

SIMPLIFIED NOTIFICATION OF CONCENTRATION

WSP Group Holdings Limited's acquisition of RPS Group Plc and its subsidiaries.

Oslo, 7 September 2022

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Notifying party:

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1. INTRODUCTION

- (1) The notification concerns WSP Group Holdings Limited's ("**WSP Holdings**" or "**Acquirer**") acquisition of the entire issued share capital of RPS Group plc ("**RPS**" or "**Target**"). WSP Holdings is a wholly-owned subsidiary of WSP Global Inc. ("**WSP Global**"). In the following, WSP Global and RPS will be collectively referred to as the "**Parties**".
- (2) The Parties are active in the market for engineering consultancy services through their subsidiaries, WSP Norge AS (indirectly controlled by WSP Global) and Metier OEC AS (controlled by RPS). The Parties' combined market shares in all potential markets are insignificant. The markets include several large competitors that will continue to exert significant competitive pressure post-Transaction (including Nordconsult, Multiconsult, Sweco, COWI, AFRY, and Rambøll Norge). Besides, the Parties do not have a vertical overlap.¹
- (3) The Transaction is notified through the simplified procedure since the Parties' combined market share is below 20 per cent and they do not have a vertical overlap, ref. the Merger filing Regulation (FOR-2013-12-11-1466) section 3 nr. 3 *litra* b and c.
- (4) The Transaction will also be notified to the Dutch competition authority for merger control approval.²

2. THE TRANSACTION

- (5) On 8 August 2022, WSP Global and RPS announced their agreement on the terms of a recommended cash offer pursuant to which WSP Holdings (or another wholly-owned subsidiary of WSP Global) will acquire the entire issued and to be issued share capital of RPS (the "**Transaction**").

Appendix 1: Recommended Cash Acquisition, 8 August 2022

- (6) The announcement was published on the London Stock Exchange's website on the same day: <https://www.londonstockexchange.com/news-article/market-news/offer-for-rps-group-plc/15576327>
- (7) Under the terms of the agreement, the RPS shareholders will be entitled to receive 206 pence in cash for each of the issued 277,510,925 RPS shares. The total transaction is valued at approximately £591.1 million. Once completed, WSP Global will exercise sole control over RPS, including all its assets and subsidiaries.
- (8) The Parties expect that the Transaction will be completed by the end of the fourth quarter of 2022, provided the conditions of regulatory approvals are in place, including approval from the Norwegian Competition Authority.
- (9) The Transaction amounts to a concentration (Nw: "*foretakssammenslutning*") according to the first paragraph of the Norwegian Competition Act section 17 since WSP Global acquires control (via WSP Holdings) over RPS.

¹ However, RPS has engaged WSP as an external consultant to a limited extent, see section 4.3 below.

² The Parties also submitted a briefing paper to the British competition authority on 29 August 2022.

3. RATIONALE

- (10) The Transaction brings together two largely complementary consultancy businesses in Norway and globally. The Transaction will increase the range of consultancy services which WSP Global and RPS can offer their respective customers, particularly in the increasingly dynamic and rapidly evolving environmental consulting sector, where the clients and communities they serve require a wider range of services to be delivered holistically. It will also increase WSP Global's and RPS's scale for some services, enabling the Parties to satisfy customer demand in a more efficient way.
- (11) Combining RPS's capabilities in the energy transition, water and property and buildings sectors, as well as RPS's expertise in environmental, social and governance-related services, planning and advisory services, programme management / construction management and governmental services, with those of WSP Global, is strategically compelling and will allow the Parties to provide a broader range of complementary services to its customers, with the addition of such capabilities and expertise being fully aligned to WSP Global's strategic ambitions.
- (12) RPS's geographic footprint, primarily focused on the United Kingdom, Australia, the United States and certain countries in Western Europe, is also aligned with WSP Global's geographical strategy. The Transaction will provide the opportunity to further expand on opportunities to capitalise on the growth in water and energy transition consulting and further enhance WSP Global's revenue diversification in such areas, in line with WSP Global's strategic ambition. The Transaction will also deepen WSP Global's capabilities in urban development and planning to WSP Global's property and buildings consulting practice, as well as significantly increase WSP Global's advisory and planning services businesses.
- (13) The Transaction is taking place against the backdrop of a highly fragmented global consulting industry, with a significant number of large competitors as well as a number of smaller, credible competitors.

