

***Case No COMP/M.5991 -  
TRITON III HOLDING 6/  
WITTUR GROUP***

Only the English text is available and authentic.

**REGULATION (EC) No 139/2004  
MERGER PROCEDURE**

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Article 6(1)(b) NON-OPPOSITION  
Date: 02/12/2010

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Brussels, 2.12.2010  
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In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus [...]. Where possible the information omitted has been replaced by ranges of figures or a general description.

PUBLIC VERSION

MERGER PROCEDURE  
ARTICLE 6(1)(b) DECISION

**To the notifying party:**

Dear Sir/Madam,

**Subject: Case No COMP/M.5991 – Triton III Holding 6/ Wittur Group  
Notification of 26.10.2010 pursuant to Article 4 of Council Regulation  
No 139/2004<sup>1</sup>**

**I. INTRODUCTION**

- (1) On 26 October 2010, the Commission received a notification of a proposed concentration by which Triton III Holding 6 GmbH (Germany), indirectly solely controlled by the general partners of the various limited partnerships constituting Triton Funds I, II and III (Jersey, altogether referred to as "Triton"), acquires sole control over a group of target companies and their subsidiaries, together referred to as Wittur Group ("Wittur", Germany) by way of purchase of shares.

**I. THE PARTIES**

- (2) Triton is a private equity investment firm that provides management advice to and manages investments in European-based businesses, including Dunkermotoren, a company active inter alia in the production of electric motors for elevator car doors applications (hereinafter "car doors"), and Bravida, which provides elevator installation services.
- (3) Wittur, currently indirectly owned by Cerberus Group, Goldman Sachs Group and Credit Suisse Group, is mainly active in the design, production, sale and trade of elevator components - such as landing and car doors, cars, slings, drives, safety

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<sup>1</sup> OJ L 24, 29.1.2004 p. 1. With effect from 1 December 2009, Articles 81 and 82 of the EC Treaty have become Articles 101 and, 102, respectively, of the Treaty on the Functioning of the European Union ("TFEU"). The two sets of provisions are, in substance, identical. The TFEU introduced certain changes in terminology, such as the replacement of "Community" by "Union" and "common market" by "internal market". The terminology of the TFEU will be used throughout this Decision.

components - for residential and commercial applications (new installations as well as upgrades and refits).

## **II. THE OPERATION**

- (4) Triton intends to acquire between 90% and 100% of each of the six undertakings of the Wittur group. It will first purchase the shares in Wittur GmbH, Austria, Wittur CEE Holding GmbH, Austria, Wittur s.r.o., Czech Republic, Wittur S.p.A., Italy, and Wittur Hydraulic Drives S.r.l., Italy, by using two different acquisition vehicles. After that, Triton will directly and indirectly purchase the shares in Wittur Holding GmbH itself. In the end, Triton thus acquires sole control over the entire Wittur group and also over the subsidiaries of the above mentioned companies.
- (5) The proposed transaction therefore constitutes a concentration within the meaning of Art. 3(1)(b) Merger Regulation.

## **III. EU DIMENSION**

- (6) The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 2.5 billion<sup>2</sup> (Triton: EUR [...]; Wittur: EUR[...]), and each of them have an EU-wide turnover in excess of EUR 100 million (Triton: EUR [...]; Wittur: EUR [...]). They have a combined turnover of more than EUR 100 million in at least three Member States. In three of these Member States, each of them has a turnover exceeding EUR 25 million. Moreover, they do not achieve more than two-thirds of their aggregate EU-wide turnover within one and the same Member State.
- (7) The notified operation therefore has a "Union" dimension pursuant to Art. 1(3) Merger Regulation.

## **IV. COMPETITIVE ASSESSMENT**

- (8) There are no horizontal overlaps since none of the companies affiliated with Triton is active in the same sectors as Wittur. The transaction will however create new vertical links between Triton's portfolio company Dunkermotoren, and Wittur on the one hand and between Wittur and Bravida, which also belongs to Triton, on the other hand.

