

**NOTICE SEEKING CLEARANCE OF THE PROPOSED ACQUISITION BY OSMOSIS BUYER
LIMITED OF FIREWALL HOLDINGS S.À R.L PURSUANT TO SECTION 66 OF THE COMMERCE
ACT 1986**

25 February 2022

The Registrar
Business Acquisitions and Authorisations
Commerce Commission
PO Box 2351
WELLINGTON

Pursuant to s 66(1) of the Commerce Act 1986 notice is hereby given seeking **clearance** of a proposed business acquisition.

1. EXECUTIVE SUMMARY

- 1.1 This notice seeking clearance is given by Osmosis Buyer Limited (the "**Applicant**") in relation to its proposed acquisition of all of the shares in Firewall Holdings S.À R.L ("**Firewall**" or "**Target**"), which is the majority shareholder in Waterlogic Group Holdings Limited ("**Waterlogic**") (the "**Proposed Transaction**").
- 1.2 A Share Purchase Agreement was entered into on 21 December 2021 (the "**SPA**"), under which Osmosis will acquire 100% of the shares in and sole control over Firewall from Castik Capital Partners GmbH ("**Castik**") and other non-controlling minority shareholders (together, the "**Sellers**").
- 1.3 This notice concerns the supply and servicing of drinking water solutions in New Zealand.
- 1.4 Each of the Applicant and the Target (together, the "**Parties**") have downstream business interests in the drinking water market in New Zealand.
- (a) The Applicant, Osmosis, controls entities that operate the Culligan group ("**Culligan**"), an international provider of water treatment solutions. In relation to New Zealand, Culligan controls Zip Industries, whose New Zealand business Zenith Heaters Limited trades as Zenith Water ("**Zenith**") and whose principal business in New Zealand is the supply and servicing of multi-function taps ("**MFTs**") in New Zealand (namely the "HydroTap" range). To a significantly lesser extent, it also supplies a very limited range of drinking fountains (also known as bubblers, water fountains or chillers by different suppliers) and wall mounted boilers.
- Two of Culligan's subsidiaries, Oasis International and Culligan Italiana, also indirectly supply a small amount of product into New Zealand through distribution and franchise arrangements, respectively (further details are provided in this application).
- (b) The Target owns Billi Australia Pty Limited ("**Billi Australia**"), an Australian-based business that generates the majority of its revenue through the manufacture, sale and servicing of Billi-branded MFTs. Billi Australia is part of the Waterlogic group, having been acquired in 2018.
- Approximately only four months ago, the Target indirectly acquired the business/assets of Merquip Limited,¹ with the Merquip business now trading under the Target's ownership through a newly incorporated entity called Waterlogic New Zealand Limited ("**Merquip**"). Merquip is a distributor and service provider of drinking water dispensers in New Zealand. The majority of Merquip's sales are from the sale of Billi-branded MFTs, the majority of which are supplied to retailers (such as Kitchen Things, Kitchen Studio, Reece, Chesters, Mico Plumbing, and Plumbing World). Merquip also has distributorship agreements in place with third party suppliers (such as Dianapure, a Taiwan-based supplier of Schwan MFT water dispenser products), although that third party volume represents a smaller share of the Merquip business.
- 1.5 The Target group does not sell products in New Zealand, except through Merquip. The only specific product overlap of substance in New Zealand is, in effect, through Zip's Zenith business and Waterlogic's Merquip business in the supply and servicing of MFTs. The Parties acknowledge that Zenith and Merquip are the largest and second largest supplier of MFTs in

¹ The corporate entity that the Merquip business formerly traded through has now been renamed Sibbin Limited.

New Zealand. The only other overlaps of specific drinking water products are very minor, where Zenith's and Merquip's respective offerings in New Zealand are very small and there are a number of significant and larger suppliers in New Zealand.

- 1.6 To address these areas of competitive overlap (which as noted is in effect only in respect of MFTs), the Applicant, without prejudice, undertakes to divest the entire Waterlogic New Zealand Limited (trading as Merquip) business (the "**Proposed Remedy**"). The Proposed Remedy will ensure that the competition that currently exists between Zenith and Merquip is maintained by an independent owner of the Merquip business going forward.
- 1.7 As this Proposed Remedy will remove the competitive overlap between the Applicant and the Target in New Zealand, the Applicant is confident that the Acquisition will not have the effect, or likely effect, of substantially lessening competition in any market in New Zealand.
- 1.8 The Applicant's proposed divestment undertaking for the Proposed Remedy ("**Draft Undertaking**") is **enclosed** as **Attachment A**.
- 1.9 The Parties also note that Osmosis has offered the Australian Competition and Consumer Commission ("**ACCC**") an undertaking pursuant to section 87B of the Competition and Consumer Act 2010 (Cth) [].² [].

² []

PART A: PARTIES TO THE PROPOSED TRANSACTION**2. THE APPLICANT: OSMOSIS BUYER LIMITED, ON BEHALF OF BDT CAPITAL****The Applicant's Contact Details**

2.1 This notice seeking clearance is given by Osmosis Buyer Limited (the "**Applicant**"), a portfolio company of BDT Capital Partners, LLC ("**BDT**"). Osmosis is a holding company incorporated in the United Kingdom which controls various entities that are operating within the Culligan group ("**Culligan**"), including Zip Industries' New Zealand business, Zenith.

2.2 The contact details for the Applicant are:

BDT

Mary Ann Todd
Partner and General Counsel
Email: []

Zip Industries

Alec Waugh
General Counsel
Phone: []
Email: []

2.3 All correspondence and notices in respect of the application for the Applicant should be directed in the first instance to:

Sarah Keene (Barrister)

Level 1, 27 Chancery Street
Auckland, 1010

Telephone: 027 535 5034
Email: sarah@keene.co.nz

Russell McVeagh

Level 30, Vero Centre
48 Shortland St
PO Box 8
Auckland 1140

Troy Pilkington (Partner) / Petra Carey (Senior Associate)
Telephone: 09 367 8108 / 09 367 8831
Email: troy.pilkington@russellmcveagh.com / petra.carey@russellmcveagh.com

Description of the Applicant

2.4 The Applicant is a portfolio company of BDT, a merchant bank headquartered in Chicago, Illinois which specialises in investments in family-owned and founder-led businesses. BDT's only portfolio company active in drinking water solutions and, therefore, of relevance to the Application, is Culligan.

