

DETERMINATION OF MERGER NOTIFICATION M/24/042 – CIRCLE K IRELAND/PELCO HOLDINGS LIMITED

Section 21 of the Competition Act 2002

Proposed acquisition by Circle K Ireland Holding Limited of Pelco Holdings Limited

Dated 5 December 2024

Introduction

1. On 18 July 2024, 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 whereby Ard Services Limited, which is a subsidiary of Circle K Ireland Holding Limited (“Circle K”), would acquire sole control of Pelco Holdings Limited (“Pelco”) (the “Proposed Transaction”). Circle K and Pelco are referred to as the “Parties” in this determination.

The Proposed Transaction

2. The Proposed Transaction is to be implemented pursuant to a share purchase agreement, dated 2 July 2024, between two private individuals (Paul Fitzgerald and Lynda Fitzgerald), Ard Services Limited and Circle K (the “SPA”). Following the implementation of the Proposed Transaction, Circle K, through Ard Services Limited, will acquire sole control of Pelco. As a result of the Proposed Transaction, Circle K will acquire nine service stations and attached forecourt convenience stores currently owned and operated by Pelco.

The Undertakings Involved

The Acquirer – Circle K

3. Ard Services Limited is a subsidiary of Circle K, which is ultimately owned by Alimentation Couche-Tard Inc, a company whose shares are publicly traded on the Toronto Stock Exchange and which forms part of the Alimentation Couche-Tard group of companies (“ACT”). ACT is involved in the convenience store and motor fuel industry in several countries. Circle K owns

and operates service stations and attached forecourt convenience stores in the State. Circle K also owns general convenience stores in the State.

4. There are approximately 401 *Circle K*-branded service stations in the State, of which Circle K owns 168. The remainder are independently owned and operated under the *Circle K* brand by third parties; Circle K supplies motor fuels to these service stations.
5. For the financial year ending 30 April 2023, ACT’s total worldwide turnover was approximately €48.5 billion,¹ of which approximately €[REDACTED] was generated in the State.

The Target – Pelco

6. Pelco is owned by two private individuals, Paul Fitzgerald and Lynda Fitzgerald. Pelco currently operates thirteen service stations and attached forecourt convenience stores in the State. Each of Pelco’s service stations operates under the *Texaco* brand and each forecourt convenience store operates under the *Centra* brand. Of Pelco’s thirteen service stations, only nine service stations (and attached forecourt convenience stores) will transfer to Circle K as part of the Proposed Transaction (each a “Target Station” and collectively the “Target Stations”)².

Table 1: The Target Stations

No	Target Station	Address
1	Airside Service Station	Airside, Nevinstown, Swords, Co. Dublin, K64 F3X4
2	Artane Service Station	Artane, Butterly Business Park, Kilmore Rd, Beaumont, Dublin 5, D05 C5X7

¹ The figure of \$71,856,700,000 Canadian dollars has been converted to euro using the average conversion rate of April 2023, \$1 = €0.6760, as provided by the European Central Bank at: https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/eurofxref-graph-cad.en.html

² [REDACTED]

3	Balbriggan Service Station	Dublin Street, Balbriggan, Dublin, K32 WD93
4	Batterstown Service Station	Batterstown, Co. Meath, A86 V329
5	Mullingar Service Station	Robinstown Road, Mullingar, Co. Westmeath, N91 KV6P
6	Newtown Service Station	Newtown, Malahide Road, Dublin 17, Co. Dublin, D17 XY29
7	Rathfarnham Service Station	Rathfarnham Road, Rathfarnham, Dublin 14, Co. Dublin, D14 V2P4
8	Rolestown Service Station	R125, Rolestown East, Co. Dublin K67 Y8W6
9	Skerries Service Station	Dublin Road, Townparks, Skerries, Co. Dublin, K34 V202

Source: The Parties

7. For the financial year ending 31 December 2023, Pelco’s worldwide turnover was €59,061,970, all of which was generated in the State. Of Pelco’s total turnover, approximately € [REDACTED] was attributable to the Target Stations.

Rationale for the Proposed Transaction

8. The Parties stated the following in the merger notification form:

“[Circle K] views the Proposed Transaction as representing a good opportunity to expand and effect synergies within a competitive market.”

“From the perspective of the sellers of [Pelco], the Proposed Transaction represents an opportunity to realise a fair valuation for their interests in [Pelco].”

Third Party Submissions

9. One third-party submission was received. The Commission has fully considered this submission insofar as it relates to potential competition concerns arising from the Proposed Transaction.

Investigation

10. On 26 August 2024, the Commission served a Requirement for Further Information (“RFI”) on each of the Parties pursuant to section 20(2) of the Act. The service of the RFIs adjusted the deadline within which the Commission had to conclude its assessment of the Proposed Transaction in Phase 1.
11. Upon receipt of a full response to each of the RFIs, the “appropriate date” (as defined in section 19(6)(b)(i) of the Act) became 29 October 2024.
12. The Commission also engaged with third parties in relation to its assessment of the competitive effects of the Proposed Transaction.

Analysis

13. The Commission is unable, at this stage, to make a determination that the result of the Proposed Transaction will not be to substantially lessen competition in any market for goods or services in the State. Accordingly, the Commission intends to carry out a full investigation under section 22 of the Act.

Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(b) of the Competition Act 2002, as amended, has determined that it intends to carry out a full investigation under section 22 of the Competition Act 2002, as amended, in relation to the proposed acquisition whereby Ard Services Limited, which is a subsidiary of Circle K Ireland Holding Limited, would acquire sole control of Pelco Holdings Limited.

For the Competition and Consumer Protection Commission

Úna Butler

Member

Competition and Consumer Protection Commission