### **A. Market definitions**

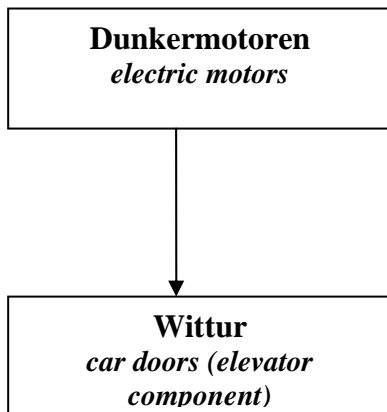
- (9) First, as regards the supply of electric motors for car doors applications, Triton's portfolio company Dunkermotoren supplies electric motors which are used notably for car doors, an elevator component manufactured by Wittur and its competitors ("Dunkermotoren-Wittur relation").
- (10) Second, as regards the supply of elevator components (either in a package including the main components such as landing doors, car doors, slings/frames, safety components and drives or on an individual basis) Triton's portfolio company Bravida provides elevator installation services and sources elevator components from companies such as Wittur ("Wittur-Bravida relation").

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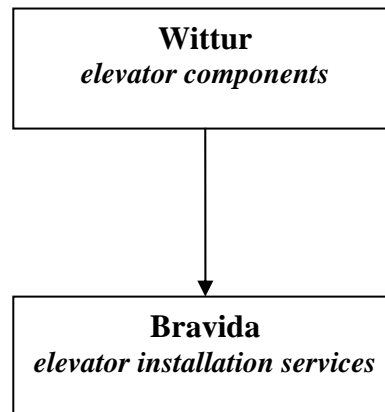
<sup>2</sup> Turnover calculated in accordance with Article 5(1) of the Merger Regulation and the Commission Notice on the calculation of turnover (OJ C66, 2.3.1998, p25).

(11) The vertical relations are illustrated by the graph below.

***Dunkermotoren-Wittur relationship***



***Wittur-Bravida relationship***



***1. Upstream market where Dunkermotoren is active: Motors for car door applications***

*Product market*

- (12) According to the Parties, electric motors are produced for various applications and under various specifications. Most manufacturers are able to produce and actually produce a certain range (although most likely not all types) of electric motors. Dunkermotoren produces electric motors that have an output of up to approximately 200 Watts that are used for door automation purposes and can be used for car doors<sup>3</sup>. The majority of respondents to the market investigation (both competitors of electric motors and door manufacturers that source such electric motors) confirmed that electric motors with an output of up to approximately 200 Watts are the type of motors that can be used for car doors. Several respondents to the market investigation have also pointed to the fact that within electric motors for car door applications several types could be distinguished.
- (13) The Parties have confirmed in a reply to a Request for Information<sup>4</sup> that there are several technologies available which are currently used in the elevator industry to move car doors (geared motors which are produced by combining gearboxes with electric motors, gearless drives, motors with intermediate transmission, motors with arm driven kinematics or linear motors). The Parties also indicated that geared motors are the technology used by Wittur and that Dunkermotoren sells geared electric motors only.<sup>5</sup>

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<sup>3</sup> The Parties submit that the landing door mechanisms do not generally include electric drives. For safety reasons, the landing door on each floor can only be opened when the car (cabin) is positioned on that floor. The car door is the active door and with its car door drive also opens and closes the landing door on each floor. The landing door is the passive door and has no drive.

<sup>4</sup> See reply to the Request for Information sent to the Parties on the 16 November 2010.

<sup>5</sup> Dunkermotoren actually manufactures electric motors and purchases gear boxes from third parties. It then combines the motors and the gear boxes and sells geared motors to its customers.

- (14) The Parties submit that for the purpose of the present transaction, the relevant product market is limited to the production and supply of electric motors for car door applications. As Dunkermotoren sells geared motors only, the Parties have also provided market shares for the supply of geared motors for car door applications which constitutes the narrowest possible market definition possible.
- (15) As the planned operation does not give rise to any affected market in the area of electric motors for car door applications, even under the narrowest market definition, the precise market definition can be left open.

#### *Geographic market*

- (16) The Parties submit that the market for electric motors for car door applications is at least EEA-wide in scope, as evidenced by the customers' cross-border sourcing strategies. The Parties also submit that a national approach to market definition would not reflect the cross-border trader patterns for the sale of electric motors for car doors applications. Motors delivered to customers' purchasing logistics hubs in certain Member States are to a certain proportion distributed further by the customer - via hubs - for use in other countries.
- (17) Respondents to the market investigation confirmed the view of the Parties. The majority of respondents confirmed that customers have cross-border sourcing strategies in the EEA and that there are no technical requirements or standards that would be specific to a given national market or a group of national markets. A majority of competitors also confirmed that customers of electric motors apply global sourcing strategies for which they use hubs. Furthermore, a majority of competitors also indicated that transport costs are limited and that they do not set different prices according to the national markets or groups of national markets.
- (18) Based on the above, it can be concluded that the market of electric motors for car door applications (including the geared electric motors) is EEA wide in scope.