- 2.5 Culligan is an international provider of water treatment solutions headquartered in the United States, and was acquired by BDT in July 2021.³ Culligan develops and distributes water treatment products for homes, businesses and industrial facilities as well as portable “on-the-go” solutions. It is active across 90 countries, serving approximately 6 million homes and 2.5 million offices with its drinking water and treatment solutions.
- 2.6 Internationally Culligan also manufactures water dispensers (including MFTs, bottle-free coolers (“**BFCs**”) and bottled-water coolers (“**BWCs**”)) and distributes them under its Oasis, Blupara, Zip and Fohen brands. It has manufacturing sites in Poland, Mexico, Italy and Australia.
- 2.7 Geographically, Culligan’s business focuses on the Americas and Europe. Of Culligan's [] worldwide revenue generated in FY20, [] was attributable to New Zealand (and is almost entirely generated from the Zenith business, as discussed below).
- 2.8 Culligan's New Zealand presence is through:
- (a) **Zip Industries (“Zip”)**: Zip is headquartered in Sydney and was acquired by Culligan in 2017. Zip’s New Zealand subsidiary is called Zenith Heaters Limited, and trades as Zenith. It has a warehouse, sales, servicing and customer service office located in Whenuapai, Auckland and sells across New Zealand both directly online to end-customers through its online shop as well as through a selective network of specialised retailers which are located around New Zealand, including Mico Plumbing, Plumbing World, Chesters, Reece, Kitchen Things and Kouzina Appliances, as well as Harvey Norman, which is a furniture and home appliance retailer. Additionally, after sales service outside of the greater Auckland area []. The core business of Zenith in New Zealand is the sale and servicing of MFTs that dispense instant filtered, boiled, chilled and sparkling water (or any combination of these) from a single outlet. These MFTs are manufactured in Zip's manufacturing facilities located in Condell Park, Sydney.
 - (b) Culligan subsidiaries, **Culligan Italiana** and **Oasis International**:
 - (i) Culligan Italiana has a franchise agreement with Masons Engineers (NZ) Ltd (“**Masons**”). Masons trades in New Zealand as “*Culligan New Zealand*”.⁴ Masons designs, supply, and construct water treatment facilities and systems to meet New Zealand drinking water standards, and uses Culligan products to deliver such water systems;⁵ and
 - (ii) Oasis International sells a limited range of products to Aqua Synergy, a New Zealand distributor of drinking water solutions.
- 2.9 Further details regarding the Applicant’s New Zealand activities are provided in section [8].
- 2.10 A pre-transaction corporate structure chart for the Applicant and its related companies is provided at **Appendix One**.

³ Culligan International news ‘Culligan International Announces Acquisition by BDT Capital Partners from Advent International and Centerbridge Partners’, available at: <https://www.culligan.com/blog/culligan-international-announces-acquisition-by-bdt-capital-partners-from-advent-international-and-centerbridge-partners>

⁴ For more information, please see <https://www.culligan.nz/>. While this website includes content that indicates Masons / Culligan NZ offers other water treatment products not referred to in paragraph 2.8(b)(i) that is because this website includes content from international Culligan businesses.

⁵ <https://www.masons.co.nz/environmental/water>

3. THE TARGET: WATERLOGIC GROUP HOLDINGS LIMITED

The Target's Contact Details

- 3.1 The target is Firewall Holdings S.A.R.L. ("**Firewall**"), a limited liability company incorporated in Luxembourg and a portfolio company of Castik Capital Partners GmbH ("**Castik**"). Firewall is a holding company and holds [] of the shares and [] the voting rights in Waterlogic. The contact details for Castik are:

Castik

Simen Opsal
Partner
Email: []

- 3.2 The contact details for Waterlogic are:

Waterlogic

Mark Taylor
Group Chief Commercial Officer
Email: []

- 3.3 All correspondence and notices in respect of the application for Firewall, Castik, and Waterlogic should be directed in the first instance to:

Bell Gully

Level 21 Vero Centre
48 Shortland St
PO Box 4199
Auckland 1140

Torrin Crowther / Emma Harris
Telephone: 09 916 8621 / 09 916 8779
Email: torrin.crowther@bellgully.com / emma.harris@bellgully.com

Description of the Target

- 3.4 The Target is a holding company and holds [] of the shares and [] the voting rights in Waterlogic.
- 3.5 Waterlogic, which currently includes the Billi Australia business, is a global designer, manufacturer, distributor and service provider of purified drinking water dispensers for offices, factories, hospitals, restaurants, hotels, schools and public spaces. Waterlogic is headquartered in Maidenhead, United Kingdom and has offices and service centres across North America, Europe, and the Asia Pacific region.⁶ Waterlogic is currently controlled by Castik, a European private equity firm headquartered in Munich, Germany.⁷
- 3.6 In FY20, the sales of Waterlogic were approximately []⁸ worldwide. [] of Waterlogic's revenue was generated in New Zealand in FY21 (which is, in effect, entirely generated from the Merquip business, discussed below).

⁶ <https://www.waterlogic.com/company/about/operations/>

⁷ Waterlogic news update, 'Castik Capital acquires Waterlogic PLC', dated 8 January 2015, available at: <https://www.waterlogicaustralia.com.au/company/newsroom/castik-capital-acquires-waterlogic-plc/>

⁸ []

- 3.7 Waterlogic has subsidiaries in 22 countries, including in the United States, Canada, Chile, Australia, New Zealand (Merquip), the UK and Germany, with a presence in over 50 countries around the world. It has over 550,000 (as of April 2020) water dispensers on rental and service contracts globally,⁹ with its primary international brands including Waterlogic, Billi, Purezza and Angel Springs.
- 3.8 However, Waterlogic does not have a presence in New Zealand other than as a result of:
- (a) Waterlogic's acquisition of the Billi group, which includes Billi Australia, in 2018; and
 - (b) Billi Australia's distribution of Billi products through Merquip in New Zealand; and
 - (c) Waterlogic's acquisition of the Merquip business/assets in late 2021.¹⁰
- 3.9 An overview of these two businesses (i.e. Billi Australia and Merquip) is provided below:
- (a) **Billi Australia** was established in Australia in 1989 and was acquired by Waterlogic in 2018. Billi Australia specialises in the supply and subsequent servicing of MFTs. Billi-branded products are manufactured at the Billi Australia facility in Melbourne, Australia. This facility is the only manufacturing facility owned or operated by the Billi group.¹¹

[] Billi Australia has no physical presence in New Zealand except through the distribution of its products via Merquip.
 - (b) **Merquip** is a New Zealand distributor and service provider of water solution products for use in homes, commercial settings, offices and hospitality throughout New Zealand. Merquip's New Zealand office and warehouse is located in Penrose, Auckland. It also has a small warehouse in Porirua. Its drinking water product range includes MFTs, and, to a lesser extent, BFCs and bubblers/drinking fountains.¹² The majority of its sales are generated from the sale of Billi MFTs. Merquip also has distributorship agreements in place with other third-party suppliers, namely Dianapure, a Taiwan-based supplier of Schwan-branded MFTs; Elkay, a US-owned supplier of drinking water products, including drinking fountains (bubblers); and Cosmetal, an Italian-based supplier of bubblers/drinking fountains, BFCs, and tap solutions for customers with higher volume needs. Merquip distributes drinking water products through third-party retailers, including Kitchen Things, Kitchen Studio, Reece, Chesters, Mico Plumbing, Plumbing World, Franklin, Southern Hospitality and Oakleys who in turn sell to downstream customers. Merquip also supplies MFTs and other drinking water products to commercial customers and tradespeople that purchase on behalf of residential or commercial end-users. Merquip also offers servicing and filter change service, which includes installation advice, faults and breakdowns, filter replacement, and reconditioning older units.
- 3.10 Further details regarding the Target's New Zealand activities are provided in section [8].
- 3.11 A pre-transaction corporate structure chart for the Target and its related companies is provided at **Appendix Two**.

