



DETERMINATION OF MERGER NOTIFICATION M/24/029 APAX PARTNERS/ZELLIS

Section 21 of the Competition Act 2002

Proposed acquisition by Apax Partners LLP through its special purpose vehicle, Zorro Bidco Limited of sole control of Zellis Topco Limited.

Dated 23 May 2024

Introduction

1. On 7 May 2024, in accordance with s18(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 whereby Apax Partners LLP (“Apax Partners”) through its special purpose vehicle, Zorro Bidco Limited (“Zorro”) (the “Purchaser”), would acquire sole control of Zellis Topco Limited (“Zellis”) (the “Proposed Transaction”).

The Proposed Transaction

2. The Proposed Transaction is to be implemented pursuant to a Share Purchase Agreement dated 15 April 2024 between Zellis Holdco S.à r.l., Matthew Macri-Waller, Giles Elliot, John Petter, Caroline Drake, Martin Mann, Anthony Vollmer, Alan Kinch, Abigail Vaughan, Geroge Dunnett, Thomas Canning, Christopher Fox, Andrew Dresner, Michelle Keith, David Crewe, Gary Boyes, Adam Mason, Paul Smith, Michael Tigwell, William Davidson, David Critchley, David Ainsworth, Anthony Brassington, David Woodward, Russell Fray, Sarah Woodward and Ashley Hamilton (the “Sellers”) and Zorro (the “Purchaser”) (the “SPA”). Pursuant to the SPA, the Purchaser will acquire the entire issued share capital and thus sole control of Zellis.
3. The business activities of the undertakings involved are:

- ***The Purchaser – Apax Partners:***



- **Apax Partners** is a limited liability partnership in the United Kingdom. Apax Partners is the parent of a number of entities which provide investment advisory services to private equity funds investing in a range of industry sectors.
 - Zorro is a special purpose vehicle incorporated as a limited liability company in England and Wales who is wholly-owned by investment funds advised by Apax Partners.
 - **The Target – Zellis:**
 - **Zellis** is a holding company of a group of software companies that provide payroll, HR and benefits management solutions and services.
 - Zellis is predominantly organised into three businesses: Zellis, Moorepay and Benefex. Zellis and Moorepay provide payroll and human capital management (“HCM”) software and services and are predominantly active in the UK and Ireland. Benefex mainly provides benefits management software and is predominantly active in the UK and Ireland.
 - In Ireland, Zellis provides HCM software (including payroll, HR, and benefits software) and related IT services, in particular, business process outsourcing (often referred to as business process as a service (“BPaaS”)).
4. After examination of the notification, the Commission has concluded that the Proposed Transaction falls within the scope of paragraph 2.1 of the Simplified Merger Notification Procedure Guidelines (“SMNPG”) for assessing certain notifiable mergers or acquisitions under section 18(1)(a) of the Act since:
- two or more of the undertakings involved in the merger/acquisition are active in the same product and geographic market, but their combined market share is less than 15%.¹

¹ The Commission’s Simplified Merger Notification Procedure Guidelines can be found [here](#).



5. This conclusion was reached on the basis that, although there is a horizontal overlap between Apax Partner's portfolio company and Zellis in the provision of HCM services including HCM software, the combined market share of the parties in this potential product market in the State will be less than 15%.
6. In the light of this, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

7. The Parties state in the merger notification form that Clause 12.5 of the SPA contains a non-solicitation obligation which is directly related to, and necessary for, the implementation of the Proposed Transaction.
8. The Commission notes that the duration of the period of non-solicitation is sufficiently restricted and acceptable and therefore, directly related to and necessary for the implementation of the Proposed Transaction.²

² In this respect, the Commission follows the approach adopted by the European Commission in paragraphs 20 and 26 of its "Commission Notice on restrictions directly related and necessary to concentrations" [2005] OJ C56/03.

For more information see:

[http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=EN](http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=EN)



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 Apax Partners LLP through its special purpose vehicle, Zorro Bidco Limited will acquire sole control of Zellis Topco Limited, 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

Ibrahim Bah
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Competition and Consumer Protection Commission