



DETERMINATION OF MERGER NOTIFICATION M/18/063 - BERENDSEN (ELIS)/KINGS LAUNDRY

Section 21 of the Competition Act 2002

Proposed acquisition by Berendsen Ireland Limited of sole control of Kings Laundry Limited.

Dated 9 January 2019

Introduction

1. On 7 August 2018, 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 notification of a proposed transaction whereby Berendsen Ireland Limited (“Berendsen”) would acquire sole control of Kings Laundry Limited (“Kings Laundry”) (the “Proposed Transaction”). Berendsen is ultimately controlled by Elis S.A. (“Elis”).
2. The Proposed Transaction is to be implemented pursuant to a Sale and Purchase Agreement (“SPA”) dated 25 July 2018 between Berendsen and Oranday Holdings Limited, Coconutcove Limited and Fenbrook Nominees Limited¹ (collectively the “Vendors” and each a “Vendor”).² Pursuant to the SPA, Berendsen would acquire the full legal and beneficial ownership of the entire issued share capital of Kings Laundry.

The Undertakings Involved

*The Acquirer - Berendsen*³

3. Berendsen is an indirect wholly-owned subsidiary of Elis. Elis is a public limited company listed on the Euronext Paris stock exchange. Elis specialises in the rental and maintenance⁴ of flat linen,⁵ professional garments (i.e., workwear) and hygiene and wellness equipment across Europe and Latin America.
4. Within the State, Elis carries out almost all its activities through Berendsen. Berendsen’s activities can be summarised as follows:

¹ Fenbrook Nominees Limited is the legal owner of a shareholding in Kings Laundry of which the beneficial owner is [...].

² These three Vendors are collectively the legal and beneficial owners of the entire issued share capital of Kings Laundry.

³ Elis acquired full ownership and control of Berendsen on 12 September 2017. The Berendsen business, including Berendsen Ireland Limited was rebranded as Elis on 25 June 2018. See <https://ie.elis.com/insights/news/ie/berendsen-continues-under-the-name-elis/>.

⁴ The term maintenance refers to the collection and processing (i.e., sorting, washing, drying, ironing, folding and packing) of used and soiled items and the delivery of clean items. Items may also be repaired as part of maintenance.

⁵ Flat linen is an industry term describing offered linen products including flat-ironed bed sheets, pillowcases and tablecloths.



- rental and maintenance of workwear to customers in various sectors;⁶
 - rental and maintenance of flat linen to customers in the healthcare⁷ and the hospitality⁸ sectors;
 - rental and maintenance of mats;
 - rental and maintenance of mops;
 - rental and maintenance of [cleanroom garments] to organisations operating cleanrooms such as pharmaceutical and high-tech industries;⁹ and
 - provision of washroom services.¹⁰
5. Berendsen operates [eight] facilities in the State, [...] of which cater for the maintenance of flat linen.¹¹ [Berendsen Northern Ireland Limited] operates one facility in Northern Ireland.
6. For the financial year ending 31 December 2017, Elis had a worldwide turnover of approximately €2.21 billion, of which €[...] was generated in the State¹².

The Target – Kings Laundry

7. Kings Laundry, a private limited company registered in the State, provides rental and maintenance of flat linen to customers in the healthcare and the hospitality sectors.¹³
8. Kings Laundry operates two facilities in the State catering for the maintenance of flat linen.¹⁴
9. For the financial year ending 31 December 2017, Kings Laundry had a worldwide turnover of approximately €[...], of which €[...] was generated in the State.¹⁵

Investigation

10. On 14 September 2018, the Commission served a Requirement for Further Information (“RFI”) on Berendsen and Kings Laundry, pursuant to section 20(2) of the Act. This adjusted the deadline within which the Commission was required to conclude its assessment of the Proposed Transaction in Phase 1.

⁶ For example, [Berendsen] provides workwear to customers in the construction and manufacturing sectors.

⁷ Customers in this sector include acute hospitals, specialist hospitals, private hospitals, care homes and nursing homes.

⁸ Customers in this sector include hotels, ferries, hostels, restaurants, guesthouses, leisure centres/spas and golf clubs.

⁹ These customers operate within environments controlled for particular contaminants, such as dust, airborne microbes, aerosol particles and chemical vapours (cleanrooms).

¹⁰ [Berendsen] provides products such as toilet paper, soap dispensers and hand sanitizer.

¹¹ These [...] facilities are located at [...].

¹² According to the parties, [...].

¹³ According to the parties, revenues from customers in the hospitality sector account for approximately [...] % of Kings Laundry’s turnover.

¹⁴ These two facilities are located in South City Business Park, Tallaght, Dublin 24, D24 NV2T and Unit 25, GB Business Park, Little Island, Cork, Co. Cork T45 NW20.

¹⁵ The remaining turnover was generated in [...].



11. Upon receipt of all of the responses to the RFI, the “appropriate date” (within the meaning of section 19(6)(b)(i) of the Act) became 30 November 2018.¹⁶
12. During the Phase 1 investigation, the Commission requested and received, on an on-going basis, further information and clarifications from the notifying parties.
13. During the Phase 1 investigation, the Commission circulated questionnaires to various third parties, including customers and competitors of Berendsen and Kings Laundry. The Commission received a response from many of the third parties to whom it sent a questionnaire and, in most cases, the Commission also contacted those third parties by telephone and/or e-mail to seek further detail regarding those responses.
14. During the Phase 1 investigation, the Commission identified potential competition concerns in relation to the Proposed Transaction.

Analysis

15. The Commission is unable, at this stage, to reach a determination that the Proposed Transaction will not lead to a substantial lessening of competition in any market for goods or services in the State. Accordingly, it intends to carry out a full investigation under section 22 of the Act.

¹⁶ The “appropriate date” is the date from which the time limits for making both Phase 1 and Phase 2 determinations begin to run.



Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(b) of the Competition Act 2002, as amended (“the “Act”), has determined that it intends to carry out a full investigation under section 22 of the Act in relation to the proposed acquisition whereby Berendsen Ireland Limited would acquire sole control of Kings Laundry Limited.

For the Competition and Consumer Protection Commission

Brian McHugh
Member
Competition and Consumer Protection Commission