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PUBLIC VERSION

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus […]. Where possible the information omitted has been replaced by ranges of figures or a general description.

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Subject: **Case M.11295 - AIRBUS / AIR FRANCE / JV**
Commission decision pursuant to Article 6(1)(b) of Council Regulation No 139/2004 ([1]) and Article 57 of the Agreement on the European Economic Area ([2])

Dear Sir or Madam,

(1) On 18 March 2026, the European Commission received notification of a proposed concentration pursuant to Article 4 of the Merger Regulation by which Airbus SAS, controlled by Airbus SE ('Airbus'), and Société Air France, controlled by

([1]) OJ L 24, 29.1.2004, p. 1 (the 'Merger Regulation'). With effect from 1 December 2009, the Treaty on the Functioning of the European Union ('TFEU') has introduced certain changes, such as the replacement of 'Community' by 'Union' and 'common market' by 'internal market'. The terminology of the TFEU will be used throughout this decision.

([2]) OJ L 1, 3.1.1994, p. 3 (the 'EEA Agreement').

Air France-KLM S.A. ('Air France'; together with Airbus, the 'Parties') will acquire joint control within the meaning of Article 3(1)(b) and 3(4) of the Merger Regulation over a joint venture for the provision of component maintenance services ('CMS') for the A350 aircraft family worldwide (the 'JV') (the 'Transaction'). ([3])

1. THE PARTIES

(2) **Airbus**, incorporated in the Netherlands, is active worldwide in aeronautics, space and defence related industries, and, in particular, in the manufacturing and supply of large commercial aircraft and related spare parts as well as CMS.

(3) **Air France**, incorporated in France, is an airline active in passenger and cargo transport and aeronautical maintenance (including CMS) for its own and third-party fleets, with global operations.

2. THE OPERATION

(4) According to an agreement entered into on 19 December 2024, Airbus and Air France will respectively acquire 50% of shares and voting rights in the JV - named Alpha Component Solutions - which is currently solely owned by Air France. Strategic commercial decisions in relation to the JV, such as in relation to the business plan and annual budget, will be subject to the Parties' unanimous decisions. Each of Airbus and Air France will be able to block strategic commercial decisions in respect of the JV.

(5) Based on the information submitted by the Parties, the JV will have sufficient personnel, financial resources and assets to operate autonomously on the market, at an initial stage as well as during its lifetime. In particular, the JV will have its own management team and employees directly employed by the JV. The JV will generate most of its sales with third parties. The JV is expected to become autonomous from the Parties, not least in relation to its purchasing relationship with the Parties, within an initial stage of the JV's existence. The JV is also expected to add sufficient value to the Parties' activities, within an initial stage of the JV's existence. The JV is intended to be operated on a lasting basis.

(6) Therefore, the Transaction constitutes a concentration within the meaning of Article 3(1)(b) and 3(4) of the Merger Regulation.

3. UNION DIMENSION

(7) The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 000 million ([4]) (Airbus: EUR 69 230 million; Air France: EUR […]). Each of them has a Union-wide turnover in excess of EUR 250 million (Airbus: EUR […]; Air France: EUR […]), but they do not both achieve more than two-thirds of their aggregate Union-wide turnover within one and the same Member State. The notified operation therefore has a Union dimension.

([3]) OJ C, C/2026/1936, 27.3.2026.

([4]) Turnover calculated in accordance with Article 5 of the Merger Regulation.

4. INDUSTRY OVERVIEW

(8) The Transaction concerns the market for the provision of CMS for the A350 aircraft family. CMS comprises inspection, test and alteration of specific equipment and components installed on an aircraft which can be repaired and are of a significant value. The A350 family consists of two versions: the A350 900 and the A350 1000. The components are nearly identical in both versions.

(9) CMS are essential for aircraft operations. All airlines need maintenance support to ensure their operations worldwide to ensure the operational availability of their aircraft. Airlines to secure reliable, fast, and cost-effective access to CMS to avoid aircraft on-ground ('AOG') situations, which typically are very costly for airlines.

4.1. Providers of CMS

(10) Airlines may choose to procure CMS from the following types of providers:

(1) original equipment manufacturers (OEMs);

(2) integrators i.e. CMS providers offering aftermarket services for components from multiple OEMs; ([5]) and

(3) in-house provision.

(11) Airlines often rely on a combination of these providers. That is, they may negotiate CMS agreements with OEMs for certain aircraft parts, manage certain maintenance activities internally and use an integrator for the remaining scope of their CMS requirements.

(12) The choice made by the airlines on their MRO providers depends on many factors including the size of the airlines, their technical capabilities, their technical expertise, their performance requirements and resources. Further, this allocation may evolve over time. In particular, at the beginning of an aircraft platform's lifecycle, airlines may source more from OEMs directly due to the existence of warranties and the lack of a second-hand market. ([6]) As the platform matures, a second-hand market for parts develops, lowering barriers to entry for providers of CMS.

4.1.1. Component OEMs

(13) OEMs tend to provide CMS for their own portfolio of components only.

(14) OEMs that provide components (i.e. parts) for the A350 platform include Safran Group, Thales, Honeywell and Collins. ([7]) For the A350 specifically, Airbus entered into contracts governing aftermarket support with each of its component OEMs. Under these contracts - referred as Supplier Support Conditions ('SSC') – component OEMs have to provide aftermarket support to airlines at reasonable conditions in respect to (i) order lead times, (ii) pricing conditions and (iii) escalation clauses. ([8])

([5]) As defined in M. 6410 *UTC/Goodrich* paragraph 176.

([6]) This warranty offered by OEMs for parts included in new aircraft is on average four years although it varies by component.

([7]) In addition to being the airframer (i.e. the manufacturer of the aircraft), Airbus also acts as a component OEM, supplying approximately [below 10]% of the components of the A350 (Form CO, Table 55).

([8]) [Information regarding the supply of original equipment manufacturer components for A350 aircraft by Airbus].

