



# DETERMINATION OF MERGER NOTIFICATION M/23/057 – IFX/BLACKHALL FACILITIES MANAGEMENT

---

## Section 21 of the Competition Act 2002

**Proposed acquisition by Inflexion Enterprise Fund V GP Guernsey Limited and Inflexion Supplemental Fund V GP Guernsey Limited, funds advised by Inflexion Private Equity Partners LLP, of indirect sole control of Blackhall Facilities Management Limited.**

**Dated 21 December 2023**

---

### Introduction

1. On 13 November 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 Inflexion Enterprise Fund V GP Guernsey Limited and Inflexion Supplemental Fund V GP Guernsey Limited (together “IFX”), funds advised by Inflexion Private Equity Partners LLP (“IPEP”), would acquire indirect sole control of Blackhall Facilities Management Limited and its subsidiaries, Blackhall Properties Limited and Pawprints Cremation Limited (together, the “Target”) (the “Proposed Transaction”).

### The Proposed Transaction

2. The Proposed Transaction will be implemented pursuant to a share purchase agreement (“SPA”)<sup>1</sup> and investment agreement (“Investment Agreement”)<sup>2</sup>, both dated 10 November 2023. Pursuant to the SPA and Investment Agreement, IFX will acquire indirect sole control of the Target through the acquisition of a majority shareholding and certain negative control rights.

### The Undertakings Involved

---

<sup>1</sup> Between Artemis Bidco Limited (an indirectly controlled subsidiary of IFX) of the one part and the “Sellers” (Cetior Limited and Molly and Roo Limited) and [...] of the other part.

<sup>2</sup> Between Artemis Topco Limited, Artemis Midco 1 Limited, Artemis Midco 2 Limited (all subsidiaries of IFX), IFX, IPEP, and the “Managers” [...].



### ***The Acquirer - IFX***

3. IFX are investment funds established in Guernsey and advised by IPEP.<sup>3</sup> IPEP is a mid-market private equity firm headquartered in the United Kingdom (“UK”), with offices in Sweden and the Netherlands.
4. IFX, together with other affiliated investment funds advised by IPEP, is active in the State via [...] portfolio companies (the “Portfolio Companies”) which service a range of sectors including: energy and infrastructure; healthcare and education; business and financial; retail, consumer and leisure; specialist engineering; and technology, media and telecoms.
5. For the financial year ending 30 September 2022, the global turnover of IFX was approximately €[...], of which approximately €[...] was generated in the State.<sup>4</sup>
6. Of relevance to the Commission’s assessment of the Proposed Transaction, one of the Portfolio Companies owned by IFX, together with other affiliated funds advised by IPEP (“Inflexion Funds”), Lintbells Limited (“Lintbells”), is active at the wholesale level in the State, selling animal nutritional supplements to pet specialty shops, veterinary clinics, supermarkets, and other retail outlets.<sup>5</sup> These animal nutritional supplements comprise three specific product types: animal nutritional joint supplements; animal nutritional digestive supplements; and animal nutritional skin/coat supplements.
7. For the financial year ending 30 September 2022, Lintbells generated turnover of €[...] from sales of animal nutritional supplements to customers (including the Target) located in the State.<sup>6</sup>

### ***The Target***

---

<sup>3</sup> [...]

<sup>4</sup> Based on the European Central Bank 2022 average euro foreign exchange reference 1 GBP = 1.173 EUR.

<sup>5</sup> IFX, together with other affiliated funds advised by IPEP, indirectly holds [...] % of Lintbells.

<sup>6</sup> Based on the European Central Bank 2022 average euro foreign exchange reference 1 GBP = 1.173 EUR.



8. The Target operates veterinary clinics at 18 locations across counties Dublin, Meath and Wicklow<sup>7</sup> that are primarily veterinary practices offering primary care services. The Target also operates a pet crematorium in Trim, Co. Meath, known as Pawprints Crematorium.
9. The Target is also active in the retail sale of animal nutritional health supplements in the State through its veterinary practices. Approximately [...] % of the Target's total turnover in the State in 2022 was generated from the retail sale of animal health nutritional supplements.
10. The Target is currently jointly owned by Molly & Roo Limited and Cetior Limited, of which two private individuals [...] are the ultimate beneficial owners.
11. For the financial year ending 31 December 2022, the Target's turnover was € [...], all of which was generated in the State.

#### **Rationale for the Proposed Transaction**

12. The parties state the following in the notification:

*“Key attractions of the Proposed Transaction to IFX are the prospects of growing the Target's revenues through investment in the Target's current veterinary practices and crematorium, though the greenfield roll out of new practices, through services expansion as well as through organic growth.”*

#### **Third-Party Submissions**

13. No third-party submission was received.

#### **Contact with the Undertakings Involved**

14. On 5 December 2023, the Commission served a Requirement for Further Information (“RFI”) on IFX pursuant to section 20(2) of the Act. The service of this RFI adjusted the deadline within which the Commission had to conclude its assessment of the Proposed Transaction in Phase 1.

