

**NOTICE SEEKING CLEARANCE OF A BUSINESS ACQUISITION PURSUANT TO SECTION
66 OF THE COMMERCE ACT 1986**

3 May 2021

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

Pursuant to s66(1) of the Commerce Act 1986 notice is hereby given seeking **clearance** of a proposed business acquisition.

MinterEllisonRuddWatts

1. EXECUTIVE SUMMARY

- 1.1 Dunlop Drymix Limited (**Dunlop**), seeks clearance to acquire the assets and business of Drymix N.Z. Limited (in receivership and liquidation), Drymix Cement Limited (in receivership and in liquidation), Drymix Bitumen Limited (in receivership), Drymix Imports Limited (in receivership), XNP Limited (in receivership) and Romex N.Z. Limited (in receivership) (together, **Drymix**) (the **Proposed Transaction**).
- 1.2 Dunlop is a wholly owned subsidiary of Concrete Group Limited (**Concrete Group**). Drymix and another wholly owned subsidiary of Concrete Group, Cemix Products Limited (**Cemix**) manufacture and distribute bagged concrete and asphalt products in New Zealand. The core overlap is the manufacture and distribution of bagged concrete and mortar.
- 1.3 Bagged concrete is a dry powder made up of sand, cement and aggregate premixed in a bag. Users add water on site and transform the powder into concrete. Bagged mortar is a mixture of sand and cement.
- 1.4 The product is designed for DIY and simple projects where only small amounts of concrete are needed. It is typically sold in 20kg bags and supplied to the large building product retailers (Bunnings, Carters, ITM, Farmlands, Mico, Mitre 10 and Placemakers), hardware stores, plumbing merchants, landscape yards and garden centres.
- 1.5 The Proposed Transaction is unlikely to have the effect of substantially lessening competition in the bagged concrete and mortars market or any related market in New Zealand because:
 - (a) large retailers will continue to wield a considerable degree of countervailing power and impose a significant competitive constraint on the merged entity;
 - (b) there will continue to be significant competitive constraint from the market leader Firth Industries, and smaller regional suppliers;
 - (c) substitute concrete and mortar products will continue to provide a substantial constraint on the merged entity;
 - (d) barriers to entry and expansion in the national market for the manufacture of bagged concrete and mortar are low; and
 - (e) the Proposed Transaction will not result in any coordinated effects given, inter alia, the countervailing power of customers, the competitive constraint posed by substitute products and the low barriers to entry.

2. APPLICANT AND OTHER PARTIES

The Applicant

- 2.1 This notice seeking clearance is given by Dunlop Drymix Limited.
- 2.2 Contact details for Dunlop Drymix Limited are:

Postal address: 19 Alfred Street, Onehunga, Auckland 1061, New Zealand

Physical address: 19 Alfred Street, Onehunga, Auckland 1061, New Zealand

Telephone: 021 531 212

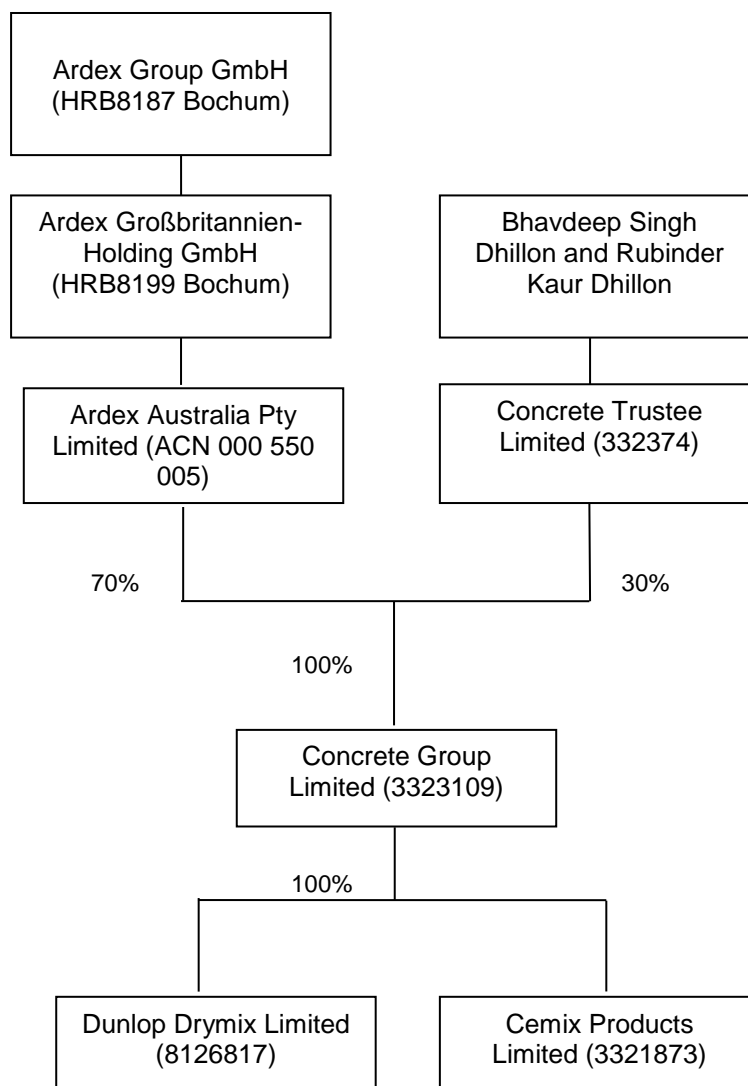
Web address: Dunlop is not currently trading so does not have a web address.

Contact person: Bhavdeep Dhillon, Director

bhav.dhillon@cemix.co.nz

2.3 Dunlop Drymix Limited is not currently trading and has been set up as a special purpose vehicle for this transaction. It is a wholly owned subsidiary of Concrete Group Limited which is ultimately owned by Ardex Australia Pty Limited (which has a 70% shareholding) and Concrete Trustee Limited (which has a 30% shareholding).

2.4 Ardex Australia Pty Limited offers engineering products and systems in the areas of floor levelling and adhesives, tile and natural stone systems, sheet and liquid applied waterproofing membranes, general construction and decorative surfaces. Concrete Group is a New Zealand company, based in Onehunga, Auckland, and is part of the chemical manufacturing industry. A diagram showing the ownership structure of Dunlop is set out below:



2.5 The company relevant to the assessment of the Proposed Transaction is Cemix, which is a wholly owned subsidiary of Concrete Group. Cemix manufactures and distributes bagged concrete, mortar and asphalt products.

2.6 All correspondence and notices in respect of this application should be directed in the first instance to:

Minter Ellison Rudd Watts
PwC Tower
15 Customs Street West
Auckland 1143

Dr Ross Patterson
Partner
+64 9 353 9864
ross.patterson@minterellison.co.nz

April Payne
Senior Associate
+64 9 353 9946
april.payne@minterellison.co.nz

The other party

2.7 The other party is Drymix N.Z. Limited (in receivership and liquidation).

2.8 Contact details for Drymix N.Z. Limited (in receivership and liquidation) are:

Postal address: Level 15, Grant Thornton House, 215 Lambton Quay, Wellington, 6143, New Zealand

Physical address: Level 15, Grant Thornton House, 215 Lambton Quay, Wellington, 6143, New Zealand

Telephone: (09) 451 9091

Web address: <https://drymix.co.nz/>

Contact person: Russell Moore, Partner

Russell.moore@nz.gt.com

2.9 All correspondence and notices in respect of this application should be directed in the first instance to:

Simpson Grierson
Level 27
88 Shortland Street
Auckland 1141

James Craig
Partner
+64 9 977 5125
james.craig@simpsongrierson.com

3. TRANSACTION DETAILS

The proposed transaction

- 3.1 Dunlop has entered into an agreement for sale and purchase following a contested process to acquire the Drymix business and assets from the receivers, Grant Thornton. The agreement is conditional on clearance being granted. A copy of the agreement is attached at Confidential Annexure 13.
- 3.2 Grant Thornton are selling the business as a going concern. They issued an Information Memorandum dated December 2020 (**IM**), a copy of which is at Confidential Annexure 1.
- 3.3 The Businesses being sold are:

- (a) Drymix N.Z. Limited (in receivership and liquidation). This company produces easy mix concrete products to the DIY market throughout New Zealand with its main customer ([]) being Mitre 10. It also owns part of the land in Feilding at 7-11 Awa Street, where it has its main plant;

Asset detail	Value (NZ\$000s)
[]	[]
[]	[]
[]	[]
[]	[]

- (b) Drymix Cement Limited (in receivership and in liquidation). This company imported cement from Vietnam and fly ash from Thailand and had depots in Auckland, Tauranga, Hamilton, Napier, Christchurch and Bluff from where it distributed the cement and fly ash to its customers throughout New Zealand. The company was placed into receivership on 21 April 2020 and the Receivers sold the remaining stock to customers and proceeded with an asset sale. The remaining assets included in this sale were used in the production of the bagged concrete sold by Drymix N.Z. Limited;

Asset detail	Value (NZ\$000s)
[]	[]
[]	[]
[]	[]

- (c) Drymix Bitumen Limited (in receivership). This company exported cold bitumen in bulk bags from Portugal to Tahiti and did not undertake business in New Zealand at all. It stopped trading in early 2020 as a result of a relationship breakdown with the supplier due to cash flow constraints in Drymix Cement. This company was placed into receivership on 27 July 2020;

Asset detail	Value (NZ\$000s)
[]	[]

- (d) Drymix Imports Limited (in receivership). This is a shell company and never traded. There are no assets that the receivers are aware of that form part of the sale, but

they have included the company for completeness. This company was placed into receivership on 27 July 2020;

- (e) XNP Limited (in receivership). This company has only ever owned land at Feilding, at 5-7 Awa Street and it charged rent to Drymix NZ for the use of land in Feilding. It was placed into receivership on 27 July 2020; and

Asset detail	Value (NZ\$000s)
[]	[]

- (f) Romex N.Z. Limited (in receivership). This company's business was a pave-jointing system which they imported from Germany and sold in New Zealand. This company stopped trading in 2017/2018 because it was too expensive for the New Zealand market with alternative products available at a cheaper cost. It was placed into receivership on 27 July 2020.

Asset detail	Value (NZ\$000s)
[]	[]

A copy of the asset schedules for Drymix N.Z. Limited (in receivership and liquidation), Drymix Cement Limited (in receivership and liquidation), Drymix Bitumen Limited (in receivership) and Romex N.Z. Limited (in receivership) are at Confidential Annexure 2

- 3.4 The above figures are the value of the assets as at the date of liquidation which have factored in depreciation between 31 March 2020 and the date of receivership for Drymix Bitumen Limited, Romex N.Z. Limited and Drymix N.Z. Limited. In respect of Drymix Cement Limited, the receivers undertook an asset sale. However, the assets that are currently being sold as part of this transaction were used in the Drymix N.Z. Limited business. A copy of the reconciliation schedules for Drymix Bitumen Limited, Romex N.Z. Limited and Drymix N.Z. Limited are at Confidential Annexure 16.
- 3.5 Dunlop is a non-trading entity that has been set up as a special purpose vehicle for this transaction. Dunlop has no relation to the Dunlop tyre company. It has the right to use the Dunlop brand name in this category of product only. Over the past 12 months Ardex New Zealand Limited which is wholly owned by Ardex Australia Pty Limited, the 70% shareholder of Concrete Group Limited, []. The product was manufactured by Cemix and post-acquisition of Drymix, this product will be consolidated in the new Dunlop entity. Postcrete is equivalent to Cemix' Superstrength Fastcrete and Fibercrete is a niche product with limited sales that is equivalent to Cemix' No Steel Concrete.
- 3.6 [].
- 3.7 The Proposed Transaction will be implemented under the terms of a sale and purchase agreement between Drymix and Dunlop, with Concrete Group as guarantor (the **SPA**).

- 3.8 Completion of the Proposed Transaction will be conditional on a range of conditions including receipt of clearance from the Commission.

