



## DETERMINATION OF MERGER NOTIFICATION M/15/043 - EQT VI/MARTIN MOLLER/NAC

---

### Section 21 of the Competition Act 2002

#### Proposed acquisition by EQT VI Limited and Martin Moller Nielsen of joint control of Nordic Aviation Capital A/S and its subsidiaries

Dated 11 September 2015

---

#### Introduction

1. On 10 August 2015, in accordance with section 18(1) of the Competition Act 2002, as amended<sup>1</sup> (“the Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed transaction whereby EQT VI Limited (“EQT”) and Martin Møller Nielsen (“Martin Møller”) would acquire joint control of Nordic Aviation Capital A/S and its subsidiaries (“NAC”).

#### The Undertakings Involved

##### *EQT*

2. EQT is an investment fund launched in 2011 which makes investments primarily in Europe. EQT is advised by EQT Partners AB, its branches and/or its associates (“EQTP”). EQT is owned by SEP Capital B.V. (“SEP”). The shares in SEP are, in turn, ultimately owned by individuals who are partners of EQTP.<sup>2</sup> EQTP advises EQT on the acquisition or divestment of portfolio companies and the management and operation of the fund’s portfolio companies. The parties state in the notification that EQT makes the final decision on all investments.
3. The parties state in the notification that EQT controls [...] portfolio companies that have reported sales to customers in the State, including EIS Aircraft Group (“EIS”) which is active in the aviation sector providing specialised aircraft cabin products and services, as well as simulation and training services. The parties informed the Commission that EIS has no involvement in aircraft leasing. EIS’s turnover in the State, however, is negligible (around €[...]). Neither EQT nor any of the EQT funds’ portfolio of investments on the island of Ireland has any interest in companies operating in the aircraft leasing sector.

---

<sup>1</sup> 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.

<sup>2</sup> No individual or company (solely or jointly) controls SEP.



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

#### **Martin Møller**

5. Martin Møller is a Danish businessman who currently owns 100% of NAC. Following the proposed transaction, Martin Møller will indirectly own 33% of NAC's share capital and will have joint control, together with EQT, of NAC.<sup>3</sup> The only other business controlled by Martin Møller outside of NAC is Nordic Aviation Inc., incorporated in Florida, whose sole activity is the invoicing of NAC for management and consultancy services provided by Martin Møller and for associated expenses. The annual turnover generated by Nordic Aviation Inc. is around €[...].

#### **NAC**

6. NAC, a Danish company, owns around 160 aircraft which it leases to regional airlines around the world, including in the State. The airlines lease the planes on a standalone basis and provide their own staff, fuel, etc. In the State, NAC holds 50% of the issued share capital of two companies: KN Operating Limited and NK Aviation Limited.<sup>4</sup>
7. For the most recent financial year, NAC's worldwide turnover was €[...], of which €[...] was generated in the State.

#### **Rationale for the Proposed Transaction**

8. The parties state in the notification:

“For EQT, the proposed transaction is a financial investment corresponding to its objectives as an investment fund. Given that EQT currently has no interests in companies operating in aircraft leasing nor, indeed, do any of the EQT funds' portfolio of investments on the island of Ireland, the proposed transaction is an opportunity to continue the diversification of its portfolio of investments.”

#### **Third Party Submissions**

9. No submission was received.

#### **Competitive Analysis**

10. There is no horizontal overlap between the parties in the State since none of EQT's portfolio companies are active in aircraft leasing. Furthermore, there is no vertical relationship between any of EQT's portfolio companies, including EIS, on the one hand, and NAC, on the other hand. As noted above, the turnover generated by EIS in the State is negligible.

---

<sup>3</sup> Post-transaction, Martin Møller will have veto rights over the strategic commercial behaviour of NAC.

<sup>4</sup> The parties informed the Commission that KN Operating Limited and NK Aviation Limited are 50/50 joint ventures between NAC and Kirk Aviation A/S (part of the Kirk Kapital A/S group) and are both active in aircraft leasing in the State. Both companies are jointly controlled by NAC and Kirk Aviation A/S.



11. 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.



### **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 EQT VI Limited and Martin Møller Nielsen would acquire joint control of Nordic Aviation Capital A/S and its subsidiaries 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

**Isolde Goggin**  
**Chairperson**  
**Competition and Consumer Protection Commission**