



# DETERMINATION OF MERGER NOTIFICATION M/15/001 - CINVEN/PCL

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## Section 21 of the Competition Act 2002

### Proposed acquisition by Cinven Capital Management (V) General Partner Limited of sole control of Premium Credit Limited

Dated 19 February 2015

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#### Introduction

1. On 29 January 2015, in accordance with section 18(1) of the Competition Act 2002, as amended<sup>1</sup> (“the Act”), the Competition and Consumer Protection Commission (“Commission”) received a notification of a proposed transaction comprising the acquisition of sole control of Premium Credit Limited (“PCL”) by Pomegranate Acquisitions Limited (“Pomegranate”), an entity incorporated for the purposes of the transaction and ultimately controlled by the Fifth Cinven Fund managed by Cinven Capital Management (V) General Partner Limited (“Cinven”).
2. The proposed transaction is pursuant to a share purchase agreement (“SPA”) dated 12 January 2015 between three institutional sellers (namely three GTCR Funds),<sup>2</sup> [...] named individual sellers and Pomegranate.<sup>3</sup> The effect of the SPA would be that Cinven would acquire sole control of PCL.

#### The Undertakings Involved

##### *The Acquirer - Cinven Group*

3. Cinven is part of the wider “Cinven Group” which includes other investment funds in addition to the Fifth Cinven Fund. The Cinven Group is a European private equity firm, with offices in Guernsey, London, Frankfurt, Paris, Milan, Luxembourg and Hong Kong. Funds managed by the Cinven Group focus on six sectors: Business Services (e.g., intellectual property management services, and insulation, scaffolding and surface coating services), Consumer Goods and Services (e.g., clothing, casual dining), Financial Services (e.g., aircraft leasing and life insurance), Healthcare (e.g., contract research and

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<sup>1</sup> It should be noted that the Competition and Consumer Protection Act 2014 made a number of important amendments to the merger review regime set out in the Competition Act 2002.

<sup>2</sup> The GTCR Funds are GTCR Fund X/A L.P., GTCR Fund X/A L.P. and GTCR Co-Invest X L.P. For more information on GTCR see <<http://www.gtr.com>>.

<sup>3</sup> Under the proposed transaction, Pomegranate would acquire all of the shares in (i) Mizzen Topco S.C.A., a partnership limited by shares incorporated in Luxembourg, (ii) Mizzen Manager S.à.r.l., a private limited company incorporated in Luxembourg, and (iii) Mizzen Manco S.C.A., a partnership limited by shares incorporated in Luxembourg. Mizzen Topco S.C.A. indirectly holds 100% of the shares of PCL.



specialty pharmaceuticals), Industrials (e.g., manufacture of aerospace and truck components), and Technology, Media and Telecommunications (e.g., Information Technology (“IT”) services and cable television services).<sup>4</sup>

4. Table 1 lists the Cinven Group portfolio companies that generate turnover within the State:<sup>5</sup>

**Table 1: Cinven Group Portfolio Companies Active in the State for year ending 31 December 2014.**

<b>Cinven Group Portfolio Company</b>	<b>Business Activities in the State</b>	<b>Turnover in the State (€ million)<sup>6</sup></b>
Amdipharm Mercury Limited	Marketing and sale of specialty pharmaceuticals	€[...]
Northgate Public Services <sup>7</sup>	Supply of software, business outsourcing services and IT services (particularly to public service providers)	€[...]
Avolon Holdings Limited	Aircraft leasing	€[...]
Faenza Holdings S.à.r.l (CeramTec)	Manufacture and sale of high performance ceramics for the medical, automotive and industrial sectors.	€[...]
Host Europe Holdings Limited	Web hosting and domain services	€[...]
Jost-Global & Co. SCA	Manufacture and sale of truck components	€[...]

<sup>4</sup> For more information about the Cinven Group see <<http://www.cinven.com>>.

<sup>5</sup> For more information on these companies see <<http://www.cinven.com/ourinvestments/default.aspx>>.

<sup>6</sup> [...].

<sup>7</sup> Northgate was acquired by the Cinven Group on 22 December 2014 (See <<http://www.northgate-ispublicservices.com/who-we-are/Acquisition-by-Cinven>>.) This transaction was not notified to the Commission as the turnover thresholds requiring mandatory notification (i.e., set out in section 18(1)(a) of the Competition Act 2002) were not met and the parties did not choose to make a voluntary notification to the Commission.



Metatron AS (Visma)	Business outsourcing software	€[...]
Redtop Holdings Limited (CPA Global)	Intellectual property management services	€[...]
SLV Elektronik GmbH	Residential and technical lighting products	€[...]

Source: Information Provided by the Parties

5. For the financial year ending 31 December 2013, the Cinven Group's worldwide turnover was approximately €[...] billion, of which approximately €[...] million was generated within the State.

#### PCL

6. PCL is a financial services company headquartered in Epsom, England. PCL is involved, in the UK and in the State,<sup>8</sup> in the financing of insurance premiums and instalment payments, i.e., PCL pays the service provider (e.g., an insurance company) the full balance owing to the service provider by the customer and, for an agreed fee, the customer pays PCL a monthly direct debit typically across periods of less than 12 months.
7. Within the State, PCL is involved in financing business insurance (property and casualty) and personal insurance (motor and home). PCL is also involved in direct debit management (e.g., paying professional and/or leisure club fees by instalments).
8. For the financial year ending 31 December 2013, PCL's worldwide turnover was approximately €[...] million, of which approximately €[...] million was generated within the State.

### Rationale for the Proposed Transaction

9. The Cinven Group states that :

*"The Proposed Transaction reflects the Cinven Group's strategy to invest in companies with proven track records in their respective industries and stable prospects for mid-to-longer-term growth".<sup>9</sup>*

<sup>8</sup> PCL is licensed by the Central Bank of Ireland to undertake consumer credit activities as a moneylender and is also registered as a data controller with the Data Protection Commissioner. For more information on PCL in the UK and Ireland see <<http://www.premium-credit.co.uk>>.

<sup>9</sup> Notification page 5. See also <<http://www.cinven.com/mediacentre/pressreleases.aspx?mediaid=556>>.



### **Third Party Submissions**

10. No submission was received.

### **Competitive Analysis**

11. There is no horizontal overlap within the State in the activities of the parties.
12. PCL is active in the State in the business of financing insurance premiums and instalment services, in particular (i) financing business insurance (property and casualty), (ii) financing personal insurance (motor and home), and (iii) direct debit management (e.g., paying professional and leisure fees). None of the firms in which the Cinven Group has a controlling interest is involved, within the State, in the provision of financing for business insurance, personal insurance or direct debit management.
13. The proposed transaction does not raise vertical competition concerns.

### **Conclusion**

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.



## Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, has determined that, in its opinion, the result of the proposed acquisition whereby Cinven Capital Management (V) General Partner Limited would acquire, through Pomegranate Acquisitions Limited, sole control of Premium Credit 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

Gerald FitzGerald  
Member  
Competition and Consumer Protection Commission