⁹ As explained below, rental is not a material feature of the supply of MFTs in New Zealand.

¹⁰ []

¹¹ []

¹² Further information on Merquip can be found at www.merquip.co.nz/

PART B: TRANSACTION DETAILS

4. OVERVIEW OF THE PROPOSED TRANSACTION

Description of the Proposed Transaction

- 4.1 The parties entered into the SPA on 21 December 2021,¹³ under which the Applicant will acquire 100% of the shares in and sole control over Firewall¹⁴ from Castik and other non-controlling minority shareholders (as noted in paragraph 1.2, together the "**Sellers**").¹⁵
- 4.2 The Proposed Transaction was publicly announced on 22 December 2021.¹⁶
- 4.3 Under the SPA, the Acquisition is conditional on the receipt of regulatory approvals that include merger control clearance by relevant competition authorities, which includes the Commission.
- 4.4 Figure 1 below sets out the jurisdictions in which the Acquisition is or will be notified, and the dates or expected dates that the relevant agencies have or will be notified and the clearance date. For completeness, the Parties have notified the UK's Competition Markets Authority ("**CMA**") of the Proposed Transaction on a courtesy basis.¹⁷

Figure 1 – Overseas competition agencies notified

Jurisdiction	Agency	Date of notification	Clearance date
Australia	Australian Competition and Consumer Commission	11 February 2022	Pending
Austria	Bundeswettbewerbsbehörde	28 January 2022	Pending
Germany	Bundeskartellamt	28 January 2022	9 February 2022
United States	Department of Justice and Federal Trade Commission	19 January 2022	19 February 2022

Transaction documents

- 4.5 A copy of the SPA is provided at **Attachment B**.

¹³ []

¹⁴ Firewall holds [] of shares in Waterlogic with the []

¹⁵ []

¹⁶ Waterlogic press release: <https://www.waterlogic.com/company/news/culligan-international-and-waterlogic-group-holdings/>.

¹⁷ []

5. RATIONALE FOR THE TRANSACTION

5.1 []

5.2 []

5.3 []

In any event, the Applicant provides the Commission an undertaking with this application to divest Waterlogic New Zealand Limited (i.e. the Merquip business).¹⁸

¹⁸ []

PART C: COUNTERFACTUAL

6. COUNTERFACTUAL

The Applicant

6.1 If the Proposed Transaction does not proceed, the Applicant considers that its business plan for its New Zealand business would not change. Therefore, the Applicant considers that the counterfactual for its business should be regarded as the status quo.

Waterlogic

6.2 []¹⁹

6.3 []

(a) []

(b) []

6.4 []²⁰
[]²¹[]²² Therefore, the Target considers that the counterfactual for its business is the status quo.

6.5 In short, there is no material difference in the state of competition between the factual (with the Proposed Remedy) and the counterfactual.

¹⁹ []
²⁰ []
²¹ []
²² []

PART C: THE INDUSTRY


7. BACKGROUND TO THE DRINKING WATER INDUSTRY



Introduction to drinking water solutions

7.1 The Proposed Transaction concerns the supply and servicing of drinking water solutions in New Zealand.

7.2 This industry involves a broad range of products. Specifically, customers have a variety of options for meeting their hydration needs, including mains water taps, bottled water, cooler products, pitchers, boilers, vending machines and SodaStream-type water carbonation solutions. These can be bought in a variety of ways: from a traditional bottled-water cooler business, a facilities manager or other office supplies provider, or bought direct from physical or online retailers. For the Commission's context, the supply of drinking water solutions in New Zealand includes the supply of the following products (amongst the other solutions referred to above):

Table [1] – Description of relevant drinking water product categories

Product category	Description	Example
Multi-function taps (MFTs)	<p>MFTs are mains fed, but supply water in the form of a tap. In contrast to traditional taps, the MFT filters or purifies mains water, and adds functionality (i.e. heats / boils, chills, and/or carbonates it). The unit is placed either under the sink or under the counter, so these systems are often referred to as ‘under-the-counter’ or ‘under-the-sink’ or ‘in-the-sink’ systems. These systems feed in a tap which dispenses from above the sink or countertop.</p> <p>MFTs can be used in commercial settings (e.g., offices) and residential settings (e.g., in a home kitchen).</p> <p>The Parties are both active in the supply of MFTs in New Zealand.</p>	
Bottle free coolers (BFC)	BFCs (also known as “point of use/POU”, “mains-fed”, or “plumbed-in water coolers”) are connected to the customer’s plumbed water system, improving the quality of water via filtration or purification methods.	

Product category	Description	Example
	<p>Dispensed water can be ambient, cold, hot or sparkling, depending on machine functionality. Machines can be available as freestanding or countertop units.</p> <p>There are a number of BFC suppliers in New Zealand (a number of which also supply BWCs and other drinking water solutions), including Just Water²³ (which is estimated to be the largest BFC supplier in New Zealand), Big Blue (which is estimated to be the second largest BFC supplier in New Zealand),²⁴ Alpine Fresh (estimated to be the third largest BFC supplier in New Zealand),²⁵ Aqua Synergy Group,²⁶ Puretec,²⁷ and Spring Water Solutions.²⁸</p> <p>Merquip is, to a very limited extent, active in the supply of BFCs in New Zealand.²⁹</p>	
<p>Bottled water coolers (BWC)</p>	<p>BWCs dispense mineral, spring or purified water that can be ambient, cold or hot (depending on machine functionality) that do not require connection to the customer's plumbed water supply. Rather, water comes from bottles of typically 11 or 15 litres (3- or 5-gallons) of water that need to be replaced by a new one once empty. Machines can be available as freestanding or countertop units.</p> <p>BWCs are typically used in commercial and industrial environments where a mains connection is not present, for instance on worksites, warehouses, small commercial premises or larger commercial premises in a location away from the mains connection.</p>	

²³ Just Water rents both BFCs and BWCs in New Zealand, and offers servicing of such products: <https://www.justwater.co.nz/our-solutions/water-coolers/>

²⁴ Big Blue rents both BFCs and BWCs in New Zealand, and has a business model similar to Just Water in that its services include rental, service, and BFC / BWC products: <https://www.bigblue.co.nz/water-coolers/plumbed-in-water-coolers/>


²⁵ Alpine Fresh is a New Zealand owned water cooler supplier, which specialises in importing and distributing benchtop or free-standing mains-fed BFCs (and MFTs). Many of these models can be rented or purchased based on customer needs. Alpine Fresh describes itself as "NZ's leading provider of filtered drinking water solutions for healthier workplaces": <https://www.alpinefresh.co.nz/>

²⁶ Aqua Synergy offers "a one-stop solution by providing a comprehensive range of products and associated services for all water-related needs. From filtration to treatment, cooling to bottling, pumping to storing and design to installation, we have it covered." That includes "water coolers & fountains... for the busiest environments including; Offices, Hospitals, Gyms, Education, etc...". Amongst its range, it is the distributor of Oasis International's water filtration and dispensing products, which is a subsidiary of Culligan. Aqua Synergy makes products available through its two divisions – Aqua Hydration which supplies both BWCs, BFCs (including plumbed-in drinking fountains and bottle fillers), and spare parts, and Aqua Filter which focusses on MFTs, tap attachments and under-bench systems: <https://aqua.co.nz/>.