(15) In addition to providing CMS themselves, OEMs can enter into licensing agreements with third-party CMS providers (i.e. integrators). OEMs are free to determine their own strategies, including choosing to grant exclusive licenses to a single integrator or refusing to grant licenses altogether for some or all of their parts. For example, until 2025 Lufthansa Technik was the only integrator with a licence from Honeywell to repair the Auxiliary Power Unit for the A350. [9] [Information regarding licensing agreements for the supply of original equipment manufacturer components for A350 aircraft]. [10]

4.1.2. Integrators

(16) Integrators consist of any CMS providers offering aftermarket services for components from multiple OEMs to third parties. This may include:

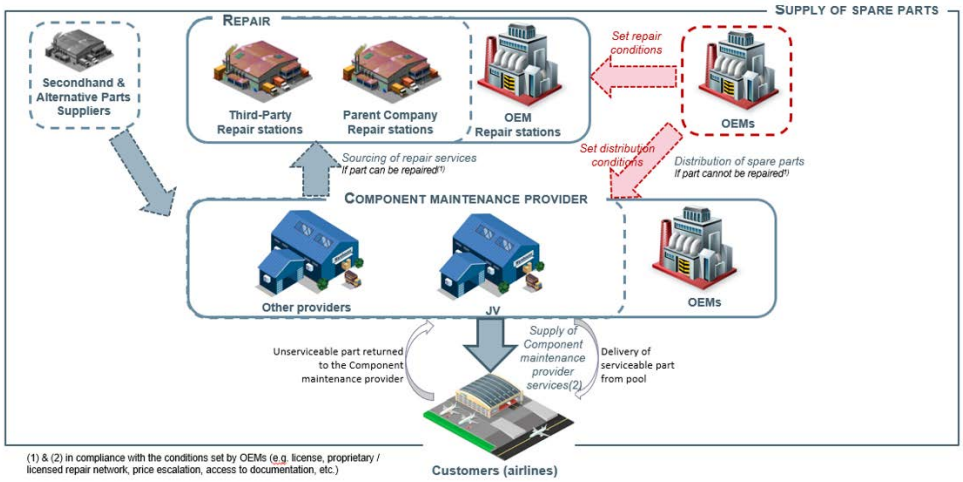
(1) airlines and airline-owned MRO service providers such as Lufthansa Technik (LHT) or Air France Industries (AFI) servicing both their own fleet and that of third parties;

(2) airframers, such as Airbus; and

(3) independent CMS service providers, such as OEM Services or AJ Walter.

(17) Integrators often do not perform the actual repair work on the component themselves. Instead, they provide airlines with a one-stop-shop that manages the interactions with many OEMs and repair stations. Figure 1 illustrates these interactions. Integrators collect faulty components from the airlines and exchange them for a working component from their parts pool. The integrator would then send the faulty part to the most appropriate repair shop (if repairable). Once repaired, the component will be reintegrated into the integrator's pool and made available again to customers.

Figure 1 Illustration of the JV's intended activities



Source: Form CO, paragraph 78

(18) Integrators may decide not to offer CMS for certain parts, for a variety of reasons including technical capabilities, licensing conditions or commercial strategy. To offer maintenance services for additional parts, integrators typically require investment in dedicated spare parts and infrastructure. For this reason, limitations

([9]) Form CO, footnote 147 and paragraph 468.
([10]) Form CO, paragraph 425.

to the availability of spare parts acts as a barrier to entry (or expansion) for integrators.

(19) The proportion of the total CMS value for A350 covered by integrators varies substantially across airlines, from around […]% of the total CMS value being provided by integrators while the remainder is provided either in-house or by OEMs. ([11]) Integrators for A350 therefore do not offer "nose-to-tail maintenance services" in the sense of providing maintenance for the whole aircraft even if this terminology is sometimes used in the industry. In practice, airlines always need to contract with different providers for the full scope of CMS for A350.

4.1.3. In-house provision

(20) In-house provision by airlines requires certain investment and technical capabilities. As a result, only airlines that have a fleet of certain size would typically provide CMS internally for a particular aircraft platform. All airlines with in-house capabilities for the A350 cover only a subset of A350 parts and need to procure maintenance services from OEMs or integrators for the remaining parts.

(21) Airlines that provide in-house CMS for A350 include Qatar Airways, Air France-KLM, Lufthansa, Turkish Airlines, Finnair, Etihad, Emirates. ([12]) Currently, only Air France-KLM and Lufthansa are also integrators i.e. provide CMS for A350 to third parties through Air France and LHT, respectively.

4.2. Tendering of CMS

(22) Airlines generally issue requests for proposals ('RFPs') to OEMs and to integrators simultaneously and in parallel, to address the same maintenance need for a given aircraft or fleet. Depending on the proposals received, airlines may decide to reduce and/or expand the scope of the respective RFPs addressed to OEMs and integrators. For example, they may ask OEMs for quotes on components that were first part of the RFP shared with integrators or conversely expanding the scope of integrators' RFPs by including components on which they initially collected quotes from OEMs only.

4.3. Market trends

(23) The overall CMS market is expected to grow from a value estimated at USD 21.1 billion in 2025, to USD 32.5 billion in 2035. ([13]) Specifically for A350, the MRO spend is expected to grow 13% annually in the period 2022-2032. ([14])

(24) The expected growth in demand for CMS for A350 is directly related to the expected increase of the global fleet of A350 in coming years. To date, Airbus has received 1,564 aircraft orders for A350, of which 710 have been delivered as of March 2026. ([15]) Airbus has delivered approximately 60 A350 aircraft per year in recent years ([16]) and the Parties estimate that over [projected A350 fleet size]

([11]) Form CO, paragraph 461.
([12]) Form CO, table 15.
([13]) Oliver Wyman, Global fleet and MRO Market forecast 2028-2035, page 10.
([14]) ICF International, MRO ten-year forecast.
([15]) Airbus, 'Order and Deliveries' available at: https://www.airbus.com/en/products-services/commercial-aircraft/orders-and-deliveries.
([16]) Airbus, 'Airbus reports 793 commercial aircraft deliveries in 2025', Press Release of 12 January 2026.

aircraft will be operational by 2030. ([17]) Industry reports indicate that "*the fastest growing aircraft families will be the Airbus A350*". ([18])

(25) In addition, the availability of replacement parts is expected to increase over time. This includes second-hand parts as well as parts produced for replacement purposes by the OEMs or other manufacturers. The second-hand market is not yet developed for this platform compared to older platforms due to the A350's relatively short service period to date. ([19]) Used Serviceable Material ("USM") is typically very limited in the first 15 years of the life of a new aircraft model. ([20]) Once a significant number of old airframes start to be dismantled, USM becomes more prevalent on the market. The increased availability of spare parts lowers barriers to entry to the CMS market, making it more competitive.