4. DESCRIPTION OF THE PARTIES

4.1 Acquirer

4.1.1 WSP Global

- (14) Headquartered in Canada and listed on the Toronto Stock Exchange (TSX: WSP), WSP Global is an international professional services firm which provides strategic advisory, engineering, and design services in Canada, the Americas, Europe, the Middle East, India, Africa, and the Asia Pacific region.
- (15) With approximately 57,500 trusted professionals globally, united by the common purpose of creating positive, long-lasting impacts on the communities they serve through a culture of innovation, integrity, and inclusion, WSP Global offers a variety of professional services throughout all project execution phases, from the initial development and planning studies through to the project and programme management, design, construction management, commissioning and maintenance phases. Sustainability and science permeate WSP Global's work.
- (16) WSP Global operates in the following market sectors: (i) transportation and infrastructure (including advising, planning, design and managing projects for rail transit, aviation, highways, bridges, tunnels, water, maritime and urban infrastructure); (ii) earth and

environment (specialists working with and advising businesses and governments in all key areas of earth sciences and environmental sustainability, including Environmental, Social and Governance matters); (iii) property and buildings (technical and advisory services for buildings at every stage of a project's lifecycle by offering engineering and consultancy services ranging from decarbonisation strategies and digital building design to structural and mechanical, electrical, and plumbing engineering); (iv) power and energy (offering solutions to energy sector clients for all aspects of their projects, from pre-feasibility to design, operation, maintenance and decommissioning); and (v) industry (providing consulting and engineering services to clients in a wide range of industrial sectors, including food and beverages, pharmaceutical and biotechnology, automotive and chemicals).

- (17) WSP Global's global expert employees include advisors, engineers, environmental specialists, scientists, technicians, architects and planners, as well as other design and programme management professionals.
- (18) In the year ended 31 December 2021, WSP Global had total global revenues of approximately CAD \$10.3 billion (approximately €6.9 billion). See section 5 below for WSP Global's Norwegian revenues.
- (19) For completeness, WSP Global notes that on 31 May 2022, it entered into an agreement to acquire the environment and infrastructure business of John Wood Group PLC (the "**E&I Business**"). The E&I Business offers environmental consulting and engineering services, predominantly in North America but also some European countries. In Norway, the E&I Business's turnover in the last financial year was c.€84,000 (NOK 853,843). There is no overlap between the Parties and the E&I Business in Norway as the latter's Norwegian activities are focused on energy consulting services, in which the Parties are not active in Norway.
- (20) For further information about WSP, please refer to WSP's website (see <https://www.wsp.com/en-GL>).

4.1.2 WSP Holdings and WSP Norway

- (21) WSP Holdings is a wholly-owned subsidiary of WSP Global and is incorporated in England.
- (22) WSP Holdings is present in Norway through its wholly-owned subsidiary WSP Norge AS. WSP Norge AS provides strategic advisory and project management and programme management services within the building and construction industry (known as the "built environment").
- (23) For further information about WSP Norge AS, please refer to its website (<https://www.wsp.com/nb-NO>).

4.1.3 Legal structure

- (24) A simplified illustration of WSP Global's company structure with the chain of control from WSP Global to WSP Norge AS is enclosed below.

Appendix 2: Simplified WSP Group company structure

4.2 Target

4.2.1 RPS

- (25) Founded in 1970 and built on a legacy of environmental and social engagement, RPS is a diversified and well-recognised global professional services firm of approximately 5,000 talented employees, including consultants, designers, planners, engineers, and technical specialists. As an established, technology-enabled consultancy that operates across a range of sectors, RPS provides specialist services to government and private sector clients with a focus on front-end consulting.
- (26) RPS creates shared value for all stakeholders by solving problems that matter in a complex, urbanising, resource-scarce world. Focusing on Natural Resources, Urbanisation, and Sustainability, RPS concentrates its expertise on the parts of project lifecycles that have the biggest impact on project outcomes. RPS has been widely recognised in this respect, having been highly ranked for climate change and energy consulting by the Environment Analysis for 2019/2020, a top 200 environmental firm by Engineering News-Record in 2021 and recognised in 2021 as one of the first "carbon champions" by the Institution of Civil Engineers.
- (27) RPS is listed on the Official List of the London Stock Exchange.
- (28) RPS operates across approximately 100 offices in 12 OECD countries, with the majority of its net revenue generated from its operations in the United Kingdom, Australia and the United States during the 2021 financial year.
- (29) In the year ended 31 December 2021, RPS had total global revenues of approximately €652 million. See section 5 below for RPS's Norwegian revenues.
- (30) For further information about RPS, please refer to RPS' website (see <https://www.rpsgroup.com/>).

4.2.2 Metier OEC AS

- (31) RPS is present in Norway through its wholly-owned subsidiary, Metier OEC AS, which provides project and programme management services for large, complex and portfolio scale initiatives, management consultancy (including change management), project management training and project management tools. Providing strategic advice on project methodology, benefits and integration to value management, consultant engagement and coordination, RPS acts as a trusted project management advisor or a fully embedded member of its clients' delivery teams.
- (32) Metier OEC AS consists of five divisions:
- Management Consulting
 - Digital project and programme management
 - Construction project and programme management
 - Project System (project management tools, software and services)
 - Academy (project management training services)
- (33) Metier OEC AS considers that its construction business, certain parts of its management consulting business and a minor part of its digital services fall within the engineering

consultancy services market. WSP Norge does not overlap with Metier OEC AS with regard to services that fall outside of the engineering consultancy services market.