The rationale for the transaction

- 3.9 The Proposed Transaction will enable Concrete Group to manufacture in the lower North Island and the South Island. This will optimise freight costs for both Dunlop and Cemix and reduce their inter-regional transport/traffic. This will allow Dunlop and Cemix to better compete with Firth Industries by reducing cost, as well as reducing their carbon footprint to improve their environmental credentials. A copy of the documents seen by Dunlop directors recording the rationale for the transaction are attached at Confidential Annexure 14.
- 3.10 Cemix currently operates one plant located in Auckland. Drymix has plants in Orari near Timaru and in Feilding. Operating out of these plants in addition to its Auckland plant will provide a number of benefits for Cemix. In particular, it will:
- (a) enable Cemix to reduce freight costs nationwide. Currently Cemix supplies Bunnings Queenstown at the Bunnings national price exclusive of GST and rebates of [] a 20kg bag of Multicrete while the freight cost from Auckland alone is [] a bag when transported in bulk on a per tonne basis compared with an average cost of approximately [] per bag. [];
 - (b) provide security for Cemix' business by removing reliance on a single manufacturing facility. During the COVID-19 lockdown periods for example, only Cemix had to pause production entirely because it operated from a single location in Auckland, whereas both Drymix and Firth operated from two geographically separated locations; and
 - (c) increase capacity and enable Cemix to streamline its operation [].
- 3.11 The Drymix plants require significant investment to bring them up to standard and allow them to continue operating. [].
- 3.12 A copy of a presentation made to Dunlop directors recording the estimated capex for each site is attached at Confidential Annexure 15. The presentation records the upper end of capex required. Dunlop estimates that it will need to spend at least [] to bring the Drymix plants up to standard plus further ongoing capital expenditure, totalling [].

Counterfactual

Counterfactual for Drymix

3.13 The receivers consider that a likely counterfactual for Drymix in the absence of the Proposed Transaction proceeding would be that its assets would be broken up for sale and would exit the relevant market.

3.14 The receivers are providing further information to the Commission.

Counterfactual for Cemix

3.15 [].

3.16 [].

Other competition agencies that are being notified

3.17 The Proposed Transaction relates only to New Zealand. No competition agencies in other jurisdictions have been or will be notified of the Proposed Transaction.

4. THE ACTIVITIES OF THE PARTIES TO THE TRANSACTION

The Applicant – Dunlop Drymix Limited

4.1 Dunlop is a wholly owned subsidiary of Concrete Group. Concrete Group is 30% owned by New Zealand company, Concrete Trustee Limited and 70% owned by Ardex Australia Pty Limited, an Australian company that is ultimately owned by a German entity, Ardex Großbritannien-Holding GmbH.

4.2 Cemix and Dunlop are both wholly owned subsidiaries of Concrete Group. As explained above, Dunlop has been incorporated specifically as the vehicle to acquire Drymix and is not currently trading.

4.3 Cemix is the relevant entity for the purposes of assessing the competitive effects of the Proposed Transaction. Accordingly, the focus of this application is on the Cemix and Drymix businesses.

4.4 We provide at Confidential Annexure 3 a copy of Concrete Group's most recent consolidated group annual report and financial statements.

Cemix

4.5 Cemix is a manufacturer and distributor of bagged concrete and mortar, bagged cement, wet bagged sand, builders mix, tile adhesives and construction chemicals. It has a range of bagged concrete and mortar products marketed under the product names Multicrete, Fastcrete, Maxcrete and Masonry Mortar in 20Kg and 25Kg bags. Multicrete is also available in 40Kg bags.

- 4.6 Cemix supplies its bagged concrete and mortar products to large building product retailers, hardware stores, plumbing merchants, landscape yards and garden centres. In 2020, its top two customers represented over [] of its revenue, with Bunnings accounting for approximately [] and Carters [].
- 4.7 Cemix supplies its products throughout New Zealand and has a factory in Onehunga, Auckland. As a consequence of its factory location and the North island presence of its largest customer, Bunnings, in 2020, [] of Cemix' sales were in the North Island and [] in the South Island.
- 4.8 The capacity of Cemix' factory is [] per annum, with approximately [] of its estimated capacity used to produce bagged concrete and mortar.¹ Cemix is producing at [].
- 4.9 [].
- 4.10 Cemix acquires sand [].
- 4.11 A full list of the products of Cemix/Concrete Group is set out at Annexure 4.
- 4.12 A full list of Cemix' customers is set out at Confidential Annexure 5.
- 4.13 Further information about Cemix can be found at <https://www.cemix.co.nz/>.

The other party – Drymix

- 4.14 Drymix is a manufacturer and distributor of bagged concrete, mortar, plaster and asphalt products.
- 4.15 Drymix has two product brands for bagged concrete and mortar products, 'Drymix' and 'Strongcrete'. The 'Drymix' brand is [] Mitre 10, and the 'Strongcrete' brand is supplied to Drymix' other customers. Sales to Mitre 10 represent approximately [] of Drymix' total sales.
- 4.16 Drymix has one manufacturing plant in Feilding in the North Island and another in Orari (between Ashburton and Timaru) in the South Island. Its head office is in Auckland. The total capacity of the two plants is estimated at [] tonnes per annum – the Feilding plant has an estimated capacity of [] tonnes per annum and the Orari plant has estimated capacity for [] tonnes. []. Drymix has a greater presence in the South Island than its competitors because of its lower distribution costs from its Orari plant, and the strong South Island presence of its largest customer, Mitre 10.
- 4.17 [] of Drymix' sales are to South Island customers and [] to North Island customers.
- 4.18 Drymix acquires sand and aggregate from [] and cement from [] and [].
- 4.19 Drymix was placed into receivership and subsequently liquidation in July 2020 after it incurred significant losses in its cement importing business while at the same time incurring significant debts in its bagged concrete and mortar business as a consequence of production issues experienced in the installation of its new plant in Feilding. Drymix purchased a new bagging plant [].

¹ Actual capacity varies depending on the products being produced and the amount of downtime for maintenance, product changes and repairs.

- 4.20 Cemix had recently acquired a new bagging plant which produced a new type of rain proof bag and []. Drymix purchased the bagging plant from Italy for over [], Dricon used the opportunity to take over some of Drymix's market share. The receiver will provide further information to the Commission about the bagging plant issues and the causes for the company's receivership.

Horizontal overlap between the parties

- 4.21 While both parties supply a range of bagged concrete, mortar and asphalt products, the key area of overlap is the manufacture and distribution of bagged concrete and mortar. Bagged concrete and mortar products account for more than [] of each party's total sales. As discussed below at 5.8 there is no overlap in bagged cement.
- 4.22 A table showing the overlap between the parties is set out in Annexure 6 and a list of the main products supplied by each of the parties and the revenue and volumes by product for each of the parties is in Confidential Annexure 7.
- 4.23 Drymix' tonnage and revenue information is set out in Confidential Annexure 17.

5. INDUSTRY CONTEXT AND RELEVANT MARKETS

Industry overview

- 5.1 Bagged concrete and asphalt products are used by construction companies, tradespeople and DIY enthusiasts for all types of commercial and domestic construction purposes.
- 5.2 The products are supplied by large building product retailers, hardware stores, plumbing merchants, landscape yards and garden centres.
- 5.3 Bagged concrete and asphalt products are dry bagged building materials used for paving, landscaping and concreting jobs in particular. The products come in a variety of different sized bags and are particularly useful for smaller scale projects. Even the smallest of DIY jobs generally requires more than a single bag of bagged concrete and it is therefore rare that a customer would acquire only a single bag of bagged concrete. For example, installing a letterbox would usually require 2-3 bags of bagged concrete. A significant proportion of the sales of bagged concrete and mortar are to trade customers.

Bagged concrete and mortar products

- 5.4 Bagged concrete is a dry powder made up of sand, cement, aggregate and additives premixed in a bag. Users add water on site to transform the powder into concrete. Bagged mortar is a dry powder comprising just sand and cement. Further detail on the components of bagged concrete and mortar are set out below.
- 5.5 Bagged concrete and mortar is designed for DIY and simple projects where only small amounts of concrete or mortar are needed. It is typically sold in bags and supplied to the large building product retailers (Bunnings, Carters, ITM, Farmlands, Mico, Mitre 10 and Placemakers), hardware stores, plumbing merchants, landscape yards and garden centres.

Sand

- 5.6 Sand is a loose, fragmented, naturally-occurring material consisting of very small particles of decomposed rocks, corals, or shells. Sand is used to provide bulk, strength, and other properties to concrete and mortar. Sand is mined in New Zealand from a number of open

pits, extracted from the sea, or dug up from rivers. There are a large number of sources of sand in New Zealand with over 100 suppliers nationwide. Suppliers range from large suppliers such as Fletchers, Atlas Concrete and Fulton Hogan, to small farmers in the Waikato who supply sand from their properties. Sand is supplied to retailers such as garden centres, landscape yards, online retailers and major hardware retailers such as Bunnings, Placemakers, ITM, Carters, Hynds and Mitre 10.

Cement

- 5.7 Cement is a powdery substance that sets, hardens and adheres to other materials to bind them together. The major suppliers of cement in New Zealand include Fletchers (who supply approximately [] of the market), Holcim (who also supply approximately [] of the market) and HR Cement (who supply approximately [] of the market). They supply to retailers such as Cemix, Allied Concrete, Atlas Concrete, Firth Concrete and all building merchants and landscape yards, both in bags and in bulk. Holcim does not have any manufacturing plant in New Zealand, and therefore imports its entire market share quantity from overseas.
- 5.8 Drymix Cement Limited imported and bagged cement prior to receivership. The Drymix business being purchased does not include a bagged cement product as that business was discontinued by the receivers. Cemix has one 20kg bagged cement product which is toll manufactured by [] and represents [] of Cemix' overall total sales.

Aggregate

- 5.9 Aggregate is a coarse-to-medium grained particulate material used in many construction materials. It is a mined material. Aggregate serves as enforcement to add strength to the overall bagged concrete product. Aggregate is sourced in New Zealand from suppliers such as Fletchers, Fulton Hogan, Stevensons, Atlas Concrete, ZMR Aggregates. They supply to similar retailers as suppliers of sand.

Additives

- 5.10 Additives give bagged concrete its specific characteristics such as fast drying characteristics or extra strength characteristics. Additives include water reducing agents and fast setting additives. All additives are imported and constitute between 1% and 5% of a total batch.

The Bag

- 5.11 Bagged concrete and mortar products were traditionally sold in multi-layer paper bags manufactured in New Zealand by OJI. Of late, the bagged concrete and mortar market is moving towards using rainproof plastic bags which are used by both Cemix and Drymix. Rainproof plastic bags are manufactured by third party suppliers in Europe.

Manufacturing Process

- 5.12 There are five steps involved in making bagged concrete:
- (a) **Drying** – loose sand and aggregate arrives in separate bulk trucks and trailers. Both components arrive wet and are left in large piles on the ground. The components are loaded separately into the drying plant, a specialised drying machine that runs on natural gas.

- (b) **Storage** – the dried sand and aggregate are separately stored in silos. Cement arrives in a pressurised tanker and is piped from the tanker into its own silo also.
- (c) **Weighing** – each of the three components are batch weighed to the set amount required.
- (d) **Mixing** – once weighed, the three components are put into a mixer for mixing. Approximately 15-20% of bagged concrete is made up of cement with the remainder comprising equal proportions of sand and aggregate. Depending on the product being made, a small proportion of additive (1% to 5%) may be added.
- (e) **Bagging** – the final mixed product goes into the bagging machine where the required weight is put into bags. The bagged product is put onto pallets to be transported to retailers' premises for onsale to end users.
- 5.13 The process above is the same for making bagged mortar except that aggregate is not included. Bagged mortar is a mix of fine sand and cement only.
- 5.14 The manufacturing process at Cemix is largely an automated process, whereas Drymix' manufacturing facilities are comparatively less automated.
- 5.15 Cemix estimates that there is a [] split of sales for trade and DIY, [] being for trade. As a wholesale provider Cemix does not have access to actual retail sales figures.
- 5.16 Demand has been increasing along with other building products due to increased building activity, but the product mix and channels to market have remained constant.

