

DETERMINATION OF MERGER NOTIFICATION M/23/014 – AURELIUS GROUP / RETAIL IN MOTION

Section 21 of the Competition Act 2002

Proposed acquisition by Aurelius Group, through Truffle UK BidCo Three Limited, of the entire issued share capital of Retail in Motion Limited

Dated: 10 May 2023

1. On 21 April 2023, 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 the Aurelius Group, through Truffle UK BidCo Three Limited (“Truffle UK”¹), would acquire the entire issued share capital of Retail in Motion Limited (“Retail in Motion”), which is a wholly owned subsidiary of LSG/SkyChefs Europe Holding Limited² (“LSG SkycheFs”), and is part of the group, Deutsche Lufthansa AG (the “Proposed Transaction”).
2. The Proposed Transaction is part of a global acquisition of shares and assets by the Aurelius Group and is to be implemented by way of a share purchase agreement, dated 4 April 2023, pursuant to which the Aurelius Group will indirectly acquire the entire issued share capital and sole control of Retail in Motion from Deutsche Lufthansa AG.
3. The parties are involved in the following business activities:

Aurelius Group

- The Aurelius Group is a group of multi-asset managers and investors with activities worldwide. The Aurelius Group focuses on investing in mid-market corporate carve-outs and platform build-ups with development potential.

¹Truffle UK BidCo Three Limited is a company incorporated in the United Kingdom which is owned and controlled by the Aurelius Group

² LSG/SkycheFs Europe Holdings Limited is owned 50% by LSG South America GmbH and 50% by LSG Lufthansa Service Europa/Africa GmbH. Both companies are wholly owned by LSG Lufthansa Service Holding AG. These are part of Deutsche Lufthansa AG.

- The Aurelius Group currently controls a portfolio of 40 companies located worldwide, 15 of these companies have turnover in the State. Eleven of these companies generated turnover of less than [REDACTED] in the State in the financial year ending 31 December 2021 and 4 of these companies generated turnover of more than [REDACTED] in the State that same financial year.

Retail in Motion Limited

- Retail in Motion is an Irish incorporated entity and a wholly owned subsidiary of LSG Skycheffs, who are an integrated inflight catering and retail business with strategic diversification in food commerce. LSG Skycheffs provide aviation retail and catering services including classic catering for airlines which is mostly prevalent on long-haul and in some regions on short-haul flights. LSG Skycheffs' classic catering business operates globally but the European business of LSG Skycheffs was sold in a prior transaction to GateGroup AG which is unrelated to the Proposed Transaction. The Proposed Transaction involves the non-European element of the LSG Skycheffs' business. Furthermore, LSG Skycheffs provide on-board retail for airlines which is the only Irish activity of the business. Finally, LSG Skycheffs provides food commerce sold in businesses and air security in North America.
4. 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, or in any market(s) which is upstream or downstream to a market(s) in which another undertaking is active or potentially active;³ and
 - none of the undertakings involved in the merger/acquisition are active in any market(s) which is upstream or downstream to a market(s) in which another undertaking involved is active.

³ This is the case in respect of the Aurelius Group and Retail in Motion.

5. 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

6. Clauses 31.1.1 and 31.1.2 of the share purchase agreement contain non-compete obligations on Deutsche Lufthansa AG and the Sellers.⁴ Clauses 31.2.1 and 31.2.2 of the share purchase agreement contain non-solicitation of employees in a senior or management capacity obligations on the Sellers. The duration of the non-compete and non-solicitation obligations does not exceed the maximum duration acceptable to the Commission. The Commission considers these restrictions to be directly related to and necessary for the implementation of the Proposed Transaction, insofar as they relate to the State.⁵

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 Aurelius Group through Truffle UK BidCo Three Limited, would acquire the entire issued share capital of Retail in Motion Limited which is a wholly owned subsidiary of LSG SkyChefs Europe Holding Limited, and is part of the group, Deutsche Lufthansa AG 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

⁴ "Sellers" as defined in the share purchase agreement dated 4 April 2023 are: LSG LufthansaService Holding AG, LSG Lufthansa Service Europa/Afrika GmbH, LSG South America GmbH, LSG Asia GmbH, LSG/Sky chefs Europe Holdings Ltd, retail in Motion GmbH.

⁵ In this respect, the Commission follows the approach adopted by the European Commission in paragraphs 20 and 26 of its "Commission Notice on restrictions directly related and necessary to concentrations" [2005] OJ C56/03. 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)