



DETERMINATION OF MERGER NOTIFICATION M/17/022 – GOLDMAN SACHS/TRANSCENDIA

Section 21 of the Competition Act 2002

Proposed acquisition by The Goldman Sachs Group, Inc. of the entire issued share capital of Transcendia Holdings, Inc.

Dated 24 May 2017

Introduction

1. On 24 April 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 acquisition (“the Proposed Transaction”) whereby The Goldman Sachs Group, Inc. (“Goldman Sachs”), through Everest Intermediate Holdings, Inc. (“Everest Intermediate Holdings”), would acquire the entire issued share capital and thus sole control of Transcendia Holdings, Inc. (“the Target”) from The Jordan Company, L.P. (“the Vendor”).

The Proposed Transaction

2. The Proposed Transaction is to be implemented by way of an agreement and plan of merger (“the Agreement”)¹ dated 7 April 2017. Under the Agreement, Everest Merger Sub, Inc., a special purpose vehicle and wholly-owned subsidiary of Everest Intermediate Holdings, will merge with and into the Target. The Target will subsequently continue as the surviving corporation and a wholly-owned subsidiary of Everest Intermediate Holdings.

¹ The agreement is between Transcendia Holdings, Inc., Everest Intermediate Holdings, Inc., Everest Merger Sub, Inc. and The Jordan Company, L.P.



3. Everest Intermediate Holdings is held by West Street Capital Partners VII Investments, L.P. (which has a shareholding of [...]%), West Street Capital Partners VII Offshore Investments, L.P. (which has a shareholding of [...]%), and West Street Capital Partners VII Parallel, L.P. (which has a shareholding of [...]%) (collectively, “the WSCP VII Fund”). The WSCP VII Fund is in turn controlled and managed through investment agreements by Goldman, Sachs & Co., a wholly owned subsidiary of Goldman Sachs.

The Undertakings Involved

Goldman Sachs

4. Goldman Sachs, headquartered in New York, USA and registered in Delaware, USA, is a global financial services firm involved in a wide range of activities, including investment banking and securities and investment management services. Goldman Sachs’ customers include corporations, financial institutions, governments and high net worth individuals.²
5. Goldman Sachs controls a number of portfolio companies active in the State, none of which are active in the manufacture of plastic films, which is the sector in which the Target is active (see paragraph 8 below).
6. For the financial year ended 31 December 2015, Goldman Sachs’ worldwide turnover was approximately €[...] billion, of which approximately €[...] million was generated in the State.

The Vendor

7. The Vendor is a private equity firm headquartered in New York, USA. The Vendor currently has sole control of the Target, through its Resolute Fund III, L.P., which holds a shareholding of approximately [...] % in the Target. The remaining shares in the Target are held by management and individuals. Following implementation of the Proposed Transaction, Goldman Sachs will acquire a 100% shareholding in the Target.

The Target

² See <http://www.goldmansachs.com>.



8. The Target is the holding company of the Transcendia group of companies, which is a global manufacturer of plastic films. Plastic films are thin plastic sheets that can be used in a wide variety of applications, such as for the food and beverage, healthcare, anti-corrosion, point of purchase displays, security IDs, protective and aesthetic surfacing, industrial uses and window coating industry segments. The Target is active in the State through its Irish subsidiary, MetPro Limited.
9. For the financial year ended 31 March 2016, the Target's worldwide turnover was approximately €[...] million, of which €[...] million was generated in the State.

Rationale for the Proposed Transaction

10. Goldman Sachs states in the notification that:

"GS's rationale for acquiring Transcendia is as a financial investment."

Third Party Submissions

11. No submission was received.

Competitive Analysis

12. There is neither a horizontal overlap nor a vertical relationship between the activities of the parties in the State. The Commission has reviewed the list of portfolio companies currently controlled by Goldman Sachs that generate turnover within the State and has found that none of them are currently active in the manufacture of plastic films within the State. Therefore, the Commission is of the view that the Proposed Transaction does not raise any horizontal or vertical competition concerns within the State.
13. 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

14. No ancillary restraints were notified.



Determination

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 The Goldman Sachs Group, Inc., through Everest Intermediate Holdings, Inc., would acquire the entire issued share capital and thus sole control of Transcendia Holdings, 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