



## DETERMINATION OF MERGER NOTIFICATION M/18/036 - ENVA/RILTA

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### Section 21 of the Competition Act 2002

**Proposed acquisition by Exponent Private Equity LLP, through GWE Irish Opco Limited, of sole control of Richardstown Investments Limited, Grangerath Investments Limited, Noah Investments Limited and their subsidiaries.**

**Dated 4 October 2018**

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### Introduction

1. On 4 May 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 acquisition whereby Exponent Private Equity LLP (“Exponent”), through GWE Irish Opco Limited (“GWE”), would acquire sole control of (i) Richardstown Investments Limited, (ii) Grangerath Investments Limited and (iii) Noah Investments Limited (the “Target Companies”) and their subsidiaries including Rilta Environmental Limited (“Rilta”) and its subsidiaries: (i) ClearCircle Environmental (NI) Limited; (ii) Soils Environmental Services Unlimited Company; (iii) Returnbatt Unlimited Company; and (iv) Cullen Environmental Services Limited (collectively, the “Rilta Group”) (the “Proposed Transaction”).

### The Proposed Transaction

2. The Proposed Transaction is to be implemented pursuant to a share purchase agreement dated 2 May 2018 between GWE, [...],<sup>1</sup> [...]<sup>2</sup> and [...].<sup>3</sup>
3. Greenogue Investments Limited (“Greenogue”), a subsidiary of the Target Companies, currently owns 75% of the issued share capital of Rilta, while One51 Holdings Limited (“One51”) owns the remaining 25% of Rilta. Immediately prior to completion of the Proposed Transaction, Greenogue proposes to acquire One51’s 25% shareholding in Rilta through a put and call option agreement entered into between Greenogue and One51.
4. Following completion of the Proposed Transaction, Exponent, through GWE, will acquire sole control of the Target Companies, Greenogue, Rilta and Rilta’s subsidiaries.

### The Undertakings Involved

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<sup>1</sup> [...] owns 100% of the issued share capital of Richardstown Investments Limited.

<sup>2</sup> [...] owns 100% of the issued share capital of Grangerath Investments Limited.

<sup>3</sup> [...] owns 100% of the issued share capital of Noah Investments Limited.



*The Acquirer – Exponent*

5. GWE is directly owned by Exponent Private Equity Partners III LP, which is ultimately owned and controlled by Exponent. Exponent is a limited liability partnership established in England and Wales that makes private equity investments in businesses across a range of industry sectors.
6. Exponent has informed the Commission that it currently controls the following portfolio companies which generate revenue in the State:

<b>Portfolio Company Name</b>	<b>Business Activities In the State</b>
BBI Diagnostics Group Limited	Supplier of products and services to customers in the diagnostic, healthcare, research, food and cosmetics sectors.
Wowcher Limited	Provider of online discount deals.
HSS Hire Group plc	Tool hire business.
Loch Lomond Holdings Limited	Producer of whisky, vodka and gin.
Group GTI Limited	Graduate recruitment business.
Racing Post	Newspaper publisher of data, opinion and analysis on racing and other sports.
Photobox Group	Provider of digital consumer services for personalised products.
The Leisure Pass Ireland Limited	Provider of sightseeing city card passes.
The Enva Group	Waste management, recycling and resource recovery business.
Evergreen	Manufacturer and distributor of lawn and garden care products.
SHL Limited	Provider of talent assessment products and services.
Bullitt Group	Provider of mobile phones.

7. As indicated in the table above, Exponent ultimately owns and controls the Enva Group (“Enva”). Enva, which comprises Enva Ireland Limited, Enva Northern Ireland Limited and Enva Organics Limited, provides hazardous and non-hazardous waste services to business customers in the State and Northern Ireland. Enva operates the following divisions:



- **Field Services** offers customers on-site tank cleaning and decommissioning services, interceptor and bund wall cleaning, and an emergency spillage response service;
  - **Hazardous Waste** collects chemical waste from customers, some of which is treated by Enva and some of which is bundled and exported;
  - **Industrial & Automotive** collects waste from industrial and automotive customers, the majority of which is exported to third party processors in Europe for treatment;
  - **Organic & Land Services** collects organic materials from waste water treatment plants, principally from Irish Water;
  - **Soil Treatment** collects contaminated soils, some of which is treated by Enva and some of which is exported for treatment;
  - **Waste Oil** collects waste oil and oily water, both of which are treated by Enva with the oil recovered and sold as re-processed fuel oil; and
  - **Water Treatment** supplies chemicals for water treatment plants, conducts water surveys for Irish Water and provides an accredited laboratory service for diagnosing operational issues at water and effluent treatment plants.
8. Enva operates four facilities licensed by the Environmental Protection Agency (“EPA”) in the State located in:
- Raffeen Industrial Estate, Ringaskiddy Road, Monkstown, Co. Cork;
  - JFK Industrial Estate, JFK Road, Naas Road, Co. Dublin;
  - Smithstown Industrial Estate, Shannon, Co. Clare; and
  - Clonminam Industrial Estate, Portlaoise, Co. Laois.
9. Enva operates two waste facilities in Northern Ireland licensed by the Northern Ireland Environment Agency.
10. For the financial year 2016/2017, Exponent’s worldwide turnover was approximately €[...], of which approximately €[...] was generated in the State.