Product cost

- 5.17 A breakdown of the average cost incurred by Cemix per bag of bagged concrete (excluding overheads) is set out in the table below.

Product	Freight	Cost of goods sold	Wastage	Machine Wrap	Total Cost	Average net wholesale price excluding GST and net of rebates
Fastcrete 20kg bag	[]	[]	[]	[]	[]	[]
Multicrete 20kg bag	[]	[]	[]	[]	[]	[]
Maxcrete 20kg bag	[]	[]	[]	[]	[]	[]
Superstrength Fastcrete 20kg bag	[]	[]	[]	[]	[]	[]

Wastage Breakdown

Moisture content – sand and aggregates are delivered with water content. Goes through the drier and reduces the net content of the material

Electricity and Gas, diesel for the loader

Packaging – top cover for pallets and machine wrap

PPE Gear – masks, gloves, safety glasses, uniform

Excess product bagged into each bag

Relevant markets

- 5.18 The Commission has not previously considered markets for the supply of bagged concrete and mortar.
- 5.19 While Drymix and Cemix both supply a number of bagged concrete, mortar and asphalt products, the core area of overlap is the manufacture and distribution of bagged concrete and mortar.
- 5.20 Asphalt does not raise competition issues. The major supplier of asphalt is Fulton Hogan with its bagged asphalt product EZ Street <https://www.ezstreetasphalt.co.nz/> which it supplies to Bunnings and Mitre 10. Fulton Hogan also has access to materials from its own quarries and the repair contract for the roads. Other suppliers include Coldmix <https://www.coldmix.co.nz/>, Cohe Group <https://cohe.co.nz/pothole-repair/> and Asphalt in a bag <https://www.asphaltinabag.co.nz/>. The Cemix and Drymix shares of the bagged asphalt market are insignificant.
- 5.21 As outlined above at paragraph 5.8, there is no overlap in bagged cement.
- 5.22 Accordingly, Dunlop considers that the relevant market for the purposes of assessing the likely competition effects of the Proposed Transaction is the national market for the manufacture and supply of bagged concrete and mortar.

Product dimension

- 5.23 There are several substitutes for bagged concrete and mortar which are discussed further in section 6 of this application. Customers can purchase builders mix (a premix of sand and aggregate) and add cement and water to make concrete, or purchase sand, aggregate and cement individually and mix them using a wheel barrow and shovel to produce concrete very similar to what comes premixed as bagged concrete.
- 5.24 All of the suppliers of bagged concrete products supply the full range of bagged concrete and mortar products. There are also numerous large potting mix type landscape product manufacturers and baggers, who currently sell bagged sand, aggregate and builders' mix and can without much effort upgrade to mixing and bagging dry mix concrete.
- 5.25 The same machinery is used to produce all of the different types of bagged concrete and mortar products and therefore there is significant supply-side substitution. The different products are produced using the same production line. Changing production from one product to another is simple. For example, no major system changes are required when transitioning from Fastcrete to Multicrete and the machines are stopped for less than an hour. When transitioning from concrete to a finer product such as mortar however, Cemix opens the mixer and drops the product out of it to make sure there is no stone residue. This process can take up to two hours. In all cases the cost of transitioning from one product to another is insignificant. []].
- 5.26 There is also significant demand-side substitutability between the different types of bagged concrete, or between different mortar products. For example, customers who may prefer a quick drying concrete formula could switch to a standard bagged concrete if the price of quick drying cement were to increase, and vice versa. As a consequence, the retail price differential between these types of bagged cement is not significant. The majority of bagged concrete retails between \$8 and \$10 plus GST for a 20kg bag.

- 5.27 Some bagged concrete and mortar products are interchangeable. For example, multcrete can be used for putting in a fence post or a concrete slab but fastcrete is not suitable for a concrete slab because of the speed at which it sets.

Geographic dimension

- 5.28 The geographic scope of the relevant market is national, as bagged concrete and mortar is distributed on a national basis. The big box retailers require national delivery into store at a single national price and a supplier does not have the ability to provide products on a regional basis or on a national basis at regional pricing.
- 5.29 Products are freighted directly from factory to store on pallets of 64 bags of 20kg. It is not economic to double handle shipments e.g via regional distribution hubs as the freight cost (on average [] per bag) would increase significantly. Freight represents [] of the free into store cost of the product.

Functional dimension

- 5.30 Both parties supply at the wholesale level and therefore this is the appropriate market dimension.

Competitors of Drymix and Cemix

- 5.31 There are three major national suppliers of bagged concrete and mortar – Firth Industries (through its Dricon brand), Cemix and Drymix – and a small number of regional suppliers.
- 5.32 The largest supplier of bagged concrete in New Zealand is Firth Industries:
- (a) Firth Industries is the trading name for Fletcher Concrete and Infrastructure Limited, a member of the Fletcher Group. It supplies bagged concrete and mortar, plasters, sands, aggregates, liquids, additives and sealers under the Dricon brand name.
 - (b) The Fletcher Group also includes Golden Bay Cement and Winstone Aggregates, suppliers of all of the key raw ingredients for bagged concrete, Winstone Transport, and Placemakers, a large retailer. Firth Industries is therefore vertically integrated upstream and downstream.
 - (c) Firth Industries produces its bagged concrete and mortar products at three manufacturing locations: a manufacturing plant it operates in Tuakau (Auckland region), another at Waikanae (Wellington region), and Fulton Hogan's manufacturing plant in Christchurch, pursuant to a toll manufacturing arrangement. Prior to Drymix being placed into receivership, Firth Industries had a toll manufacturing arrangement with Drymix to produce its Dricon products at Drymix's Orari plant. This arrangement came to an end when Drymix was placed into receivership.
 - (d) Firth Industries' largest customer is Placemakers which, as noted above, is also a member of the Fletcher Group. Its other significant customers include MICO, Mitre 10 and ITM.
 - (e) Since Drymix went into receivership, Firth Industries has increased its market share. It now stocks several major Mitre 10 outlets who no longer purchase from Drymix.

- (f) Further information about Firth Industries and its Dricon products can be found on its website: <https://www.firth.co.nz/>.

5.33 The other suppliers of bagged concrete include:

- (a) Master Mix Concrete Solutions – Master Mix Concrete Solutions supplies bagged concrete and mortar products, post-hole mixes, plasters, cementitious bags, concrete coating and repair products, and pavement locking mix under the Mastermix brand name.

Mastermix operates from Foxton, New Zealand. However, MasterMix supplies to locations in both the North and South Islands.

Mastermix's customers include Kāpiti District Council, Christchurch City Council, Timaru District Council, Dunedin City Council, Cardno Latin America, Wellington Water and Masterton District Council. Mastermix appears to also sell its products directly to end customers. Customers can request quotes on MasterMix's website.

Further information about Master Mix Concrete Solutions can be found on its website: <https://mastermix.co.nz/>.

- (b) Ezymix – Ezymix supplies bagged concrete and mortar products coatings, tiling adhesives, flooring products (toppings, sealers, primers, screeds), renders, and various machines and tools under the Ezymix brand name.

Ezymix operates from Waharoa, New Zealand. Ezymix supplies to locations in the North Island. Ezymix supplies its products to outlets including Emmersons Transport, AITranz, Waharoa Transport, and The Block Shop NZ Ltd. Ezymix appears to also sell its products directly to end customers.

Further information about Ezymix can be found on its website <http://ezymix.co.nz/>.

- (c) 360 Urban – is a pavement systems company. It imports into New Zealand a range of Steintec bagged concrete and mortar products from Europe and operates the www.steintec.co.nz website.

5.34 Contact details for each of these competing suppliers are in Annexure 8.

5.35 The smaller suppliers of bagged concrete and mortar in New Zealand supply to regional customers. They predominantly supply within their own geographical markets because they do not have the capability to supply nationwide. A table listing the products supplied by each is included in Annexure 9.

5.36 Regional operators are competitive for customers other than the big box retailers who do not require national distribution. [].

5.37 Apart from the suppliers listed, there are a large number of potential entrants into the bagged concrete and mortar market:

- (a) Bag Boys Limited has a range of bagged sands and aggregates and operates an automated plant which could easily produce bagged concrete and mortar. Bag Boys operates a plant in Papakura. Further information on this company can be found on its website: www.bagboys.co.nz.

- (b) Fulton Hogan, which owns various sand and aggregate quarries, also has a plant in Christchurch which has the ability to dry sand/aggregate and mix and bag concrete and mortar products. From time to time, this plant is used by Firth Industries under a toll manufacturing arrangement discussed above. Fulton Hogan therefore has the capacity and plant to supply bagged concrete and mortar.
- (c) All major landscape product manufacturers and baggers, including Daltons, Palmers, Kings and Tui, sell bagged sands and aggregates. They can easily extend their ranges into bagged concrete and mortar using their existing mixing and bagging plants.
- (d) Finally, there are many bagged asphalt manufacturers (for example Coldmix <https://www.coldmix.co.nz/>, Cohe Group <https://cohe.co.nz/pothole-repair/>, Asphalt in a bag <https://www.asphaltinabag.co.nz/> and EZ Street <https://www.ezstreetasphalt.co.nz/>) who could enter the bagged concrete and mortar market by simply upgrading their manufacturing plant.

Customers of Cemix and Drymix

5.38 The names and contact details for each party's top 6 customers, and the revenue and volumes earned from each in the last financial year are at Confidential Annexure 10.

6. COMPETITION ASSESSMENT

6.1 The Proposed Transaction is unlikely to have the effect of substantially lessening competition in the bagged concrete and mortars market or any related market in New Zealand because:

- (a) large retailers with national coverage will continue to wield a considerable degree of countervailing power and impose a significant competitive constraint on the merged entity;
- (b) there will continue to be significant competitive constraint from the market leader Firth Industries, and smaller regional suppliers;
- (c) substitute concrete and mortar products will continue to provide a substantial constraint on the merged entity;
- (d) barriers to entry and expansion in the bagged concrete and mortar market are low as existing landscape product manufacturers and Fulton Hogan can potentially enter due to their existing plants; and
- (e) the Proposed Transaction will not result in any coordinated effects given, inter alia, the countervailing power of customers, the competitive constraint posed by substitute products and the low barriers to entry.

Customers possess considerable countervailing power

6.2 The large majority of bagged concrete and mortar products sold in New Zealand are sold to end customers through major hardware retailers including Bunnings, Mitre 10,

Placemakers, Carters and ITM. The Commission has previously acknowledged that these large retailers have strong bargaining power vis-à-vis their suppliers.²

6.3 These customers have a strong ability to negotiate favourable terms with suppliers, including price, exclusivity and quality, due to their size both as a customer and in relation to their overall operation.³ []. Drymix's financial difficulties were also caused, in large part, by the acquisition of a new bagging plant [], Dunlop understands that Drymix had little choice but to invest in the new plant.

6.4 [].

6.5 Post-transaction, large national retailers will continue to wield a considerable degree of countervailing power and impose a significant competitive constraint on the merged entity. In particular, the size of the large retailers means that they would be able to credibly threaten to:

- (a) obtain supply of bagged concrete and mortar from Firth Industries. A number of Mitre 10's flagship stores have already switched from Drymix to the Dricon brand since Drymix went into receivership and liquidation;
- (b) sponsor the expansion of one of the regional suppliers of bagged concrete and mortar products or the entry into the New Zealand market of a new competitor. As explained earlier, [] of Drymix's sales are to Mitre 10 (and were prior to receivership) and more than [] of Cemix's sales are to Bunnings and Carters. It would only require one contract for a supplier to have a viable business; and/or
- (c) import other brands of bagged concrete and mortar. In Australia, Bunnings acquires bagged concrete and mortar from Dingo Cement and imports its own home brand Bastion. Dingo Cement is an Australian-owned company which has manufacturing facilities in Vietnam.⁴ These facilities were built to supply the Australian and international markets with cement dry mix products. []. It has a 2007 registered trademark for Bastion in New Zealand for plaster, cement and concrete, and applied on 5 January 2021 for the trademark to be extended to include concrete mixtures.

