EUROPEAN COMMISSION

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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 Where possible the information omitted has been replaced by ranges of figures or a general description.

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KRONE Commercial Vehicle SE
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Germany

Subject: **Case M.11657 – KCV / BK FS / SMMS**
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 14 November 2024, the European Commission received notification of a proposed concentration pursuant to Article 4 of the Merger Regulation by which Krone Commercial Vehicle SE ('Krone') and Bernard Krone Familienstiftung ('BK FS', together with Krone the 'Krone Group', all of Germany), ultimately controlled by Mr. Bernard Krone, acquire control of Schwarzmüller Management & Service GmbH ('SMMS', Austria) and Wilhelm Schwarzmüller GmbH & Co. KG Anhänger- und Karosseriefabrik ('SM Passau', Germany, together with SMMS

[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').

the 'Schwarzmüller Group' or 'SM') within the meaning of Article 3(1)(b) of the Merger Regulation (the 'Transaction'). Krone Group is hereafter referred to as the 'Notifying Party' and, together with the Schwarzmüller Group, as 'Parties' to the proposed Transaction.

1. THE PARTIES

(2) **Krone Group** is active in the production and sale of road transport equipment and agricultural machinery, and the sale of related spare parts and repair services. Krone Group also offers rental and operating leasing services of road transport equipment. The Krone Group sells its products worldwide, with a focus on Europe.

(3) **Schwarzmüller Group** is active in the production and sale of road transport equipment, and the sale of related spare parts and repair services. It also offers rental/operating leasing services of road transport equipment. The Schwarzmüller Group is primarily active throughout Europe, in particular in Central and Eastern Europe.

2. THE TRANSACTION

(4) The Transaction consists of the acquisition of sole control by the Krone Group over the Schwarzmüller Group.

(5) Currently the Schwarzmüller Group is ultimately controlled by Ms. Beate Paletar. The Transaction will be accomplished, first, through the purchase by the Krone Group of a majority of shares [above 50%] of SMMS from Ms. Beate Paletar and companies under her control; and second, through the subsequent acquisition of [above 50%] of shares or all relevant assets in SM Passau by a subsidiary of SMMS from Ms. Beate Paletar directly. […]. Following the Transaction, the Krone Group will hold at least [above 50%] of the share capital of SMMS and, via SMMS, of SM Passau, the remaining being ultimately held by Ms. Beate Paletar. [Description of voting rights]. The Krone Group will therefore acquire sole control of the Schwarzmüller Group.

(6) It follows that the Transaction is a concentration within the meaning of Article 3(1)(b) of the Merger Regulation.

3. UNION DIMENSION

(7) The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 2 500 million[3] (Krone Group: EUR […] million; Schwarzmüller Group: EUR […] million). The aggregate Union-wide turnover of the undertakings concerned is more than EUR 100 million (Krone Group: EUR […] million and Schwarzmüller Group: EUR […] million). In each of at least three Member States, the combined aggregate turnover of all the undertakings concerned is in excess of EUR 100 million and the aggregate turnover of each of the undertakings concerned is more than EUR 25 million (Germany, Poland and Austria).[4] Neither Party

[3] Turnover calculated in accordance with Article 5 of the Merger Regulation.

[4] The Parties turnover in these countries are the following: in Germany, Krone Group: EUR […] million, Schwarzmüller Group: EUR […] million; in Poland, Krone Group: EUR […] million,

achieves more than two-thirds of its aggregate Union-wide turnover within one and the same Member State. The Transaction therefore has a Union dimension pursuant to Article 1(3) of the Merger Regulation.

4. MARKET DEFINITION

(8) Both Parties have relevant activities in the production and sale of road transport equipment for the transport of goods by road. Three types of road transport equipment can be distinguished, i.e., trailers, semi-trailers and fixed bodies. These can be illustrated as follows:

Figure 1 – Schematic illustration of trailers, semi-trailers and fixed bodies



A: Fixed body / Coachwork *B: Trailer (also: drawbar trailer)* *C: Semitrailer*

Source: Form CO, paragraph 176.