5. MARKET DEFINITION

5.1. The relevant product market

5.1.1. The Commission's decisional practice

(26) In its decisional practice, the Commission considered an overarching market for the maintenance, repair and overhaul services for aircraft ('MRO'). The Commission considered that the first segmentation of MRO can be made according to what part of the aircraft is to be serviced or what part is to be replaced, and the level of service required, i.e. into (i) line maintenance, (ii) heavy maintenance, (iii) engine maintenance, and (iv) CMS. The Commission in the past also considered a segmentation in view of MRO for commercial and military aircraft. The Commission also considered a further segmentation of MRO on the basis of the aircraft manufacturer (e.g., Airbus or Boeing) and of the aircraft platform type (e.g., Airbus A320 or Boeing 737) for which the MRO services are provided. Ultimately, the Commission left the precise product market definition open. ([21])

5.1.2. The Parties' view

(27) The Parties consider that there is an overarching market for MRO that can be further segmented into line maintenance, heavy maintenance, engine maintenance and CMS. The Parties also consider that there may be a segmentation according to the type of the aircraft and the aircraft platform. The JV's scope is related solely to CMS for commercial aircraft, specifically solely to CMS for A350. ([22])

5.1.3. The Commission's assessment

(28) The results of the market investigation confirmed that there is a separate market for MRO from the demand-side and supply-side perspective. ([23]) The market

([17]) Form CO, Annex 27.
([18]) Aviation Week, Fleet&MRO Forecasts, 2023 Market Summary Report, page 40.
([19]) The A350 platform has been operated for approximately 11 years, with the first delivery taking place in December 2014.
([20]) Form CO, paragraph 938.
([21]) M.8858 - *Boeing / Safran / JV (Auxiliary power units)*, para. 21 et seq.; M.6410 - *UTC / GOODRICH*, para. 174 et seq.
([22]) Form CO, paragraphs 263 et seq.
([23]) Replies to 01 - Questionnaire to competitors, question B.1; Replies to 02 - Questionnaire to customers, question B.1; non-confidential minutes of a call with a customer, 11 December 2025,

investigation also confirmed that it is appropriate to further segment MRO in view of line maintenance, heavy maintenance, engine maintenance and CMS. ([24]) In respect of MRO but also CMS specifically, the market investigation confirmed a further segmentation based on the type of aircraft (commercial v. defence). ([25]) The results of the market investigation in relation to further segmentations based on the airframer (e.g., Boeing or Airbus) and the specific aircraft platform (e.g., A350, or 777) were mixed. Whilst some market participants considered that these further segmentations are justified, others considered these segmentations not to be warranted. ([26])

(29) The market investigation revealed that there are very specific components in respect of which only component OEMs that manufactured the component, not however other component OEMs, or the integrators, such as airlines, airframers and / or independent providers, can provide CMS. ([27]) The reasons why only component OEMs can provide CMS in respect of these very specific components are a combination of regulatory, technical, and contractual constraints that include but are not limited to the absence of component OEMs granted maintenance data, approved test equipment, software, repair schemes, or access to necessary spare parts. ([28])

(30) For the purposes of this decision, the exact product market definition can be left open because the Transaction does not give rise to serious doubts on the basis of any plausible, even the narrowest (and most conservative) definition of the relevant product market. The Commission considers it appropriate to assess the effects of the Transaction in relation to the narrowest plausible market segment for CMS based on type of aircraft (i.e., commercial), aircraft manufacturer (i.e., Airbus) and aircraft platform (i.e., Airbus A350 f), hereinafter referred to as 'CMS for A350', not least since the lack of serious doubts at this narrowest plausible market segment translates into lack of serious doubts when considering the wider markets and segments in this respect.

5.2. The relevant geographic market

5.2.1. The Commission's decisional practice

(31) In its decisional practice, the Commission considered the market for MRO and its segments to be worldwide in scope. In particular, for CMS, the location of the facility is of secondary importance. Such services do not need to be performed at airports. Most CMS providers are active globally and consider that the markets

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paragraph 4; non-confidential minutes of a call with a competitor, 20 November 2025, paragraph 3; non-confidential response of a customer to a request for information, 27 November 2025, page 1.

([24]) Replies to 01 - Questionnaire to competitors, question B.2; Replies to 02 - Questionnaire to customers, question B.2; non-confidential minutes of a call with a customer, 11 December 2025, paragraph 5; non-confidential minutes of a call with a competitor, 20 November 2025, paragraph 3; non-confidential response of a customer to a request for information, 27 November 2025, page 1.

([25]) Replies to 01 - Questionnaire to competitors, question B.3; Replies to 02 - Questionnaire to customers, question B.3.

([26]) Replies to 01 - Questionnaire to competitors, questions B.4 and B.5; Replies to 02 - Questionnaire to customers, questions B.4 and B.5.; non-confidential minutes of a call with a customer, 11 December 2025, paragraph 7; non-confidential minutes of a call with a competitor, 20 November 2025, paragraph 3; non-confidential response of a customer to a request for information, 27 November 2025, page 1.

([27]) Replies to 01 - Questionnaire to competitors, question B.6; Replies to 02 - Questionnaire to customers, question B.6.

([28]) Replies to 01 - Questionnaire to competitors, question B.6.1; Replies to 02 - Questionnaire to customers, question B.6.1.

for CMS are worldwide in scope. This conclusion does not differ depending on the type of aircraft. Ultimately, the Commission left the precise geographic market definition open. ([29])

5.2.2. The Parties' view

(32) The Parties consider that the market for MRO, and specifically CMS for A350 is global in scope. The Parties provide CMS worldwide on the back of their global footprint [global operational footprint of the Parties]. Moreover, the Parties' main competitors operate on a worldwide basis. Furthermore, customers of CMS source their needs on a global basis as well. ([30])

5.2.3. The Commission's assessment

(33) The results of the market investigation confirmed that the market for MRO and specifically for CMS for A350 is global in scope. ([31]) According to the majority of customers and competitors, the majority of providers of CMS for A350 organise their operations on a global basis. ([32]) The majority of customers and competitors consider that there are no material barriers to providing CMS for A350 on a global basis. ([33]) The results of the market investigation were mixed as to whether customers of CMS for A350 organise their procurement of CMS for A350 on a worldwide basis. According to the majority of competitors, customers of CMS for A350 do indeed organise their procurement of CMS for A350 on a worldwide basis. The responses of the customers in this respect were inconclusive. ([34]) The majority of providers of CMS for A350 quote similar prices across different geographic regions globally. ([35])

(34) For the purposes of this decision, the Commission considers it appropriate to assess the effects of the Transaction in relation to the global market for CMS for A350 s.