6.6 Wholesale price trends (excluding GST) over the last five years are set out in the table below, while sales bags and weight are set out in Confidential Annexure 12.

² Decision 510 at paragraphs 117 to 120.

³ For example, Bunnings operates 41 stores nationwide and Mitre 10 operates 84.

⁴ <https://dingocement.com.au/about/>.

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6.7 A copy of Drymix’ prices net of rebates for Mitre 10 and ITM is attached at Confidential Annexure 18.

The merged entity will continue to face vigorous competition

6.8 Dunlop’s estimates of market shares for the bagged concrete and mortar market are set out in Table 1 below. There is no independent share data available for this market and therefore these estimates represent management’s best guess based on their market experience and knowledge.

Table 1: 2020 market share estimates for the bagged concrete and mortar market

Supplier	Estimated 2020 revenues	Estimated 2020 share
Firth Industries (Dricon)	[]	[]
Cemix	[]	[]
Drymix	[]	[]
Others (360 Urban, Master Mix, Ezymix and imports)	[]	[]

6.9 The Proposed Transaction will combine the number two and number three market participants, resulting in a market share of approximately [] by revenue for the merged entity. Firth, which is currently the largest supplier of bagged concrete and mortar products in New Zealand with a market share of approximately [], will remain a vigorous competitor and has been increasing market share since the Drymix receivership.

6.10 Firth will continue to constrain the merged entity post-acquisition. It has a strong market presence because of its upstream and downstream vertical integration as a member of the Fletcher Group. Since the Drymix receivership, Firth has gained market share at Drymix’s expense: it is now supplying several Mitre 10 outlets that were previously [] supplied by Drymix.⁵

Substitute products provide a significant competitive constraint

6.11 There are a number of substitutes for bagged concrete and mortar that also provide a significant constraint on market participants’ ability to increase price or reduce quality. In particular, end customers can:

- (a) purchase builders mix (a premix of sand and aggregate) and cement and mix these with water to make concrete. Both builders mix and cement is readily available from numerous suppliers around New Zealand including garden centres, big box retailers such as Mitre 10 and Bunnings, and other large suppliers including

⁵ For example, Cemix is aware that Dricon products are now being supplied by several of Mitre 10’s flagship stores, including Mitre 10 Mega in Westgate and Lincoln Road.

Daltons⁶ and Atlas Concrete.⁷ The ratio of builders' mix to concrete is 5:1 (5 bags of 20kg builders mix will require a 20kg bag of cement to produce 120kg of concrete, which is equivalent to 6 bags of 20kg bagged concrete.) A single 20kg bag of Cemix builders' mix costs approximately \$7.56 from Bunnings and a single 20kg bag of Golden Bay cement costs approximately \$9.13 from Mitre 10. This compares to a single bag of 20kg Drymix Easy to Mix Concrete which currently costs \$9.49 from Mitre 10. While the cost of combining builders' mix and concrete is greater than acquiring a single bag of bagged concrete, as explained in paragraph 5.3 above, it is rare that a customer would acquire a single bag of bagged concrete;

- (b) purchase sand, aggregate and cement separately to make their own concrete mix. The cost of acquiring the separate components to make concrete is less than acquiring a combination of builders' mix and concrete, or bagged concrete. As explained in section 5 of this application, each of these components are readily available from numerous suppliers throughout New Zealand; or
- (c) purchase ready-mix concrete. Ready-mix concrete is concrete that has been manufactured for a specific project and is delivered to site in a concrete truck. The minimum delivery in New Zealand is 1 cubic metre of concrete, which is the equivalent of approximately 100 20kg bags of bagged concrete.

6.12 While customers enjoy the convenience of bagged concrete and mortar, the reality is that customers will switch to alternative sources of concrete in response to an increase in price. Bagged concrete and mortar is a low margin, high volume commodity product and this will not change post-transaction.

6.13 As noted above, concrete trucks are a substitute for bagged concrete for large scale projects. The minimum quantity of concrete required to use a concrete truck in New Zealand is one cubic metre. This equals 100 bags of 20kg bagged concrete. One cubic metre of ready-mix concrete costs around \$250 compared with more than \$800 for 100 bags. This creates a cap on the market demand for bagged concrete.

Barriers to entry or expansion are low

6.14 Barriers to entry and expansion are not significant.

6.15 Bagged concrete and mortar are relatively simple, low-cost products to manufacture. All the required ingredients (sand, aggregate, and cement) are readily available from local suppliers.

6.16 The only machinery required is a drier, some storage silos and a bagging machine, which are relatively inexpensive ([]). However, the low profit margins in the industry and high freight costs ([]), combined with the countervailing power of the large retailers and the constraints imposed by substitute products operate as disincentives for greenfield entry into the market.

6.17 As explained at paragraph 5.37 above, there are a large number of potential entrants into the bagged concrete and mortar market. Each of these potential entrants already have

⁶ <https://www.daltonlandscape.co.nz/shop/Sand+Metal+Builders+Mix++Scoria/BM20+Builders+Mix.html>

⁷ <https://atlasconcrete.co.nz/building-materials/builders-mix/>

some or all of the plant required to produce bagged concrete and mortar products and could therefore quickly enter the market at very little cost in response to a price increase.

- 6.18 There are also very low barriers to entry for overseas manufacturers of bagged concrete. As explained earlier, Dingo Concrete manufactures its bagged concrete products in Vietnam and supplies it to several markets around the world, including Australia. There are a large number of other suppliers of bagged concrete and mortar products in Australia who could supply to New Zealand customers. For example, Cement Australia, Adelaide Brighton, Australian Builders, Riversands Concrete and Sunshine Cement.
- 6.19 Bagged cement and mortar can also be readily imported from other overseas markets, outside of Australia. As explained earlier, Urban 360 imports Stientec bagged mortar and concrete products from Europe. Urban 360 is currently supplying Steintec bagged mortar and concrete products to the Auckland CBD and waterfront upgrade. Holcim also currently imports approximately 500,000 tonnes of cement into New Zealand from overseas. Holcim is also a very large dry bagged concrete manufacturer in Australia and could easily import product into New Zealand in response to an increase in price.
- 6.20 Pre-COVID 19 shipping line prices were common rated. Ships dropped imported product in multiple ports throughout the country for the same nationwide price. Consequently, imports did not face internal freight costs. Recent congestion issues have resulted in some shipping lines having little space so higher rates may apply for a limited period.
- 6.21 Dunlop is not aware of any specific risks associated with imported bagged concrete and mortar products. Bagged concrete and mortar is a standardised product globally.

No coordinated effects

- 6.22 The Proposed Acquisition will not enhance the ability of Dunlop and other competitors to coordinate their behaviour, including because:
- (a) customers have significant countervailing power, as discussed earlier in this submission. These customers are price sensitive and due to their strong bargaining position and ability to switch to alternative suppliers, including their ability to sponsor entry, they could quickly disrupt any attempt to coordinate behaviour;
 - (b) the Proposed Transaction will not result in the removal of a particularly vigorous or effective competitor;
 - (c) barriers to entry are low, and existing suppliers could readily expand and others could enter, which reduces the likelihood of any coordination; and
 - (d) there is no history of anti-competitive coordination in the relevant market.
- 6.23 Cemix is a price taker with the merchants setting the price, so co-ordination between suppliers on price isn't likely or possible.
- 6.24 Non-price coordination (customers or markets) is equally unlikely because the merchant chains have national coverage and they dictate the terms of trade.
- 6.25 [].

7. **CONFIDENTIALITY**

- 7.1 Confidentiality is requested of the information in this notice that is highlighted in yellow and contained in square brackets, and the information set out in the Confidential Annexures, on the basis that disclosure would be likely unreasonably to prejudice the commercial position of the parties providing the information.
- 7.2 The Applicant requests that it be notified if a request is made to the Commission under the Official Information Act 1982 for release of the information for which confidentiality has been claimed.
- 7.3 Confidential and public versions of this Notice have been provided to the Commission.

DECLARATION

I, Bhavdeep Dhillon, have prepared, or supervised the preparation of, this notice seeking clearance.

To the best of my knowledge, I confirm that:

- a) all information specified by the Commission has been supplied;
- b) if information has not been supplied, reasons have been included as to why the information has not been supplied;
- c) all information known to me that is relevant to the consideration of this notice has been supplied; and
- d) 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 of Dunlop Drymix Limited and am duly authorised to submit this notice.

Name and title of person authorised to sign:



Bhavdeep Dhillon
Director
Dunlop Drymix Limited

3rd of May 2021

Date

Annexures:

Contents

Confidential Annexure 1	Drymix N.Z. Limited (in Receivership and liquidation) Information Memorandum dated December 2020.
Confidential Annexure 2	Asset schedules for Drymix companies
Confidential Annexure 3	Concrete Group's latest annual report and financial statements
Annexure 4	Cemix and Concrete Group products
Confidential Annexure 5	A full list of Cemix customers
Annexure 6	Cemix, Drymix and Dricon product list
Confidential Annexure 7	Cemix and Drymix revenue and volumes by product
Annexure 8	Contact details for suppliers of bagged concrete and mortar
Annexure 9	Products supplied by smaller competitors
Confidential Annexure 10	Cemix and Drymix top customer details
Confidential Annexure 11	Supplier Trading Terms and Conditions for Bunnings, Carters, ITM and Placemakers
Confidential Annexure 12	Cemix sales by bags and weight
Confidential Annexure 13	Sale and Purchase Agreement
Confidential Annexure 14	Rationale for the transaction
Confidential Annexure 15	Presentation regarding Capex
Confidential Annexure 16	Reconciliation schedules for Drymix Bitumen Limited, Romex N.Z. Limited and Drymix N.Z. Limited
Confidential Annexure 17	Drymix tonnage and revenue information
Confidential Annexure 18	Drymix' prices net of rebates for Mitre 10 and ITM

**CONFIDENTIAL ANNEXURE 1: DRYMIX NZ LIMITED (IN RECEIVERSHIP AND
LIQUIDATION) INFORMATION MEMORANDUM**

Refer to attached document

CONFIDENTIAL ANNEXURE 2: ASSET SCHEDULES FOR DRYMIX COMPANIES

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CONFIDENTIAL ANNEXURE 3: CONCRETE GROUP ANNUAL REPORT & FINANCIAL STATEMENTS