- (34) For more information on Metier OEC AS, please refer to its website (<https://www.metieroec.no/>).

4.2.3 Legal structure

- (35) A simplified illustration of the company group structure with the chain of control from RPS to Metier OEC AS is enclosed below.

Appendix 3: Simplified RPS Group company structure

4.3 Previous commercial relationship between the Parties

- (36) The Parties are not active in upstream or downstream markets of the engineering consultancy market and thus do not have a typical vertical overlap. However, on certain occasions, RPS (via Metier OEC AS) has engaged WSP Norge AS as an external consultant. This overlap, however, is minimal:

- In 2021, Metier OEC AS hired two external consultants from WSP Norge AS for one project, generating a turnover of NOK 0.2 million
- In 2022 (YTD), Metier OEC AS engaged WSP Norge AS in two projects generating revenue of NOK 1 million. In relation to both projects, WSP Norge AS provided two external consultants.

- (37) The combined entity will remain a minor player in a market with several other competitors (see section 7.1 below). Hence, the combined entity will not have the ability (or incentive) to foreclose other competitors from competing on large projects where they need to team up with others.

5. TURNOVER AND OPERATING INCOME

- (38) The Parties' turnover and operating income in Norway for FY2021 are presented in the table below.

Table 1: The Parties turnover and operating income in Norway for FY2021 (Confidential)

Company	Turnover	Operating income
WSP Global	NOK 844.9 million	NOK -21.4 million
RPS	NOK 743.2 million	NOK 59.4 million
Total	NOK 1588.1 million	NOK 35.3 million

6. MARKET DEFINITION

6.1 Product market

- (39) The Parties submit that there exists a general market for engineering consultancy services. The market encompasses assistance in planning, engineering, quality assurance and

implementation of large engineering projects for all business areas (corresponds to NACE code 71.121 "Byggteknisk konsulentvirksomhet").³

- (40) The Parties submit that the engineering consultancy market should not be segmented according to service type or industry. Customers generally require a broad range of services for each relevant project, and most major engineering consultancy firms serve customers across several business areas. The demand for full-service deliveries is reflected by the market structure, which includes large companies offering a wide spectrum of engineering consultancy services across several business areas, such as Norconsult, Multiconsult, Sweco, Rambøll Norge, AFRY and COWI.
- (41) The fact that there are niche companies within the market does not alter this conclusion. The customers' demand for a range of services entails that smaller companies rarely can tender for contracts that exceed a certain size or complexity. On the other hand, large companies can compete for all projects regardless of the required services and business area. Therefore, niche companies compete with full-service firms on most contracts. Moreover, the niche players regularly serve as subcontractors to fill capacity problems or to contribute with their skills. Indeed, WSP Norge AS and Metier OEC AS frequently collaborate with other full-service companies and have also collaborated with each other.
- (42) As the concentration will not raise any concerns regardless of market definition (see section 7 below), the exact scope of the product market can be left open. For completeness, the Parties have provided market shares for the general market and the hypothetical narrow markets for engineering consultancy services to the built environment and project management services.

6.2 Geographic market

- (43) The Parties submit that the market for engineering consultancy services is at least national in scope but most likely Nordic or EEA-wide. In Norway, the competitive conditions are homogeneous, and contracts are entered into across regions without significant price differences.
- (44) In addition to national-based suppliers, the Parties compete with international and foreign companies for contracts in the Norwegian market. Due to the EU regulations concerning public procurement, the conditions for tender procedures in EU / EEA countries are harmonised to facilitate cross-border tender participation. Public procurement contracts are announced in the international European database Tenders Electronic Daily ("**TED**"). Besides, the Parties also meet competition from global and foreign suppliers for private project contracts in Norway.
- (45) Indeed, the Parties are international suppliers competing for contract projects in several European countries. Through local subsidiaries and subcontractors, the Parties can tender for large international projects requiring different consultancy services through several business areas. WSP Global (via WSP Norge AS), for instance, regularly teams up with its Swedish sister companies to tender for large projects in Norway. These factors entail that the relevant geographic market is broader than the national.

³ The Norwegian Competition Authority has accepted this market definition in several decisions, see, e.g., Sweco Norge AS / Sterna Rådgivning AS (forenklet melding 28. Mars 2022); Muliconsult AS / Erichsen & Horgen AS (forenklet melding 9. juli 2021); Multiconsult ASA / Hellnes Consult AS (forenklet melding 10. juli 2017).