6. COMPETITIVE ASSESSMENT

6.1. Affected markets

(35) Airbus is active on a worldwide basis in aeronautics, space and defence related industries, and, in particular, in the manufacturing and supply of large commercial aircraft and related spare parts as well as CMS. Air France is mainly active in passenger and cargo transport as well as CMS for its own and third-party fleets, with global operations. The JV will provide CMS for A350 on a global basis.

(36) The Transaction gives rise to one horizontally affected market in relation to the global market for CMS for A350 under the most conservative approach. The

([29]) M.8858 - *Boeing / Safran / JV (Auxiliary power units)*, para. 25 et seq.; M.6410 - *UTC / GOODRICH*, para. 196 et seq.

([30]) Form CO, paragraphs 328 et seq.

([31]) Non-confidential minutes of a call with a customer, 11 December 2025, paragraph 10; non-confidential minutes of a call with a competitor, 20 November 2025, paragraph 10; non-confidential response of a customer to a request for information, 27 November 2025, page 2.

([32]) Replies to 01 - Questionnaire to competitors, question C.1; Replies to 02 - Questionnaire to customers, question C.1.

([33]) Replies to 01 - Questionnaire to competitors, question C.4.

([34]) Replies to 01 - Questionnaire to competitors, question C.3; Replies to 02 - Questionnaire to customers, question C.3.

([35]) Replies to 01 - Questionnaire to competitors, question C.2.

Transaction also results in horizontal overlaps and vertical links for a number of other markets. However, none of these overlaps or links give rise to affected markets within the meaning of recital 25(g) Annex I to Regulation (EU) 2023/914 ([36]), as they meet the conditions for review under point 5 or benefit from the flexibility clause of point 8 of the Notice on Simplified Treatment ([37]). Therefore, these overlaps and links will not be further discussed in this decision. ([38])

6.2. Legal framework

(37) Article 2(2) and (3) of the Merger Regulation require the Commission to assess whether a proposed concentration would significantly impede effective competition in the internal market or in a substantial part of it, in particular through the creation or strengthening of a dominant position.

(38) The Horizontal Merger Guidelines ([39]) distinguish two main ways in which mergers between actual or potential competitors on the same relevant market may significantly impede effective competition, namely non-coordinated effects and coordinated effects.

(39) Non-coordinated effects may significantly impede effective competition by eliminating the competitive constraint imposed by one merging party on the other, as a result of which the merged entity would have increased market power without resorting to coordinated behaviour. According to recital 25 of the Merger Regulation, a significant impediment to effective competition can result from the anticompetitive effects of a concentration even if the merged entity would not have a dominant position on the market concerned. In this regard, the Horizontal Merger Guidelines consider not only the direct loss of competition between the merging firms, but also the reduction in competitive pressure on non-merging firms in the same market that could be brought about by the merger. ([40])

(40) The Horizontal Merger Guidelines list a number of factors, which may influence the rise of substantial non-coordinated effects from a merger, such as the large market shares of the merging firms, the fact that the merging firms are close competitors, the limited possibilities for customers to switch suppliers, or the fact that the merger would eliminate an important competitive force. The list of factors also applies if a merger would create or strengthen a dominant position or would otherwise significantly impede effective competition due to non-coordinated effects. Furthermore, not all of those factors need to be present to make significant non-coordinated effects likely and the list itself is not exhaustive. ([41])

([36]) Commission Implementing Regulation (EU) 2023/914 of 20 April 2023 implementing Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings and repealing Commission Regulation (EC) No 802/2004, OJ L 119, 5.5.2023, p. 22.

([37]) Commission Notice on a simplified treatment for certain concentrations under Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings 2023/C 160/01, OJ C 160, 5.5.2023, p. 1.

([38]) The relevant markets that are not further discussed in this decision include horizontal overlaps in relation to the global market for MRO, the global market for CMS for all aircraft, the global market for CMS for large commercial aircraft, as well as the vertical relationships in view of the global and EEA-wide markets for the production and supply of spare parts and the provision of passenger and air cargo transport services.

([39]) Guidelines on the assessment of horizontal mergers under the Council Regulation on the control of concentrations between undertakings ('**Horizontal Merger Guidelines**'), OJ C 31, 5.2.2014.

([40]) Horizontal Merger Guidelines, paragraphs 24-38.

([41]) Horizontal Merger Guidelines, paragraphs 24-38.

6.3. The Parties' view

(41) The Parties submit that the Transaction does not give rise to concerns. In the Parties' view, the market for CMS for A350 is highly competitive with numerous credible providers acting globally. These providers include component OEMs that provide CMS for the spare parts that they manufacture. Moreover, customers for CMS for A350 are airlines, with a significant countervailing buyer power due to their size and ability to vertically integrate. Furthermore, component OEMs constrain all other providers of CMS for A350, so-called integrators, such as airframers, airlines and independent providers. ([42])

6.4. The Commission's assessment

(42) The Commission considers that the Transaction does not give rise to serious doubts in respect of the only horizontally affected global market for CMS for A350 for the following reasons:

(1) the JV would have a material combined market share only under the narrowest market definition and the most conservative approach;

(2) sufficient competitive constraints, including equally close competitors, will remain in the market;

(3) barriers to entry are expected to decrease, making entry likely in the medium term; and

(4) market participants have not raised concerns in relation to the Transaction.

6.4.1. The JV would have a material market share only under the narrowest market definition and the most conservative approach

(43) The Parties provided share estimates for the narrowest relevant global market for CMS for A350, (i) based on a wider approach for all components for CMS for A350 as per Table 1 below; and (ii) based on the most conservative approach limited to A350 components for which the JV will offer CMS as per Table 2 below.

