



COMESA Competition Commission
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**Common Market for Eastern
and Southern Africa**

Case File No. CCC/MER/3/8/2020

Decision¹ of the Seventy First (71st) Committee Responsible for Initial Determination Regarding the Merger Involving Vertical Bidco GmbH and thyssenkrupp Elevator AG

ECONOMIC SECTOR: Elevators and Escalators

8th June 2020

Two handwritten signatures in black ink. The signature on the left is 'T. P. P. A.' and the signature on the right is 'B. M. L.'.

¹ In the published version of this decision, some information has been omitted pursuant to Rule 73 of the COMESA Competition Rules concerning non-disclosure of business secrets and other confidential information. Where possible, the information omitted has been replaced by ranges of figures or a general description.

Information and Relevant Background

1. On 6th April 2020, the COMESA Competition Commission (hereinafter referred to as the “**Commission**”) received a notification for approval of the merger involving Vertical Bidco GmbH (“**Vertical Bidco**”) and thyssenkrupp Elevator AG (“**tkE**”).
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations, 2004 (the “**Regulations**”). Pursuant to Article 26 of the Regulations, the Commission is required to assess whether the transaction between the parties would, or is likely to have the effect of substantially preventing or lessening competition or would be contrary to public interest in the Common Market.
3. The Committee Responsible for Initial Determination (the “**CID**”) established that the parties operate in more than one COMESA Member State and they meet the prescribed notification thresholds. This therefore means that the regional dimension requirement under Article 23(3) of the Regulations is satisfied and asserts jurisdiction on the Commission to assess the transaction.

The Parties

Vertical Bidco (the Acquirer)

4. It was submitted that Vertical Bidco is a newly incorporated acquisition vehicle indirectly controlled by funds managed by affiliates of Advent International (together with its affiliates, “Advent”), and funds managed by Cinven Capital Management (VII) General Partner Limited (together with its affiliates, “Cinven”). Vertical Bidco, Advent and Cinven are the acquiring undertakings for purposes of the proposed transaction. Vertical Bidco does not currently conduct any business activities. Advent is a private investment business headquartered in Boston, Massachusetts, USA which focus on the acquisition of equity stakes and the management of investment funds in various sectors such as business and financial services; industrial goods and services; retail operations; branded consumer goods and leisure services; media, telecommunications and information technology; and healthcare services and pharmaceuticals. Cinven is a European private equity investment business engaged in the provision of investment management and investment advisory services to a number of investment funds. Cinven has controlling interests in several trading companies which are active in a variety of economic sectors, with investments in six segments namely: business services, consumer, financial services, healthcare industrials and TMT. Advent operates in Burundi, Democratic Republic of Congo, Egypt, Eswatini, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Uganda, Zambia and Zimbabwe. Cinven operates in Democratic Republic of Congo, Djibouti, Egypt, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Tunisia, Uganda, Zambia and Zimbabwe.

tkE (the Target Undertaking)

5. It was submitted that tkE, is the holding company of the thyssenkrupp Group (“tk”) “business area” Elevator Technology (“BA ET”) whose headquarters is in Germany. tk is a German diversified industrial group of companies. BA ET’s activities are comprised of the installation, and servicing of elevators, escalators, passenger boarding bridges and stairlifts, as well as directly related ancillary activities. tkE is active in the following COMESA

 T.P.D BML

Member States: Egypt, Ethiopia, Kenya, Madagascar, Mauritius, Tunisia, Uganda, Zambia and Zimbabwe.

Nature of the Transaction

6. The parties submitted that the transaction concerns the acquisition of thyssenkrupp Elevator AG by Vertical Bidco GmbH, an acquisition vehicle indirectly controlled by funds managed by affiliates of Advent International Corporation (together with its affiliates, “Advent”) and funds managed by Cinven Capital Management (VII) General Partner Limited (together with its affiliates, “Cinven”), while Luxinva S.A., Raffles Private Holdings Limited, RAG-Stiftung and thyssenkrupp AG (“tk AG”) will be indirectly, minority co-investor in Vertical Bidco.

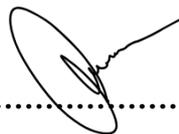
Competition Analysis

7. The CID defined the relevant product markets as follows:
- a) The manufacture and supply of elevators and escalators;
 - b) The provision of elevator and escalator installation services;
 - c) The manufacture and supply of stairlifts; and
 - d) The manufacture and sale of passenger boarding bridges.
8. The CID defined the relevant geographic market for all the product as global.
9. The CID observed that the transaction does not lead to any change in the market structure due to the absence of horizontal overlapping relationship in the activities of the parties and the absence of any vertical competition concerns.

Determination

10. The CID determined that the merger is not likely to substantially lessen or prevent competition in the Common Market or any substantial part of it. The CID further determined that the transaction is unlikely to negatively affect trade between Member States. The CID therefore approved the transaction.
11. This decision is adopted in accordance with Article 26 of the Regulations.

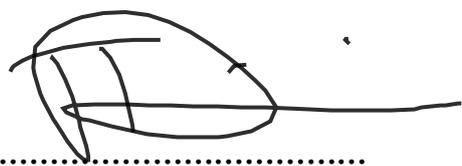
Dated this 8th June 2020



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Commissioner Islam Tagelsir Ahmed Alhasan (Chairperson)



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Commissioner Brian M. Lingela



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Commissioner Thembelihle P. Dube née Dlamini