

OFFICE FOR COMPETITION

26 February 2024

COMP-MCCAA/01/2024 – Acquisition of Advent Lifts Services Limited by Cypress Holdings S.R.L.

Decision on acquisition in terms of Regulations 6 (1) (ii) and 12(4) of the Control of Concentrations Regulations (LN 294 of 2002 as subsequently amended)

The Office for Competition,

Having considered the notification dated 7 February 2024 pursuant to Regulation 5 of the Control of Concentrations Regulations,

Having considered the provisions of the Control of Concentrations Regulations,

Having considered Commission Notice on a simplified procedure for treatment of certain concentrations under Council Regulation (EC) No 139/2004

Whereas,

A. Facts

1. On 7 February 2024, the Office for Competition (hereinafter referred to as ‘the Office’) received a notification of a proposed acquisition pursuant to Regulation 5 of the Control of Concentrations Regulations (hereinafter referred to as ‘the Regulations’), whereby Cypress Holdings S.R.L. (hereinafter referred to as ‘the Notifying Party’ or ‘Cypress’) will acquire sole control of Advent Lifts Services Limited (hereinafter referred to as ‘the Acquired Party’ or ‘Advent’).
2. The proposed acquisition was notified to the public through a notice that appeared in a daily newspaper, on the Malta Competition and Consumer Affairs Authority’s website and a notice that appeared in the Government Gazette No. 21,192 on Tuesday 13 February. The Office did not receive any third-party objections.

B. Parties

3. The Notifying Party, Cypress, having company registration number 07455510151, with its office at Via Pontaccio, 10, 20121 Milano MI, Italy, is a limited liability company registered with the Chamber of Commerce of Milano Brianza Lodi. It forms part of the Otis group of companies that are owned by Otis Worldwide Corporation (hereinafter referred to as 'Otis'). Cypress acts as a holding company for Otis's operations in Italy and South East Europe.
4. Otis, having IRS Employer Identification Number 83-3789412, with its office at 1 Carrier Place, Farmington, CT 06032, USA, is a corporation registered under the laws of Delaware, USA and listed on the New York Stock Exchange. It is an elevator and escalator manufacturing, installation, and service company, serving a diverse range of customers around the world, with over 1,400 branches worldwide and a network of distributors. Otis is indirectly present in Malta through OTIS S.C.S, a French company with an elevator facility in France, which has a distribution agreement with an independent third party distributor, which is not part of Otis's group of companies.
5. The Acquired Party, Advent, having company registration number C66345, with its office at MRA048D, Industrial Estate, Marsa MRS 3000, is a limited liability company incorporated under the laws of Malta. Advent is involved in the selling, installation, and maintenance of all types of lifts in Malta, for both residential and commercial clients.

C. Transaction

6. The proposed transaction is an acquisition of sole control of Advent by Cypress through a Share Sale and Purchase Agreement.
7. The Notifying Party will acquire sole control, of the Acquired Party.
8. The completion of the Proposed Transaction is conditional upon, *inter alia*, clearance from the Office.

D. Notifiable Concentration

9. In terms of regulation 2 of the Regulations, a concentration, *inter alia*, refers to the acquisition by one or more undertakings or by one or more persons already controlling at least one undertaking whether by purchase of securities or assets, by contract or by other means, of direct or indirect control of the whole or parts of one or more undertakings.
10. The proposed transaction brings about the acquisition by the Notifying Party of the Acquired Party.

11. Therefore, the proposed transaction constitutes a concentration within the meaning of regulation 2 of the Regulations.

E. Threshold for Notification

12. The aggregate turnover of the undertakings concerned in the preceding financial year exceeds €2,329,373.40 and each of the parties had a turnover in Malta equivalent to at least 10% of the combined aggregate turnover in Malta of the undertakings concerned.

13. The notified concentration, therefore, meets the notification threshold as set out in regulation 2 of the Regulations.

F. Simplified Procedure

14. Following the examination of the notification, it is considered that the notified concentration falls within the scope of regulation 12(1) of the Control of Concentrations Regulations, whereby it is provided that:

“The simplified procedure will apply to the following categories of concentrations that are deemed not to raise serious doubts as to their legality in terms of the provisions of these regulations...:

(iii) two or more undertakings merge, or one or more undertakings acquire sole or joint control of another undertaking and two or more of the parties to the concentration are engaged in business activities either in the same product and geographical market and their combined market share is less than 15% or in a product market which is upstream or downstream of a product market in which any other party to the concentration is engaged and their combined market share is less than 25%.”

G. Conclusion

15. In view of the above and in terms of Regulations 6 (1) (ii) and 12 (4) of the Control of Concentrations Regulations, it is therefore decided:

- (1) that the Concentration falls within the scope of the Regulations on Control of Concentrations;
- (2) that the Concentration does not raise serious doubts as to its lawfulness;
- (3) not to oppose the notified Concentration and to declare it a lawful Concentration.



Melchior Vella

Director

Office for Competition