(44) According to their methodology, the Parties estimated the market size by calculating the value of providing CMS for the relevant components of a A350 aircraft (either all components or the subset for which the JV will offer CMS) multiplied by the total number of A350 aircraft in operation. To calculate the value for the JV, the Parties calculated the value of each contract between JV and customers, taking into account the components and the number of aircraft covered by the contracts. The market share of the JV is then the value for the JV divided by the market size. ([43])

(45) The JV's market share based on the wider approach for all components for CMS for A350 as per Table 1 below does not give rise to an affected market. The JV's market share based on the most conservative approach limited to A350 components for which the JV will offer CMS as per Table 2 is material e at [30-40]%.

([42]) Form CO, paragraphs 375 et seq.
([43]) Form CO, paragraphs 559 et seq. and Form CO, Annex 32.

Table 1 – Market shares for CMS for A350 worldwide (all components)

Provider	Market share (2023)	Market share (2024)	Market share (2025)
Airbus	[5-10]%	[5-10]%	[5-10]%
Air France	[10-20]%	[10-20]%	[10-20]%
Combined - JV	**[10-20]%**	**[10-20]%**	**[10-20]%**
Lufthansa	[20-30]%	[20-30]%	[10-20]%
Collins	[20-30]%	[20-30]%	[20-30]%
Safran	[10-20]%	[10-20]%	[10-20]%
Recardo	[0-5]%	[0-5]%	[0-5]%
Panasonic	[0-5]%	[0-5]%	[0-5]%
Others	[20-30]%	[20-30]%	[20-30]%

Source: Form CO, Annex 30.

Table 2 – Market shares for CMS for A350 worldwide (JV's scope)

Provider	Market share (2023)	Market share (2024)	Market share (2025)
Airbus	[10-20]%	[10-20]%	[10-20]%
Air France	[10-20]%	[10-20]%	[10-20]%
Combined - JV	**[30-40]%**	**[30-40]%**	**[30-40]%**
Lufthansa	[30-40]%	[30-40]%	[30-40]%
Collins	[5-10]%	[5-10]%	[5-10]%
Safran	[5-10]%	[5-10]%	[5-10]%
OEMServices	[0-5]%	[0-5]%	[0-5]%
Moog	[0-5]%	[0-5]%	[0-5]%
Others	[10-20]%	[10-20]%	[10-20]%

Source: Form CO, Table 31.

6.4.2. Sufficient competitive constraints will remain in the market

(46) The outcome of the overall investigation indicated that the JV would be sufficiently competitively constrained post-Transaction.

(47) The JV will continue to face established providers of CMS for A350 post-Transaction, including integrators such as Lufthansa ([30-40]%) and OEMServices ([0-5]%) as well as component OEMs, such as Collins ([5-10]%) and Safran ([5-10]%). The competitive constraint of component OEMs is also particularly highlighted by their position on the market for CMS for A350 considering all components, such as Collins ([20-30]%) and Safran ([10-20]%). ([44])

(48) Lufthansa is an established major global player recognised by customers as a credible alternative provider of CMS for A350. ([45]) The bidding data submitted by the Parties (see description below) suggests that OEMServices is an active player in the industry despite its relatively moderate market share. ([46]) Based on data for past tenders, OEMServices has globally participated in [number of] tenders or Requests for Proposal ('RFP') and it participated in around […]% of RFPs in which Airbus participated in, and in […]% of RFPs in which Air France participated in. For comparison, the other integrators have participated in more RFPs (Air France in [number of RFPs], Airbus in [number of RFPs] and Lufthansa in [number of RFPs]). Nevertheless, its frequent participation suggests

([44]) Non-confidential minutes of a call with a customer, 11 December 2025, paragraph 11 et seq.; non-confidential minutes of a call with a competitor, 20 November 2025, paragraph 11 et seq.; non-confidential response of a customer to a request for information, 27 November 2025, page 3; non-confidential minutes of a call with a customer, 3 December 2025, paragraphs 5 et seq.

([45]) Replies to 02 - Questionnaire to customers, questions D.3.1. and D.4.1.

([46]) Reply to RFI 13, Annex 02 – Consolidated List of RFPs.

that OEMServices is an active player which competes with the Parties for customers. Building up capacity does not appear to pose a material constraint on integrators, such as Lufthansa or OEMServices. These integrators do not keep spare capacity sitting idle but rather use a pooled inventory of spare parts to handle immediate demand from existing airline customers and build up capacity specifically for new contracts. If an integrator wins a new contract with an airline customer, the integrator will invest in securing especially the specific spare parts, labour and repair shop capacity, etc. to handle the increased volume. For instance, Lufthansa significantly expanded its Malta facility after securing a multi-year base maintenance contract for SAS Scandinavian Airlines' A350 fleet. ([47])

(49) Above and beyond the competitive constraints exerted by other integrators, component OEMs will continue to constitute a significant source of competitive constraint on the JV post-Transaction. Integrators, including the JV, are able to provide CMS for the Airbus A350 only to the extent that they are able to obtain the requisite spare parts, licences, specific tooling and testing equipment, as well as the relevant technical documentation and maintenance manuals, from the component OEM concerned. In this respect, integrators occupy the position of intermediaries in the supply chain, situated between the component OEMs - which retain control over the upstream inputs essential for the provision of CMS - and the airline customers that are the ultimate recipients of those services. Critically, airline customers are not dependent on integrators for access to CMS for the A350, as they retain the ability at all times to approach the component OEMs directly for the provision of such services. Indeed, the market investigation confirmed that some airline customers currently source CMS for A350 components solely from component OEMs, without any involvement of an integrator. As a consequence, the JV, in its capacity as an intermediary, must be in a position to offer airline customers meaningfully better commercial conditions than those available directly from the component OEM - including more competitive pricing, shorter lead times, and superior service terms more broadly - in order to attract and retain customers. The market investigation confirmed that competitive pressure from component OEMs will continue to constrain the commercial behaviour of the JV even post-Transaction. ([48])

(50) Whilst the majority of customers and competitors consider the Parties to compete closely in relation to CMS for A350, ([49]) based on the analysis of bidding data, it appears that other providers of CMS for A350, particularly Lufthansa, compete at comparable levels against each of the Parties.

