



## DETERMINATION OF MERGER NOTIFICATION M/17/001 - LBT/LIONBRIDGE

---

### Section 21 of the Competition Act 2002

**Proposed acquisition by LBT Acquisition, Inc. of sole control of Lionbridge Technologies, Inc.**

**Dated 30 January 2017**

---

#### **Introduction**

1. On 4 January 2017, 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 transaction whereby LBT Acquisition, Inc. (“LBT”) would acquire sole control of Lionbridge Technologies, Inc. (Lionbridge). LBT is an indirect wholly-owned subsidiary of H.I.G. Middle Market LBO Fund II, L.P., which is an affiliate of H.I.G. Capital, LLC (“H.I.G.”).
2. The proposed transaction is to be implemented pursuant to an agreement and plan of merger dated 12 December 2016 between Lionbridge, LBT and LBT Merger Sub, Inc. (a wholly-owned subsidiary of LBT), whereby LBT Merger Sub, Inc. will merge with and into Lionbridge, with Lionbridge continuing as the surviving corporation as a wholly-owned subsidiary of LBT.

#### **The Undertakings Involved**

##### *H.I.G.*

3. H.I.G. is a global private equity investment firm with \$21 billion of equity capital under management. The funds managed by H.I.G. include private equity, growth equity, real estate, debt/credit, lending and biohealth. H.I.G. invests in companies throughout the United States and Europe and has offices in the United States, Europe and South America. In the State, [...] portfolio companies controlled by H.I.G. generated turnover in 2015.<sup>1</sup>
4. For the year ending 31 December 2015, H.I.G.’s worldwide turnover was approximately €[...], of which approximately €[...] was generated in the State.

##### *Lionbridge*

5. Lionbridge is active in the language technology sector. Lionbridge provides translation and localisation services, digital marketing, global content management and application

---

<sup>1</sup> These include: [...] Brand Addition Limited, [...].



testing services to businesses in various industries, including technology, manufacturing, life sciences, automotive, aerospace, business services, retail, government, financial and legal industries. Lionbridge also provides interpretation services for government, business and healthcare organisations that require experienced linguists to facilitate communication. Lionbridge's network of independent professionals includes more than 100,000 translators, interpreters, subject-matter experts, testers and data management specialists in more than 100 countries.

6. In the State, Lionbridge is primarily engaged in the localisation, translation and testing of content, websites and software and the distribution of SaaS-based translation tools.<sup>2</sup> Three entities controlled by Lionbridge generated turnover in the State in 2015, namely: Lionbridge Global Sourcing Solutions Limited, Lionbridge Global Software Limited and Lionbridge International Unlimited Liability Company.
7. For the year ending 31 December 2015, Lionbridge's worldwide turnover was approximately €505 million, of which approximately €[...] was generated in the State.

#### **Rationale for the Proposed Transaction**

8. The parties state in the notification:

*"The proposed transaction is an acquisition made as part of H.I.G.'s investment strategy. Lionbridge's rationale for the proposed transaction is to provide a strong financial partner for Lionbridge to help it grow revenues and profitability on a long-term basis."*

#### **Third Party Submissions**

9. No submission was received.

#### **Competitive Analysis**

10. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this instance, it is not necessary for the Commission to define precise relevant product and geographic markets since there is no horizontal overlap between the activities of the parties in the State. None of the portfolio companies controlled by H.I.G. that generated turnover in the State in 2015 are active in the language technology sector.
11. The proposed transaction does not raise any vertical competition concerns.
12. 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.

#### **Ancillary Restraints**

13. No ancillary restraints were notified.

---

<sup>2</sup> The term 'SaaS' refers to software as a service, which is a software delivery model.



Coimisiún um  
Iomáiocht agus  
Cosaint Tomhaltóirí

Competition and  
Consumer Protection  
Commission



### **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 LBT Acquisition, Inc. would acquire sole control of Lionbridge Technologies, Inc. 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

**Patrick Kenny**  
**Member**  
**Competition and Consumer Protection Commission**