²⁷ Puretec is a water filtration system manufacturer that distributes products for homes, workplaces and food service operators throughout Australia and New Zealand. Puretec supplies BFCs (and MFTs) in the form of mains-fed free-standing drinking fountains and counter-top filtration systems which connect directly to existing kitchen faucets: <https://www.puretec.co.nz/>

²⁸ Spring is an Auckland based company that distributes BFCs (including counter-top and freestanding bottle fillers) as well as MFTs, BWCs, and drinking fountains: <https://springnz.co.nz/>

²⁹ Merquip sales of BFCs were [] in FY21. Given the large number and variety of BFC suppliers in New Zealand, Waterlogic management estimates that Merquip's BFCs would amount to approximately [] of the total BFC installed units in New Zealand.

Product category	Description	Example
	<p>There are a number of BWC suppliers in New Zealand, including those mentioned above in relation to BFCs, including Just Water, Big Blue, Alpine Fresh, Aqua Hydration (part of Aqua Synergy Group), Spring Water Solutions and many others.</p> <p>The Parties are not active in the supply of BWCs in New Zealand.</p>	
<p>Fountains (bubblers)</p>	<p>Fountains/bubblers are water dispensers connected to mains water which are used in environments where a robust and impact resistant water machine is required (e.g. outdoor or public spaces). Fountains/bubblers are configured to have a bubbler outlet or spout for drinking and may also include a carafe outlet to refill water bottles. Fountains dispense water at chilled temperatures.</p> <p>Fountains/bubblers are used in various environments, including in commercial environments (e.g. airports and construction sites), in public spaces (e.g. in parks and recreational areas), and in schools.</p> <p>There are a number of suppliers in New Zealand of fountains/bubblers, including Mountain Fresh (which offers products designed and manufactured in New Zealand),³⁰ Aqua Synergy,³¹ Just Water,³² Tap Water Wells (manufactured in New Zealand),³³ MacDonald Industries Limited,³⁴ PASLR,³⁵ Urban Effects,³⁶ Spring Water Solutions³⁷, RBA Group³⁸ and many others. There is also a multitude of low-cost imports from Asia available.</p> <p>The Parties are both, to a limited extent, active in the supply of drinking fountains (bubblers) in New Zealand.³⁹</p>	

³⁰ <https://www.mountainfresh.co.nz/drinking-fountains>

³¹ <https://aquahydration.co.nz/>

³² <https://www.justwater.co.nz/our-solutions/fountains/>

³³ <http://tapwaterwells.co.nz/>

³⁴ <https://www.macdonaldindustries.co.nz/products/franke-drinking-fountains>



³⁵ <https://www.paslr.co.nz/services-water/>

³⁶ https://www.urbaneffects.co.nz/producttypes/drinking-fountains/?gclid=Cj0KCQiA3fiPBhCCARIsAFQ8QzVvty-wCJ-4Kqgyt_XpgQDo8YQ8aUOIs5ql3Rz3W5Wome4g6Q3h9zAaAs3OEALw_wcB

³⁷ <https://springnz.co.nz/>

³⁸ <https://www.rbagroup.co.nz/>

³⁹ In FY21, Zenith's drinking fountain (bubbler) sales were [] and Merquip's sales of Elkay and Cosmetal drinking fountains (bubblers) were approximately []. The Parties do not have reliable data on drinking fountains in New Zealand given []. However, given the large number and variety of drinking fountains suppliers in New Zealand listed above, the Parties estimate that the Parties' drinking fountains would amount to less than [] of the total installed base in New Zealand.

Product category	Description	Example
<p>Wall mounted boilers</p>	<p>Wall mounted boilers are mains fed units affixed to a wall which deliver only boiling water. Water may be supplied filtered or unfiltered.</p> <p>Wall mounted boilers are a convenient way of dispensing high volumes of boiling water without using an electric kettle. Wall mounted boilers are used by governmental departments, small and large commercial suppliers, worksites and community organisations. Wall mounted boilers are also supplied on a wholesale basis to small and large suppliers.</p> <p>There are a number of suppliers of wall mounted boilers in New Zealand, including Rheem manufactured products,⁴⁰ Superheat (a New Zealand-based manufacturer),⁴¹ Rinnai (manufactured in New Zealand),⁴² and Ecoboil (manufactured in New Zealand).⁴³</p> <p>Zenith is active in the supply of wall mounted boilers in New Zealand.⁴⁴</p>	
<p>Other: solutions for customers with higher volume needs</p>	<p>Customers with relatively higher volume needs (such as hotels, restaurants and cafes) use taps allowing them to offer filtered still and sparkling water to their customers to serve larger volumes of water consumed in those contexts. These taps replace the need for single use bottled filtered chilled and sparkling packaged water or tap water in hospitality venues as they are offered to customers for use in conjunction with reusable and refillable branded glass bottles.</p> <p>Merquip is, to a limited extent, active in the supply of such tap solutions in New Zealand (via its distribution of Cosmetal products).⁴⁵</p>	

⁴⁰ <https://rheem.co.nz/products/commercial/boiling-lazer>

⁴¹ <https://www.superheat.co.nz/water-boilers/>

⁴² <https://rinnai.co.nz/commercial/boil-brew/boil-brew/rinnai-boil-brew>

⁴³ <https://www.ecoboil.co.nz/products/rapid-over-bench-water-boilers-eb-series/>

⁴⁴ In FY21, Zenith's total wall mounted boiler sales were around []. Zip estimates that its wall mounted boilers would account for less than [] of the wall mount boilers installed base in New Zealand. For completeness, [] Merquip does not supply wall mounted boilers in New Zealand. By way of further detail, []. The fact that Merquip does not make any material sales of wall mounted boilers reflects that Billi Australia is not a manufacturer of wall mounted boilers, []. For completeness, it is noted that Billi wall mounted boilers are listed for sale in New Zealand by Merquip. []. For these reasons, we do not consider wall mounted boilers further in this application. For this reason, we do not consider wall mounted boilers further in this application.

⁴⁵ Merquip's Cosmetal sales were [] in FY21.