(9) In addition to the distinction according to the trailer type, i.e., semi-trailer, trailer and fixed bodies, road transport equipment can also be distinguished according to the body type. The Parties' activities overlap mainly in the manufacture and sale of (i) curtainsiders, i.e., (semi-)trailers or fixed bodies featuring tarpaulins on one or both sides of the vehicle, which can be removed to load and unload cargo, (ii) container chassis, i.e., (semi-)trailers or fixed bodies designed for the transport of removable containers, mainly composed of a steel frame with locking mechanisms to securely hold the container in place, and (iii) moving floor vehicles, i.e., (semi-)trailers or fixed bodies equipped with a hydraulically powered moving-floor conveyance system allowing for mechanic loading and unloading of (bulky) goods and cargo.[5]

(10) Road transport equipment does not include the motorized road vehicle or tractor unit, i.e., the front section of a truck containing the engine and the driver's cabin (see D in Figure 1 above). Neither Krone nor Schwarzmüller produce tractor units.[6]

4.1. Product market definition

4.1.1. The Commission's decisional practice

(11) The Commission has not discussed the sector of the production and sale of road transport equipment in previous decisions.

(12) In one precedent, the Commission assessed the markets for operating leasing of road transport equipment, in which the Commission distinguished between heavy trailers (above 16 tons fully loaded) and light trailers (less than 16 tons fully

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Schwarzmüller Group: EUR […] million; and in Austria: Krone Group: EUR […] million, Schwarzmüller Group: EUR […] million.

5 Form CO, paragraphs 256 et seq.

6 Form CO, paragraph 177.

loaded) in the context of operating leasing services, but considered a further segmentation by type of heavy trailer unwarranted.[7]

(13) The German and Dutch NCAs have previously assessed the market for road transport equipment. The German NCA considered the relevant market to be the overall market for road transport equipment, with a possible segmentation for tanker and silo trailers, but ultimately left open the product market definition.[8] The Dutch NCA considered, but ultimately left open, a possible distinction between trailers and fixed bodies, and for each of them further segmentations according to body type.[9]

4.1.2. The Notifying Party's view

(14) The Notifying Party considers the relevant market to be the market for the production and sale of road transport equipment, comprising trailers, semi-trailers and fixed bodies. The Notifying Party does not consider it appropriate to further segment this market.[10]

(15) In particular, the Notifying Party considers a segmentation between trailers and semi-trailers to be inappropriate due to the high degree of substitutability between them: from a demand-side perspective, trailers and semi-trailers are used for the same purposes and offer, for the most part, the same subcategories (curtainsiders, tippers, container chassis, etc.). Both types can moreover be used, subject to limited modifications, on the same tractor units. From a supply-side perspective, a producer could, with relatively little effort, switch from producing trailers to semi-trailers and vice versa.[11]

(16) The Notifying Party equally considers a segmentation between trailers and semi-trailers, on the one hand, and fixed bodies, on the other hand, to be inappropriate, due to similar demand-side and supply-side considerations as for the distinction between trailers and semi-trailers.[12]

(17) The Notifying Party further does not consider it appropriate to differentiate between the different body types of (semi-)trailers, such as curtainsiders, container chassis, moving floor vehicles and box vehicles (refrigerated or not). This is because customers are able to switch from one type of body to another and producers can adapt their production to other types of bodies without significant costs.[13]

(18) The Notifying Party does not consider it appropriate to segment the market for road transport equipment between lightweight (semi-)trailers and standard-weight ones. It notes, however, that both appeal to different customers with different use cases, with each segment offering certain advantages to certain customers. Some companies such as the Target, Berger (Schmitz Cargobull) or Fliegl have specialized in lightweight construction while larger competitors produce standard weight trailers. The Notifying Party submits that in any case the Parties would not