---

<sup>7</sup> Located at Clondalkin, Beaumont, Cabra, Castleknock, two in Clonsilla, Coolock, Dundrum, Kilmainham, Rathfarnham, Rathgar, Sandyford and Stillorgan, Ashbourne, Dunboyne, Dunshaughlin and Bray.



15. Upon receipt of full responses from IFX, the “appropriate date” (as defined in section 19(6)(b)(i) of the Act) became 07 December 2023. The Commission requested and received, on an ongoing basis, further information and clarifications from the undertakings involved in the Proposed Transaction.

## Competitive Analysis

### Horizontal Overlap

16. The parties state in the notification that there is no horizontal overlap between the activities of IFX/IPEP/the Portfolio Companies and the Target in the State. The Commission has not identified any horizontal overlap between IFX/IPEP/the Portfolio Companies and the Target in the State. Neither IFX, IPEP, nor any of the Portfolio Companies are active in the Target’s core area of business, namely the provision of veterinary care and pet crematorium services in the State.<sup>8</sup>
17. Lintbells and the Target are both active in the sale of animal nutritional health supplements in the State at different levels of the supply chain. While Lintbells is active in the wholesale supply of animal nutritional supplements, the Target sells animal nutritional supplements at the retail level.
18. In light of the above, the Commission considers that the Proposed Transaction does not raise any actual or potential horizontal competition concerns in State.

### Vertical Overlap

19. The parties state in the notification that there is an existing *de minimis* vertical relationship between Lintbells and the Target in the State: the Target currently sells Lintbells’ animal nutritional health supplements in its veterinary practices in the State. In 2022, the Target purchased (through third-party wholesalers) Lintbells’ products [...] for resale in its veterinary practices.<sup>9</sup>

---

<sup>8</sup> IFX stated by e-mail on 20 November 2023 that the ultimate shareholders in IFX and ultimate beneficial owners of IPEP [...] do not own or have a shareholding in any entity which generates turnover in the State in relation to the provision of veterinary care or crematorium services.

<sup>9</sup> In 2023, up to 7 November 2023, the Target purchased Lintbells’ products worth €[...] in value for resale.



## Market Definition

### Relevant Product Market

#### *Views of the Parties*

20. The parties state in the notification that it is not necessary for the Commission to reach a definitive conclusion on the definition of the relevant product market as the Proposed Transaction will not lead to a substantial lessening of competition, irrespective of how the market is defined. However, the parties state in the notification that the narrowest possible product markets are the vertically-related markets for:

- (i) the wholesale supply of animal feed supplements by product type (i.e., joint supplements, digestive supplements or skin/coat supplements); and
- (ii) the wholesale purchase and retail sale of animal feed supplements by product type (i.e., joint supplements, digestive supplements or skin/coat supplements).<sup>10</sup>

#### *Views of the Commission*

21. The Commission has not previously considered the relevant product market for animal nutritional health supplements. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this instance, it is not necessary for the Commission to define precise relevant product markets since its conclusion on the likely competitive impact of the Proposed Transaction will be unaffected irrespective of whether the potential wholesale and retail product markets are defined broadly by reference to animal nutritional health supplements or more narrowly by specific product type (e.g., animal nutritional joint supplements, animal nutritional digestive supplements or animal nutritional skin/coat supplements).

22. For the purpose of its competitive assessment of the Proposed Transaction, the Commission

---

<sup>10</sup> The parties state that the terms “animal feed supplements” and “animal nutritional health supplements” are to be used interchangeably. The Commission has taken the view that “animal nutritional health supplements” is a more accurate description of Lintbells’ products.



has assessed the likely competitive impact of the Proposed Transaction in the following potential product markets:

- (i) the wholesale supply of animal nutritional health supplements; and
- (ii) the retail sale of animal nutritional health supplements.

### **Relevant Geographic Market**

#### *Views of the Parties*

23. The parties state in the notification that it is not necessary for the Commission to reach a definitive conclusion on the definition of the relevant geographic market for animal nutritional health supplements as the Proposed Transaction will not lead to a substantial lessening of competition, irrespective of how the market is defined. However, the parties state in the notification that the narrowest possible geographic market for animal nutritional health supplements is the State.

#### *Views of the Commission*

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 define the precise relevant geographic market since doing so will not alter its assessment on the likely competitive impact of the Proposed Transaction. For the purpose of its assessment, the Commission has assessed the likely competitive impact of the Proposed Transaction by reference to the State.