- 7.3 In New Zealand, there are a range of companies that offer one or some of the above products. These products are manufactured overseas and imported into New Zealand, either through an OEM-distributor relationship (such as the arrangement between Billi Australia and Merquip prior to Waterlogic's acquisition of Merquip – explained further below) or through New Zealand-based subsidiaries of overseas manufacturers (such as Zenith – also explained further below). As noted in the table above, there are also a number of New Zealand-based manufacturers of certain of these products (for example, wall mounted boilers and drinking fountains/bubblers).
- 7.4 Given the activities of the Parties in New Zealand (described in Part D below), this application focuses on the supply of MFTs (given the Parties do not overlap in any material way in New Zealand in supplying the other specific types of products within the drinking water market).

PART D: RELEVANT MARKETS**8. ACTIVITIES OF THE PARTIES IN NEW ZEALAND****The Applicant***Zenith*

- 8.1 The Applicant's main operations in New Zealand are run through Zenith. Zenith is a subsidiary of Zip, which was acquired by Culligan in 2017. Zenith's core business is the sale and servicing of the "HydroTap," a trademarked range of MFTs that Zip would consider its main product offering. The HydroTap is manufactured in Sydney, Australia, and is marketed as the "Zip HydroTap" to its Australian customer base. In New Zealand, Zenith supplies a number of versions of the "HydroTap".
- 8.2 As a smaller part of its business, Zenith also supplies wall-mounted boilers, filters and parts. These products, including "HydroTaps", are sold directly to end-customers through the Zenith website, and are available for purchase through Zenith's network of retailers, including Mico Plumbing, Plumbing World, Chesters and others.
- 8.3 In addition to supplying products to consumers, Zenith also provides a number of after-sale services, including on-site inspections, filter changes and maintenance. Alternatively, customers that do not purchase maintenance plans, but require one-off servicing of a Zenith product are also able to book appointments via Zenith's website. These services are undertaken by Zenith staff or contractors. Zenith has its own sales and servicing work force in New Zealand, consisting of [] sales representatives and [] service technicians, which are all Auckland-based except for [] sales staff in Wellington. After-sale services outside of the greater Auckland area [].
- 8.4 Zenith's total New Zealand revenue in FY21 was approximately []. The HydroTap generated approximately [] sales in FY21 (approximately [] of Zenith's New Zealand FY21 revenue).
- 8.5 The balance of Zenith's FY21 revenue is made up of sales of filters and parts (each accounting for approximately [] of total revenue), aftersales services (accounting for approximately [] of total revenue) and wall mounted boilers (accounting for approximately [] of total revenue). There is also a [] of revenue generated from the sale of drinking fountains (bubblers) and washroom taps, and rentals of the HydroTap.⁴⁶

Culligan

- 8.6 The Applicant's Culligan Italiana business has a franchise agreement with Masons, which provides for Masons to be the official franchisee and distributor in New Zealand of Culligan's water treatment products (Masons uses the "Culligan" branding in New Zealand, and sources those products from Culligan Italiana). Masons designs, supply, and construct water treatment facilities and systems to meet New Zealand drinking water standards, and uses Culligan products to deliver such water systems.
- 8.7 []⁴⁷

⁴⁶ In FY21, drinking fountain (bubbler) sales were [] and rental income was []. Unlike in other jurisdictions, Zip does not have an active rental business in New Zealand.

⁴⁷ []

8.8 []

8.9 However, the Culligan group (except Zenith) does not sell Culligan products directly in New Zealand.

The Target

8.10 As noted above, the Target's presence in New Zealand is limited to its presence through Merquip. The overlap from the Proposed Transaction specifically arises through Merquip's supply of MFTs, which represents approximately []% of Merquip's FY21 New Zealand revenue.

8.11 Merquip supplies in New Zealand Billi MFT products,⁴⁸ which are manufactured in Billi Australia's Melbourne factory. All Billi products supplied by Merquip are MFTs.⁴⁹ Merquip's sales of Billi MFT products were approximately [] in FY21 (approximately [] of Merquip's total New Zealand FY21 revenue).

8.12 In addition to Billi MFT products, Merquip distributes Schwan MFT products.⁵⁰ However, Schwan sales [] of Merquip's FY21 revenue.

8.13 Merquip also supplies, to a lesser extent, BFCs⁵¹ and drinking fountains (bubblers)⁵² in New Zealand.

8.14 The balance of Merquip's revenue is from ancillary products and services, including filters, parts, aftersales services and washroom taps. This also includes revenue from [].

8.15 Merquip supplies the Billi and Schwan branded MFTs to its network of retailers which specialise in kitchen, bathroom and/or plumbing products, such as Kitchen Things, Kitchen Studio, Reece, Chesters, Mico Plumbing, Plumbing World and Oakleys. Merquip also supplies MFTs and other drinking water products directly to commercial customers and tradespeople on behalf of residential or commercial end-users.⁵³

8.16 Merquip has its own sales and servicing work force in New Zealand. It currently employs [] staff, including [] sales staff, [] servicing staff and [] accounting staff.

Conclusion on the Parties' overlapping activities

8.17 Accordingly, in New Zealand, the only meaningful overlap between the Applicant (through Zip's Zenith) and the Target (through Merquip) is the supply and servicing of MFTs. To a negligible extent, the Parties also supply drinking fountains (bubblers), but given the very small revenue generated by each party ([] for Merquip and [] for Zenith), and the numerous other suppliers of these products (as detailed in Table [1] above), the overlap is

⁴⁸ The Billi products supplied through Merquip can be found at [Billi | Merquip | Auckland](#)

⁴⁹ For completeness, as noted above, []].
For the avoidance of doubt, []].

⁵⁰ Schwan MFT sales were approximately [] in FY21. The Schwan products supplied through Merquip can be found at [Schwan | Merquip | Auckland](#)

⁵¹ Sales of BFCs were [] in FY21. []].

⁵² Merquip supplies Elkay and Cosmetal drinking fountains (bubblers), sales of which were approximately [] in FY21. The Elkay products supplied through Merquip can be found at [Elkay | Merquip | Auckland](#). The Cosmetal products supplied by Merquip, which also include tap solutions for customers with higher volume needs, can be found at [Cosmetal | Merquip | Auckland](#).

⁵³ Limited sales are also made online, but primarily relate to accessories and replacement CO2 cylinders and filters.

immaterial and is, in any event, addressed by the Proposed Remedy, and therefore is not considered further in this application.⁵⁴

9. MARKET DEFINITION

9.1 All of the relevant products serve the sole purpose of providing customers with drinking water, and compete with a range of other products to meet customers' hydration needs. Accordingly, the Parties consider that all of the products referred to in Table [1] above are part of a broader drinking water market which also includes in-fridge filtration, bottled water, vending machines, and SodaStream-type water carbonation solutions. This is a highly competitive space in which customers are able to choose between multiple different products from many different suppliers to filter, heat, chill and/or carbonate their drinking water

9.2 []

(a) [];

(b) []; and

(c) []⁵⁵ []⁵⁶ []⁵⁷ [].

9.3 []

(a) []

(b) []

(c) []

(d) [].