(51) The Parties have submitted a dataset covering RFPs (or tenders) issued by airline customers between 2015 and 2026. The dataset includes information on the participation of the four integrators, Airbus, Air France, Lufthansa and OEMServices in each respective RFP. ([50]) Based on this data, the Commission has conducted an analysis of the RFP outcomes and finds that [comparative success rates in RFPs processes]. These results indicate that Lufthansa appears to

([47]) Lufthansa, Press Release of 26 May 2025, Lufthansa Technik to perform base maintenance services for A350 fleet of SAS, available at https://www.lufthansa-technik.com/en/base-maintenance-services-for-a350-fleet-of-sas-922dc1b1da5a5110.

([48]) Replies to 01 - Questionnaire to competitors, question D.4; Replies to 02 - Questionnaire to customers, question D.7; non-confidential response of a customer to a request for information, 27 November 2025, page 3.

([49]) Replies to 01 - Questionnaire to competitors, question D.3; Replies to 02 - Questionnaire to customers, question D.6.

([50]) Reply to RFI 13, Annex 02 – Consolidated List of RFPs.

be a strong competitor to both Airbus and Air France, suggesting that it competes at comparable levels to each of the Parties. ([51]) Additionally, the data shows that [share of RFPs won by OEMServices against the Parties] OEMServices is also an active player in the market.

6.4.3. Barriers to entry are expected to decrease, making entry likely in the medium term

(52) The market investigation indicated that market entry is not feasible based on low cost and within a short period of time, the main reason being that market entrants of CMS for A350 need to gain access to a sufficient scale of spare parts from multiple component OEMs. ([52]) However, growing demand for CMS for A350 and more spare parts becoming available due to existing A350 aircraft being decommissioned will likely result in multiple new entrants in the medium term, including AJW Group, Turkish Technic, GA Telesis, and entrants from China. ([53]) It is predicted that as the current A350 global fleet ages and new A350 aircraft are sold, the demand for CMS for A350 will continuously grow. Moreover, as the existing A350 global fleet ages, and more A350 aircraft are decommissioned, a second-hand market for A350 spare parts will emerge and develop (based on spare parts of the decommissioned A350) which will facilitate the entry of CMS for A350 with access to cheaper spare parts. ([54]) One example of such a development concerns the transition to the newer version of A320neo that has triggered a release of spare parts of the older version into the secondary markets. ([55])

(53) In addition, whilst the vertical integration of airline customers into providing CMS for A350 themselves is not feasible based on low cost and within a short period of time, ([56]) it appears to pose a viable alternative to some customers. For instance, one customer explained that vertically integrating into CMS for A350 would typically take an airline customer 12 to 24 months with costs similar to the ones for procuring CMS for A350 from external providers. Vertically integrating does not necessarily result in cost saving but rather ensures operational control, improves efficiency, and shortens turnaround times. ([57])

6.4.4. Customers have not raised concerns in relation to the Transaction

(54) Lastly, no substantiated concerns have been raised in relation to the Transaction. Some customers noted that the Transaction could result in lower prices, better lead times, more innovation and better quality. ([58])

([51]) When considering only customers from the EEA, both Airbus and Air France lose the majority of RFPs to Lufthansa.

([52]) Replies to 01 - Questionnaire to competitors, questions D.5. and D.5.1; Replies to 02 - Questionnaire to customers, question D.8. and D.8.1.

([53]) Replies to 01 - Questionnaire to competitors, question D.6; Replies to 02 - Questionnaire to customers, question D.9.

([54]) Replies to 01 - Questionnaire to competitors, questions D.5 and D.6; Replies to 02 - Questionnaire to customers, questions D.8 and D.9; non-confidential minutes of a call with a customer, 11 December 2025, paragraph 18; non-confidential minutes of a call with a competitor, 20 November 2025, paragraphs 23 et seq.

([55]) See AIRCRAFT TRADING & THE AFTERMARKET, The market for used heavy & system components, avionics, available at https://www.ajw-group.com/storage/downloads/1512039113_the_market_for_usm_-_aircraft_commerce.pdf.

([56]) Replies to 02 - Questionnaire to customers, question D.5.

([57]) Non-confidential minutes of a call with a customer, 3 December 2025, paragraphs 13 et seq.

([58]) Replies to 02 - Questionnaire to customers, question F.1.1.

6.4.5. Conclusion

(55) In light of the foregoing, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market as a result of horizontal non-coordinated effects in respect of the global market for CMS for A350.

6.5. Efficiencies

6.5.1. Introduction

(56) The Commission has assessed the Parties' submission on efficiencies on a no-prejudice basis as it follows from the above that the Transaction does not raise serious doubts. This section includes a preliminary assessment of all substantiated efficiency claims in line with paragraph 77 of the Horizontal Merger Guidelines. ([59])

6.5.2. The Parties' views

(57) The Parties expect that the Transaction will result in efficiencies. The Parties submit that the JV will enable the Parties to optimise their combined pool of spare parts, resulting in lower costs and a broader spare parts base ('pool synergies') as well as combine their geographic footprint, resulting in reduced transportation costs, lower lead times and a reduced environmental impact ('geographic footprint synergies'), among other claimed efficiencies. ([60])

(58) Specifically, the Parties claim that pool synergies will result from jointly managing their inventories, decreasing the required investment in spare parts per aircraft in comparison to a scenario where both Parties provide their services on a standalone basis [planned cost reductions per aircraft]. They further claim that a combined pool would increase the probability that a spare part is available when needed and therefore reduces instances where customers would need to wait for spare parts. Consequently, the JV would significantly reduce aircraft-on-ground ('AOG') events by improving the timeliness of CMS. Airlines and consumers would benefit from increased aircraft availability and reduced schedule delays.

(59) In addition, the Parties submit that geographic footprint synergies will allow the JV to organise both outbound (i.e. from pool to customer) and inbound logistics (i.e. from customer to repair shop) from the best-positioned location, resulting in reduced transportation costs, lower lead times and a smaller environmental impact. Specifically, the Parties claim that [cost reductions for CMS]. They further claim that the JV could potentially generate a substantial AOG cost saving amounting to [cost reductions for AOG]. Finally, the JV would reduce airlines' environmental compliance costs for transport-related emissions and align with the environmental criteria in the commercial and procurement decisions of a growing number of airlines that adhere to public decarbonisation strategies.

