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Common Market for Eastern
and Southern Africa

CCC Merger Inquiry Notice No. 30 of 2018

Notice of Inquiry into the Proposed Merger involving Rhône Capital L.L.C and MaxamCorp Holding S.L

It is hereby notified in terms of Article 26(6) of the COMESA Competition Regulations (the “**Regulations**”) that the COMESA Competition Commission (the “**Commission**”), after receiving a notification in terms of Article 24 of the Regulations regarding the proposed merger involving Rhône Capital L.L.C (“**Rhône Capital**”) as the acquiring firm and MaxamCorp Holding S.L (“**Maxam**”) as the target firm, intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that Rhône Capital, together with its affiliates, is a private equity firm, with offices in New York and London. As a general matter, Rhône Capital focuses on investment opportunities in market leading, cash flow generating businesses with a pan-European or trans-Atlantic presence and expansion projects. Rhône Capital, through its indirectly controlled portfolio companies, is active, to varying degrees, in the following COMESA Member States: Burundi, DRC, Djibouti, Egypt, Ethiopia, Eswatini, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Tunisia, Uganda, Zambia, and Zimbabwe. Rhône Capital’s list of indirectly controlled portfolio companies are engaged in a number of activities in the Common Market including, provision of consumables for the foundry industry, security products and services, bakery, IT education and training, and swimming pool equipment brands.

The parties have submitted that Maxam is a global technology company, specialising in the design, development, manufacture and application of energy materials. It is a leading global civil explosive and defence group founded in 1872 with headquarters in Spain. It has in excess of 6500 employees, more than 140 subsidiaries, 80 industrial units and commercial operations in over 100 countries. Maxam is active in the following COMESA Member States: Egypt, Eritrea, Ethiopia, Eswatini, Kenya, Malawi, Mauritius, Rwanda, Sudan, Tunisia, Zambia, and Zimbabwe.

The proposed transaction relates to an acquisition by which entities controlled by Rhône Capital will acquire joint control of Maxam by way of a purchase of shares from an entity controlled by Advent International Corporation (“**Advent**”), a global financial services company (the “**Proposed Transaction**”). Maxam is currently jointly controlled by (i) an entity

wholly owned by Advent (45%); and (ii) the “TDA Group”: a number of natural persons being Maxam’s current and former managers, employees and associated co-investors (55%), who hold their shares directly or through vehicle entities and who are legally bound always to exercise, collectively and jointly, their respective individual voting rights in Maxam.

As a result of the Proposed Transaction, the entity controlled by Advent will cease to hold shares in Maxam and entities controlled by Rhône Capital will acquire the entirety of the minority stake held by Advent’s subsidiary. The remaining 55% of Maxam’s share capital will remain in the hands of the TDA Group. Accordingly, Rhône Capital will, indirectly, acquire joint control of Maxam.

The parties have further submitted that there are no horizontal overlaps, nor any vertical relationships, for purposes of this notification, as Rhône Capital has no business activities in the area in which Maxam is active in the Common Market.

The Commission will, in accordance with the provisions of the Regulations, determine, among other things, whether or not the merger is likely to substantially prevent or lessen competition within the Common Market and whether the merger is or would be contrary to the public interest as provided for under Article 26 of the Regulations. In view of this, the Commission hereby gives notice to all interested stakeholders, including competitors, suppliers and customers of the merging parties to submit written representations to the Commission with regard to the subject matter of the proposed inquiry by emailing them to: sbooluck@comesa.int. All written representations should be sent to the Commission not later than **15th October 2018**.

If you wish to seek further details and/or clarifications on any aspect of this proposed transaction or need assistance you may get in touch with **Ms. Sandya Booluck, Economist, Mergers and Acquisitions** on Tel: +265 (0) 1 772 466 or sbooluck@comesa.int.

All written representations submitted to the Commission will be treated with the strictest confidentiality and will only be used for the purpose of this inquiry.