



# DETERMINATION OF MERGER NOTIFICATION M/18/011 – ANCHORAGE/IDEAL STANDARD

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## Section 21 of the Competition Act 2002

### Proposed acquisition by funds managed by Anchorage Capital Group L.L.C. of sole control of Ideal Standard International S.A.

Dated 9 March 2018

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#### Introduction

1. On 1 February 2018, 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 whereby funds managed by Anchorage Capital Group L.L.C. (“Anchorage”)<sup>1</sup> would acquire sole control of Ideal Standard International S.A. (“Ideal Standard”) (the “Proposed Transaction”).

#### The Proposed Transaction

2. Ideal Standard is currently jointly controlled by Anchorage and funds managed by Bain Capital Investors L.L.C.
3. [...].
4. [...].
5. The parties informed the Commission on the date of the notification that the precise structure of the Proposed Transaction was subject to final confirmation. The Proposed Transaction will, however, involve a move from joint to sole control of Ideal Standard by Anchorage. [...]
6. [...]
7. In all of the circumstances, the Commission considers that the parties have demonstrated a good faith intention to conclude an agreement for the purposes of section 18(1A)(b)(ii) of the Act.

#### The Undertakings Involved

##### *The Acquirer- Anchorage*

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<sup>1</sup> Anchorage is an undertaking comprising Anchorage Capital Group, L.L.C., funds/entities managed by Anchorage Capital Group, L.L.C. and entities controlled by those funds/entities.



8. Anchorage, a New York based investment adviser founded in 2003, manages private investment funds across the credit, special situations and illiquid investment markets of North America and Europe, with a particular focus on defaulted and leveraged issuers.
9. In the State, Anchorage owns and controls (including joint and sole control) the following companies:
  - Ideal Standard – Anchorage holds joint control, together with Bain Capital L.L.C., of Ideal Standard, which is engaged in the manufacture and supply of kitchen and bathroom products.
  - Eircom Holdco/eir – Anchorage holds sole control of eir,<sup>2</sup> which is primarily active in the telecommunications sector as well as in the television broadcasting sector in the United Kingdom (the “UK”) and the State.
  - PHS Group Investments Limited – Anchorage holds joint control, together with Prudential plc, of PHS Group Investments Limited, which supplies workplace hygiene services and supplies in the UK, Spain and the State.
10. For the financial year ending 31 December 2016, Anchorage’s worldwide turnover was approximately €[...] million, of which approximately €[...] million was generated in the State.

#### *Ideal Standard*

11. Ideal Standard, a privately-owned company with corporate headquarters in Belgium, is a manufacturer and supplier of bathroom and kitchen products in Europe, the Middle East and Africa.
12. Ideal Standard’s operations in the State are conducted by its Irish subsidiary, Ideal Standard Ireland Limited. Ideal Standard’s products can be purchased from various wholesalers/resellers and through various retailers in the State.
13. For the financial year ending 31 December 2016, Ideal Standard’s worldwide turnover was approximately €[...] million, of which approximately €[...]million was generated in the State.

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

14. The notification states:

[...]

#### **Third Party Submissions**

15. No submission was received.

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<sup>2</sup> Eir was the subject of a separate merger review by the European Commission *M.8736 – TOO HIL TELECOM / EIRCOM*, which was cleared on 6 February 2018. The European Commission’s decision on *M.8736 – TOO HIL TELECOM / EIRCOM* can be assessed at [http://ec.europa.eu/competition/mergers/cases/decisions/m8736\\_78\\_3.pdf](http://ec.europa.eu/competition/mergers/cases/decisions/m8736_78_3.pdf)



## **Competitive Analysis**

### *Horizontal Overlap*

16. 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 the acquisition by Anchorage of sole control of Ideal Standard does not raise competition concerns in any potential market. As described above, Ideal Standard is active in the manufacture and supply of bathroom and kitchen products in the State. Other than Ideal Standard, none of the other companies owned and controlled by Anchorage manufacture and supply bathroom and kitchen products in the State.
17. In addition, in this instance, a change in control of Ideal Standard, from joint to sole control by Anchorage, will not change the competitive landscape and will not in itself result in any accretion of Ideal Standard's market share in the State. Therefore, the Proposed Transaction does not raise any horizontal competition concerns in relation to the manufacture and supply of bathroom and kitchen products in the State.

### *Vertical Relationship*

18. There is no identifiable vertical relationship between the parties. Therefore, the Proposed Transaction does not raise any vertical competition concerns.

## **Conclusion**

19. 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**

20. 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 funds managed by Anchorage Capital Group L.L.C. would acquire sole control of Ideal Standard International S.A., 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**