



DETERMINATION OF MERGER NOTIFICATION M/23/004

– JOHN LAING/ CCD GROUP

Section 21 of the Competition Act 2002

Proposed acquisition by John Laing Group Limited of sole control of CCD Group.

Dated 28 April 2023

Introduction

1. On 23 January 2023, 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 John Laing Group Limited (“John Laing”), a company incorporated in England which is indirectly controlled by investment funds, vehicles and/or accounts advised and managed by various subsidiaries of KKR & Co. Inc., (together with its subsidiaries, “KKR”), would acquire sole control of RM Convention Centre Holdings Limited (together with its subsidiaries, “CCD Group”) (the “Proposed Transaction”).

The Proposed Transaction

2. The Proposed Transaction will be implemented pursuant to a share purchase agreement dated 22 December 2022 between [...] (the “SPA”). Pursuant to the SPA, John Laing (indirectly controlled by KKR) will acquire the entire issued share capital and therefore sole control of CCD Group.

The Undertakings Involved

The Acquirer – John Laing



3. John Laing is a company incorporated in England and indirectly controlled by investment funds, vehicles and/or accounts advised and managed by various subsidiaries of KKR.
4. John Laing is an international investor and asset manager focused on a range of infrastructure sectors including transport, social infrastructure, energy, accommodation and digital infrastructure. John Laing has operations in seven countries and invests in projects in the United Kingdom, North America, Latin America and Australia. At the time the Proposed Transaction was notified to the Commission, John Laing did not have any infrastructure investments in the State.
5. For the financial year ending 31 December 2021, John Laing generated turnover of €[...], [...] of which was generated in the State.
6. KKR is a global investment firm that offers alternative asset management as well as capital markets and insurance solutions. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds.
7. For the financial year ending 31 December 2021, KKR's worldwide turnover was approximately €[...], of which [...] was generated in the State.

The Target – CCD Group

8. CCD Group maintains and operates the Convention Centre Dublin (the “Convention Centre”), a purpose-built conference centre in Dublin’s financial services district which was commissioned in 2007 by the Office of Public Works.
9. The Convention Centre has a car park attached that is operated by *Euro Car Parks* via a [...] licence agreement.¹ This form of car park operation typically involves car park cleaning and maintenance, payment collection, enforcement, machine maintenance,

¹ Euro Car Parks (Ireland) Limited (“*Euro Car Parks*”), CRO number 297908.



customer service, and permit maintenance. This car park has 321 car parking spaces, [...].

10. For the financial year ending 31 December 2021, CCD Group had a turnover of approximately €[...], all of which was generated in the State.

Rationale for the Proposed Transaction

11. The parties state in the notification that:

“The Proposed Transaction represents [...]. From the IIF’s perspective, the Proposed Transaction allows it to make a return on its investment in CCD Group, while ensuring that it will continue to be operated by an experienced infrastructure investor going forward.”^{2 3}

Contact with the Undertakings Involved

12. On 20 February 2023, the Commission served a Requirement for Further Information (“RFI”) on each of CCD Group and KKR 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.
13. Upon receipt of full responses from both CCD Group and KKR, the “appropriate date” (as defined in section 19(6)(b)(i) of the Act) became 20 March 2023.
14. During its investigation, the Commission requested and received, on an on-going basis, further information and clarifications from the parties involved in the Proposed Transaction.

Third-Party Submissions

² See paragraph 8 of the notification.

³ ‘IIF’ refers to the Irish Infrastructure Fund, a sub-fund of the Irish Infrastructure Trust, an umbrella unit trust established pursuant to the Unit Trusts Act 1990 and authorised by the Central Bank of Ireland as a qualifying investor alternative investment fund which is managed by AMP Capital Investors (UK) Limited (in its capacity as Infrastructure Investment Manager of the IIF) (“AMP”).



15. No third-party submissions were received.

Competitive Analysis

Horizontal Overlap

16. The parties state in the notification that there is no horizontal overlap between the business activities of the parties within the State. The Commission has not identified any actual or potential horizontal overlap between the parties in the State. Therefore, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in the State.

Vertical Relationship

17. There is a potential vertical relationship between a portfolio company controlled by KKR and CCD Group in respect of car parking facilities. Q-Park Ireland Limited, one of the portfolio companies controlled by KKR, is active in the provision of car parking management services to owners of car parks. CCD Group owns the car park in the Convention Centre.

Market Definition

Relevant Product Market

The supply of car park management services

18. In the notification, the parties do not identify a market for the supply of car parking management services.
19. In its Determination in *M/19/012 – APCOA Parking/NCPS (“APCOA/NCPS”)*,⁴ the Commission left the product market definition open but assessed the impact of the proposed transaction by reference to the potential markets for the supply of car

⁴ See <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2019/05/APCOA-Parking-NCPS-Public-Determination.pdf>.



