



# DETERMINATION OF MERGER NOTIFICATION M/16/025 - NAUS S.P.A. (SPARTA HOLDING S.P.A. & NBSH ACQUISITION LLC) & REGISTRO ITALIANO NAVALE/RINA S.P.A.

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## Section 21 of the Competition Act 2002

### Proposed acquisition by NAUS S.p.A. (Sparta Holding S.p.A. and NBSH Acquisition LLC) of joint control with Registro Italiano Navale of RINA S.p.A.

Dated 07 July 2016

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## Introduction

1. On 27 May 2016, in accordance with section 18(1) of the Competition Act 2002, as amended (“the Act”), the Competition and Consumer Protection Commission (“the Commission”) received a notification of a proposed transaction whereby NAUS S.p.A. (“NAUS”), which is jointly-owned and controlled by Sparta Holding S.p.A. (“Sparta Holding”) and NBSH Acquisition LLC (“Neuberger Berman”), would acquire joint control, with Registro Italiano Navale, of RINA S.p.A. (“RINA”).<sup>1</sup>

## The Proposed Transaction

2. RINA is currently solely controlled by its majority shareholder, Registro Italiano Navale (which has a shareholding in RINA of [...]). NAUS currently has a minority shareholding in RINA of [...]. The proposed transaction involves a proposed injection of capital into RINA by NAUS which will result in NAUS obtaining certain strategic veto rights over RINA<sup>2</sup>. More specifically, as a result of the proposed increase in capital by NAUS, NAUS will increase its participation in RINA from [...]% to [...]% and, as such, NAUS will acquire veto rights over the business plan and budget of RINA, resulting in an acquisition of joint control over RINA. Post-transaction, RINA will be jointly controlled by NAUS and Registro Italiano Navale.
3. With the increase in capital, RINA intends to acquire EDIF Group Limited (“EDIF”), a company that is active in the market of engineering consultancy, testing and inspection. EDIF has very limited activity in the State<sup>3</sup>.

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<sup>1</sup> The proposed transaction was notified to the Commission pursuant to section 18(1)(a)(ii) of the Act because ‘the turnover in the State of each of 2 or more of the undertakings involved is not less than €3 million’. In this instance, each of Sparta Holding and Neuberger Berman exceed the threshold relating to turnover in the State in section 18(1)(a)(ii) of the Act.

<sup>2</sup> The proposed transaction is to be implemented pursuant to an agreement between [...] (nominating NAUS subsequently as the acquisition vehicle) and Registro Italiano Navale [...] (the “Agreement”). A copy of the Agreement was provided to the Commission with the notification.

<sup>3</sup> In 2014, EDIF generated turnover in the State of approximately €[...] and as a result the proposed acquisition by RINA of EDIF appears not to require notification in accordance with section 18(1) of the Act.



## The Undertakings Involved

### *NAUS*

4. NAUS is a private equity fund incorporated in Italy, which is indirectly and ultimately jointly owned and controlled by each of (i) Sparta Holding, which also a private equity fund, and (ii) Neuberger Berman, which is a private equity and hedge fund portfolio management company.
5. In 2014, Sparta Holding generated worldwide turnover of approximately €[...], of which approximately €[...] was generated in the State through the following entities:
  - a. [...] (security broking and fund management services) – approximately €[...];
  - b. [...] (vessel charter contract) – approximately €[...];
  - c. [...] (sale of gearboxes for agricultural applications) – approximately €[...]; and
  - d. [...] (port handling services) – approximately €[...].
6. In 2014, Neuberger Berman generated worldwide turnover of €1.25 billion, of which €[...] was generated in the State through the provision of investment management and distribution services to clients domiciled in the State by its wholly-owned subsidiary, Neuberger Berman Ireland Limited (which is active in security broking and fund management).

### *RINA*

7. RINA is the holding company of the RINA Group which is active, through its subsidiaries, in classification, certification, inspection and testing services (“TIC services”). TIC services involve an objective assessment of the quality and safety of any product, service or company being tested. Such assessment seeks to assure customers and end-users that a manufacturer has followed national and/or international regulations and/or industry standards relating to quality, environmental protection and public health and safety. TIC services can be applied to any product, service or company independently of the sector in which they operate.
8. The RINA Group is a multi-national group that delivers verification, certification, conformity assessment, marine classification, environmental enhancement, product testing, site and vendor supervision, training and engineering consultancy services across a wide range of industries. RINA operates through a network of companies covering the following industry sectors: marine, energy, infrastructure & construction, transport & logistics, food & agriculture, environment & sustainability, finance & public institutions and business governance.
9. In 2014, the RINA Group generated worldwide turnover of €333 million. The RINA Group generated turnover in Ireland of only €[...] resulting from the provision of TIC services to the maritime sector.

## Rationale for the Proposed Transaction



10. The parties state in the notification:

*"The Proposed Transaction will result in the injection of capital into [RINA] by [NAUS], which will facilitate [RINA] in expanding through organic growth and through acquisitions. In particular, RINA intends to acquire EDIF, a company that is active in the market of engineering consultancy testing and inspection."*

### **Third Party Submissions**

11. No submission was received.

### **Competitive Analysis**

12. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this case it is not necessary for the Commission to define precise relevant product and geographic markets since there is no horizontal overlap between the parties' activities in the State. RINA primarily provides TIC services in the State. None of NAUS, Sparta Holding, Neuberger Berman or any of their portfolio companies are involved in the provision of TIC services.
13. The proposed transaction does not give rise to any vertical competition concerns.

### **Conclusion**

14. In light of the above, the Commission considers that the proposed acquisition will not substantially lessen competition in any market for goods or services in the State.

### **Ancillary Restraints**

15. No ancillary restraints were notified.



## 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 transaction whereby NAUS S.p.A., which is jointly-owned and controlled by Sparta Holding S.p.A. and NBSH Acquisition LLC, would acquire joint control, with Registro Italiano Navale, of RINA S.p.A., 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