9.4 From a supply-side perspective, vendors commonly supply a range of products whether they are manufactured by the supplier or a third party.

9.5 From a demand-side perspective, customers who intend to purchase drinking water for offices or households can choose from a range of options that are fully interchangeable and equally satisfying to them. For example, customers can buy bottled water from various sources, use tap water purely, or treat tap water (e.g. by using an MFT). They can also buy or rent BWC/BFC (with or without services), or use a range of other solutions, such as vending machines, cooler products, pitchers, boilers, post-mix soda guns and SodaStream-type water carbonation solutions. Customers also frequently mix and match solutions to meet their needs. In particular, commercial customers will typically use a variety of these options for drinking water solutions at the same time. There are many suppliers which customers can easily switch to for various reasons and switching costs are very low.⁵⁸ Sale contracts do not

⁵⁴ For completeness, Merquip supplies Billi's washroom taps in New Zealand, and Zenith supplies its own washroom taps in New Zealand. However, Merquip's Billi sales for FY21 [] and Zenith's sales for the same period were [], which together represents a very small portion of the overall supply of washroom taps in New Zealand. Given the immaterial nature of the overlap, the Parties do not discuss this further in this application.

⁵⁵ See <https://pepsicopartners.com/navigation/sodastreamprofessional>.

⁵⁶ See <https://www.bevi.co/>.

⁵⁷ See <https://www.drinklavit.com/>.

⁵⁸ Note in relation to MFTs specifically, installing / uninstalling an MFT is not complex. Installation guides are typically available online and most plumbers are equipped to install or uninstall MFTs within one or two hours. There are also no contracts associated with sales that require notice periods and/or impose cancellation penalties.

usually contain exclusivity arrangements so customers can use different suppliers at the same time. For these reasons, the Parties consider that customers have the ability to exercise a significant degree of countervailing power.

- 9.6 While it is not necessary to reach a view for the purpose of this application, the Parties recognise that there are potentially separate markets for the upstream manufacture and supply of drinking water products which are supplied to distributors for on-selling, and the downstream supply of drinking water products to end-consumers.⁵⁹
- 9.7 However, the Parties do not think that a distinction between private end-customers and commercial customers (e.g. offices, hotels, restaurants, cafés, education facilities, industrial customers, and other workplaces) is particularly informative. Such a hypothetical segmentation would fail to take into account that the demand profile for drinking water solutions is not materially different in a commercial from a non-commercial context. Also, from a supply-side perspective there is no significant difference in supplying commercial or non-commercial customers.
- 9.8 The ease with which sales can be made to various customer types is reflected in how sales staff are deployed. For example, []. That there is no material difference in supplying different types of customers is also supported by the fact that, in the Parties' experience, there is not one set of suppliers which serve one category of customer; rather, suppliers can and do serve different types of customers.
- 9.9 In terms of geography, both Zenith and Merquip operate and supply the overlapping products New Zealand-wide. Further, across New Zealand, there are many other suppliers of the Parties' overlapping products, including suppliers that also operate New Zealand-wide and/or globally.
- 9.10 Notwithstanding the Parties' views on market definition, it is not necessary for the Commission to reach a concluded view on market definition given that, regardless of how the relevant market is defined, the Proposed Transaction will not have the effect, or likely effect, of substantially lessening competition in any market in New Zealand. This is because:
- (a) the only area of substantive specific product overlap between the Parties in New Zealand is for the supply and servicing of MFTs by Zenith and Merquip, and the Proposed Remedy will ensure that this competition continues; and
 - (b) Zenith and Merquip are not close competitors for the supply and servicing of any other products, and their sales in New Zealand of other products are minimal. In any event, the Proposed Remedy also removes any other overlaps which arise through the Merquip business.

⁵⁹ For completeness, the Parties note:

- the Portuguese Autoridade da Concorrência has held that BWC and BFC comprise one market, namely the market for the commercialisation of water dispensing machines. These decisions were made on the basis that BWC and BFC are highly substitutable and are both aimed at satisfying the same consumer need. See: Autoridade da Concorrência decision of 14 September 2009, Ccent. 32/2009, *Nestlé Waters Direct/Cool Point*. See also more recently decision of 14 December 2014, Ccent. 29/2014 - *Eden Group/Nestlé Waters*.
- In *Completed acquisition by PHS of Connect Water Systems (UK) Limited and related companies and Filterpure Limited*, Decision of the Office of Fair Trading (**OFT**), published 6 March 2012, the OFT considered whether the supply of each of BFC (referred to in the decision as POU water coolers), and BWC to end customers should be considered as distinct markets, although it ultimately did not reach a conclusion as to the appropriate market definition.

10. COMPETITIVE OVERLAP

- 10.1 As noted above, the Parties consider MFTs to be largely interchangeable from both a demand-side and supply-side perspective within a broader drinking water market which also includes those products described in Table [1] above, as well as in-fridge filtration, bottled water, vending machines, and water carbonation solutions.
- 10.2 However, in any event, the only competitive overlap of substance in New Zealand arising from the Proposed Transaction is in relation to the supply and servicing of MFTs, and this overlap, as well as the minor overlaps in other non-MFT products, will be removed as a result of the Proposed Remedy, given the Target's entire New Zealand business (Merquip) will be divested.
- 10.3 Nevertheless, for completeness and to assist the Commission to assess the Proposed Remedy, we set out the competitive conditions relating to the supply (and servicing) of MFTs in New Zealand to demonstrate that the Transaction will not raise competition concerns under any narrowest hypothetical segmentation.

MFTs

- 10.4 There are a number of alternative brands of MFTs in New Zealand. The key ones include:
- (a) **BRITA:** the BRITA Group is a global group of companies active in drinking water optimisation and individualisation, represented by 30 subsidiaries, with shareholdings, distribution and industrial partners in 70 countries.⁶⁰ The group's turnover was EUR 617 million in 2020. Its BRITA brand holds a leading position in the international water filter market, manufacturing water filter systems and taps for residential and commercial use from production sites in Germany, UK, Italy and China. In New Zealand, BRITA distributes products online, as well as through retail channels such as Bunnings, Mitre 10 and The Warehouse. One of BRITA's key MFT offerings in New Zealand is the Vivreau ViTap, which was designed mainly for office use, providing a combination of still, sparkling and boiling filtered water through its tap.
 - (b) **Insinkerator:** The Insinkerator brand is owned by Emerson Electric Co, a US manufacturing and engineering Fortune 500 company headquartered in Missouri. In addition to manufacturing and supplying waste disposal units, its product range also includes filtered water taps and its "multi-tap" MFT product, which dispenses hot, cold and near-boiling water.⁶¹ In New Zealand, Insinkerator is distributed by Parex Industries. The brand's stockists include large format retailers such as Harvey Norman, Noel Leeming, Bunnings, Mitre 10 and Placemakers, as well as more specialised retailers including Kitchen Things, Chesters and Plumbing World.
 - (c) **Rheem:** Rheem New Zealand was formed in 1958, and is 100% owned by Rheem Australia Pty Limited, which is controlled by Paloma Co Ltd based in Japan.⁶² Rheem is self-described as the "number one provider of hot water solutions", with its product range including several different sink or bench mounted MFTs / taps which deliver filtered, boiling, chilled and ambient water. Rheem's stockists include Bunnings, Mico, Reece, Plumbing World, Chesters and others.