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7 See case M.9501 – *I SQUARED CAPITAL ADVISORS / PEMA*, paragraphs 33-44.
8 See decision of the BKartA of 18 June 2007 in case B2 – 590/06, paragraphs 31-34.
9 See decision of the ACM of 18 May 2007 in case 5883/CIMC–Burg, paragraphs 34-39.
10 Form CO, paragraphs 172 et seq.
11 Form CO, paragraphs 225-241.
12 Form CO, paragraphs 219-224.
13 Form CO, paragraphs 242-288.

overlap on the hypothetical segment of lightweight (semi-)trailers given that Krone is not active in this segment.[14]

(19) Finally, the Notifying Party does not consider a distinction between a wholesale and retail level of sale of road transport equipment to be appropriate, given that – as opposed to passenger cars – sales of trailers are mainly carried out directly by manufacturers to end consumers.[15]

4.1.3. The Commission's assessment

(20) The results of the market investigation with regard to product market definition for road transport equipment were mixed and are, overall, inconclusive.

(21) With regard to the distinction between trailers and semi-trailers, a slight majority of customers expressing a view consider trailers and semi-trailers to be fully or largely interchangeable, with one customer noting that "*[t]he relevant trailer types for us are interchangeable to a large extent*". However, a non-negligible minority of customers indicated that trailers and semi-trailers are not interchangeable or only in certain use cases, noting that it "*[d]epends on the use case—in some cases, a trailer is preferred over a semi-trailer, and vice versa*." Or that they are "*interchangeable but with high costs*".[16] Replies of competitors overall indicate a certain degree of substitutability between both trailers and semi-trailers.[17]

(22) With regard to the distinction between trailers and semi-trailers, on the one hand, and fixed bodies, on the other hand, a slight majority of customers expressing a view consider (semi-)trailers and fixed bodies to be rather not interchangeable, noting that (semi-)trailers have higher use flexibility compared to fixed bodies which are attached to a truck chassis. However, a non-negligible minority of customers indicated that fixed bodies, on the one hand, and trailers and semi-trailers, on the other hand, are interchangeable, at least in some use cases.[18] Similarly, a slight majority of competitors consider fixed bodies, on the one hand, and trailers and semi-trailers, on the other hand, to be rather not interchangeable, whereas a non-negligible minority consider them to be rather interchangeable.[19]

(23) Regarding the distinction between different body types of (semi-)trailers and fixed bodies, replies of customers are overall inconclusive. While some customers state that they are interchangeable (e.g., "*[a]ll type of trailers and semitrailers can be easily changed*") other customers consider that "*[m]any different trailer types can be used for [the] same type of products, but we generally procure the right trailer for the use as the price vary*" and "*[e]ach [body] type has its own specific function. They have all in common that they are used to transport goods. Some however are more suited for certain types of goods. In a walking floor you can also transport goods that you can put in a box, but it would be a waste of capital, since a walking floor is more expensive"*.[20] The Commission notes that some customers considering that different body types are not interchangeable use their (semi-)trailers for very specific use cases, such as waste transport, which may not be

14 Form CO, paragraphs 143-145.
15 Form CO, paragraphs 218, 504 et seq.
16 Replies to eRFI to customers, questions B.1 and B.1.1.
17 Replies to eRFI to competitors, questions B.1 and B.1.1.
18 Replies to eRFI to customers, questions B.2 and B.2.1.
19 Replies to eRFI to competitors, questions B.2 and B.2.1.
20 Replies to eRFI to customers, questions B.3 and B.3.1.

representative of the overall market.[21] Replies of competitors are mixed, with half of the competitors expressing a view considering the different body types of road transport equipment to be substitutable and the other half not substitutable.[22] The Commission notes in any case that the Parties only overlap on the curtainsiders, container chassis and moving floor body types.

(24) With regard to the distinction between lightweight and standard weight (semi-) trailers, a slight majority of customers consider lightweight (semi-)trailers to be interchangeable with standard weight ones. A non-negligible minority however considers them not interchangeable. Customers explained that for some use cases, the additional weight[23] that can be loaded on lightweight (semi-) trailers is extremely important (e.g., beverage industry), but that durability of lightweight (semi-)trailers is less important.[24] While the majority of competitors consider lightweight (semi-)trailers to be rather interchangeable with standard weight ones, other competitors stated that the production of lightweight (semi-)trailers require specific know-how and the use of special materials.[25] In any case, given that Krone is not active on a possible lightweight (semi-)trailer segment, such a distinction is not relevant in the present case.

