



THE PROPOSED ACQUISITION OF SOLE CONTROL OF STANDARDAERO HOLDING CORP BY DYNASTY ACQUISITION COMPANY INC.

1. The Competition Authority of Kenya has approved the proposed acquisition of sole control of StandardAero Holding Corp by Dynasty Acquisition Company Inc.
2. Dynasty Acquisition Co Inc. (Dynasty Co), is a Special Purpose Vehicle managed by affiliates of Carlyle Group (Carlyle), which is listed on the NASDAQ Stock Market.
3. Carlyle is a multi-product global alternative asset management firm which offers advice to specialized investment Funds and other investment vehicles. Carlyle, on behalf of its clients, manages several companies in Kenya across several sectors.
4. StandardAero Holding Corp (StandardAero), is incorporated in USA and controlled by Veritas Capital.
5. StandardAero is involved in the provision of maintenance, repair and overhaul (MRO) services to engines original equipment manufacturers (OEMs), business aviation, military and industrial power owner/operators. StandardAero has a service center at the Wilson Airport in Nairobi.
6. The proposed transaction involves the acquisition of 100% of the share capital of StandardAero Holding Corp by Dynasty Acquisition Company Inc.
7. The transaction therefore qualified as a merger within the meaning of Section 2 and 41 of the Competition Act No.12 of 2010.



8. The parties' combined turnover for the preceding year (2017) was **over Sh1 billion** and, therefore, the transaction met the threshold for full merger analysis as provided in the **Merger Threshold Guidelines**.
9. One of the acquirer's subsidiary in Kenya is present in Kenya's major airports, including Wilson Airport, and is engaged in the management of the runway to ensure safe landing, takeoff and taxiing. Despite sharing a business location, the acquirer's activities do not overlap with the activities of the target - provision of MRO services.
10. For the purposes analyzing the proposed transaction, the Authority determined the **relevant product market** to be the **market for aircraft MRO services**. StandardAero offers its services to customers that operate across the country and therefore the **relevant geographic market is national**.
11. In Kenya, the major MRO operators are; Kenya Airways Technical, MAF Kenya, Airkenya Express, Airworks, ALS, Z Boksovic Air Charters and Hawk Aviation.
12. Further, foreign MRO service providers provide engine services in Kenya by sending technicians to work in Kenya. Such players include: South African Airlines Technical (SAAT), Ethiopian Airline, Maintenance and Engineering, Air Algerie Technics and Tunisair Technics.
13. Data from the Economic Survey 2018 indicated that the number of MRO providers in Kenya increased from eighty five (85) in 2013 to one hundred forty three (143) in 2017. The increased investment in this market is indicative that the market's barriers to entry are not prohibitive.
14. Post-merger, the proposed transaction is unlikely to raise any competition concerns since the acquirer does not engage in a similar business in Kenya. In addition, the merged entity is expected to face competition from the other players in the market.
15. With regard to public interest issues, the transaction is unlikely to lead to any negative public interest issues.
16. Premised on the fact that the transaction is unlikely to raise negative competition or public interest concerns, the Authority approved the proposed acquisition of sole control of Standardaero Holding Corp by Dynasty Acquisition Company Inc.

