



DETERMINATION OF MERGER NOTIFICATION M/13/025 - Bridgepoint / AHT Group

Section 21 of the Competition Act 2002

Proposed acquisition by Bridgepoint of the AHT Group

Dated 30 September 2013

Introduction

1. On 16 September 2013, in accordance with section 18 of the Competition Act 2002 ("the Act"), the Competition Authority ("the Authority") received a notification of a proposed acquisition by Bridgepoint Advisers Group Limited ("Bridgepoint"), through an indirectly held wholly owned subsidiary BVEFDOMINTADIO Beteiligungsverwaltung GmbH ("BVEFDOMINTADIO")¹ of the entire issued share capital of Cool Holding GmbH ("Cool Holding") including its subsidiaries (together the "AHT Group").

The Undertakings Involved

The Acquirer – Bridgepoint

2. BVEFDOMINTADIO is ultimately owned and controlled by Bridgepoint Advisers Group Limited (Bridgepoint).² Bridgepoint is a European based private equity firm with investments in various sectors (including retail, business services, chemicals manufacturing, packaging, healthcare and media) and in various countries within Europe.³
3. Bridgepoint is active within the State via 21 of its portfolio companies which generate revenue in sectors as diverse as fashion retailing, chemical manufacturing, sports management, aerospace components, business services and media services. None of Bridgepoint's 21 portfolio companies active within the State is involved in the commercial refrigeration equipment sector.⁴
4. The portfolio companies of Bridgepoint had a consolidated worldwide turnover of €[...],⁵ of which approximately €[...] was generated within the State.

The Target – AHT Group

5. The AHT Group is ultimately owned and controlled by Cool Holding a limited liability company organised under the laws of Austria.⁶ The AHT

¹ The parties have submitted that upon closing of the Proposed Transaction, BVEFDOMINTADIO is to be renamed Cool International Holding GmbH.

² The purchaser under the Agreement, BVEFDOMINTADIO, is a subsidiary of [...].

³ For more information on Bridgepoint please see: <http://www.bridgepoint.eu/en/about-us/>

⁴ For more information about these companies see <http://www.bridgepoint.eu/en/investment-portfolio/>.

⁵ This is based on those portfolio companies' worldwide turnover for their last financial year (which varies in date up to 31 March 2013).

Group operates through its subsidiary AHT Cooling Systems GmbH ("AHT Austria").⁷

6. The AHT Group is a global provider of commercial refrigeration equipment, specifically plug-in coolers and freezers for supermarkets, ice-cream cabinets and food and beverage coolers (i.e., equipment for retailers in the food and beverage sector that allows them to display refrigerated or frozen food products to their customers).
7. The AHT Group delivers its products to all major global discounters and supermarket chains as well as a number of renowned producers in the ice-cream and drinks industry. In terms of supermarkets and discounters its key customers include [...],[...],[...],[...],[...],[...] and [...]. In terms of ice-cream its key customers include [...],[...],[...] and [...] and in terms of the drinks industry its key customers include [...],[...] , [...],[...] and [...].
8. In the State, the AHT Group distributes its products primarily to supermarkets, discounters and ice-cream producers. The parties submit that in its last financial year, the vast majority of the AHT Group's Irish turnover derived from sales to [...],[...],[...] and [...] (the producer of [...], among other products). The parties submit that the AHT Group's sales in Ireland are relatively minor, constituting under €[...] of sales in the last financial year.⁸
9. For the financial year ending 31 December 2012, the AHT Group had a worldwide turnover of approximately €[...] and a turnover in the State of approximately €[...].

Rationales for the Proposed Transaction

10. Bridgepoint stated that the *"acquisition of the AHT Group is attractive because, among other reasons, it is expected to diversify Bridgepoint's and the Fund's capabilities, client base and geographic footprint. Moreover, the resources and management know-how provided by Bridgepoint will support the AHT Group to continue growth based on its innovation capabilities and the introduction of new products"*.

Third Party Submissions

11. No submission was received.

Competitive Analysis

12. The parties submit that the transaction involves the commercial refrigeration equipment sector, specifically plug-in coolers and freezers for the food retailing industry.

⁶ Cool Holding owns [...] % of AHT Holding GmbH, which in turn holds [...] % of AHT Austria. Cool Holdings is currently owned by Quadriga Capital III Limited ([...] %), Partners Group Access VI L.P. ([...] %) and by Cool Holding's management (39 shareholders, together [...] %).

⁷ In order to obtain 100% of the shares of the whole AHT Group, BVEFDOMINTADIO intends to purchase the remaining [...] % of shares ([...] % in AHT Holding GmbH and [...] % in AHT Austria) from Falkestraße 6 GmbH. A Bridgepoint controlled Luxembourg entity will acquire shareholdings in AHT Holding GmbH and AHT Cooling Systems GmbH from Falkestraße 6 GmbH separately, thus post transaction Bridgepoint will have ultimate control of the entire share capital of AHT Group.

⁸ Of the AHT Group's Irish turnover of approximately €[...] in 2012, the AHT Group's sales were broken down among four main players – [...] €[...], [...] €[...], [...] €[...], and [...] €[...]. The remaining €[...] in sales related to a variety of diverse customers.

13. The AHT Group operates globally and within the State in the commercial refrigeration equipment sector, specifically plug-in coolers and freezers for the food retailing industry. However neither Bridgepoint, nor any of its portfolio companies, is engaged in the commercial refrigeration equipment sector either globally or within the State. Thus there is no horizontal overlap either globally or within the State in the activities of the parties.
14. The proposed transaction does not raise any vertical competition concerns.
15. In light of the above the proposed transaction will not raise competition concerns in any market for goods or services in the State.

DETERMINATION

The Competition Authority, in accordance with section 21(2)(a) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition whereby Bridgepoint Advisers Group Limited would acquire, through its indirectly held wholly owned subsidiary BVEFDOMINTADIO Beteiligungsverwaltung GmbH, control of Cool Holding GmbH including its subsidiaries will not be to substantially lessen competition in markets for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition Authority

Stephen Calkins

Member of the Competition Authority

Director, Mergers Division