(25) The market investigation results did not suggest a clear division between the different sales channels for road transport equipment. Customers' replies were mixed, with one customer stating that "*the most desirable sales channel is direct sales by the manufacturer due to maximum expertise and minimum pricing*" and another that "*there is no significant difference between the sale of (semi-)trailers through different sales channels"*.[26] Another customer explained the role of retailers in the (semi-)trailer sector as follows: "*Before signing the contract, a retailer usually invites the potential customer to the manufacturer's factory, where various products are presented. Unlike car dealers, trailer retailers do not have trailers at their sites. The retailer would then discuss the trailer specifications and price with the customer. This process can take several days due to the number and complexity of specifications to be discussed (such as axle load, floor thickness, axle types, etc.). Usually, customers then collect the trailer directly from the manufacturer*".[27] This confirms the Notifying Party's submission that "*as far as manufacturers partner with distributors/importers to distribute their products to their customers in certain regions, this does not lead to a two-tier wholesale-retail*

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21 Replies to eRFI to customers, questions B.3 and B.3.1.

22 Replies to eRFI to competitors, questions B.3 and B.3.1. However, it is worth noting that several competitors have responded from a customer's perspective based on the relevant use case.

23 Lightweight (semi-)trailers can be about 1.5 tons lighter than their standard weight versions (see, e.g., minutes of conference call with a customer on 13 November 2024, paragraph 14). In light of the maximum authorised gross weight of 40 tons for most road trains, i.e., truck and trailer combinations, in the EU (see Council Directive 96/53/EC of 25 July 1996, Annex I), every ton saved with the (semi-)trailer can be transported as additional cargo.

24 Replies to eRFI to customers, questions B.4 and B.4.1.

25 Replies to eRFI to competitors, questions B.4 and B.4.1.

26 Replies to eRFI to customers, question B.6.1.

27 Minutes of conference call with a customer on 13 November 2024, paragraphs 8 and 9 (translated from German: "*Vor Vertragsunterzeichnung lädt ein Einzelhändler in der Regel einen potenziellen Kunden zum Werk des Herstellers ein, in dem verschiedene Produkte vorgestellt werden. Anders als beispielsweise PKW-Händler haben die Einzelhändler für Anhänger nämlich nicht selbst Anhänger an ihren Standorten. Ein Einzelhändler wird die Anhängerspezifikationen und den Preis mit dem Kunden durchsprechen. Dieser Prozess kann aufgrund der Anzahl und Komplexität der zu erörternden Spezifikationen (Achslast, Bodendicke, Achsarten usw.) mehrere Tage in Anspruch nehmen. In der Regel holen Kunden den Anhänger direkt beim Hersteller ab*.").

system. Even where manufacturers work with such intermediaries, these generally do not act or operate as retailers, but as importers, which act on behalf of the manufacturer and engage in direct distribution".[28] The majority of competitors sell their products both via a mix of direct sales and reliance on retailers, with a minority selling exclusively directly to customers.[29] For the Parties, the large majority of sales are being conducted through direct sales (Krone: approx. […]%; Schwarzmüller: approx. […]%).[30] Based on these elements, the Commission considers that a segmentation of the market for the production and sale of road transport equipment by sales channel is not warranted for the purpose of the present case.

(26) In view of the inconclusive market results, the Commission considers that for the purposes of this Decision the exact product market definition can be left open, as the Transaction does not raise serious doubts regardless of the market definition adopted.

(27) Given the Parties' focus of activities, the Commission will carry out its assessment on the overall market for the sale of road transport equipment as well as on the narrowest plausible product markets according to the distinction between (i) each of trailers, semi-trailers and fixed bodies, and (ii) curtainsiders, container chassis and moving floor vehicles.