## ***2. Market where Wittur is active - Elevator components including car doors***

#### *Product market*

- (19) Elevator components include landing doors, car doors, slings/frames, safety components and drives. The Parties submit that one may consider a comprehensive market for all elevator components or distinguish between the different main components of an elevator manufactured by Wittur.
- (20) For the purpose of this case, it is appropriate to make an assessment at the level of the individual components, in particular as regards car doors.
- (21) The Parties have indicated that Wittur sells its product to the following types of customers: elevator manufacturers of different sizes (including the four major manufacturers ThyssenKrupp Elevator, Schindler, KONE and Otis) which are active in the design, production, sale, distribution, installation, modernisation and maintenance of elevators; other installers which install elevators and offer modernisation and maintenance services for elevators; traders which buy and sell components and complete elevators and do not offer installation or maintenance services.
- (22) According to the Parties, the relevant market cannot be further separated into different distribution channels or customer groups, since there are no appreciable differences

between the supply of different types of customers as regards the structure of demand, the distribution channel, the structure of supply or the products supplied to the customers. The Parties also underline that Wittur's different types of customers source components which in all cases have to fulfil the same European norms and standards, irrespective of the question whether the component is used for a new elevator, for a modernisation project or for a maintenance project.

- (23) The vast majority of competitors active in car door production indicate that they sell to the same clients as Wittur. Although they indicate that it is not appropriate to distinguish different markets for the supply of these different customers, several have underlined that the four major manufacturers source specific components (including specific car doors notably for high rise applications).
- (24) For the assessment of this case, it is however not necessary to conclude on the exact product market definition since, irrespective of the product market delineation followed, the concentration does not raise serious doubts as to its compatibility with the internal market.

#### *Geographic market*

- (25) The Parties contend that all possible relevant markets for elevator components, including car doors, are at least EEA wide. Elevator components are traded cross-border to a very significant extent as there are no barriers to trade and, compared to the value of the product, transport costs are low. The existence of cross-border sourcing strategies holds true not only for elevator manufacturers and installers/service companies which are active in different countries, but also for smaller elevator manufacturers and installers or service companies which may only be active in one or a few countries.
- (26) As regards car doors, the results of the market investigation only partly confirm the assumptions of the Parties. Even if many competitors for car doors indicate that all types of customers source car doors at a cross-border level, several have indicated that this holds true for the four major elevator manufacturers mainly (and to a certain extent for traders) whereas other elevator manufacturers and installers source at a national level. The respondents have also indicated that logistics hubs from which companies source elevator components globally are mainly used by the four major elevator manufacturers.
- (27) Based on the above, it can be concluded that the possible sub segmented market for the supply of car doors to the four major elevator manufacturers is EEA wide in scope. It cannot be excluded that possible other sub-segmented markets (for elevators manufacturers other than the four majors, for installers and traders) would be national. For the assessment of this case, it is however not necessary to conclude on the exact geographic definition since irrespective of the geographic market delineation followed the concentration does not raise serious doubts as to its compatibility with the internal market.

#### ***3. Downstream market where Bravida is active: Installation services***

- (28) The Parties submit that installation services comprise elevator installation, modernisation, repair and maintenance services ("installation services").
- (29) According to the Parties, the market for installation services is national in scope, given that installation services require proximity between service provider and customers.

- (30) For the assessment of this case, the relevant geographic market is considered to be national.

## **B. Competitive assessment**

### ***a. Wittur-Bravida relationship***

- (31) The Parties indicate that Bravida is only active in Denmark and Sweden with market shares in the market for installation services of significantly less than 5 %. Wittur's market shares under the narrowest market definition (separate market for sales to other installers and segmentation per component assessed at the national level) are below 25% in Denmark and Sweden. Therefore, this vertical relation does not result in affected markets.