⁶⁰ See <https://www.brita.co.nz/>

⁶¹ See <https://www.insinkerator.co.nz/multi-tap/> and <https://multitap.co.nz/>

⁶² See <https://rheem.co.nz>

10.5 Estimated shares of MFTs in New Zealand are as set out in Table [2] below. These shares are based on total estimated installed units (rather than annual sales), as the Parties do not have specific data / estimates of third parties' sales in New Zealand.⁶³ Estimated installed units is therefore the most appropriate metric for reflecting a supplier's position.

Table [2]: MFTs by volume (installed units) in New Zealand

	Number of units	Segment Share (%)
Zenith	[]	[]
Merquip	[]	[]
Combined	[]	[]
Insinkerator	[]	[]
Brita	[]	[]
Rheem	[]	[]
Others ⁶⁴	[]	[]
Total	[]	[]

10.6 Both Zenith and Merquip also offer servicing options to owners of MFTs.⁶⁵ The provision of such services is highly competitive, with Zenith and Merquip competing against a significant number of businesses that provide such services, including given that:

- (a) there is no obligation on a purchaser of an MFT from a retailer to use Zenith or Merquip (as the case may be) when it purchases an MFT from that retailer (that end-customer sale does not automatically create any direct customer relationship between Zenith or Merquip and the end-customer); and
- (b) most plumbers are capable of installing and/or servicing MFTs.

10.7 Furthermore, in any event, as part of the Proposed Remedy, the Applicant is proposing to divest the entire Merquip business, and therefore will include the servicing business, which means there will be no overlap arising from the Proposed Transaction and no possible substantial lessening of competition in the provision of such services.

COMPETITION ANALYSIS

10.8 As the Proposed Remedy will, in substance, involve the divestment of the entirety of the Target's presence in New Zealand, and remove the only material competitive aggregation arising from the Proposed Transaction, the Applicant is confident that the Proposed Transaction does not give rise to any substantial lessening of competition in any market in New Zealand by way of any unilateral, coordinated, conglomerate or vertical effects.

11. THE PROPOSED REMEDY

Introduction

⁶³ []. [].

⁶⁴ Other suppliers of MFTs include Spring Water Solutions, which was established in Auckland in 2003, and supplies a range of water solution products (<https://springnz.co.nz/>); and Puretec, which is a water filtration system manufacturer that distributes products for homes, workplaces and food service operators throughout Australia and New Zealand (<https://www.puretec.co.nz/>)

⁶⁵ While servicing staff are capable of servicing other branded MFTs, in practice, [].

- 11.1 The Proposed Remedy is intended to pre-emptively address any competition concerns that may otherwise arise from the Proposed Transaction by removing the areas of competitive overlap between the Parties, which is, in effect, only in respect of the overlap in the supply and servicing of MFTs between the Applicant (via Zenith) and Waterlogic (via Merquip) in New Zealand.
- 11.2 For the reasons set out below, there is no material composition, purchaser or asset risk associated with the Proposed Remedy.
- 11.3 The sale of the Divestiture Business to [] ("**Approved Purchaser**") approved by the Commission would create a viable, long-term, independent and effective competitor to the merged entity and sufficiently replicate the constraint otherwise lost from the Proposed Transaction.
- 11.4 The Parties expect the Divestiture Business will []. Any purchaser risks are appropriately addressed by the Applicant's obligations to have the Commission approve the Purchaser.
- 11.5 In addition, the Proposed Remedy []. Any asset risks are appropriately addressed by the Applicant's hold-separate and other conduct commitments set out in the proposed divestment undertaking. [].
- 11.6 This section sets out:
- (a) the scope of the Divestiture Business, illustrating how the Divestment Business is sufficient to create a viable, long-term, independent and effective competitor;
 - (b) the standalone nature of the Divestiture Business and [];
 - (c) [];
 - (d) [];
 - (e) []; and
 - (f) reasons why the Proposed Remedy maintains the economic viability, marketability, competitiveness and goodwill of the Divestiture Business prior to divestiture.
- 11.7 The Applicant has included a Draft Undertaking pursuant to section 69A of the Commerce Act 1986 ("**Draft Undertaking**") to reflect the Proposed Remedy as part of the application for clearance of the Proposed Transaction at **Attachment A**.
- The scope of the Divestiture Business is comprehensive and sufficient**
- 11.8 As set out in the Clearance Application, the Target does not sell products in New Zealand, except through Merquip. The Merquip business will be divested in its entirety as part of the Proposed Remedy.⁶⁶
- 11.9 The Parties also note that the Applicant will correspondingly be offering the ACCC an undertaking pursuant to section 87B of the Competition and Consumer Act 2010 (Cth) [].

⁶⁶ []

11.10 The Divestiture Business will include all components necessary for the ongoing competitive operation of the Merquip business in New Zealand. []

- (a) [];
- (b) [];
- (c) [];
- (d) [];
- (e) [];
- (f) [];
- (g) [];⁶⁷ []; and
- (h) []

11.11 []

The Divestiture Business is standalone

11.12 The Merquip business is an established stand-alone business, and will be offered for sale as a going concern (it has only been owned by the Target for approximately four months).⁶⁸ Specifically, prior to October 2021, it operated completely independently of Waterlogic and has retained that essentially independent and separate character and nature since the acquisition by Waterlogic New Zealand Limited, [].

11.13 []:

- (a) []
- (b) []
- (c) []
- (d) []
- (e) []

11.14 []

11.15 []

⁶⁷ Billi products are manufactured in the dedicated Billi manufacturing facility in Melbourne, Australia, which will transfer to the Approved Purchaser. For completeness, one component (which relies on patented UV-filtration technology used by Waterlogic globally) of a niche product described as the 'Firewall Tower' is manufactured and supplied to Billi Australia Pty by a Waterlogic manufacturing facility in China. [], the Approved Purchaser will have an option to enter a [] year agreement whereby Osmosis (or a related entity) will manufacture and supply this component on an exclusive OEM basis to the Approved Purchaser to enable the sale of Firewall Towers to customers based in Australia and New Zealand.

⁶⁸ Waterlogic New Zealand Limited completed the purchase of the Merquip business on 1 October 2021.

[]
11.16 []

11.17 []
[]

11.18 []

11.19 []

[]

11.20 []

(a) []

(b) []

(c) []

(d) []

(e) []

(f) []

(g) []

(h) []

(i) []

11.21 []

11.22 []

11.23 []

(a) []

(b) []

(c) []

(d) []

(e) []

11.24 []

11.25 []

Competitiveness and saleability of the Divestiture Business can be preserved

11.26 The competitiveness and saleability of the Divestiture Business will be preserved in the period between completion of the Proposed Transaction and divestiture to the Approved Purchaser so as to minimise any perceived asset risk.

