



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**IN THE MATTER OF GLOBAL ACQUISITION OF % SHAREHOLDING OF M/S
FLSMIDTH CEMENT A/S BY PACIFIC AVENUE CAPITAL PARTNERS
MANAGEMENT COMPANY LLC THROUGH CORSICA BUYER APS.**

CASE: 1559/Merger-CCP/2025



A handwritten signature in black ink, appearing to read "Kabir".

Dr. Kabir Ahmed Sidhu

Chairman

ORDER

1. On 06 August 2025, the Competition Commission of Pakistan (the “**Commission**”) received a pre-merger application (the “**Application**”) from M/s. Corsica Buyer ApS (the “**Applicant**” or the “**Acquirer**”). The Applicant, a subsidiary of Pacific Avenue Capital Partners Management Company LLC (“**PACP**”) sought approval for the acquisition of M/s FLSmidth Cement A/S (the “**Target**”) from M/s FLSmidth & Co A/S (the “**Seller**”). The transaction is being executed pursuant to a Share Purchase Agreement (the “**Agreement**”).
2. The Application was filed under Section 11 of the Competition Act, 2010 (the “**Act**”) read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (the “**Merger Regulations**”).

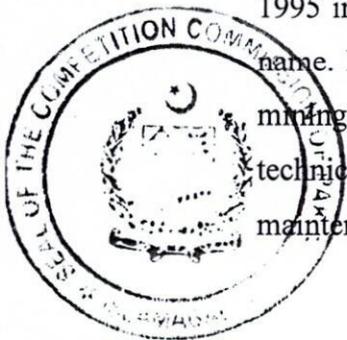
Merger Parties

Acquirer

3. M/s. Corsica Buyer ApS is a newly incorporated entity registered in Denmark on 05 June 2025. It has been established solely for the purpose of executing the subject transaction and is ultimately controlled by the PACP, which serves as its parent and holding company.
4. The PACP, incorporated on 02 May 2019 and headquartered in the United States of America, is a private equity investment adviser managing a diversified portfolio across various industry sectors. It offers discretionary investment advisory services primarily to pooled investment vehicles, such as private equity funds. Although its portfolio companies operate and generate revenue in multiple jurisdictions, it does not have any operational presence in Pakistan.

Target

5. M/s FLSmidth Cement A/S was registered as a public limited company on 28 December 1995 in Denmark and underwent a series of name changes before adopting its current name. Its principal line of business is technology and service provision for the global mining and cement industries and to carry out trade, engineering, manufacturing, technical assistance as well as project and service management, operations and maintenance of plants within the cement and mineral industry.



6. In Pakistan, it operates through its subsidiary, FLSmidth (Private) Limited (“**FLS Pakistan**”), which was incorporated in Pakistan on 20 March, 1995. The Company is active in Pakistan in Cement technologies and services business including Pyro & Grinding, Storage & Dispatch, Feeding & Dosing, and Automation.

Seller

7. M/s FLSmidth & Co A/S is a Danish multinational technology company that supplies equipment and services to the global cement and minerals industries. It is listed on the NASDAQ Copenhagen exchange.

Transaction

8. As outlined in the Application, the proposed transaction involves the acquisition of % shareholding of the Target by the Acquirer (the “**Transaction**”). It is executed through the Agreement signed between the Acquirer and the Seller (being the ultimate parent company of the Target).
9. Under the terms of the Agreement, all assets and liabilities of the Target will be transferred to the Acquirer. The value involved in the merger as per the Application is PKR which may rise up to PKR : ¹ in case maximum earn out amount is paid which is considered to be Transaction value².

Phase-I Competition Assessment

Procedural Review

10. Based on the Application and information obtained subsequent to the Application, the Commission conducted a Phase-I competition assessment of the Application, including supporting documentation, to evaluate compliance with the Act and Merger Regulations, particularly focusing on potential competitive concerns, including market dominance and competition, post-merger.

Relevant Market

¹ <https://www.sbp.org.pk/ecodata/rates/ECAP/2025/Oct/10-Oct-25.pdf>

² This entails that in addition to the purchase price, the seller may be entitled to receive an additional amount of deferred purchase price from the buyer (Earn Out). The earn out will be a one-off payment calculated in proportion to the total amount received by the buyer, the same which shall become payable in the event of more than 50% of shares in, or the assets held by, the Target are acquired directly or indirectly by a third party.

11. The parent company of the Acquirer is a private equity investment adviser managing a diversified portfolio across various industry sectors. On the other hand, the Target is primarily engaged in the manufacturing of cement technologies and services. The company develops and supplies advanced equipment and technological solutions for cement plants, including innovations aimed at reducing energy consumption and emissions. Additionally, Target offers customized engineering services, high-quality machinery, and process expertise to enhance plant operations and maximize productivity.
12. Taking the above into account, the relevant product market in this case has been identified as “**Cement Technologies and Services**” while the relevant geographic market is “**Pakistan**”. In the aforementioned relevant market, the Target is active in Storage & Dispatch, Feeding & Dosing, Automation, and Pyro & Grinding sub-segments.

Market Share

13. As per the Application, the Acquirer has no direct or indirect presence in Pakistan. However, the Target’s only presence within Pakistan is through its wholly-owned subsidiary, FLS Pakistan. It is pertinent to note that the proposed Transaction will result in a change of control at the level of the ultimate holding company of the subsidiary.
14. The Target estimates that by 2024, it held about % of the overall market share in Pakistan's cement technology and related services sector. However, in specific segments under the overall market, its market share was around % in Storage & Dispatch, % in Feeding & Dosing, % in Automation, and % in Pyro & Grinding.

Competition Analysis

15. The Acquirer currently holds a market share of approximately % which will remain unaffected by the proposed Transaction. As the Transaction does not entail a horizontal or vertical integration between the parties given the fact that both operate in completely distinct markets, it is not anticipated to give rise to any appreciable adverse effect on competition within the relevant product market in Pakistan.

Moreover, it does not create entry barriers or significantly enhance the market power of the Merger Parties and the Transaction is not anticipated to limit the ability of the existing or potential competitors or to exclude them from competing effectively. Moreover, no credible risk has been identified for either unilateral conduct or coordinated behavior that



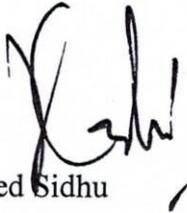
could substantially lessen competition in the relevant market. Therefore, the Transaction is not likely to substantially lessen competition, by creating or strengthening a dominant position.

Ancillary Restrictions

17. The Application revealed the presence of certain ancillary restraints within the Agreement, which may require exemption under Section 5 of the Act, read with Regulation 4 of the Competition Commission (Exemption) Regulation 2020. This order is without prejudice to any such requirements.

Determination

18. The Commission concludes that the proposed Transaction does not create or strengthen a dominant position in the relevant market, as defined under Section 2(1)(e) read with Section 11 of the Act and the Merger Regulations. The proposed Transaction is hereby authorized under Section 31(1)(d)(i) of the Act.
19. Notwithstanding the above, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws, judicial orders and the oversight of relevant regulatory bodies.
20. It is so ordered.



Dr. Kabir Ahmed Sidhu

Chairman



ISLAMABAD, 17th Oct, 2025.