- (46) However, for the purpose of this notification, the Parties have calculated their market shares in the national market, representing the narrowest possible segmentation.

7. COMPETITION ANALYSIS

7.1 The Transaction will not have any horizontal effects

- (47) In Norway, the Parties have overlapping activities in the market for engineering consultancy services. If the market is segmented by service type, the Parties would have overlapping activities within the segment of project administrative services (i.e., project management, programme management, and construction management). On the other hand, if the market were to be delineated according to the business area, the Parties would overlap within the built environment segment.

- (48) The Parties' market shares in these potential markets are presented below.

Table 2: The Parties' market shares in the Norwegian market for engineering consultancy services (based on 2021 figures).⁴ (Confidential)

	Gross revenue	Market share
WSP Global		
RPS		
Total		

- (49) As the table shows, the Parties' combined market shares in the relevant market will remain insignificant after the Transaction. The concentration will only give rise to a *de minimis* increment such that the pre-Transaction competitive dynamics cannot plausibly be said to be affected. Besides, the market is highly competitive, where the Parties meet competition from prominent market players such as Norconsult, Muticonsult, Rambøll Norge, AFRY, COWI and Sweco.

Table 3: The Parties' market shares in the Norwegian market for engineering consultancy services in the built environment (based on 2020 figures).⁵

Company	Estimated market share
WSP Global ⁶	
RPS ⁷	
Nordconsult	

⁴ The total market is calculated by combining the turnover of all companies registered under NACE code 70.121 "Byggeteknisk konsulentvirksomhet", which in 2021 had a total turnover of NOK 38.6 billion.

⁵ The figures are sourced from the Norwegian industry magazine Byggenæringen. They collect turnover figures and provide information on the 30 largest companies based on their assessment. We have, however, adjusted RPS' and WSP's figures according to a renewed evaluation on how the turnover should be allocated to the different markets.

⁶ WSP estimates that they have NOK [REDACTED] of turnover in this hypothetical market.

⁷ RPS estimates that they have NOK [REDACTED] of turnover in this hypothetical market

Multiconsult	
Sweco	
COWI	
Rambøll Norge	
Asplan Viak	
AFRY	

(50) We note that the figures in table 3 above are sourced from the Norwegian industry magazine Byggnæringen. They request turnover figures from their 30 largest members, and prepare the table based on those who responded. Hence, the figures are calculated on turnover data that do not represent the entire market, and will *overestimate* the Parties' market shares.

(51) Table 3 shows that the Parties (overestimated) combined market share post-Transaction would amount to approximately █ per cent in the hypothetical built environment market, which should not raise any concerns. Moreover, the combined entity will be a minor player in this theoretical market, where companies like Nordconsult, Multiconsult, Rambøll Norge, AFRY, COWI and Sweco will have a significantly larger market share.

Table 4: The Parties estimated market shares in the Norwegian market for administrative services⁸. (Confidential)

	Gross revenue	Estimated market share
WSP Global		
RPS Global		
Total		

(52) The same reasoning applies to the potential narrow market for administrative services. Post Transaction, the combined entity will have a market share of less than █ per cent in a market with several prominent industrial players, including NordConsult, MultiConsilt, Sweco, Rambøll Norge, KPMG and Cowi.

(53) Hence, the Transaction will not have any noticeable effects within this market segment either.

8. MOST IMPORTANT CUSTOMERS AND COMPETITORS

(54) An overview of the Parties' most important competitors and customers in the market for engineering consultancy services is enclosed in the appendices below. The Parties have

⁸ The Parties estimate that the total market for administrative services represents approximately 20% of the volume in "Byggeteknisk konsulentvirksomhet" NACE-kode 71.121, resulting in a total market volume of NOK 8 billion.

not provided a list of suppliers since they provide knowledge-based services (i.e., consultancy services) and do not have any genuine upstream suppliers.

Appendix 4: WSP Global's most important competitors and customers in Norway (confidential)

Appendix 5: RPS's most important competitors and customers in Norway (confidential)

9. ANNUAL REPORTS AND ACCOUNTS

(55) The Parties' annual report and annual accounts for the last financial year are included below.

Appendix 6: WSP Norge AS's annual accounts of 2021

Appendix 7: WSP Global's annual accounts of 2021

Appendix 8: RPS's annual accounts of 2021

Appendix 9: Metier OEC AS' annual accounts of 2021

10. CONFIDENTIALITY

(56) This notification, with attachments, contains business secrets and other information that is of competitive importance to keep secret. This information shall be treated strictly confidential and exempt from public access in its entirety, ref the Public Administration Act section 13, first paragraph, no. 2.

(57) The relevant information is double underlined or marked as "confidential".

(58) Further justification for confidentiality is enclosed.

Appendix 10: Justification for Confidentiality'

Sincerely

for Advokatfirmaet Wiersholm AS

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