



# DETERMINATION OF MERGER NOTIFICATION M/24/051 – WATERLAND/ENVIROBEAD

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## Section 21 of the Competition Act 2002

### Proposed acquisition by Waterland Private Equity Investments B.V., through NetZero Bidco, of sole control of Envirobead Limited

Dated 13 September 2024

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1. On 26 August 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 Waterland Private Equity Investments B.V. (“Waterland”), through its solely controlled company, NetZero Bidco Limited (“NetZero”), would acquire sole control of Envirobead Limited and its subsidiaries Envirobead Retrofit Limited and RTS Heating and Cooling Services Limited (together, “Envirobead”) (the “Proposed Transaction”).
2. The Proposed Transaction is to be implemented by way of a share purchase agreement dated 23 August 2024, (the “SPA”),<sup>1</sup> pursuant to which NetZero will acquire 90% of the issued share capital of Envirobead.<sup>2</sup>
3. The parties are involved in the following business activities:

#### *The Acquirer - Waterland*

- Waterland is an alternative investment fund manager regulated by the Netherlands Authority for Financial Markets. Waterland owns a number of portfolio companies in a range of areas, including sustainability, ageing population, outsourcing and digitalisation, and leisure and luxury.

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<sup>1</sup> Between McHugh Insulation Limited; C&M McHugh Investment Limited; MCF Energy Consulting Limited; The Ballycomyn Limited; Brian McHugh; Cathal McHugh; Niall McCarthy; and Karen Reynolds.

<sup>2</sup> The remaining share capital of Envirobead will be held by McHugh Insulation Limited, C&M McHugh Investment Limited and The Ballycomyn Limited.



- In recent years, Waterland has notified several transactions to the Commission, including its acquisition of MTM Engineering,<sup>3</sup> Gaffney Mechanical,<sup>4</sup> Bellew,<sup>5</sup> and, most recently, the company's acquisition of Wesco.<sup>6</sup>

#### *Net Zero*

- NetZero is a company incorporated in the State which is indirectly solely controlled by Waterland. NetZero is active in the provision of mechanical engineering services, primarily consisting of heating and plumbing (“H&P”) services through its ownership of the following entities:
  - (i) **Orbital Welding Solutions Limited** – provides heating and plumbing installation related services in the State, mainly to large residential customers in the Greater Dublin Area;
  - (ii) **Gaffney Mechanical Limited** – is active in the provision of mechanical engineering services with a particular focus on the provision of H&P Services; and,
  - (iii) **Zetta Home Services Limited (“Zetta”)** – is a provider of energy-related services to domestic customers focused on the installation and maintenance of home heating systems, solar panels and electrical vehicle chargers.

#### *The Target – Envirobead*

- Envirobead is active in the State in the design, supply and installation of insulation systems; heating systems;<sup>7</sup> and the distribution of insulation products to third party installers.<sup>8</sup>

<sup>3</sup> M/22/031 *Waterland/MTM Engineering* <<https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m-22-031-waterland-mtm-engineering/>>.

<sup>4</sup> M/23/057 *Waterland/Gaffney Mechanical*. Available at: <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m-23-057-waterland-gaffney-mechanical/>>

<sup>5</sup> M/24/030 – *Waterland/Bellew*. Available at: <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m-24-030-waterland-bellew/>.

<sup>6</sup> M/24/047 – *Waterland/Wesco*. Available at: <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m-24-047-waterland-wesco/>.

<sup>7</sup> Through its subsidiary RTS Heating and Cooling Services Limited.

<sup>8</sup> All such products are manufactured by third parties (including a product which is produced by Kingspan and distributed by Envirobead under its own “EnviroBead” trademark).



- Envirobead is active in the design and installation of insulation systems, primarily in residential buildings. This work can involve both the retrofitting of existing homes and the design and installation of insulation systems as part of the construction of new homes and can involve features such as cavity wall and attic insulation and external wall insulation and internal drylining.
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 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%; and,
  - one or more undertakings involved in the merger/acquisition are active in any market(s) which is upstream or downstream to a market(s) in which another undertaking involved is active, but the market share of each in each market is less than 25%.<sup>9</sup>
5. 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**

6. No ancillary restraints were notified.

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<sup>9</sup> The Commission's Simplified Merger Notification Procedure Guidelines can be found [here](#).



## **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 Waterland Private Equity Investments B.V., through its solely controlled company, NetZero Bidco Limited, would acquire sole control of Envirobead Limited and its subsidiaries Envirobead Retrofit Limited and RTS Heating and Cooling Services 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**

**Director**

**Competition Enforcement and Mergers Division**