State:

- [General Secure Logistics Services];
- Lily O'Brien's Holdings Limited;
- Payzone Ireland Limited;
- Carroll Cuisine Unlimited Company;
- Abtran Unlimited Company; and
- AA Ireland Limited.

5. For the financial year ending 31 December 2016, Carlyle's worldwide turnover was approximately €[...], of which approximately €[...] was generated in the State.



Praesidiad

6. Praesidiad, a security equipment company headquartered in Belgium, is owned by Secura Investments.²
7. Praesidiad is involved in the supply of perimeter security systems and force protection solutions in the State. Praesidiad supplies a range of security products and services including: fencing systems, panels, posts, barbed wire, industrial mesh, gates, barriers, vehicle blockers, bollards, turnstiles, gabions solutions and security gates. Praesidiad's customers in the State include [...].
8. For the financial year ending 31 December 2016, Praesidiad's worldwide turnover was approximately €[...], of which approximately €[...] was generated in the State.

Rationale for the Proposed Transaction

9. The parties state in the notification that:

“The Proposed Transaction is a financial investment by Carlyle. Carlyle intends to use its resources to assist the continued growth and development of Praesidiad and to benefit from the value of its investment. From the perspective of Praesidiad, the entrance of a new partner is expected to support the growth and development of the company.”

Third Party Submissions

10. No submission was received.

Competitive Analysis

Horizontal Overlap

11. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this instance, it is not necessary for the Commission to define precise relevant product and geographic markets since there is no horizontal

² Secura Investments is owned by an investment fund consisting of [...].



overlap between the business activities of the parties in the State. None of the companies controlled by Carlyle that generate turnover in the State are active in the supply of security equipment in the State. Therefore, the Commission is of the view that the Proposed Transaction does not raise any horizontal competition concerns in the State.

Vertical Relationship

12. The Proposed Transaction does not raise any vertical competition concerns in the State, as there is no identified vertical relationship between the parties.

Conclusion

13. 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

14. No ancillary restraints were notified.



Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition, whereby Erpe Bidco Limited would acquire the entire issued share capital of Betafence Holding NV from Secura Investments Sarl, 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

Brian McHugh
Member
Competition and Consumer Protection Commission