



DETERMINATION OF MERGER NOTIFICATION M/22/067 – THORNTONS RECYCLING/CARDUCCI HOLDINGS (THE CITY BIN CO)

Section 21 of the Competition Act 2002

Proposed acquisition by Padraig Thornton Waste Disposal Limited of sole control of Carducci Holdings DAC

Dated 31 May 2023

Introduction

1. On 16 December 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 Padraig Thornton Waste Disposal Limited (“Thorntons Recycling”) would acquire sole control of Carducci Holdings DAC (“Carducci”), and thereby also sole control of Carducci’s indirectly wholly-owned subsidiary, The City Bin Co Unlimited Company (“The City Bin Co”) (the “Proposed Transaction”).

The Proposed Transaction

2. The Proposed Transaction is to be implemented by way of a share purchase agreement dated 28 July 2022 between: CCIF Salero S.À.R.L; Bolgheri Limited; [...] (a private individual); the ‘Management Sellers’;¹ the ‘Employee Sellers’;² and Thorntons Recycling (the “SPA”). Under the terms of the SPA, Thorntons Recycling will acquire the entire issued share capital, and thus sole control, of Carducci.

The Undertakings Involved

The Acquirer – Thorntons Recycling

¹ The ‘Management Sellers’ are two private individuals, namely [...] and [...].

² The ‘Employee Sellers’ are eight private individuals, namely [...], [...], [...], [...], [...], [...], [...], and [...].



3. Thorntons Recycling is a vertically integrated waste and recycling business, primarily active in the Greater Dublin Area³ in the following business activities:
 - the supply of domestic waste collection services;
 - the supply of waste collection services to single-site commercial and industrial (“C&I”) customers;
 - the supply of waste collection services to multi-site C&I customers;
 - the processing of waste collected from domestic and C&I customers; and
 - the supply (for sale) of sorted/processed recyclable materials.
4. With respect to waste processing, Thorntons Recycling operates six materials recovery facilities, five of which are located in Co. Dublin,⁴ and one in Co. Meath. Thorntons also operates: (i) a composting facility in Co. Meath; (ii) a confidential shredding facility in Co. Dublin; (iii) a baling facility in Co. Dublin; and (iv) a timber shredding facility in Co. Wicklow.⁵
5. For the financial year ending 31 December 2021, Thorntons Recycling’s worldwide turnover was approximately €93.05 million, all of which was generated in the State.

The Target – Carducci

6. Carducci is the indirect owner of, and ultimately controls, The City Bin Co. The City Bin Co is active in Co. Dublin and Co. Galway in the following business activities:
 - the supply of domestic waste collection services;
 - the supply of waste collection services to single-site C&I customers; and
 - the supply of waste collection services to multi-site C&I customers.
7. The City Bin Co operates a transfer station near Oranmore, Co. Galway. The transfer station stores waste which is transferred onwards for disposal or processing by third

³ The Greater Dublin Area comprises the city of Dublin and the counties of South Dublin, Fingal, and Dun Laoghaire-Rathdown, (collectively “Co. Dublin”) as well as the counties of Meath, Kildare and Wicklow.

⁴ One of these facilities is also a mixed dry recycling facility.

⁵ This timber shredding facility is owned by Pandagreen and is operated by both Thorntons Recycling and Pandagreen as part of a joint venture.



parties. The City Bin Co does not engage in waste processing at its transfer station or elsewhere.

8. For the financial year ending 31 December 2021, Carducci's worldwide turnover was approximately €[...], all of which was generated in the State.

Third-Party Submissions

9. No third-party submissions were received.

Investigation

10. On 26 January 2023, the Commission served a Requirement for Further Information ("RFI") on each of Thorntons Recycling and Carducci pursuant to section 20(2) of the Act. The service of these RFIs adjusted the deadline within which the Commission had to conclude its assessment of the Proposed Transaction in Phase 1.
11. Upon receipt of full responses to the RFIs, the "appropriate date" (as defined in section 19(6)(b)(i) of the Act) became 29 March 2023.⁶
12. The Commission conducted market enquiries which included sending questionnaires to competitors and customers of the parties. In some cases, the Commission also contacted third parties by online video call and/or e-mail to seek further details regarding their responses.
13. On 9 May 2023, Thorntons Recycling submitted draft proposals to the Commission in accordance with section 20(3) of the Act for the purpose of ameliorating any effects of the Proposed Transaction on competition in markets for goods or services in the State. The submission of these draft proposals 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.

⁶ The "appropriate date" is the date from which the time limits for making both Phase 1 and Phase 2 determinations begin to run.



14. Following detailed consideration, the Commission is unable, at this stage, to reach a conclusion that the draft proposals submitted by Thorntons Recycling would ameliorate any effects of the Proposed Transaction on competition in markets for goods or services in the State such that the result of the Proposed Transaction would not be to substantially lessen competition in markets for goods or services in the State.

Analysis

15. The Commission is unable, at this stage, to make a determination that the result of the Proposed Transaction will not be to substantially lessen competition in markets 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 by Padraig Thornton Waste Disposal Limited of sole control of Carducci Holdings DAC and thereby also sole control of Carducci Holdings DAC’s indirectly wholly-owned subsidiary, The City Bin Co Unlimited Company.

For the Competition and Consumer Protection Commission

Brian McHugh

Member

Competition and Consumer Protection Commission