*The Target – Rilta*

11. The Rilta Group provides a range of hazardous and non-hazardous waste services in the State and in Northern Ireland across the following divisions:
- **Asbestos Disposal** provides a range of asbestos waste management services, including packaging and disposal;
  - **Battery Recycling** collects lead acid batteries for export;



- **Contaminated Soils** collects contaminated soil and dredging spoil, some of which is exported;
  - **Hazardous Waste Management/Brokerage** collects multiple hazardous waste streams (e.g., paints, laboratory waste, detergents, acids and bases), all of which are exported for treatment;
  - **Industrial Tanker Services** provides on-site tank, drainage and forecourt cleaning services;
  - **Liquid Waste Treatment** operates a treatment facility for contaminated aqueous waste, sludge and leachates;
  - **Packaging and Recycling** operates a bulk packaging disposal service and the reconditioning or disposal of used drums;
  - **Transformer Decommissioning** collects and processes end-of-life or damaged transformers for further recycling, recovery or disposal;
  - **Waste Oil Reprocessing** collects and processes waste oil for sale as re-processed fuel oil;
  - **Glass Recycling** operates a glass bottle processing facility in Northern Ireland; and
  - **Waste Refrigeration Recycling** operates a waste refrigeration recycling facility in Northern Ireland.
12. In the State, the Rilta Group operates two EPA-licensed facilities in Greenogue Business Park, Rathcoole, Co. Dublin.
13. The Rilta Group is active in Northern Ireland through Rilta's wholly owned subsidiary ClearCircle Environmental (NI) Limited which operates two waste facilities in Co. Antrim and Co. Derry.
14. For the financial year ending 31 December 2016, the Rilta Group's worldwide turnover was approximately €[...], of which approximately €[...] was generated in the State.

### Investigation

15. On 14 June 2018, the Commission served a Requirement for Further Information ("RFI") on Exponent, Richardstown Investments Limited, Grangerath Investments Limited and Noah Investments Limited, pursuant to section 20(2) of the Act. This adjusted the deadline within which the Commission was required to conclude its assessment of the Proposed Transaction in Phase 1.
16. Upon receipt of all of the responses to the RFI, the "appropriate date" (within the meaning of section 19(6)(b)(i) of the Act) became 3 August 2018.<sup>4</sup>

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<sup>4</sup> The "appropriate date" is the date from which the time limits for making both Phase 1 and Phase 2 determinations begin to run.



17. During the Phase 1 investigation, the Commission requested and received, on an on-going basis, further information and clarifications from the notifying parties.
18. During the Phase 1 investigation, the Commission received third party submissions which raised competition issues in relation to the Proposed Transaction. The Commission also circulated questionnaires to various third parties, including customers and competitors of Enva and the Rilta Group. The Commission received a response from many of the third parties to whom it sent a questionnaire and, in most cases, the Commission also contacted those third parties by telephone and/or e-mail to seek further detail regarding those responses.
19. During the Phase 1 investigation, the Commission identified potential competition concerns in relation to the Proposed Transaction. On 7 September 2018, the notifying parties submitted proposals to the Commission in accordance with section 20(3) of the Act with a view to ameliorating the potential competition concerns identified by the Commission. The submission of these proposals by the notifying parties extended the deadline within which the Commission was required to conclude its assessment of the competitive effects of the Proposed Transaction in Phase 1 by 15 working days to 45 working days in accordance with section 21(4) of the Act.
20. During the Phase 1 investigation, the Commission engaged with the notifying parties and their legal advisors to discuss whether the proposals submitted by the notifying parties would ameliorate the potential competition concerns identified by the Commission. Following detailed consideration, the Commission was unable to reach a conclusion that the proposals submitted by the notifying parties ameliorate the potential competition concerns identified by the Commission.

### **Analysis**

21. The Commission is unable, at this stage, to reach a determination that the Proposed Transaction will not lead to a substantial lessening of competition in any market for goods or services in the State. Accordingly, it intends to carry out a full investigation under section 22 of the Act.



## Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(b) of the Competition Act 2002, as amended (“the “Act”), has determined that it intends to carry out a full investigation under section 22 of the Act in relation to the proposed acquisition whereby Exponent Private Equity LLP, through GWE Irish Opco Limited, would acquire sole control of (i) Richardstown Investments Limited, (ii) Grangerath Investments Limited, (iii) Noah Investments Limited and their subsidiaries including Rilta Environmental Limited and its subsidiaries: (i) ClearCircle Environmental (NI) Limited; (ii) Soils Environmental Services Unlimited Company (iii) Returnbatt Unlimited Company; and (iv) Cullen Environmental Services Limited.

For the Competition and Consumer Protection Commission

**Brian McHugh**  
**Member**  
**Competition and Consumer Protection Commission**