

## PRESS RELEASE

### **The CNMC cleared a total of six mergers in January, and agreed to initiate the phase II in another transaction**

- The six acquisitions approved in the phase I did not pose problems to competition in their respective markets.
- The transaction involving Memora/funeral services will be analysed in depth, as risks to competition have been identified, especially in the Basque Country.
- The sectors affected by the corporate transactions included the retail distribution sector of everyday consumer goods in self-service format, the funeral services sector, the fixed telecommunications infrastructure sector, the chemical products sector, and the liquefied petroleum gas distribution and supply sector.

**Madrid, 4 February 2021** - The CNMC authorised a total of six mergers this past January:

#### **[C/1154/20 CARREFOUR / SUPERSOL](#)**

### **The leader in the retail distribution sector, Carrefour, acquires exclusive control of Supersol supermarkets**

On 12 January 2021, the CNMC authorised, in the first phase, the operation by which **Centros Comerciales Carrefour S.A. (CARREFOUR)** acquires exclusive control of **Supersol Spain S.L.U. (SUPERSOL)** and one of its subsidiaries in Ceuta, **Superdistribución Ceuta, S.L.U.**

Carrefour belongs to a French group that is a leader in the global distribution sector, with activity in more than 30 countries, mainly in Europe, Latin America and Asia. In Spain, Carrefour's activity in the retail distribution market is structured through hypermarkets, supermarkets (under the Carrefour Market banner), local establishments (under the Carrefour Express banner), through which it offers a wide range of fresh products (both from local and national suppliers) and a wide variety of non-food products in every Autonomous Community, as well as online. In addition, it carries out activities that supplement those above: operation of service stations, financial services, a travel agency and real estate services.

Supersol is a supermarket company with centres distributed throughout the various Spanish provinces. It belongs to a Lithuanian group of retail chain companies that operate mainly in Lithuania, Latvia, Estonia, Poland and Bulgaria.

The operation reinforces the presence of Carrefour in certain municipalities in which the combined municipal share exceeds 30%, although in all of them, the top

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competitor has a share of over 20% (with the exception of Conil de la Frontera, where it has a share of 15.9%). In addition, in most of them, this main competitor is Mercadona, which is a very relevant operator with a national presence and which is continuing to expand.

In municipalities where the overlap is greater and the combined share reaches 50%, the CNMC has determined that if the areas of influence are taken into account based on points 15 minutes apart by car, the combined share is reduced.

It is also important to realise that the market share is estimated based on the surface area of the different establishments, and that Mercadona obtains between two and three times more sales per square metre than Carrefour and Supersol, respectively, so the market shares per surface area used would be overestimating the actual shares in terms of turnover.

Therefore, the CNMC concluded that the merger operation is not expected to pose an obstacle to effective competition in the market for the self-service retail distribution of daily consumer products.

#### [C/1151/20: MEMORA / SERVICIOS FUNERARIOS.](#)

### **The CNMC agrees to start the phase II of the merger involving Memora and other companies that engage in providing funeral services**

On 19 January 2021, the CNMC agreed to analyse in depth (Phase II) the merger consisting of **Memora's** acquisition of the companies that provide funeral, funeral home, crematorium and cemetery management services owned by **Rekalde 21 Corporación, S.L.**, including its subsidiaries. The transferred companies are: Fure, S.A.U., Tanatorio Donostialdea-Donostialdeko Beilatoki, S.A.U., Tanatorio del Bidasoa, S.A.U., Servicios Funerarios Baztán Bidasoa, S.L., and Servicios Funerarios Zarautz, S.A.

Memora is a leading group in the provision of funeral, funeral home, crematorium and cemetery management services and is present in 21 Spanish provinces.

The operation in question affects those wholesale funeral services markets in which funeral insurance and funeral services companies individually contract services that they cannot provide directly due to lacking sufficient facilities.

