

DETERMINATION OF MERGER NOTIFICATION M/23/044 - QUARTZ HOLDCO AND MAC CONSTRUCTION/MAC INTERIORS

Section 21 of the Competition Act 2002

Proposed acquisition by Quartz Holdco Limited, a wholly-owned subsidiary of Errigal Contracts Group Limited, of joint control of Mac-Interiors Limited

Dated: 12 September 2023

1. On 28 August 2023 in accordance with s18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission received a notification of proposed transaction whereby Quartz Holdco Limited (“Quartz HoldCo”), a wholly-owned subsidiary of Errigal Contracts Group Limited, would acquire 55% of the issued share capital in Mac-Interiors Limited (“Mac-Interiors”), a wholly-owned subsidiary of Mac Group Holdings (“Mac Group”), (the “Proposed Transaction”).
2. The Proposed Transaction is to be implemented pursuant to an Investment Agreement (the “IA”), dated 17 August 2023, between Mac Construction Group Limited, Mac-Interiors (which is in examinership), Mac-Group Holdings Limited, Quartz Holdco Limited and Kieran Wallace (the “Examiner”). Pursuant to the IA, Quartz Holdco Limited would acquire 55% of the issued share capital (and associated voting rights) in Mac-Interiors, the remaining 45% of the issued share capital (and associated voting rights) in Mac-Interiors will be held by another entity in Mac Group, Mac Construction Group Limited, a private company limited by shares incorporated in England. The Proposed Transaction will result in a change from sole control (by Mac Group) to joint control (by Quartz Holdco and Mac Construction) over Mac-Interiors.
3. The business activities of the undertakings involved are:

Mac-Interiors Limited and Mac Group

- Mac-Interiors (the “Target”) is a private company limited by shares incorporated in Northern Ireland and in the State.

- On 30 May 2023, the Target was placed under the protection of the Irish High Court pursuant to Part 10 of the Companies Act and Kieran Wallace of Interpath Advisory was appointed examiner by order of the Court dated 14 June 2023.
- The Target’s main geographic region of operation is the State.
- Mac Group, of which the Target forms part of, is a construction group operating in the commercial and residential construction sub-sectors within the State and the United Kingdom. Mac Group delivers construction projects, from single-storey construction to large-scale schemes including commercial offices, multi-storey towers, hotels, shopping centres and logistical hubs. Services offered by Mac Group include tailored building design, building construction, building refurbishment and commercial fit-out services. Mac Group primarily provides services to clients in the commercial sector. In 2022, approximately 78% of Mac Group’s revenue was generated from projects in the State.

Mac Construction

- Mac Construction Group Limited (“Mac Construction”) is a private company limited by shares incorporated in England.
- Mr Paul McKenna, a Northern Irish national with an address in Birmingham, England, is listed as a person of significant control owning more than 75% of shares and more than 75% of voting rights of Mac Construction.

Quartz Holdco Limited and Errigal Group

- Quartz Holdco is a private company limited by shares incorporated in Northern Ireland. Quartz HoldCo is a special purpose vehicle which is being used to carry out the Proposed Transaction.
- Quartz Holdco is a wholly owned subsidiary of Errigal Contracts Group Limited, which is a private company limited by shares incorporated in the State and a member of the Errigal group of companies (“Errigal Group”).

- Errigal Group is a multi-disciplinary construction group with its main commercial trading activities being a specialist sub-contractor across both the residential and commercial construction sub-sectors in the State, the United Kingdom and Europe. Errigal Group has expertise in partition systems, external façade, interior fit-out, ceilings and bespoke solutions. Errigal Group provides specialist sub-contractor services to clients in both the residential and commercial sectors including digital infrastructure, pharma and life sciences, commercial property, and hospitality sectors.

Assessment

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:
 - a. Errigal Group and Mac Group are active in the same product and geographic market, but their combined market share is less than 15%; and,
 - b. Errigal Group are potentially active in a market which is upstream or downstream to a market in which Mac Group is active, but the market share of each party is less than 25%.
5. 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

6. No ancillary restraints 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 Quartz Holdco Limited, a wholly-owned subsidiary of Errigal Contracts Group Limited, would acquire 55% of the issued share capital in Mac-Interiors Limited, a wholly-owned subsidiary of Mac Group Holdings, 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