### ***b. Dunkermotoren-Wittur relationship***

- (32) The Dunkermotoren-Wittur vertical relationship gives rise to a limited number of affected vertical relations under specific assumptions about the definition of the relevant market for car doors.
- (33) For the purpose of this case, the assessment of Dunkermotoren's market share will be based on the narrowest market definition (i.e. geared electric motors with an output of up to approximately 200 Watts). Dunkermotoren estimates that its market share at the EEA level for the production and supply of geared electric motors for car door applications is approximately [10-20]%. The market investigation has not produced any indications that this share would be higher.
- (34) Market share estimates for Wittur as regards the overall market for the supply of car doors amount to [20-30]% at the European level or EEA level.<sup>6</sup> The Parties have submitted that this share would not significantly change as regards sales to the major four elevator manufacturers at the EEA level.
- (35) As regards sales to other groups of customers (i.e. elevator manufacturers excepting the four majors, other installers and traders) for which a national geographic definition cannot be excluded, Wittur estimates that its market shares would exceed 25% in Italy and Spain ([30-40]% and [20-30]% respectively). The Parties submit that these market shares would not differ significantly if different groups of customers were considered separately (elevator manufacturers except the four major manufacturers of elevators<sup>7</sup>, installers and traders).

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<sup>6</sup> The Parties submit that market value estimates as well as turnover data, cover all European countries, excluding Russia. This is due to the fact that Wittur's accounting does not follow the same geographic approach as the political borders of the EU or the EEA. Exact figures for the EU or the EEA are not available to Wittur. However, Wittur estimates that the figures provided above do not significantly differ from the figures that would result if a strict EU or EEA approach was taken.

<sup>7</sup> The Parties submit that the above figure is Wittur's best estimate of its market share for the supply of car doors to customer groups other than the four major elevator OEMs (i.e., ThyssenKrupp Elevator, Schindler, KONE and Otis). [...].

*Risks of input foreclosure*

- (36) On an EEA-wide market for geared electric motors for car door applications, Dunkermotoren has a [10-20]% market share and has at least two competitors of comparable size as indicated in the table below.

<b>Company</b>	<b>Estimated Market Share</b>
Ebmpapst	[10-20]%
DPM	[10-20]%
Maxon	[<10]%

- (37) Although certain customers for electric motors active in the supply of car doors production have indicated concerns regarding the effects of the transaction as regards input foreclosure, the majority however acknowledge that a number of alternative suppliers to Dunkermotoren for electric motors exist on the market (including German supplier Kählig).
- (38) In addition, Wittur's demand constitutes only a very small part of Dunkermotoren's supplies of electric motors ([...]%). Therefore Dunkermotoren has no incentives to stop supplying Wittur's competitors as it would lose a very substantial part of its business in electric motors.
- (39) Therefore the Commission takes the view that concerns of input foreclosure can be dismissed, in view of the limited market share of Dunkermotoren and the existence of alternative suppliers.

*Risks of customer foreclosure*

- (40) As regards the sale of car doors in Italy and in Spain, the main competitors of Wittur are the following:

<b>Competitors Italy</b>	<b>Estimated market share</b>
PRISMA S.p.A.	[10-20]%
TECNOLAMA (FERMATOR)	[10-20]%
SEMATIC ITALIA S.p.A.	[10-20]%
2SG s.r.l.	[5-10]%
DAPA s.r.l.	[0-5]%



<b>Competitors Spain</b>	<b>Estimated market share</b>
FERMATOR	[50-60]%
MACPUARSA	[10-20]%
SEMATIC	[5-10]%
AUTUR	[0-5]%
PUERTAS PRISMA	[0-5]%

- (41) As mentioned above, Wittur has a market share of [30-40]% in Italy and [20-30]% in Spain (and faces strong alternative competitors, which has been confirmed by respondents to the market investigation).
- (42) The market investigation shows that approximately half of suppliers of electric motors indicated concerns about the effect of the transaction as regards customer foreclosure.
- (43) However, Dunkermotoren's supply of geared electric motors can only cover approximately one third of Wittur's demand. Wittur's purchasing volume for electric geared motors for car doors amounted to € [...] in 2009 whereas Dunkermotoren's turnover derived from these products (of which [...] % is achieved with other customers than Wittur) amounts to approximately € [...].
- (44) Therefore the Commission takes the view that concerns of customer foreclosure can be dismissed.
- (45) Based on the above, the transaction does not raise serious doubts as regards vertical effects, either through input or customer foreclosure.

## **V. CONCLUSION**

- (46) For the above reasons, the Commission has decided not to oppose the notified operation and to declare it compatible with the internal market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of Council Regulation (EC) No 139/2004.

For the European Commission,  
(signed)  
Joaquín ALMUNIA  
Vice-President of the European  
Commission