4.2. Geographic market definition

4.2.1. The Commission's decisional practice

(28) In a previous decision concerning the operating leasing of road transport equipment, the Commission left open whether the market was national or EEA-wide, noting that the market investigation results were mixed.[31]

(29) Both the German and Dutch NCAs considered the market for road transport equipment to be European-wide in scope, if not wider.[32]

4.2.2. The Notifying Party's view

(30) The Notifying Party considers the market to be a "wider European" market, encompassing the EEA, Switzerland, the UK, Eastern and Southeastern European non-EU countries (Ukraine, Moldova, Montenegro, North Macedonia, Albania, Bosnia and Herzegovina, Kosovo, and Serbia), as well as Türkiye.

(31) The Notifying Party submits that, *first*, across the EEA, and Europe more broadly, there is a very high degree of regulatory alignment with regard to motor vehicles and their related parts such as road transport equipment, in particular trailers and semi-trailers. Technical requirements have further aligned in recent years and any remaining technical differences are easy to adapt to from a supply-side perspective

28 Form CO, paragraph 516.
29 Replies to eRFI to competitors, questions B.6.
30 Form CO, paragraphs 336 and 337.
31 Case M.9501 – *I SQUARED CAPITAL ADVISORS / PEMA*, paragraphs 51-53.
32 Decision of the BKartA of 18 June 2007 in case B2 – 590/06, paragraph 36 and decision of the ACM of 18 May 2007 in case 5883/CIMC-Burg, paragraph 48.

and do not constitute relevant barriers to serve customers across the EEA and beyond.[33]

(32) *Second*, customer preferences have further diminished in recent years, with customers widely abandoning any remaining biases for local suppliers in favour of potential price advantages.[34]

(33) *Third*, most major competitors are active throughout the EEA and beyond from central production facilities producing one or several types of products for the entire European continent without the need for local presence, as tariffs are inexistent, trailers, semi-trailers and vehicles with fixed-bodies by their very nature easily movable, and customers willing to travel across European countries to pick up their new equipment in the majority of cases *ex works*.[35]

(34) *Fourth*, transport costs are limited, also due to customers' approach to often incorporate the pick-up journey into an existing transport route to minimize empty runs and, hence, transport costs.[36]

(35) *Fifth*, both Parties and, presumably, their main competitors operate European price lists and general rebate policies unrelated to the respective country of the customer but rather based on the volume purchased.[37]

4.2.3. The Commission's assessment

(36) Starting from the Notifying Party's submission and taking into account the observations of the German and Dutch NCAs in their decisions, the Commission has assessed whether the market for the production and sale of road transport equipment and its possible segmentations are at least EEA-wide, potentially covering Europe more broadly, or whether competition takes place at a wider or at a narrower level.

(37) The results of the market investigation with regard to the geographic market definition were, however, overall inconclusive.

(38) All competitors and the vast majority of customers having expressed a view confirmed that regulatory and technical requirements, such as for product homologation and road traffic registration, are homogenous across Europe or that in any case suppliers are typically able to meet differing requirements in most European countries without significant effort.[38] Indeed, respondents explained that the homologation of trailer types is largely harmonized across Europe based on certificates of conformity issued by the manufacturer.[39] Differences remain regarding the road traffic registration, which remains subject to national rules, but

33 Form CO, paragraph 298.
34 Form CO, paragraph 298.
35 Form CO, paragraphs 299 et seq.
36 Form CO, paragraph 316.
37 Form CO, paragraphs 326 et seq.
38 Replies to eRFI to competitors, question C.3 and replies to eRFI to customers, question C.3.
39 Replies to eRFI to competitors, question C.4: "*A certificate of conformity (CoC) is issued for registration in all EU Member States […] Registration may not be refused by the member states (regulations on masses and dimensions must comply with national law). Different trailer types (drawbar, centre-axle, semi-trailer) have different overall vehicle type approvals, but the principle of the certificate of conformity is always the same. We can therefore say, that the type approval business is harmonised across Europe.*"

