



DETERMINATION OF MERGER NOTIFICATION M/21/022 – EAGLE (KKR)/ ENSONO

Section 21 of the Competition Act 2002

Proposed acquisition by Eagle Intermediate Holdco, Inc., a wholly owned indirect subsidiary of KKR & Co Inc., of sole control of Ensono Holdings LLC.

Dated: 19 May 2021

1. On 30 April 2021 in accordance with section 18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission received a notification of a proposed acquisition whereby Eagle Intermediate Holdco, Inc., which is an indirect subsidiary of KKR & Co. Inc. (“KKR”), intends to acquire sole control over Ensono Holdings, LLC (the “Proposed Transaction”).

2. The business activities of the undertakings involved are:
 - The Acquirer:
 - Eagle Intermediate Holdco Inc., is a Delaware incorporated company owned by certain funds, clients or accounts managed, advised or sub-advised by affiliates of Kohlberg Kravis Roberts & Co. L.P.
 - KKR is a global investment firm headquartered in New York. It offers alternative asset management and capital markets and insurance solutions. KKR sponsors investment funds that invest in private equity, credit and real assets and have strategic partners that manage hedge funds. KKR’s insurance subsidiaries offer retirement, life and reinsurance products. KKR controls [...] portfolio companies active in the State in sectors including financial services, security software, healthcare and media. For the financial year ending 31 December 2019, the worldwide turnover of KKR controlled portfolio companies was €[...], approximately €[...] was generated in the State.

- The Target:
 - Ensono Holdings LLC (“Ensono”) is a US-incorporated company, headquartered in Downers Grove, Illinois. Ensono provides hybrid IT managed services to business/enterprise customers across the financial, insurance, energy, healthcare, technology, media, telecom and retail sectors, among others. Ensono operates service and data centres in several locations worldwide, including the US, the UK, Poland, Germany, India and Singapore. In the State, Ensono provides mainframe and cloud-based computing services to assist customers optimising their IT infrastructure. Ensono does not operate any data or service centres in the State. For the financial year ending 31 December 2020, Ensono’s worldwide turnover was €[...], of which approximately €[...] was generated in the State.

3. After examination of the notification, the Commission has considered that the Proposed Transaction falls within the scope of paragraph 2.1 of the Simplified Merger Notification Procedure Guidelines for assessing certain notifiable mergers or acquisitions under section 18(1)(a) of the Act since none of the undertakings involved in the merger or acquisition are active or potentially active in the same product and geographic markets. While one of the KKR controlled portfolio companies is active in a market which is downstream to a market(s) in which Ensono is active, the market share of each in each market is less than 25%.
4. In light of this, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

5. Section 1 of the Restrictive Covenant Agreement dated 12 April 2021 imposes a number of non-solicitation/non-hire obligations on the sellers. The restraints in the Restrictive Covenant Agreement do not exceed the maximum scope and duration acceptable to the Commission. The Commission considers that they are directly related to and necessary for the implementation of the Proposed Transaction, in so far as they relate to the State.



Determination

6. 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 Eagle Intermediate Holdco, Inc., which is an indirect subsidiary of KKR & Co. Inc., intends to acquire sole control over Ensono Holdings LLC 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

Ibrahim Bah
Director
Competition Enforcement and Mergers