The operation would reinforce Memora's position in the wholesale market for funeral services in the Basque Country (as is the case of Errenteria and San Sebastián). The company would also acquire a considerable presence in areas where it was not active (Hernani, Irún, Olaberria, Tolosa, Villabona and Zarautz).

It would also acquire a notable presence in the wholesale market for crematorium and cemetery services in areas where it was not active (in crematoriums in

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Errenteria, Olaberria, Villabona and San Sebastián; and in cemeteries in Guipúzcoa). Due to the greater access to funeral homes and crematoriums that it would have after the operation, specifically in the Basque Country and Navarre, the presence of Memora (in the national retail market for the provision of comprehensive funeral services) is indirectly reinforced.

As a result, and in order to analyse these risks in detail, the CNMC has decided to carry out this in-depth analysis in the second phase before deciding whether or not to approve the merger of the various companies. ([Press release](#))

### [C/1158/21 CIRCET/ITETE](#)

#### **Circet acquires control of Itete in Spain's fixed telecommunications infrastructures sector**

On 19 January 2021, the CNMC authorised, in the first phase, the operation by which **Circet Iberia, S.L.U.** (CIRCET) acquires exclusive control of **Instalaciones de Tendidos Telefónicos, S.A.** (ITETE).

Circet is a holding company that controls Circet Cableven, whose activity is the design and comprehensive management of projects for fixed telecommunications infrastructures in Spain (this includes civil engineering to house the lines and cables and their deployment and maintenance).

Itete is a company that engages in the design and comprehensive management of projects for fixed telecommunications infrastructures in Spain. It also operates in other countries, specifically, in South America, although the operation only includes the purchase of assets related to its activity in Spain.

The CNMC concluded that the merger operation does not pose a threat to effective competition in the markets, since the parties' involvement in the operation of the markets is of little importance.

### [C/1160/21 LATOUR CAPITAL/SOLVAY](#)

#### **Latour acquires exclusive control of Solvay chemical company**

On 19 January 2021, the CNMC authorised, in the first phase, the operation by which **Latour Capital Management** acquires exclusive control of the companies **Solvay Infra Bad Hönningen GmbH**, **Solvay Minerales S.A.** and **Solvay Persalze**.

Latour is a European private equity firm headquartered in Paris. Its activity focuses mainly on investments in the Internet, industrial and business services sector, and on providing services to individuals, including financial and insurance services.

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Solvay, headquartered in Brussels, Belgium, is one of the world's leading chemical companies and is present in the advanced materials and specialty chemicals sectors. Specifically, it operates in the barium carbonate and strontium carbonate industry, including certain co-products, and in the sodium percarbonate market.

The CNMC concluded that this merger does not pose risks to effective competition in the affected markets, since the operation does not give rise to horizontal or vertical overlaps between the parties, since neither the acquirer, nor any of the companies controlled by its funds, are present in Solvay's markets, or in any other vertically related market.

### [C/1159/21 GRACO / HI-TECH](#)

#### **The American company Graco acquires the Spanish company Hi-Tech**

On 26 January 2021, the CNMC authorised, in the first phase, the operation by which **Graco BV** acquires exclusive control of **Hi-Tech Spray Equipment, S.A.**

Graco is a multinational manufacturing company headquartered in Minnesota, USA, that designs, manufactures and markets systems and equipment used to transport, measure, control, dispense and spray fluid and powdered materials. The markets it serves include automobile and vehicle assembly and component production, wood and metal products, railroad, marine, aerospace, agriculture, construction, bus, commercial vehicles, recreation and various other industries.

Hi-Tech is a Spanish company based in Barcelona that focuses on the design, assembly and sale of equipment for applying polyurethane foam and spraying polyurea. It operates under the Gama and Novag brands.

