

# One of the biggest M&A deals in Northern Ireland history falls through

UK competition laws have scuppered the sale of Euro Auctions to a Canadian suitor in what would have been one of the biggest corporate deals in Northern Ireland's history.

Ritchie Bros announced its takeover of the plant and heavy machinery auction house for around £772 million, or \$1 billion, in August 2021 but revealed on Friday that it was pulling out of the deal after the UK regulator flagged a number of concerns.

The Competition and Markets Authority (CMA) had referred the takeover to a more detailed phase 2 stage review, one Ritchie Bros felt wouldn't meet the regulator's approval.

"Amongst other things, completion of the Agreement is conditional on receipt of clearance from the CMA on terms satisfactory to the RB Purchaser, but after extensive consideration the RB Purchaser does not believe there is any realistic prospect for approval by the CMA on such terms given the significant concerns raised by the CMA to date," the company said.

Ann Fandozzi, Ritchie Bros Chief Executive Officer, said the company disagreed with the decision.

"We are disappointed by the decision taken by the CMA to refer the proposed acquisition to a Phase 2 review and respectfully disagree with their views," she said. "While we believe the proposed acquisition would have accelerated our strategy, we remain committed to forging ahead in our transformational journey to become the trusted global marketplace for insights, services and transaction solutions. We will continue to seek

out and execute on organic investments and key acquisitions to accelerate our pace in achieving our ultimate vision.”

Euro Auction has grown rapidly since being founded by founder Derek Keys and his brothers in 1998 in Dromore, County Down.

At the time of the deal announcement in August 2021, Mr Keys said Ritchie Bros had been a big inspiration for Euro Auctions when it was first founded.

“Dave Ritchie and his brothers were a big inspiration for my brothers and I in the creation of Euro Auctions,” he said. “We modelled much of what we do off Dave’s customer-centric philosophy, which still runs through Ritchie Bros today.”

Derek Keys had been due to assume a “senior leadership position” in the business for a minimum of three years after the deal closed while brothers Lynden and Trevor Keys were going to retained as sourcing leads.

However, a statement from Euro Auctions said its ambition for the business remained.

“Euro Auctions, will now continue the strategy successfully executed since 1998 of building, strengthening, investing in and growing across its eight locations in the United Kingdom, Northern Ireland, Germany, Spain, Australia, and the United States.”

Founder Derek Keys said the leadership team would continue to grow the business as an independent entity.

“We believe that Euro Auctions unreserved model provides our customers with an honest and transparent way to buy and sell heavy equipment globally supported by best in class service from our highly experienced staff,” he said. “We look forward to accelerating the growth of the Euro Auctions business as an independent global operator.”