11.27 []

Conclusion, timing and next steps

11.28 The Parties believe the Proposed Remedy both comprehensively addresses any possible competition concerns and will result in the creation of a viable, independent and effective competitor, able to compete on a standalone business immediately after completion of the sale of the Divestiture Business – a position it held as recently as 30 September last year.

11.29 There is no material composition, purchaser or asset risk associated with the Proposed Remedy. [].

11.30 The Parties are willing to provide additional information that the Commission requires to facilitate and expedite its review.

12. CONCLUSION

12.1 In conclusion, the Parties do not consider that the Proposed Transaction will give rise to any competition concerns because:

- (a) the only area of competition between the parties in New Zealand is between Zenith and Merquip in the supply and servicing of MFTs and the Proposed Remedy will ensure that this competition continues; and
- (b) there is no material competition between the Applicant and the Target in New Zealand for the supply of any other products or services aside from MFTs for the various reasons outlined in this Application. In any event, the Proposed Remedy also removes the overlap in relation to MFTs as it provides for the divestiture of the Merquip business.

12.2 For these reasons, the Applicant is confident that the Proposed Transaction does not give rise to any substantial lessening of competition in any market in New Zealand by way of any unilateral, coordinated, conglomerate or vertical effects.

13. FURTHER DOCUMENTATION / INFORMATION

Parties' sales revenues and volumes for FY19, FY20 and FY21 in New Zealand

The Applicant

Zenith

	FY19		FY20		FY21	
	Units	Revenue (NZD '000)	Units	Revenue (NZD'000)	Units	Revenue (NZD '000)
MFTs	[]	[]	[]	[]	[]	[]
Other	[]	[]	[]	[]	[]	[]
Total	[]	[]	[]	[]	[]	[]

The Target

Merquip

	FY19		FY20		FY21	
	Units	Revenue (NZD'000)	Units	Revenue (NZD'000)	Units	Revenue (NZD'000)
MFTs	[]	[]	[]	[]	[]	[]
Other	[]	[]	[]	[]	[]	[]
Total	[]	[] ⁶⁹	[]	[] ⁷⁰	[]	[] ⁷¹

Names and contact details of other main competitors / water solution suppliers in New Zealand

Competitor	Contact Details
Rheem	Contact person: [] Position: [] Email address: [] Telephone: []

⁶⁹ For the period April 2019 to March 2020

⁷⁰ For the period April 2020 to March 2021

⁷¹ For the period January 2021 to December 2021

Insinkerator (distributed by Parex Industries)	Contact person: [] Position: [] Email address: info.parex@emerson.com Telephone: +64 9 836 6566
Brita	Contact person: [] Position: [] Telephone: 0800 482 008
Spring Water Solutions	Email address: info@springnz.co.nz Telephone: 0800 477 746
Just Water	Email address: hello@justwater.co.nz Telephone: 0800 801 802
Big Blue	Email address: coolers@bigblue.co.nz Telephone: 0800 244 258
Alpine Fresh	Telephone: 0800 225 7463
Bevco	Email address: info@bevco.nz Telephone: 09 361 2506
NZ Sparkling	Telephone: 021 138 7679
Aqua Synergy Group	Email address: info@aqua.co.nz Telephone: 0800 650 100
Puretec	Email address: sales@puretecgroup.com Telephone: 0800 130 140
RBA Group	Email address: sales@rbagroup.co.nz Telephone: 0800 722 111
Puro Water	Contact person: []

Key customers in New Zealand

The Applicant

Zenith

Customer	Contact Details	Zip's revenue (LTM)
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]

The Target

Merquip

Customer	Contact Details	Merquip's revenue (LTM)
[]	[]	[]
[]	[]	[]
[]	[]	[]

[]	[]	[]
[]	[]	[]

Key suppliers in New Zealand

The Applicant

Zenith

Supplier	Contact Details	Zip's expenditure (LTM)
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]

The Target

Merquip

Supplier	Contact Details	Merquip's expenditure (LTM)
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]

Trade or industry associations

The Applicant

Zenith

13.1 Zenith is a member of:

- (a) National Kitchen and Bathrooms Association NZ

Suzie Rees - Executive Officer

PO Box 9459
 Tower Junction
 Christchurch 8149

Phone: 03 322 1957
Email: info@nkba.org.nz

(b) Master Plumbers Association:

Greg Wallace - CEO

Ground Floor, 119 Ghuznee Street, Te Aro, Wellington 6011
PO Box 6606, Marion Square, Wellington 6141

Phone: 04 384 4184
Email: info@masterplumbers.org.nz

The Target

Merquip

13.2 Waterlogic New Zealand Limited (trading as Merquip) is a member of:

(a) New Zealand Green Building Council

Andrew Eagles - CEO

Level 2, Tower 1, 205 Queen Street, Auckland 1010
PO Box 5286, Victoria St West, Auckland 1141

Phone: (09) 379-3996
Email: info@nzgbc.org.nz

Copies of most recent financial statements

13.3 For the Applicant, see **Appendix Three** for Zenith's most recent financial statements.

13.4 For the Target, see **Appendix Four** for Merquip's most recent financial statements.

PART E: CONFIDENTIALITY**14. REASONS FOR SEEKING CONFIDENTIALITY**

- 14.1 Confidentiality is sought in respect of the information in this application that is contained in square brackets (with confidentiality indicated by the coloured highlighting). Confidentiality is sought for the purposes of s 9(2)(b) of the Official Information Act 1982 on the grounds that:
- (a) The information is commercially sensitive and valuable information which is confidential to the parties; and
 - (b) Disclosure would be likely to unreasonably prejudice the commercial position of the parties, as the entities providing the information.
- 14.2 The parties request that they are notified of any request made to the Commission under the Official Information Act 1982 for release of the confidential information. The parties also request that the Commission seek and consider the Applicant's or the Target's views, as the case may be, as to whether the information remains confidential and commercially sensitive at the time responses to such requests are being considered.
- 14.3 The foregoing equally applies in respect of any additional information provided to the Commission that is expressed to be confidential.

PART F: DECLARATION

I, Director of the Applicant have prepared, or supervised the preparation of, this notice seeking clearance.

To the best of my knowledge, I confirm that:

- all the information specified by the Commission has been supplied;
- if the information has not been supplied, reasons have been included as to why the information has not been supplied;
- all information known to me that is relevant to the consideration of this notice has been supplied; and
- all information supplied is correct as at the date of this notice.

I undertake to advise the Commission immediately of any material change in circumstances relating to the notice.

I understand that it is an offence under the Commerce Act to attempt to deceive or knowingly mislead the Commission in respect of any matter before the Commission, including in these documents.

I am a director/officer of the company and am duly authorised to submit this notice.

Director of Osmosis Buyer Limited

Signature **Date**

APPENDIX ONE

[]

APPENDIX TWO

[]