

DETERMINATION OF MERGER NOTIFICATION M/22/028 – CATHEXIS HOLDINGS / LEO LYNCH ENGINEERING

Section 21 of the Competition Act 2002

Proposed acquisition by Cathexis Holdings LP of sole control of L. Lynch and Co Limited.

Dated: 20 June 2022

1. On 3 June 2022, 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 Cathexis Holdings LP (“Cathexis”) would acquire the entire issued share capital and thus sole control of L. Lynch and Co Limited (“Leo Lynch”) (the “Proposed Transaction”).
2. The business activities of the undertakings involved are:
 - Cathexis:
 - Cathexis is registered and headquartered in the United States of America, is an investment group which invests in a wide range of industries worldwide. Cathexis is active in the State through ISG Limited (“ISG”) the ESS Group (“ESS”).¹
 - ISG is a global construction services company, which provides fit out, construction, engineering and technology services and operates in a number of sectors (including office, retail, hospitality and technology). ISG is headquartered in the United Kingdom (“the UK”), with activities in a number of jurisdictions around the world.
 - ESS is active in the State in the modular construction and hire business. ESS Modular manufactures steel-framed volumetric units and cabins for sale and hire in the UK and Ireland. The modular sales business manufactures units through two facilities which the company has in Ireland, at Dublin and Portlaoise, and an additional facility in Warrington in the UK. ESS Hire business provides modules for hire to a range of customers such as pharmaceutical companies, educational Institutions and

¹ On 7 June 2022, Cathexis informed the Commission that it has entered into a definitive agreement to acquire Irish based Jones Engineering Holdings International Limited [...].

construction contractors engaged on building sites. Hire agreements typically range for 2-3 years with the option to extend the term or purchase the unit at the end of the initial period.

- Leo Lynch:
 - Leo Lynch, trading as Leo Lynch Engineering Contractors, is based at Fonthill Industrial Park, Clondalkin, Dublin 22. Leo Lynch is a specialist provider of engineering services. Leo Lynch provides high-specification process and mechanical engineering services, primarily to clients in the Life Sciences (Biotech and Pharma), Microelectronics, Healthcare, Food and Medical Technology sectors. Process engineering services include production line installation, air purification systems and chemicals management. Mechanical engineering services include HVAC² systems, sprinkler systems and water management systems.
- 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: (i) Cathexis and Leo Lynch are not active in the same product or geographic market; and, (ii) Cathexis is active in markets which are potentially upstream to markets in which Leo Lynch is active, but both Cathexis and Leo Lynch's estimated shares of supply in each market is less than 25%.
- 4. In the 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. In the notification form the parties notified Clause 16 of the SPA as containing ancillary restraints. Clause 16 of the SPA contains non-compete and non-solicitation obligations on the [...]. The duration of these non-compete and non-solicitation obligations does not exceed the maximum duration acceptable to the Commission.³ The Commission considers these

² HVAC is heating, ventilation, and air conditioning

³ In this respect, the CCPC follows the approach adopted by the EU Commission in paragraphs 20 and 26 of its "Commission Notice on restrictions directly related and necessary to concentrations" (2005). For more information see [http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=EN](http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=EN)

restrictions to be directly related to and necessary for the implementation of the Proposed Transaction as 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 Cathexis Holdings LP would acquire the entire issued share capital and thus sole control of L. Lynch and Co Limited 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
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Competition Enforcement and Mergers