([59]) The Parties submit several efficiencies which are not all sufficiently substantiated to merit further consideration within the context this decision. See also footnote 60.

([60]) The Parties also submit that the Transaction will result in repair synergies and vertical synergies from the elimination of double marginalisation. However, the Commission considers that these claimed efficiencies are not sufficiently substantiated to merit further consideration within the context this decision.

6.5.3. The Commission's assessment

(60) As explained in the Horizontal and Non-Horizontal Merger Guidelines, the Commission considers any substantiated efficiency claim in the overall assessment of a merger, where it may decide, as a consequence of the efficiencies that the merger brings about, that there are no grounds for declaring the merger incompatible with the common market pursuant to Article 2(3) of the Merger Regulation. ([61]) It is possible that efficiencies brought about by a merger counteract the effects on competition and in particular the potential harm to consumers that it might otherwise have. ([62]) However, there is no presumption that all concentrations give rise to efficiencies. ([63]) The Parties are required to provide, in due time, all information necessary for the assessment of efficiency claims. For the Commission to take such claims into account, the efficiencies must be verifiable, merger-specific, and result in benefits for consumers. ([64])

(61) The Commission considers that both pool synergies and geographic footprint synergies, as presented by the Parties, appear, *prima facie*, to satisfy at least two of the three conditions required for the Commission to accept efficiency claims. The proposed efficiencies appear, *prima facie*, to be merger-specific and unlikely to arise from the merging parties' standalone or mere contractual arrangements between the merging parties or third parties. Should they materialise, such efficiencies could, in principle, result in consumer benefits in the form of lower CMS prices, access to a broader inventory base, and shortened lead times.

(62) The input from most airline customers during the market investigation, generally confirmed that the claimed efficiencies are merger-specific and would benefit consumers ([65]), and that these efficiencies would likely materialise as a result of the Transaction. ([66])

(63) Nevertheless, at this stage the Commission did not conclude whether the merger specificity and consumer benefit are fulfilled, as it was in either case not in a position to conclude that the claimed efficiencies fulfil the verifiability criterion of the test. In particular, the evidence submitted by the Parties, while allowing for a preliminary consideration, would require further verification to assess their likelihood and magnitude. This would include reconciling certain internal documentation with the Parties' submissions and confirming that the estimated customer benefits are representative rather than based on illustrative examples. Such verification was not possible during this Phase I investigation.

6.5.3.1. Merger specificity

(64) The Commission considers that it is *prima facie* plausible that the claimed pool synergies and geographic footprint synergies may be merger specific.

(65) As for the pool synergies, the Parties explain that absent the Transaction they would not be able to achieve the same level of integration and optimisation of the pool network because it requires a high level of cooperation and coordination which could only be achieved through a joint venture. ([67]) Indeed, the

([61]) Horizontal Merger Guidelines, paragraph 77, Non-horizontal Merger Guidelines, paragraph 21.
([62]) Merger Regulation, recital 29, Horizontal Merger Guidelines, paragraph 76.
([63]) Case C-376/20 P Commission v CK Telecoms, EU:C:2023:561, paragraph 241-242.
([64]) Horizontal Merger Guidelines, par. 79-88. Case C-376/20 P Commission v CK Telecoms, EU:C:2023:561, paragraphs 240, 242.
([65]) Replies to 02 - Questionnaire to customers, questions E.1, E.2, and E.3.
([66]) Replies to 02 - Questionnaire to customers, questions E.10.1, and E.11.1.
([67]) Form CO, paragraphs 1020-126 and 137-138.

Commission considers it unlikely that purely contractual arrangements would be able to provide the same degree of integration which is needed to remove duplicates of rarely used spare parts and to optimise combined inventory management. In that respect, the Commission took note of the evidence provided by the Parties that borrowing parts from external parties results in higher costs than procuring parts from a CMS provider's own inventory. ([68]) Similarly, the Commission considered the possibility of bilateral stock-sharing agreements, where spare parts remain under third-party ownership (e.g., leasing or shared pool arrangements). The Commission considers prima facie plausible the argument from the Parties that these entities can experience misaligned incentives that could prevent the Parties from achieving the same level optimisation. ([69]) as inventory owners do not prioritise delivering end-to-end CMS services by competitors and meeting associated service-level commitments.

(66) As for the geographic footprint synergies, the Parties explain that absent the Transaction they would not be able to achieve the same level of optimisation in terms of reduced shipment distances and improved repair cycles because it requires a single decision-making structure with unified inventory allocation and a central optimisation of logistics flows. ([70]) Indeed, the Parties, on a standalone basis and via contractual arrangements, may not be able to achieve the same geographic reach and centralisation to coordinate logistics flows from the most efficient location to reduce transportation cost and improve lead time. In that respect, the Commission acknowledges the Parties' historical evidence of sourcing components externally as a last resort, but at the expense of longer delivery times and additional leasing and transportation costs. ([71]) The Commission further acknowledges that the claimed environmental efficiencies, to the extent that they are not mandated by law, ([72]) may be equally merger-specific as they concern transport-related emissions directly associated with reduced transportation cost and improved lead time.

6.5.3.2. Benefits to consumers

(67) The Commission considers that it is *prima facie* plausible that the claimed pool synergies and geographic footprint synergies may result in benefits to consumers.