### Conclusion on the Relevant Markets

25. For the purposes of its competitive assessment of the vertical overlap raised by the Proposed Transaction, the Commission has analysed its impact by reference to the following two potential markets:

- (i) the wholesale supply of animal nutritional health supplements in the State; and



- (ii) the retail sale of animal nutritional health supplements in the State.

### Competitive Analysis

26. The Commission considers that there is no prospect of the Proposed Transaction raising any vertical foreclosure concerns in the State for the reasons set out below.

27. Input foreclosure: Based on the information provided in the notification, Lintbells has a minimal share in the wholesale supply of animal nutritional health supplements in the State. The parties state in the notification that Lintbells has a share of less than 1% in the wholesale supply of animal nutritional supplements in the State.<sup>11</sup>

28. The parties state in the notification that for the financial year ending 30 September 2022, Lintbells generated turnover of €[...] <sup>12</sup> from the wholesale supply of animal nutritional supplements to customers (including the Target) located in the State.<sup>13</sup> Data for the total value of the potential market for the wholesale supply of animal nutritional supplements in the State is not available. In the notification, the parties provided estimates of total retail sales in the State in 2022 for different types of animal nutritional supplements. This is set out in Table 1 below:

**Table 1: Estimated total retail sales of animal nutritional supplements in the State, 2022**

	(€ million)
All animal nutritional supplements	€ 13.3
Animal nutritional joint supplements	€ 2.28
Animal nutritional digestive supplements	€ 1.6
Animal nutritional skin/coat supplements	€ 2.28

Source: The Parties, using data from the 'Prudour Report on the Pet Supplements Market Global Industry Analysis, Size, Share, Growth, Trends and Forecast, 2016 2032'

<sup>11</sup> The parties also state in the notification that, segmented by specific animal nutritional supplement type, Lintbells has a share in the State of less than 1% in the wholesale supply of: (i) animal nutritional joint supplements; (ii) animal nutritional digestive supplements; and (iii) animal nutritional coat/skin supplements.

<sup>12</sup> Based on the European Central Bank 2022 average euro foreign exchange reference 1 GBP = 1.173 EUR.

<sup>13</sup> The Target accounted for [...] % of Lintbells' total sales of animal nutritional supplements in the State for the financial year ending 30 September 2022.



29. The Commission considers it clear from the retail sales figures set out in Table 1 above that Lintbells has a minimal share in the wholesale supply of animal nutritional health supplements in the State. Furthermore, several of Lintbells' largest competitors in the United Kingdom are also active in the wholesale supply of animal nutritional supplements in the State, including [...]. The Target informed the Commission that in 2023 it purchased animal nutritional supplements for resale in its veterinary practices from suppliers other than Lintbells, including [...].
30. Therefore, given its minimal sales of animal nutritional supplements in the State, the Commission considers that IFX will not have the ability to successfully engage in an input foreclosure strategy in the State as a result of the Proposed Transaction.
31. Customer foreclosure: Based on information provided to the Commission by the Target, the Target has a share of [0-5]% in the retail sale of animal nutritional supplements in the State.<sup>14</sup> The Target is a very small retail supplier of animal nutritional supplements in the State and it competes with a broad range of bricks-and-mortar and online retailers.
32. The Commission therefore considers that IFX will not have the ability to successfully engage in a customer foreclosure strategy in the State as a result of the Proposed Transaction.
33. In light of its analysis above, the Commission considers that the Proposed Transaction does not give rise to any vertical competition concerns in the State.

### **Conclusion of Competitive Analysis**

34. 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.

### **Ancillary restraints**

35. Clauses [...] of the SPA contain restrictive covenants on the Sellers and Covenantors in relation to non-compete and non-solicitation obligations. Following engagement with the Commission, the parties decided to withdraw their request that the restrictive covenants be considered by the Commission as restrictions that are directly related to and necessary

---

<sup>14</sup> Based on the information provided to the Commission, segmented by specific animal nutritional supplement type, the Target also has a negligible share in the retail sale of: (i) animal nutritional joint supplements; (ii) animal nutritional digestive supplements; and (iii) animal nutritional coat/skin supplements.





for the implementation of the Proposed Transaction. Such restrictions are therefore not addressed in this Determination.



## **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 transaction, whereby Inflexion Enterprise Fund V GP Guernsey Limited and Inflexion Supplemental Fund V GP Guernsey Limited, funds advised by Inflexion Private Equity Partners LLP, would acquire indirect sole control of Blackhall Facilities Management Limited and its subsidiaries, Blackhall Properties Limited and Pawprints Cremation 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

**Úna Butler**

**Member**

**Competition and Consumer Protection Commission**