Refer to attached document

ANNEXURE 4: CEMIX & CONCRETE GROUP PRODUCTS

<p>Fastcrete 20 Kg Fastcrete 25 Kg Do not Use Superstrenght Fastcrete 20 Kg Superstrength Fastcrete 30MPA - 25 Kg Multicrete General Purpose 20kg Plastic Multicrete General Purpose Concrete 25kg Multicrete General Purpose Concrete 40kg Multicrete Concrete 20kg Paper Bag Maxcrete High Strength Concrete 20 kg Masonry Mortar Mix Std Grey 30kg Bag Masonry Mortar 20 Kg Bitupatch 20 Kg Concrete Plus Cemgrout - 25 Kg Cement - General Purpose 20 kg Cemgrout 25 Kg Floor Leveller 20 kg Postcrete Dunlop Superstrength 20 kg Cemix Quick Patch 20kg bag Flexiset 20 Kg Cemortar 20 Kg Builders Sand 25 Kg Pallet Returnable Cemix Red No Steel Concrete 20kg Paper Bag * Del *Cemix Rubberflex 20kg Builders Mix 25 Kg Holcim Cement 40 Kg Pavetight Sand 20 Kg ABA CTF Export 20kg bag Bituproof Plus Waterproofer 20 Litre Cemplus Plasticiser 5 Litre Super Rigid Set 20 Kg Cemscreed 40 - 25 Kg Cemix Super Ezybond 20kg bag Cemix Quick Patch 5kg pail Wall & Floor Tile Adhesive 5 kg Wallset Tile Adhesive White 20 Kg Easy Floor 25 Kg Cemix Rubberguard 15L Cemkey Concentrate 5 Litre Cemix Quick Patch 10 Kg Dunlop Flexi Tile 20 Kg Hiflex White 20kg bag Cemix Rubberguard 4L Multibond 5 Litre Monier Roof Mortar 40 Kg Rapid Repair H - 20 Kg Surface Retarder Concrete Plus 20 Litre Oxide Black 1 Kg Multibond 1 Litre Bituproof Plus Waterproofer 4 Litre Plaster Sand 25 Kg Builders Mix 500 Kg Joint Sand 20 Kg Floor Self Leveller 10 kg Wall & Floor Tile Adhesive 10 kg Cemplaster 20 Kg Cemplaster 30 Kg Pallet Dunlop Mas Mortar WaterProof Khol 30 Kg Premixed Paste Adhesive 1 Litre Sterilised Play Sand 18 Kg</p>	<p>Concrete Disolver 20 Litre Cemplus Plasticiser 2.5 Litre Cemix Waterproofing Admix. 5 Litre Cemix Clear Sealer 1 Litre Pond&Trough Waterproofer 10 Litre Black Cemix Grout Beige 2kg bag Builders Sand 500 Kg CEMIX Pre-Mixed Grout Vanilla 800g Cemix Clear Sealer 20 Litre Timber & Cork Adhesive 4 Litre Bituproof Super 330ml Mortaflex Plus 3 Kg Pond & Trough Waterproofer 2 Litre Black APRA Release Agent 20 Litre Superflow 2000-20 Litre Concrete Liquid Repair 1 Litre CEMIX Pre-Mixed Grout Beige 800g Oxide Red - 1 Kg Timber & Cork Adhesive 1 Litre Pond & Trough Waterproofer 10 Litre Blue Proflor Emulsion 5ltr pail Cemix Floor Repairer 10 kg Aquastop Waterproof 2 Kg Multibond 2.5 Litre Pottery Sealer 1.2 Litre Cemseal Solvent Waterproofofer 20 Litre Acrylbond Modifier 2.5 Litre Cemseal Waterbased 20 Litre Driveseal 1 Litre Waterproofing Corner 90 Internal Concrete Cure WB 210 Litre Brick & Block Sealer 1 Litre Cempxoy UA Mortar 500 ml Carpet Adhesive 4 Litre Cemix Wide Joint Grout White 10kg bag Concrete Sealer W/Base Matt 20 litre Laitite Fire Cement 1.75 Kg Acceleraset 20 Litre Vinyl Adhesive 4 Litre Cemix Repair & Grout 625 Gram Acceleraset 1 Litre Mortaflex Plus 200 Gram Builders Sand 250 Kg Concrete Dissolver 5 Litre Cemix Grout Beige 5kg bag APRA Release Agent 4 Litre Cemix Grout Ivory 2kg bag Oxide Dark Brown 1 Kg Oxide Black 500 Gram Retarder Concrete Plus 200 Litre Cemix Waterproofing Admix. 20 Litre Concrete Sealer W/Base Matt 1 Litre *Del* Processed Sand 25 Kg Waterproofing Pipe Sleeve 360 Easypli 700 Grams Cemix Wide Joint Grout 2kg White Driveseal 10 Litre MRA Mould Release 210 Litre Cemprotect 4 Litre Cemix Wide Joint Grout 5kg Grey Oxide White 1 Kg</p>
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<p> Cemkey Concentrate 1 Litre Driveseal 20 Litre CEMIX Pre-Mixed Grout White 800g Premixed Paste Adhesive 4 Litre Instramac Paving Mortar 25 kg Roof & Gutter Waterproofer 4 Litre Driveseal 4 Litre Floor Covering Adhesive 4 Litre Roof & Gutter Waterproofer 10 Litre Cemix Grout White 2kg bag Acrylbond Modifier 5 Litre white Cement 20 Kg Multibond 20 litre Cemplus Plasticiser 1 Litre Cemix Grout Dark Grey 2kg bag Acrylbond Modifier 1 Litre Bituproof Plus Waterproofer 10 Litre Cemix Grout Light Grey 2kg bag Cemplus Plasticiser 20 Litre CEMIX Pre-Mixed Grout Dark Grey 800g Premixed Paste Adhesive 10 Litre Reveal 20 Litre Floor Covering Adhesive 1 Litre Builders Mix 250 Kg Crystal Proof Concrete Waterproofer 25kg Plimortar 15 Kg Floor Self Leveller 5 kg Tilebond Latex 1 Litre Premixed Paste Adhesive 500ml Mas. Mortar Premium White 30 Kg Pallet Concrete Plus Cemix Grout Sealer 500 ml Floor Covering Adhesive 2 Litre CEMIX Concrete Resurfacer 20kg bag Cemix Quick Patch 1 kg Crystal Proof Concrete Waterproofer 10Kg CEMIX Pre-Mixed Grout Light Grey 800g Waterproofing Peel & Seal Tape 5m Roll Rocket 20 Kg APRA Release Agent 210 Litre Brick & Block Sealer 4 Litre Cemix Grout Dark Grey 5kg bag Cemix Clear Sealer 4 Litre Bituproof Plus Waterproofer 2 Litre Holcim Cement 25 Kg Bulk Bag Returnable Cemix Grout Light Grey 5kg bag Laitite Fire Cement 7 Kg Super Tilebond 5 Kg Tilebond Latex 4 Litre Structural Repair Mortar V/O 20 kg Floor Tile Adhesive 5 Kg Mortaflex Plus 600 Gram Roof & Gutter Waterproofer 2 Litre Cemix Cemkey Concentrate 20ltr Mas. Mortar Black 30 Kg Reveal 5 Litre Roof & Gutter Waterproofer 1 Litre Fastsetting Tile Adhesive 5 kg Mortaflex Plus 1.5 Kg Cemix Grout White 5kg bag Reveal 1000 Litre Cemix Grout Black 2kg bag </p>	<p> Cemix Grout Vanilla 2kg bag Mortaflex Plus 13 Kg Concrete Sealer W/Base Gloss 1 Litre Pavseal 1 Litre Vinyl Adhesive 1 L R20 Surface Retarder 5 Litre Aquastop Waterproof 20 Kg Rendacure Curing Compound 20 Litre Carpet Adhesive 2 Litre Oxide light Brown 1 Kg Cemix Waterproofing Admix. 1 Litre Tiling Tool Cleaner 500ml Vinyl Adhesive 2 Litre Cemix Wide Joint Grout 2kg Grey Architectural Sealer Sheen 20 litre Grout Haze Cleaner 500 ml Accelerset 2.5 Litre Concrete Liquid Repair 500ml CFRA Release Agent 210 Litre Cemseal Solvent Waterproofer 1 Litre Waterproofing Corner 270 External Oxide Marigold 500 Grams Cemseal Waterbased 10 Litre Form Release Agent 500 ml Cemseal Waterbased 4 Litre Tilebond Latex 20 Litre Cemix Grout Vanilla 5kg bag Mas. Mortar Std Grey Wproof 30 Kg *Del* Rocket Primer 15 Litre Non porous Cemprotect 10 Litre Cemix Slate Sealer 20 Litre (Del) Pallets export Cemix Waterproofing Admix. 2.5 Litre Oxide White - 25 kg bag Bitupatch Crack Repair 1 Litre Cemix Grout Ivory 5kg bag Cemix Wide Joint Grout 5kg White Mas. Mortar Super Cream 30 Kg Acrylbond Modifier 20 Litre Holcim Returnable pallet Cemix Clear Sealer 210 Litre Cemkey BL 20 Litre Carpet Adhesive 1 Litre Cemix Quick Finish 20 kg Concrete Hardner 20 Litre Multibond 210 Litre Oxide Dark Brown 10 kg *Del* Oxide Yellow 1 Kg Cemseal Solvent Waterproofer 10 Litre R20 surface Retarder 2.5 Litre Concrete Sealer W/Base Gloss 20 litre Evaporation Retarder 20 Litre Cempxy Liquid 4 Litre Packaging Big Plain White Bag Easypli 10 Kg Cempxy Liquid 1 Litre Bitupatch Crack Repair 500ml Oxide Green 1 Kg Plaster Sand 500 Kg *Del* Cemix Slate Sealer 10 Litre(del) Architectural Sealer Sheen 4 litre </p>
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<p>Concrete Sealer W/Base Matt 4 Litre Aquastop Waterproof 4 Kg Crystal Proof Concrete Waterproofer 4 Kg CEMIX Pre-Mixed Grout Black 800g Concrete Disolver 500 ml Aquastop Waterproof 10Kg Cemprotect 20 Litre Fastseting Tile Adhesive 10 kg Pavseal 4 Litre Acceleraset 5 Litre Reveal 200 Litre Cemplus Plasticiser 210 Litre Cempxy UA Mortar 4 Litre Cemix 20kg structural repair H Dunlop Fibre Crete20 Kg Floor Tile Adhesive 10 kg Cemix Slate Sealer 4 Litre(del) CFRA Release Agent 4 Litre Easypli 1.2 Kg Oxide Black 10 kg Super Tilebond 10 Kg Driveseal 210 Litre Proflor Level compound 25 Kg Bitupatch Pothole Repairer Bucket 20kg Cemsplash 20 Kg Laitite Fire cement 3.5 Kg Waterproofing Reinforcing Tape 200mx10m Crystal Proof Concrete Waterproofer 2kg Cemseal Solvent Waterproofer 4 Litre Bituproof Plus Waterproofer 1 Litre Pond & Trough Waterproofer 4 Litre Black Cemkey Concentrate 2.5 Litre Cemix Floor Repairer 5 kg Cemix Grout Black 5kg bag Cemix Repair & Grout 5 kg Brick & Block Sealer 20 Litre CFRA Release Agent 20 Litre Cemix Repair & Grout 1.25 kg Cempxy UA Mortar 1 Litre R20 Surface Retarder 20 Litre Freight Surcharge Cemix Slate Sealer 1 Litre(Del) Cemix Wide Joint Grout Grey 10kg bag Concrete Sealer W/Base Gloss 4 Litre Pavseal 20 Litre Pond & Trough Waterproofer 2 Litre Blue Pond & Trough Waterproofer 4 Litre Blue</p>	<p>Easypli 2.5 Kg Reveal 2.5 Litre Cemseal Waterbased 1 Litre Crystal Proof Concrete Admixture 4 Kg Oxide Yellow 10 Kg Oxide Red 500 Grams Cemprotect 1 Litre *Del* Oxide Dark Brown 500 Grams R20 Surface Retarder 200 litre Roof and Gutter RepairTape 5m Roll Oxide Yellow 500 Grams Oxide Light Brown 500 Grams Oxide White 500 Gram *DEL* R20 Vertical Retarder 20 litre Laitite Fire cement 38 Kg EG15 Epoxy liquid 1.5L Kit Colour Pack Misty Grey 641 5kg bag Oxide Marigold 1 kg Oxide Red 25 Kg Plaster Sand 250 Kg Cemix Clear Sealer 10 Litre Cemgrout Rapid 20 Kg no longer make Oxide Light Brown 10 kg MRA Mould Release 20 Litre Cleaning & Thinning Solvent 4 Litre Crystal Proof Concrete Admix 25 kg *Del* ght Sand 40 Kg Concrete Hardner 5 Litre Architectural Sealer Sheen 1 litre *Del* Cempxy Paste 5 kg Crystal Proof Concrete Admix 2 Kg Cemix Proflor Emulsion 20ltr pail Cemgrout High Strength 20 Kg Oxide Green 500 Gram *DEI* Super Tile Bond 20 Kg Concrete Cure WB 20 Litre Timber & Cork Adhesive 2 Litre Concrete Cure WB 5 Litre Cleaning & Thinning Solvent 1 Litre Crystal Proof Concrete Admixture10 kg Cemgrout HF 20 Kg Structural Repair F 20 kg Rapid Flowable 20 Kg *Del* Old Rubberguard use 23864 Cleaning & Thinning Solvent 20 Litre Brick & Block Sealer 200 Litre</p>
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CONFIDENTIAL ANNEXURE 5: FULL LIST OF CEMIX CUSTOMERS

