Mergers: Commission approves acquisition of Pelican Rouge by Selecta, subject to conditions

The Commission's competition concerns

Selecta and Pelican Rouge are both active in the vending services market in the European Economic Area. The Commission examined the effects of the proposed transaction in the vending services market and its sub-segments at national level where the activities of Pelican Rouge and Selecta would overlap, notably in Belgium, Finland, France, Ireland, the Netherlands, Spain, Norway and the UK.

The Commission concluded that the proposed transaction would not lead to serious doubts in the market for vending services, including any potential segmentation, in any of these countries with the exception of Finland.

In Finland, according to the Commission's analysis, anti-competitive effects would likely arise in the market for full vending services (including the segment for hot beverages provided by full services providers) and in the overall market for vending services due to the parties' high combined market share.

The proposed commitments

To address the Commission's competition concerns, Selecta offered to divest all of its vending service activities in Finland. The divestment will entirely remove the overlap between Selecta and Pelican Rouge in Finland and restore the same level of competition as before to the proposed transaction.

In view of the proposed commitments, the Commission concluded that the proposed transaction, as modified by the commitments, would no longer raise competition concerns. The decision is conditional upon full compliance with the commitments.

Companies and products

Selecta of Switzerland is active in the provision of vending services in Europe in both public and private settings, such as the sale or lease of vending machines, the sale of consumables used to stock vending machines and other related supplies, as well as stocking and maintenance of vending machines, for both food and beverage vending.

Pelican Rouge of the Netherlands is active in the supply, installation and operation of vending equipment, beverage systems and the provision of vending

ingredients in Europe. Pelican Rouge is also a coffee provider owning and operating its own roasting facility.

Merger control rules and procedures

The transaction was notified to the Commission on 5 July 2017.

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the Merger Regulation) and to prevent concentrations that would significantly impede competition in the EEA or any substantial part of it.

The vast majority of notified mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has a total of 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II).

More information will be available on the <u>competition</u> website, in the Commission's <u>public case register</u> under the case number <u>M.8454</u>.