(68) The Parties submit that both pool and geographic footprint synergies will result in cost savings. The Parties submit that pool synergies will result in inventory cost savings that would benefit customers because they would allow the JV to offer more competitive prices to customers. Specifically, because the reduction in incremental stock due to the removal of duplicates means that the incremental cost of supplying additional CMS is lower. The Parties further submit that geographic footprint synergies will result in transportation cost savings. Transportation costs represent up to […]% of the total cost of providing CMS and that therefore any reduction in transportation costs directly lowers the cost base from which CMS contracts are set for customers. The Commission considers that both cost-related efficiencies constitute at least to some extent variable cost savings, which directly affect a firm's pricing decision and therefore are more likely to be passed on to consumers in the form of low prices as opposed to fixed

([68]) See below at paragraph (65).
([69]) Form CO, paragraph 1022-1024.
([70]) Form CO, paragraphs 1112-1114.
([71]) Form CO, paragraph 1046.
([72]) Horizontal Cooperation Agreements Guidelines, paragraph 563 and fn. 396.

cost savings. ([73]) In particular, with regards to the inventory cost savings the Commission notes that with an increase in the aircraft fleet served, the required size of the inventory increases and, therefore, the cost of (additional) spare parts and the ongoing cost of holding inventory increases. ([74]) These cost items are also directly considered by CMS providers when pricing their services. ([75]) With regards to transportation cost savings the Commission notes that they occur at every delivery and by their nature can be considered variable. According to the Parties, price savings would materialise immediately for new customers and over time (upon renewal) for existing customers. ([76]) The Commission further considers that the Parties' incentive to pass-on these cost savings to customers is also supported by the competitive pressure from remaining competitors, ([77]) including LHT, OEMServices and OEMs.

(69) The Parties further submit that both pool and geographic footprint synergies will result in quality improvements for customers. The Parties submit that following the optimised pool management from pool synergies and the enhanced logistics network of the JV from the geographic footprint synergies, airlines will benefit from improved lead-time and thus better service quality to air travellers in the form of reduced AOG events but also lower-emission maintenance and logistics solutions during the time span of their current contract. The Commission acknowledges that pool synergies and geographic footprint synergies were mentioned in internal documents by the Parties. ([78]) These internal documents suggest that the Parties considered the optimisations and resulting benefits in their transaction rationale. In addition, most airline customers confirmed that most pool and geographic footprint synergies would have a positive impact on them. ([79]) Therefore, it considers it *prima facie* plausible that the JV will allow for an optimisation of the Parties' pool management and logistics network resulting in improved lead times for airlines to address current supply chain bottlenecks in the sector, which aligns with the rationale of the Transaction. The Commission observes the Parties internal documents showing that a growing number of airlines customers adhere to public decarbonisation strategies ([80]) and therefore acknowledge that the JV may *prima facie* equally allow airlines to benefit from environmental efficiencies as they concern transport-related emissions directly associated with reduced transportation cost and improved lead time. ([81])

([73]) Horizontal Merger Guidelines, paragraph 80.
([74]) RFI 12, Question 2.
([75]) Form CO, para. 984.
([76]) Form CO, paragraph. 976.
([77]) Horizontal Merger Guidelines, paragraph 84.
([78]) Reply to RFI 3, Question 15, Annex [internal strategic presentations and governance documents of the Parties concerning the JV project], Annex [internal strategic presentations and governance documents of the Parties concerning the JV project] *and Annex* [internal strategic presentations and governance documents of the Parties concerning the JV project].
([79]) While most airlines customers see limited or no impact from reduced transport costs, they do believe that lower inventory costs, optimised pool management, and improved lead times are plausible efficiencies with significant or moderate benefits for airline customers. Replies to 02 - Questionnaire to customers, questions 10.2 and 11.2.
([80]) Form CO, paragraph 1109.
([81]) The Parties would nevertheless need to submit further convincing evidence showing that the reduction in emissions is substantial for the efficiencies to be taken into account.

6.5.3.3. Verifiability

(70) As regards verifiability, the Commission concludes that the Parties' evidence is insufficient to verify the claimed efficiencies for the following reasons.

(71) First, the Commission acknowledges that pool synergies and geographic footprint synergies were mentioned in internal documents by the Parties. ([82]) These internal documents suggest that the Parties indeed considered that such efficiencies can result from this Transaction. However, the Commission observes that the cost saving estimates do not match between different internal documents and to RFI replies submitted by the Parties. Thus, the Commission would need further information to reconcile the different cost estimates and to consider the claimed efficiency verifiable.

(72) Second, the Commission notes that with regards to inventory cost savings, reduced transportation costs, and improved lead time the Parties have provided illustrative internal examples of cost savings that *could* arise from the efficiencies. ([83]) However, the Parties did not establish that these specific examples are representative, and therefore that these cost savings or, in case of improved lead times, the cost reduction of customers from less down-time can be extrapolated across the Parties activities. Instead, the Commission would need cost saving estimates which representatively captures cost savings across different customers and geographies and not only for specific examples to accept the claimed efficiency.

(73) Third, in instances where cost saving estimates per aircraft were provided, the Commission would need underlying data, further explanations and underlying assumptions to verify the claimed efficiency. ([84])

(74) Fourth, regarding optimising pool management, the Parties did not provide estimates of cost savings for themselves or the customer cost savings from reduced downtime. Therefore, the Commission considers that this efficiency claim is not verifiable.

(75) Finally, as to the environmental efficiencies, the Commission observes that the Parties did not provide any estimates of the expected reduction in transport-related emission but merely submitted evidence which indeed show that there is a growing trend among airlines to adhere to public decarbonisation strategies. In any event, given that transport-related emissions are directly associated with the above transport cost savings, for which it considers the efficiency not verifiable, the same conclusion would apply to environmental efficiencies.

6.5.3.4. Conclusion

(76) In conclusion, although the Commission considers plausible that the efficiencies are *prima facie* merger-specific and benefit consumers, the Commission does not conclude whether these criteria are fulfilled. In either case, the Parties did not provide the relevant information necessary to verify the efficiency claim. The Commission's assessment conducted in Phase I was therefore not sufficient to establish that the claimed efficiencies meet all cumulative conditions. In light of

([82]) Reply to RFI 3, Question 15, Annex [internal strategic presentations and governance documents of the Parties concerning the JV project], Annex [internal strategic presentations and governance documents of the Parties concerning the JV project] *and Annex* [internal strategic presentations and governance documents of the Parties concerning the JV project].

([83]) Form CO, paragraphs 965, 955-999, 1050-1051, 1077 et seq.

([84]) Form CO. paragraphs 966 et seq.

the foregoing, the Commission is not yet in a position to take into account the claimed efficiencies in its assessment of the merger in this Decision.

7. CONCLUSION

(77) For the above reasons, the European Commission has decided not to oppose the notified operation and to declare it compatible with the internal market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of the Merger Regulation and Article 57 of the EEA Agreement.

For the Commission

(Signed)
Teresa RIBERA
Executive Vice-President