ANNEXURE 6: PRODUCT COMPARISON TABLE

Category	Drymix	Cemix	Dricon
FAST SETTING EASY MIX CONCRETE – fast setting ready to mix concrete ideal for placement of posts.	Product name: QUICK to SET Price: \$9.49 for a 20kg bag ⁸ STRONGCRETE equivalent: 15 MINUTE CONCRETE Description: Easy to use, fast setting concrete ideal for the placement of posts. Achieves a set in minutes and a 28-day strength of 20 MPa. Ingredients: Consists of a blend of cement, graded dry quality sand and aggregates and selected additives. Available sizes: 20kg bag (produces 9.5-10 litres of concrete).	Product name: FASTCRETE Price: \$8.75 for a 20kg bag ⁹ Description: Ideal for setting posts, fences, clothes lines, mailboxes and any use where a strength of up to 15MPa is required. No mixing is required, and the initial set time is 15 minutes. Ingredients: Consists of aggregates (45-50%), graded sand (30-35%) and Portland cement (4-5%). Available sizes: 20kg bag, 25 kg bag.	Product name: RAPIDSET Price: \$14.69 for a 25kg ¹⁰ Description: Dry bagged premixed concrete with special additives that make the concrete set in 15 minutes when added to water. Suitable for fence posts, letterbox posts, washing lines, and structural applications. Ingredients: Consists of sand (10-50%), cement (10-40%), aggregates (25-60%) and additives (0-3%). Available sizes: 20kg bag (produces 0.012m ³ of concrete).
REGULAR EASY MIX CONCRETE – ready to mix concrete ideal suitable for everyday use.	Product: EASY to MIX Price: \$9.49 for a 20kg bag ¹¹ STRONGCRETE equivalent: READY TO USE CONCRETE Description: Designed to produce a concrete mix that is easy to work with and provides excellent strength. Suitable for concrete jobs	Product name: MULTICRETE Price: \$8.60 for a 20kg bag ¹² Description: Ideal for all types of general-purpose concrete work. Suitable for all kinds of building and construction projects such as heavy-duty fencing, sun rail posts, retaining walls and structural applications and	Product name: HANDICRETE Price: \$12.68 for a 25kg bag ¹³ Description: Ideal for all types of general-purpose concrete work. Suitable for concrete jobs with a minimum of 40mm thickness, slabs and patios, foundations and footings, footpaths, mowing strips, and driveways. Reaches a

⁸ Price at Mitre 10 for 20kg bag as at 31 March 2021 (see <https://www.mitre10.co.nz/shop/drymix-quick-to-set-concrete-20-kg-grey/p/329350>).

⁹ Price at Bunnings for 20kg bag as at 31 March 2021 (see https://www.bunnings.co.nz/cemix-20kg-fastcrete_p0241402).

¹⁰ Price at Placemakers for 25kg bag as at 31 March 2021 (see <https://shop.placemakers.co.nz/fbb2cstorefront/placemakersB2C/en/NZD/Building-Products/Concrete-%26-Mortars/Bagged-Concrete/Fast-Set/Rapidset-25kg/p/3250974>).

¹¹ Price at Mitre 10 for 20kg bag as at 31 March 2021 (see <https://www.mitre10.co.nz/shop/drymix-easy-to-mix-concrete-20-kg-grey/p/329352>).

¹² Price at Bunnings for 20kg bag as at 31 March 2021 (https://www.bunnings.co.nz/cemix-20kg-multicrete_p0232228).

¹³ Price at Placemakers for 25kg bag as at 31 March 2021 (see <https://shop.placemakers.co.nz/fbb2cstorefront/placemakersB2C/en/NZD/Building-Products/Concrete-%26-Mortars/Bagged-Concrete/Standard/HandiCrete-25kg/p/3250859>).

Category	Drymix	Cemix	Dricon
	<p>around the home and garden. Achieves a 28-day comprehensive strength of 20MPa.</p> <p>Ingredients: Consists of a blend of materials including rounded river run sands and aggregates, Portland cement and special concrete admixtures.</p> <p>Available sizes: 20kg bag (produces 9.5–10 litres of concrete).</p>	<p>foundations which require strengths of up to 30MPa.</p> <p>Ingredients: Consists of a uniformly blended and proportioned mixture of silica crystalline - quartz (30-35%), aggregates (45-50%), Portland cement (15-20%) and admixtures.</p> <p>Available sizes: 20kg bag (produces 0.01m³ of concrete), 25kg bag (produces 0.012m³ of concrete), 40 kg bag (produces 0.019m³ of concrete).</p>	<p>target strength of 20MPa after 28 days(under standard curing conditions).</p> <p>Ingredients: Consists of sand (10-50%), cement (10-40%), aggregates (25-60%) and additives (0-3%).</p> <p>Available sizes: 25kg bag (produces 0.012m³ of concrete), 40 kg bag (produces 0.019m³ of concrete).</p>
<p>STRONG EASY MIX CONCRETE – high strength ready to mix concrete suitable for heavy-duty usage.</p>	<p>Product: HI STRENGTH 36</p> <p>Price: \$14.79 for a 20kg bag¹⁴</p> <p>STRONGCRETE equivalent: 36 MPA CONCRETE</p> <p>Description: Designed to produce a hi-strength concrete mix that is easy to work with and provides excellent strength. Suitable for concrete jobs including steps, slabs, driveways, footings, corner posts or any job specified for strength up to 36 MPa. Sets in minutes.</p> <p>Ingredients: Consists of a blend of materials including rounded river run sands and aggregates, Portland cement and special concrete admixtures.</p> <p>Available sizes: 20kg bag (produces 9.5–10 litres of concrete).</p>	<p>Product name: MAXCRETE</p> <p>Price: \$12.95 for a 20kg bag¹⁵</p> <p>Description: Ideal for all types of general purpose or heavy-duty concrete work, especially projects requiring high early strength. When mixed to the instructions, MAXCRETE will attain a minimum compressive strength of 45MPa after 28 days.</p> <p>Ingredients: Consists of a uniformly blended and proportioned mixture of sands (45-50%), Limestone (30-35%), increased proportions of Portland cement (15-20%) and admixtures (10-30%), designed to improve the concretes strength, workability and performance.</p> <p>Available sizes: 20kg bag (produces 0.01m³ of concrete), 25kg bag (produces 0.012m³ of concrete).</p>	<p>Product name: HIGH STRENGTH HANDICRETE</p> <p>Price: \$16.99 for a 25kg bag¹⁶</p> <p>Description: Dry bagged premixed concrete ideal for specialist highly-engineered commercial projects. Suitable for heavy duty paths, kerbing, structural applications, retaining walls, and foundations. Sets in 2 to 3 hours. Formulated to reach a target strength of 20MPa after 3 days and 40MPa after 28 days (under standard curing conditions).</p> <p>Ingredients: Consists of sand (10-50%), cement (10-40%), aggregates (25-60%) and additives (0-3%).</p> <p>Available sizes: 25kg bag (produces 0.012m³ of concrete).</p> <p>Product name: CIVILCRETE</p>

¹⁴ Price at Mitre 10 for 20kg bag as at 31 March 2021 (see <https://www.mitre10.co.nz/shop/drymix-hi-strength-36-concrete-20-kg-grey/p/329340>).

¹⁵ Price at Bunnings for 20kg bag as at 31 March 2021 (see https://www.bunnings.co.nz/cemix-20kg-maxcrete_p0291728).

¹⁶ Price at Placemakers for 25kg bag as at 31 March 2021 (see <https://shop.placemakers.co.nz/fbb2cstorefront/placemakersB2C/en/NZD/Building-Products/Concrete-%26-Mortars/Bagged-Concrete/High-Strength/High-Strength-HandiCrete-25kg/p/3250868>).

Category	Drymix	Cemix	Dricon
			<p>Price: \$17.49 for a 25kg bag¹⁷</p> <p>Description: A 30 MPa dry bagged concrete with additives to ensure a quicker set time than normal premixed concretes. It is workable for approximately 10-15 minutes and sets in approximately 30-45 minutes. Formulated to reach a target strength of 20MPa after 3 days and 30MPa after 28 days (under standard curing conditions).</p> <p>Ingredients: Consists of sand (10-50%), cement (10-40%), aggregates (25-60%) and additives (0-3%).</p> <p>Available sizes: 25kg bag (produces 0.012m³ of concrete).</p>
REGULAR MORTAR – ready mix mortar suitable for general use in masonry.	<p>Product name: MORTAR</p> <p>Price: \$11.99 for a 20kg bag¹⁸ STRONGCRETE equivalent: MORTAR</p> <p>Description: High quality mortar with excellent handling and laying characteristics. Suitable for use in all forms of masonry.</p> <p>Ingredients: Consists of a blend of Portland cement, well-graded mortar sand and selected admixtures.</p> <p>Available sizes: 20kg bag (produces 12½–13 litres of fresh mortar).</p>	<p>Product name: CEMORTAR</p> <p>Price: \$12.94 for a 20kg bag¹⁹</p> <p>Description: Mortar mix for DIY brick and block mortar jobs - landscaping projects including rock walls and stonework. It is ideal for all sorts of masonry work with bricks, concrete blocks, stone, building a barbecue, rock border in flowerbeds etc.</p> <p>Ingredients: Not available.</p> <p>Available sizes: 20kg bag (enough to lay 30-35 standard bricks or 20-25 concrete blocks).</p>	<p>Product name: TRADE MORTAR</p> <p>Price: \$13.79 for a 30kg bag²⁰</p> <p>Description: Specially designed for trade brick and block mortar jobs. Suitable for brick laying, block laying, stone and rock walls, small plaster repairs, and pave bedding.</p> <p>Ingredients: Consists of cement (10-70%), aggregates (10-90%) and additives (0-5%).</p> <p>Available sizes: 30kg bag (produces 0.014m³ of concrete).</p>

¹⁷ Price at Placemakers for 25kg bag as at 6 April 2021 (see <https://shop.placemakers.co.nz/fbb2cstorefront/placemakersB2C/en/NZD/search/?text=Civilcrete>).

¹⁸ Price at Mitre 10 for 20kg bag as at 31 March 2021 (see <https://www.mitre10.co.nz/shop/drymix-ready-to-use-mortar-20kg-grey/p/329351>).

¹⁹ Price at Bunnings for 20kg bag as at 31 March 2021 (see https://www.bunnings.co.nz/cemix-20kg-cemortar_p0409348).

²⁰ Price at Placemakers for 30kg bag as at 31 March 2021 (see <https://shop.placemakers.co.nz/fbb2cstorefront/placemakersB2C/en/NZD/Building-Products/Concrete-%26-Mortars/Bagged-Mortars/Block-Mortar/Trade-Mortar-Natural-30kg/p/3220530>).