The operation gives rise to significant horizontal overlaps, with combined shares of over 60% both in Europe and in Spain, in the market for the manufacture and sale of fast-setting equipment for dosing and applying polyurethane and polyurea foam. However, as was verified in interviews with its customers, it is a broad market that is probably global in scale, with high interchangeability of equipment and accessories. The market is very dynamic and competitive both between manufacturers and distributors. Furthermore, the potential competition is very strong. There is a second-hand market that exerts competitive pressure and there are no barriers to entry.

For these reasons, the transaction cannot be expected to pose a threat to competition in the markets analysed.

### [C/1157/20 CATALANA OCCIDENTE/ FUNERARIA ARANGUREN](#)

#### **Catalana Occidente expands its funeral business with the purchase of Funeraria Aranguren**

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On 26 January 2021, the CNMC authorised, in the first phase, the operation by which **Funerarias Bilbaína y la Auxiliadora, S.L.U.**, a subsidiary of **Seguros Catalana Occidente, S.A.** insurance and reinsurance (“CATALANA OCCIDENTE”) acquires exclusive control of **Aguirre y García de Andoin, S.L.** (“FUNERARIA ARANGUREN”).

Catalana Occidente is an insurance company present in the field of life and non-life insurance (including death insurance) and reinsurance, as well as in the management of pension plans and funds. In addition, it is present in the comprehensive funeral services sector in Spain through some of its subsidiaries. As a whole, the Catalana Occidente funeral group manages 23 funeral homes, 5 crematoriums and 14 cemeteries.

Funeraria Aranguren is a Spanish company whose capital stock is owned by two natural persons. It provides comprehensive funeral services through four of its own funeral homes, three located in the Biscayan municipalities of Zalla, Balmaseda, and Muskiz, and another in Villasana de Mena (Burgos).

As a result of the operation, the Catalana Occidente group will marginally strengthen its presence in the retail market for comprehensive funeral services nationwide, particularly in Vizcaya (share increase of 2.12%), and it will enter the wholesale funeral home markets in the specified localities.

From the point of view of vertical reinforcement, with the operation, Catalana Occidente will increase its capacity to provide funeral activities to its policyholders in those locations, although its share in the national funeral insurance market is very small (5.4%).

Given the above, the CNMC concluded that this merger does not pose risks to effective competition in the affected markets.

### **C/1149/20 NED SUMINISTRO GLP/ACTIVOS CEPESA**

#### **Ned Suministro GLP purchases some of Cepsa's LPG distribution and supply assets in different municipalities of Asturias, the Basque Country, Cantabria and Castilla y León**

On 26 January 2021, the CNMC authorised, in the first phase, the merger consisting of the acquisition by **Ned Suministros GLP, S.A.U.** (hereinafter, NED) of certain assets for the distribution and supply of liquefied petroleum gas (LPG) owned by **Cepsa Comercial Petróleo, S.A.U. (CEPSA)** and located in different municipalities of the Principality of Asturias, the Basque Country, Cantabria and Castilla y León.

Ned is the business company of the Nortegas group that engages in activities in the LPG market. The Nortegas group is also present in the natural gas distribution market.

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The Cepsa assets being transferred in this transaction consist of 5,429 supply points, together with piped LPG supply facilities, as well as various assets, instruments and networks associated with them in the Principality of Asturias, the Basque Country, Cantabria and Castilla y León. Likewise, Ned will be subrogated in the supply policies or contracts with end customers connected to the facilities that are the object of the sale, which Cepsa currently has.

The share increases resulting from this operation are small, with the exception of the province of Álava, where the increase is 31%. In any case, given that Nortegas is not present in the wholesale LPG supply market, nor in the natural gas supply market, there is no risk that its position will be strengthened in vertically related markets.

It is also important to note that this operation does not remove any piped LPG competitors from the domestic market, since Cepsa maintains its presence in various areas of the national market.

Given the above, the CNMC concluded that this merger does not pose a threat to effective competition in the affected markets.

[List of mergers approved by the CNMC.](#)

[Merger analysis.](#)

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