

## **Merger investigation into the completed acquisition by Rentokil Initial plc of Cannon Hygiene Limited.**

### **Case closure summary**

On 1 January 2018, Rentokil Initial plc (**'Rentokil'**) acquired Cannon Hygiene Limited (**'Cannon'**) (the **'Merger'**).

A group of independent panel members (**the Group**) at the Competition and Markets Authority (**CMA**) investigated the Merger and published its [Final Report](#) on 25 January 2019. In its Final Report, the Group concluded that:

- (a) the Merger has created a relevant merger situation;
- (b) the creation of that situation has resulted in, and may be expected to result in a substantial lessening of competition (**'SLC'**) in relation to the supply of waste disposal services to the following national and multi-regional customers:
  - i. Customers located in eight or more regions of the UK purchasing directly for their premises from a washroom services supplier; and
  - ii. Public and private framework customers with national or multi-regional coverage.
- (c) the CMA should take action to remedy the SLC and any adverse effects arising from it.

The Group concluded that the divestiture of the contracts of Cannon UK's customers affected by the SLC (the **'SLC Contracts'**) to a suitable purchaser would be an effective and proportionate remedy to the SLC and the adverse effects likely to arise from it.

On 16 April 2019, the CMA accepted [Final Undertakings](#) from Rentokil to sell the Divestment Package to a purchaser approved by the CMA. The purchase of the Divestment Package by Citron Hygiene UK was approved by the CMA and completed on 1 October 2019.

This brings the merger investigation to a close.

**01 October 2019**