Category	Drymix	Cemix	Dricon
			<p>Product name: BRICK MORTAR</p> <p>Price: \$16.48 for a 30kg bag²¹</p> <p>Description: A clean graded sand, cement and plasticiser proportioned to give an ideal spreadable and workable mortar for brick work, for the trade. Formulated to reach a target strength of 12.5MPa in 28 days. The ingredients in Clay Brick Trade Mortar are specifically designed to produce a smooth finish when correctly tooled to match the smooth nature of clay bricks.</p> <p>Ingredients: Consists of cement (10-70%), aggregates (10-90%) and additives (0-5%).</p> <p>Available sizes: 30kg bag (produces 0.014m³ of concrete).</p> <p>Product name: TRADE MORTAR EXTRA</p> <p>Price: \$23.49 for a 30kg bag²²</p> <p>Description: Specifically designed to give increased bond strength on new or used masonry, bricks and stone work, where there is inconsistent surface quality. It contains clean graded sand, cement, polymer and plasticiser proportioned to give an ideal spreadable and workable mortar. Formulated to reach a target strength of 12.5MPa in 28 days.</p> <p>Ingredients: Consists of cement (10-70%), aggregates (10-90%) and additives (0-5%).</p>

²¹ Price at Placemakers for 30kg bag as at 6 April 2021 (see <https://www.placemakers.co.nz/products/landscaping/fencing/bagged-premixes/dricon/dricon-brick-mortar-30-kilogram/>).

²² Price at Placemakers as at 6 April 2021 (see <https://shop.placemakers.co.nz/fbb2cstorefront/placemakersB2C/en/NZD/Building-Products/Concrete-%26-Mortars/Bagged-Mortars/Block-Mortar/Trade-Mortar-Extra-30kg/p/3220628>).

Category	Drymix	Cemix	Dricon
			<p>Available sizes: 30kg bag (produces 0.014m³ of concrete).</p> <p>Product name: ARCHITECTURAL MORTAR</p> <p>Price: \$33.99 for a 30kg bag²³</p> <p>Description: Clean graded sand, cement, polymer and plasticiser and water-resistant additive, proportioned to give an ideal spreadable and workable mortar for use with the Firth Architectural Masonry range of products. Formulated to reach a target strength of 12.5MPa after 28 days.</p> <p>Ingredients: Consists of cement (10-70%), aggregates (10-90%) and additives (0-5%).</p> <p>Available sizes: 30kg bag (produces 0.014m³ of concrete).</p> <p>Product name: COLOURED MORTAR</p> <p>Price: Prices vary depending on colour (e.g. \$37.00 for a 30kg bag in Cream colour²⁴)</p> <p>Description: Clean graded sand, cement, oxide powders and plasticiser proportioned to give an ideal spreadable and workable mortar for all types of masonry, brick and stone work, for the trade. Formulated to reach a target strength of 12.5MPa in 28 days. Available in 14 colours.</p>

²³ Price at Placemakers as at 6 April 2021 (see <https://shop.placemakers.co.nz/fbb2cstorefront/placemakersB2C/en/NZD/Building-Products/Concrete-%26-Mortars/Bagged-Mortars/Coloured-Mortar/Architectural-Masonry-Mortar-Stone-30kg/p/3220610>),

²⁴ Price at Placemakers for 30kg bag as at 6 April 2021 (<https://shop.placemakers.co.nz/fbb2cstorefront/placemakersB2C/en/NZD/Building-Products/Concrete-%26-Mortars/Bagged-Mortars/Brick-Mortar/Coloured-Mortar-Cream-30kg/p/3220543>).

Category	Drymix	Cemix	Dricon
			<p>Ingredients: Consists of cement (10-70%), aggregates (10-90%) and additives (0-5%).</p> <p>Available sizes: 30kg bag (produces 0.014m³ of concrete).</p> <p>Product name: Veneer mortar</p> <p>Description: Specially designed for brick veneer mortar jobs. It consists of a uniformly blended mixture of graded sands, Portland cement and admixtures for a high level of workability and coverage. Provides the option for a lower MPa product to meet brick veneer installations.</p> <p>Ingredients: Consists of graded sands, Portland cement and admixtures.</p> <p>Available sizes: 30kg bag (produces 0.014m³ of concrete).</p>
<p>HIGH STRENGTH AND FAST SETTING EASY MIX CONCRETE – fast setting and high strength ready to mix concrete ideal for placement of posts, retaining walls and the like.</p>	<p>Product name: HI-STRENGTH QUICK to SET</p> <p>Price: \$11.99 for a 20kg bag²⁵</p> <p>STRONGCRETE equivalent: HI-STREGNTH 15 MINUTE CONCRETE</p> <p>Description: High strength quality concrete ideally suited for applications requiring strengths of up to 36MPa. Sets in minutes. Ideal for applications involving placement of heavy posts, decks, retaining walls, foundations or footings, bollards, sun shade posts or any project requiring high strength.</p>	<p>Product name: SUPER STRENGTH FASTCRETE</p> <p>Price: \$11.24 for a 20kg bag²⁶</p> <p>Description: Designed for fencing, where a higher strength is required for posts. Suitable for all kinds of building and construction projects such as heavy-duty fencing, sun rail posts, retaining walls and structural applications and foundations which require strengths of up to 30MPa. The initial set time is 15 minutes.</p>	<p>Product name: HIGH STRENGTH RAPIDSET</p> <p>Price: \$16.59 for a 20kg bag²⁷</p> <p>Description: High strength fast setting concrete and ideal for heavy-duty post applications. Suitable for heavy-duty fence posts, retaining walls, shade sail posts, decking, foundations and footings, and large signs. Formulated to reach a target strength of 20MPa after 3 days and 30MPa after 28 days (under standard curing conditions).</p>

²⁵ Price at Mitre 10 for 20kg bag as at 31 March 2021 (<https://www.mitre10.co.nz/shop/drymix-hi-strength-quick-to-set-concrete-20-kg-grey/p/329348>).

²⁶ Price at Bunnings for 20kg bag as at 31 March 2021 (https://www.bunnings.co.nz/cemix-20kg-super-strength-fastcrete_p0341405).

²⁷ Price at Placemakers for 20kg bag as at 31 March 2021 (see <https://shop.placemakers.co.nz/fbb2cstorefront/placemakersB2C/en/NZD/Building-Products/Concrete-%26-Mortars/Bagged-Concrete/High-Strength/High-Strength-RapidSet-20kg/p/3250972>).

Category	Drymix	Cemix	Dricon
	<p>Ingredients: Consists of a blend of cement, graded dry quality sand, aggregates and selected additives.</p> <p>Available sizes: 20kg bag (amount produced unspecified).</p>	<p>Ingredients: Consists of a proportioned mixture of stone, gravel, sand, Portland cement and other admixtures.</p> <p>Available sizes: 20kg bag (produces 0.01m³ of concrete), 25kg bag (produces 0.012m³ of concrete).</p>	<p>Ingredients: Consists of sand (10-50%), cement (10-40%), aggregates (25-60%) and additives (0-3%).</p> <p>Available sizes: 20kg bag (produces 0.01m³ of concrete).</p>
INDUSTRY MORTAR – ready to mix mortar suitable for specialist masonry work.	<p>Product name: INDUSTRY MORTAR</p> <p>Price: \$13.99 for a 30kg bag²⁸</p> <p>STRONGCRETE equivalent: INDUSTRY MORTAR</p> <p>Description: A quality mortar with good handling and laying characteristics. Ideally suited for use in all forms of masonry. Not suitable for general concrete applications.</p> <p>Ingredients: Consists of a blend of Portland cement, graded mortar sand and selected admixtures.</p> <p>Available sizes: 30kg bag (produces 18–19 litres of fresh mortar).</p>	<p>Product name: MASONRY MORTAR MIX</p> <p>Price: \$10.30 for a 20kg bag²⁹</p> <p>Description: For professional trade brick and block mortar jobs. Ideal for all types of masonry work. The mortar displays a high level of workability and coverage, especially suited for the professional brick/block layers.</p> <p>Ingredients: Consists of a blended, proportioned mixture of sands, Portland cement and other admixtures.</p> <p>Available sizes: 20kg bag (enough to lay 30 clay bricks and 16 concrete blocks), 30kg bag.</p> <p>Product name: MASONRY MORTAR MIX – WATERPROOF</p> <p>Description: For professional trade brick and block mortar jobs. Ideal for all types of masonry work. The mortar displays a high level of</p>	<p>Product name: TRADE MORTAR</p> <p>Price: \$13.79 for a 30kg bag³⁰</p> <p>Description: Specially designed for trade brick and block mortar jobs. Suitable for brick laying, block laying, stone and rock walls, small plaster repairs, and pave bedding.</p> <p>Ingredients: Consists of cement (10-70%), aggregates (10-90%) and additives (0-5%).</p> <p>Available sizes: 30kg bag (produces 0.014m³ of concrete).</p> <p>Product name: Brick Mortar</p> <p>Price: \$16.48 for a 30kg bag³¹</p> <p>Description: A clean graded sand, cement and plasticiser proportioned to give an ideal spreadable and workable mortar for brick work, for the trade. Clay Brick Trade Mortar is formulated to reach a target strength of</p>

²⁸ Price at Mitre 10 for 30kg bag as at 31 March 2021 (<https://www.mitre10.co.nz/shop/drymix-industry-mortar-30kg-grey/p/329339>).

²⁹ Price at Bunnings for 20kg bag as at 31 March 2021 (see https://www.bunnings.co.nz/cemix-20kg-masonry-mortar-mix_p0214045).

³⁰ Price at Placemakers for 30kg bag as at 31 March 2021 (see <https://shop.placemakers.co.nz/fbb2cstorefront/placemakersB2C/en/NZD/Building-Products/Concrete-%26-Mortars/Bagged-Mortars/Block-Mortar/Trade-Mortar-Natural-30kg/p/3220530>).

³¹ Price at Placemakers for 30kg bag as at 6 April 2021 (see <https://www.placemakers.co.nz/products/landscaping/fencing/bagged-premixes/dricon/dricon-brick-mortar-30-kilogram/>).

Category	Drymix	Cemix	Dricon
		<p>workability and coverage, especially suited for the professional brick/block layers.</p> <p>Ingredients: Consists of a blended, proportioned mixture of sands, Portland cement and other admixtures.</p> <p>Available sizes: 20kg bag (enough to lay 30 clay bricks and 16 concrete blocks), 30kg bag.</p>	<p>12.5MPa in 28 days. The ingredients in Clay Brick Trade Mortar are specifically designed to produce a smooth finish when correctly tooled to match the smooth nature of clay bricks.</p> <p>Ingredients: Consists of cement (10-70%), aggregates (10-90%) and additives (0-5%).</p> <p>Available sizes: 30kg bag (produces 0.014m³ of concrete).</p> <p>Product name: Trade mortar extra</p> <p>Price: \$23.49 for a 30kg bag³²</p> <p>Description: Specifically designed to give increased bond strength on new or used masonry, bricks and stone work, where there is inconsistent surface quality. It contains clean graded sand, cement, polymer and plasticiser proportioned to give an ideal spreadable and workable mortar. Formulated to reach a target strength of 12.5MPa in 28 days.</p> <p>Ingredients: Consists of cement (10-70%), aggregates (10-90%) and additives (0-5%).</p> <p>Available sizes: 30kg bag (produces 0.014m³ of concrete).</p> <p>Product name: Architectural mortar</p> <p>Price: \$33.99 for a 30kg bag³³</p>

³² Price at Placemakers as at 6 April 2021 (see <https://shop.placemakers.co.nz/fbb2cstorefront/placemakersB2C/en/NZD/Building-Products/Concrete-%26-Mortars/Bagged-Mortars/Block-Mortar/Trade-Mortar-Extra-30kg/p/3220628>).

³³ Price at Placemakers as at 6 April 2021 (see <https://shop.placemakers.co.nz/fbb2cstorefront/placemakersB2C/en/NZD/Building-Products/Concrete-%26-Mortars/Bagged-Mortars/Coloured-Mortar/Architectural-Masonry-Mortar-Stone-30kg/p/3220610>).

