

**ANTICIPATED ACQUISITION BY SIKA AG OF MBCC GROUP**  
**SUBMISSION BY [REDACTED] ON POSSIBLE REMEDIES**

**1. INTRODUCTION**

- 1.1 This submission is made on behalf of [REDACTED] in response to the CMA's Notice of Possible Remedies of 25 October 2022 ("**Remedies Notice**") with respect to the anticipated acquisition by Sika AG of MBCC Group.<sup>1</sup>
- 1.2 [REDACTED] submitted a non-binding offer to Sika AG to acquire the Divestment Business on [REDACTED] and was informed on [REDACTED] that it had progressed to the second round of the sales process.
- 1.3 [REDACTED] is not in a position to comment on every aspect of the Remedies Notice but submits that:
  - 1.3.1 the scope of the Divestment Business described in the Parties' Remedies Proposal appears appropriate and, in [REDACTED]'s view, should enable a purchaser to compete as an effective competitor; and
  - 1.3.2 a financial investor with a demonstrated commitment to growing the Divestment Business [REDACTED] would be a suitable purchaser of the Divestment Business.

**2. THE SCOPE OF THE DIVESTMENT BUSINESS**

- 2.1 [REDACTED] has an extensive track record in corporate carve-outs, which [REDACTED]. It is therefore intimately familiar with the mechanics and practical considerations inherent in these structures. [REDACTED]. Based on this experience and following preliminary discussions with the management team of the Divestment Business, [REDACTED] considers that the approach to separation appears well thought-through and the package contains the necessary key management, IP, brands, and R&D facilities to ensure the transfer of a viable business.
- 2.2 It is also confident that the transitional arrangements set out in the Parties' Remedies Proposal would be effective.

**3. A FINANCIAL INVESTOR [REDACTED] WOULD BE A SUITABLE PURCHASER OF THE DIVESTMENT BUSINESS.**

- 3.1 [REDACTED] considers that a financial investor with no material horizontal or vertical overlaps with the Divestment Business would be a suitable buyer. In particular, given the nature of the business activities and the fact that the Divestment Business includes

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<sup>1</sup> Unless otherwise defined herein, defined terms used in this submission shall have the same meaning as in the Remedies Notice.

the transfer of key management personnel there is no need for the buyer to be an industry participant or an operator in the same or an adjacent market.

3.2 In particular, [REDACTED] fulfils all four criteria detailed in the Remedies Notice, as follows:

3.2.1 Independent of the Parties: [REDACTED] has no existing links with any of the Parties.

3.2.2 Necessary capability to compete: [REDACTED].

3.2.3 Committed to competing in the relevant markets: [REDACTED] believes that the Divestment Business has significant growth and operational improvement opportunity as it transitions from being a division of a large conglomerate and into a simplified standalone admixtures business. In line with [REDACTED]'s successful record of supporting the growth of market leading businesses, its focus is on growing the Divestment Business organically and through add-on acquisitions. [REDACTED].

3.2.4 No competition concerns: There are no horizontal or actual vertical overlaps between the Divestment Business and those of [REDACTED].

3.3 [REDACTED] would be willing to elaborate and address any questions which the CMA may have arising from this Submission.

[REDACTED]

**4 November 2022**