- parking management services segmented by: (i) the provision of car parking management services via lease contracts; (ii) the provision of car parking management services via management contracts; and (iii) the provision of car parking management services via park and control (“PAC”) contracts.
20. The Commission defines the market to the extent necessary depending on the particular circumstances of a given case. In this instance, given the nature of the overlap, it is not necessary to segment the potential market for the supply of car parking management services by contract type as was the approach of the Commission in *APCOA/NCPS*.
21. Therefore, for the purpose of its competitive assessment of the Proposed Transaction, the Commission has assessed the likely competitive effects of the Proposed Transaction by reference to the potential market for the supply of car parking management services.

Relevant Geographic Market

The supply of car park management services

22. In the notification, the parties do not identify a geographic market for the supply of car parking management services.
23. In *APCOA/NCPS*, the Commission left the market definition open but assessed the proposed transaction by reference to both a narrow potential geographic market (i.e., by county) and a broad potential geographic market (i.e., the State) potential geographic market.
24. The Commission defines the market to the extent necessary depending on the particular circumstances of a given case. In this instance, it is not necessary for the Commission to reach a definitive view on the precise relevant geographic market since, regardless of whether the potential geographic market is defined broadly or narrowly, it does not alter the Commission’s assessment of the Proposed Transaction.



25. Therefore, for the purpose of its competitive assessment of the Proposed Transaction, the Commission has assessed the likely competitive effects of the Proposed Transaction by reference to the potential market for the supply of car parking management services in the State.

Conclusion on relevant markets

26. For the purposes of carrying out its competitive assessment of the Proposed Transaction, the Commission has assessed the competitive impact of the Proposed Transaction by reference to the supply of car park management services in the State.

Vertical Overlap

27. There is a potential vertical relationship between CCD and a portfolio company controlled by KKR in the State. Specifically, KKR indirectly owns and controls Q-Park, which provides car parking management services in Dublin City and elsewhere in the State. There is a car park located in the basement of the Convention Centre, the operation of which is currently licensed by CCD Group to Euro Car Parks, a third-party car parking management services provider. As such, there is a potential vertical overlap between CCD upstream as a provider of car parking, and Q-Park downstream as a car parking management services provider.

28. In the notification, the parties argued this vertical relationship would not give rise to foreclosure, as:

- *“The acquisition of the car park is only an ancillary element of the Proposed Transaction and the revenue generated by CCD Group from the car park is negligible ([...]); and*
- *The car park includes 321 car parking spaces, [...].”⁵*

⁵ Paragraph 46 of the notification.



29. In an additional submission on 18 April 2023, the parties state that [...].⁶ They add that [...]. The parties also state that [...].
30. As set out in the parties' submission of 18 April 2023, although both Q-Park and CCD Group (through John Laing) will both be portfolio companies controlled by KKR post-transaction, [...].
31. Furthermore, there are a number of large providers of car parking services management companies, including *APCOA*,⁷ *Best Car Parks*,⁸ *Euro Car Parks* and *iPáirc*,⁹ which operate in Dublin and across the State. CCD Group owns a single car park containing 321 spaces, [...].¹⁰ The Commission therefore considers that KKR will not have the ability or incentive to engage in input foreclosure or customer foreclosure in relation to the supply of car park management services in the State, following the implementation of the Proposed Transaction.
32. In light of the above, the Commission considers that the Proposed Transaction will not lead to any vertical foreclosure concerns in the markets for the provision of car parking management services or the market for the provision of car parking space.

Conclusion of Competitive Analysis

33. 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.

⁶ Email from the parties dated 18 April 2023.

⁷ APCOA Parking Ireland Ltd ("*APCOA*"), CRO number 282652.

⁸ Best Car Park Limited ("*Best Car Parks*"), CRO number 533234.

⁹ IPáirc Limited ("*IPáirc*"), CRO number 564061.

¹⁰ By comparison to other car parks in the area; the Point Square car park operated by *Euro Car Parks* has 880 spaces; the IFSC car park operated by Park Rite Limited ("*Park Rite*"), CRO number 25942 has 370 spaces; the Irish Life car park operated by *Park Rite* has 340 spaces; the Connolly Train Station car park operated by *APCOA* has 230 spaces; the Clarion Quay (Spencer Hotel Dublin) car park operated by RFC Security, CRO number 478370 has 146 spaces, and; the National College of Ireland car park has 104 spaces.



Ancillary Restraints

34. 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 John Laing Group Limited, which is indirectly controlled by investment funds, vehicles and/or accounts advised and managed by various subsidiaries of KKR & Co. Inc., would acquire sole control of the CCD Group, 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