Category	Drymix	Cemix	Dricon
			<p>Description: Clean graded sand, cement, polymer and plasticiser and water-resistant additive, proportioned to give an ideal spreadable and workable mortar for use with the Firth Architectural Masonry range of products. Formulated to reach a target strength of 12.5MPa after 28 days.</p> <p>Ingredients: Consists of cement (10-70%), aggregates (10-90%) and additives (0-5%).</p> <p>Available sizes: 30kg bag (produces 0.014m³ of concrete).</p> <p>Product name: Coloured mortar</p> <p>Price: Prices vary depending on colour (e.g. \$37.00 for a 30kg bag in Cream colour³⁴)</p> <p>Description: Clean graded sand, cement, oxide powders and plasticiser proportioned to give an ideal spreadable and workable mortar for all types of masonry, brick and stone work, for the trade. Formulated to reach a target strength of 12.5MPa in 28 days. Available in 14 colours.</p> <p>Ingredients: Consists of cement (10-70%), aggregates (10-90%) and additives (0-5%).</p> <p>Available sizes: 30kg bag (produces 0.014m³ of concrete).</p> <p>Product name: Veneer mortar</p> <p>Description: Specially designed for brick veneer mortar jobs. It consists of a uniformly</p>

³⁴ Price at Placemakers for 30kg bag as at 6 April 2021 (<https://shop.placemakers.co.nz/fbb2cstorefront/placemakersB2C/en/NZD/Building-Products/Concrete-%26-Mortars/Bagged-Mortars/Brick-Mortar/Coloured-Mortar-Cream-30kg/p/3220543>).

Category	Drymix	Cemix	Dricon
			<p>blended mixture of graded sands, Portland cement and admixtures for a high level of workability and coverage. Provides the option for a lower MPa product to meet brick veneer installations.</p> <p>Ingredients: Consists of graded sands, Portland cement and admixtures.</p> <p>Available sizes: 30kg bag (produces 0.014m³ of concrete).</p>
<p>PAVEMENT CONCRETE – ready mix concrete suitable for binding pavement together.</p>	<p>Product name: PAVESET</p> <p>Price: \$24.49 for a 20kg bag³⁵</p> <p>STRONGCRETE equivalent: PAVE-SET</p> <p>Description: Jointing material which allows rapid filling of vertical joints between segmented clay and masonry pavers. Suitable for use on driveways, footpaths, where mobile vacuum sweepers are used, sloping sites, and roadways/airport standing areas.</p> <p>Ingredients: Consists of graded, washed sand and additives.</p> <p>Available sizes: 20kg bag (amount produced unspecified).</p>	<p>Product name: PAVETIGHT SAND</p> <p>Price: \$22.80 for a 20kg bag³⁶</p> <p>Description: Graded sand to allow flexible filling of vertical joints in segmental paving. It forms a flexible joint allowing slight movement of the pavers. It is ideal for bonding joints of new clay and masonry pavers in domestic and commercial driveways and footpaths, particularly in areas of high wind and steep gradient.</p> <p>Ingredients: Consists of a uniformly blended, properly proportioned mixture of sands (97-99%) and other additives (1-2%) to improve workability and the locking performance of the product.</p> <p>Available sizes: 20kg bag (will cover an area of 6 – 7.5m² if the paver thickness is 50mm).</p>	<p>Product name: PAVELOCK</p> <p>Price: \$23.79 for a 20kg bag³⁷</p> <p>Description: Specially designed for filling joints between paving. It consists of a uniformly blended mixture of graded sands and bonding additives, recommended for bonding the joints of new clay and concrete paving in domestic driveways and footpaths, particularly in areas of high wind, steep gradients and where weed growth and insect infestation are to be minimised.</p> <p>Ingredients: Consists of sand (80-100%), cement (0-2%) and polyvinyl alcohol (0-3%).</p> <p>Available sizes: 20kg bag.</p> <p>Product name: PAVESAND</p>

³⁵ Price at Mitre 10 for 20kg bag as at 31 March 2021 (see <https://www.mitre10.co.nz/shop/drymix-industry-mortar-30kg-grey/p/329339>).

³⁶ Price at Bunnings for 20kg bag as at 31 March 2021 (see https://www.bunnings.co.nz/cemix-20kg-pavetight-sand_p0214050).

³⁷ Price at Placemakers for 20kg bag as at 31 March 2021 (see <https://shop.placemakers.co.nz/fbb2cstorefront/placemakersB2C/en/NZD/Building-Products/Aggregates/Bagged/Bags-Sand/Pavelock-20kg/p/3251950>).

Category	Drymix	Cemix	Dricon
			<p>Price: \$10.49 for a 20kg bag³⁸</p> <p>Description: Specially dried, formulated sand product applied to the surface of the paving. It flows into joints and, when fully compacted, ensures lock-up and load transfer critical to the long-term performance of paving.</p> <p>Ingredients: Consists of crystalline silica (<50%), naturally occurring metal oxides (<5%), and non-hazardous silicates and oxides (balance).</p> <p>Available sizes: 20kg bag.</p>
<p>PLASTER CONCRETE – ready mix plaster suitable for every day use.</p>	<p>Product name: SUPA COAT DIY PLASTER MIX</p> <p>STRONGCRETE equivalent: SUPACOAT PLASTER</p> <p>Description: An easily applied solid plaster for exterior and interior use. Suitable for hand mixing and application by hand. For exterior and interior use over rigid substrates including concrete block, stucco mesh, aerated autoclaved concrete (AAC), brick, and for use as a mortar or for masonry repairs.</p> <p>Ingredients: Cement, lime, sand dry plaster.</p> <p>Available sizes: 20kg bag (typically produces 12.5-13.0 litres of fresh plaster with / coverage at approximately 3m² per 20kg bag at a nominal 4mm thickness).</p>	<p>Product name: CEMPLASTER</p> <p>Description: Can be used for plastering over lath wall, block work, brickwork and tilt slab substrates. Resists sagging, cracking and shrinkage.</p> <p>Ingredients: Consists of a uniformly blended, properly proportioned mixture of sands, Portland cement and other admixtures.</p> <p>Available sizes: 20kg bag, 30kg bag.</p>	<p>Product name: SUPERSET</p> <p>Price: \$73.80³⁹</p> <p>Description: A fast setting, early strength repair mortar. Suitable for floor and take repairs, and heavy duty repairs.</p> <p>Ingredients: Consists of a uniformly blended mixture of graded sands, portland cement, and specialised admixtures.</p> <p>Available sizes: 6kg pail (typically produces 0.003m³ or 0.3m²), 20kg pail (typically produces 0.01m³ or 0.9m²), 25kg bag (typically produces 0.012m³ or 1.2m²).</p> <p>Product name: CIVILPLAST</p> <p>Description: A fast setting premixable early strength plaster. Suitable for civil and municipal</p>

³⁸ Price at Placemakers for 20kg bag as at 6 April 2021 (see <https://shop.placemakers.co.nz/fbb2cstorefront/placemakersB2C/en/NZD/Building-Products/Aggregates/Bagged/Bags-Sand/Pavesand-20kg/p/3250231>).

³⁹ Price at Placemakers for 20kg pail as at 19 April 2021 (see <https://shop.placemakers.co.nz/fbb2cstorefront/placemakersB2C/en/NZD/Building-Products/Concrete-%26-Mortars/Bagged-Mortars/Brick-Mortar/Superset-Mortar-20kg-Pail/p/3220599>).

Category	Drymix	Cemix	Dricon
			<p>work, plumbing work, gully traps, tank repairs and rural work.</p> <p>Ingredients: Consists of a uniformly blended mixture of graded sands, Portland cement, and specialised admixtures.</p> <p>Available sizes: 25kg bag (typically produces 0.012m³ or 1.2m²).</p>

CONFIDENTIAL ANNEXURE 7: CEMIX AND DRYMIX REVENUE & VOLUMES BY PRODUCT

CEMIX

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DRYMIX

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ANNEXURE 8: CONTACT DETAILS FOR SUPPLIERS OF BAGGED CONCRETE AND MORTAR

Supplier	Contact details
Firth Industries	<p>Jack Smith House 810 Great South Road Penrose, Auckland 1061</p> <p>Phone: +64 9 583 2121 Fax: +64 9 525 9119 info@firth.co.nz</p>
Master Mix Concrete Solutions	<p>21 Bergin Road Foxton 4815</p> <p>Phone: +64 6 363 5686 mastermix@mastermix.co.nz</p>
Ezymix	<p>PO Box 195, Matamata New Zealand</p> <p>Phone: +64 7 888 4324 info@ezymix.co.nz</p>
360 Urban	<p>PO Box 13-260 Amagh Christchurch</p> <p>Phone: 0800 360 urban admin@360urban.co.nz</p>

ANNEXURE 9: PRODUCTS SUPPLIED BY SMALLER COMPETITORS

Mastermix	360 Urban	Bagboys	Ezymix
Master Mix – Mix & Pour Mastermix Joint-Loc – Pave Locking Mix Mastermix Shield – Waterproof Concrete Solution Weighted Stop Sign Retaining Bags Culvert Bags Mastermix Rapid Repair – Fast Setting Waterproof Concrete Solution Mastermix Qpr – Pothole Repair Solution Mastermix Multi-Cote – Waterproof Coating Solution Mastermix Hsr – Acid Resistant Quick Setting Concrete Solution Mastermix Armor – Acid Resistant & Waterproof Concrete Coating Waterproof Mortar Mix Fire Mortar Mix Mortar Mix Super Mortar Mix Premix 15 Min Concrete Mix Premix 45 Min Concrete Mix	Bedding mortar Specialist mortar Pre-blended bedding mortar Jointing mortar Primer/bonding mortar	Sandpit Sand Scoria Sap 7 Scoria 25/7mm Plaster and Pave Joint Sand Paving Sand Drainage Fine Builders Mix BM7 Builders Mix BM20 Bricklayers Sand Blocklayers Sand Base Course (Gap 7) Base Course (Gap 40) Base Course (Gap 20) Sandbag 20kg Ready Mix Bagged Concrete - Firth Rapidset Ready Mix Bagged Concrete - Firth Handicrete Cement Bags	FLB Coll - Tile Adhesive FBK Coll - Tile Adhesive FXK Coll - Flexible Tile Adhesive Structural Mortar Brick Veneer Mortar Epoxy Floor Primer and Sealer - 4710N Water Based Floor Primer - 4716 Ezymix EM490 Anhydrite Floor Screed Ezymix EM4193 Anhydrite Floor Screed 4010 Floor Topping EM4095 Thin Bed Screed Industrial Floor Topping - 4610 Epoxy Floor Primer and Sealer - 4710N Obtego R-40 Pigmented Sealer

CONFIDENTIAL ANNEXURE 10: CEMIX & DRYMIX TOP CUSTOMERS

Drymix Customers FY20

Customer	Sales revenue	Contact Name & Contact details
[]	[\$]	[]
[]	[\$]	[]
[]	[\$]	[]
[]	[\$]	[]
[]	[\$]	[]
[]	[\$]	[]

Cemix Customers FY20

Customer	Sales revenue	Contact Name & contact details
[]	[\$]	[]
[]	[\$]	[]
[]	[\$]	[]
[]	[\$]	[]
[]	[\$]	[]

CONFIDENTIAL ANNEXURE 11: SUPPLIER TRADING TERMS & CONDITIONS

Refer to attached document.

CONFIDENTIAL ANNEXURE 12: CEMIX SALES BY BAGS & WEIGHT

Refer to attached document.

CONFIDENTIAL ANNEXURE 13: SALE AND PURCHASE AGREEMENT

Refer to attached document.

CONFIDENTIAL ANNEXURE 14: RATIONALE FOR TRANSACTION

Refer to attached document.

CONFIDENTIAL ANNEXURE 15: PRESENTATION REGARDING CAPEX

Refer to attached document

CONFIDENTIAL ANNEXURE 16: RECONCILIATION SCHEDULES FOR DRYMIX BITUMEN LIMITED, ROMEX N.Z. LIMITED & DRYMIX N.Z. Limited

Refer to attached document

CONFIDENTIAL ANNEXURE 17: DRYMIX TONNAGE AND REVENUE INFORMATION

Refer to attached document

CONFIDENTIAL ANNEXURE 18: DRYMIX PRICES FOR MITRE 10 & ITM

Refer to attached document