



DETERMINATION OF MERGER NOTIFICATION M/20/019 – EXPERIENCE TECHNOLOGY/CG POWER

Section 21 of the Competition Act 2002

Proposed acquisition by Experience Technology Nominees Limited of sole control of CG Power Systems Ireland Limited.

Dated: 21 July 2020

1. On 1 July 2020, 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 Experience Technology Nominees Limited (“Experience Technology”), a firm ultimately controlled by the MML Funds (managed by MML Growth Capital Partners Ireland Limited), would acquire sole control of CG Power Systems Ireland Limited (“CG Power”) (the “Proposed Transaction”).
2. The business activities of the undertakings involved are:
 - Experience Technology is a private limited company incorporated in the State, and established for the purposes of the Proposed Transaction. The MML Funds are private equity funds that provide growth capital to private businesses in the State for expansion, acquisitions, recapitalisations and shareholder reorganisations. In the State, MML Funds hold controlling interest in [...] firms¹ whose activities include [...]; and
 - CG Power is a designer, manufacturer and supplier of electrical transformers and related products used in the distribution grid, industrial and renewable settings.
3. 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.

¹[...].



4. 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

5. Clause 16.1 of the Investment Agreement contains restrictive obligations on each of the shareholders of CG Power, including non-compete and non-solicitation obligations. The duration of these non-compete and non-solicitation obligations does not exceed the maximum duration acceptable to the Commission.² The Commission has formed the view that the notified ancillary restraints are directly related to and necessary for the implementation of the Proposed Transaction.

Determination

6. 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 Experience Technology Nominees Limited, a firm ultimately controlled by the MML Funds (managed by MML Growth Capital Partners Ireland Limited), would acquire sole control of CG Power Systems Ireland 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

Brian McHugh
Member
Competition and Consumer Protection Commission

² In this respect the CCPC follows the approach adopted by the European Commission in paragraphs 20 and 26 of its 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).