which does not constitute significant barriers for manufacturers to sell their equipment across Europe. Competitors noted in this regard that "*factors such as special designs, load carrying capacity, emission requirements and usage conditions may bring about different regulations and requirements for each trailer type*" and "*vehicle registration processes are often very different in the Member States*".[40] Yet, none of the competitors responding to the market investigation considers itself unable to meet the different requirements.[41] In addition, whereas some respondents specified that "*[t]he more complex the type of trailer, the more likely [it is] that homologations requirements differ*" and "*[r]egulatory requirements are harder to meet with made-to-order (customized) vehicles*",[42] the Commission notes that the main areas of product overlap between the parties in terms of body types, i.e. curtainsiders and container chassis, concern rather standardized body types, for which regulatory or technical differences therefore seem to be limited.

(39) As regards price levels, the results of the market investigation were mixed. Whereas the majority of customers having expressed a view consider that prices are typically the same across Europe,[43] the majority of competitors having expressed a view consider that prices are typically comparable at a narrower, regional level (such as Western Europe, Northern Europe, South-Eastern Europe etc.).[44]

(40) Regarding sale and purchase patterns, the results of the market investigation were also mixed. Whereas all competitors having expressed a view sell their road transport products at least EEA-wide, with the majority of competitors selling even across Europe more broadly (i.e., the "wider Europe" as defined by the Notifying Party[45]) or beyond,[46] the large majority of customers having expressed a view currently purchase, or would be willing to purchase, road transport equipment only on a regional level, including the country where the vehicle is to be registered and neighbouring countries.[47] A significant minority of customers currently procure road transport equipment only from suppliers located in the country where the vehicle is to be registered.[48] Of these, some however explained that the country they purchase from actually depends on the brand, which indicates that they are willing to purchase from neighbouring countries if the offer from the manufacturer located abroad is attractive.[49] Others, in turn, explained that they typically procure their road transport equipment from within a certain radius around their location, for instance 1,000 km, which they consider the limit of reasonable transport costs.[50] Yet, depending on the actual location, a 1,000 km radius can include a number of neighbouring countries. Overall, a significant minority of customers who currently purchase at maximum EEA-wide indicated that they would be willing to purchase

40 Replies to eRFI to competitors, question C.4.
41 Replies to eRFI to competitors, question C.3.
42 Replies to eRFI to customers, question C.4.
43 Replies to eRFI to customers, question C.2.
44 Replies to eRFI to competitors, question C.2.
45 I.e., encompassing the EEA, Switzerland, the UK, Eastern and Southeastern European non-EU countries (Ukraine, Moldova, Montenegro, North Macedonia, Albania, Bosnia and Herzegovina, Kosovo, and Serbia), as well as Türkiye.
46 Replies to eRFI to competitors, question C.1.
47 Replies to eRFI to customers, question C.1.
48 Replies to eRFI to customers, question C.1.
49 Replies to eRFI to customers, question C.1.
50 Replies to eRFI to customers, question C.1-3.

from the "wider Europe" area (as defined by the Notifying Party), or even worldwide.[51]

(41) Based on the mixed feedback from market participants, the Commission considers that the geographic market definition could likely be either regional, including the country in which the vehicle is to be registered and its neighbouring countries, or EEA-wide or even encompassing Europe at large. For the purposes of this Decision, however, the Commission considers that the exact geographic market definition can be left open, as the Transaction does not raise serious doubts, regardless of the market definition adopted. The Commission will conduct the competitive assessment for the production and sale of road transport equipment at the regional and EEA-wide levels.[52]

4.3. Conclusion on market definition

(42) In light of the above, and for the purposes of this Decision, the competitive assessment will be based on the following affected markets and plausible segments:

(a) Overall market for the production and sale of road transport equipment in the EEA and on a regional basis comprising the country of intended vehicle registration and its neighbouring countries (in the EEA);

(b) Market segment for the manufacture and supply of semi-trailers in the EEA and on a regional basis comprising the country of intended vehicle registration and its neighbouring countries (in the EEA);

(c) Market segment for the manufacture and supply of fixed bodies in the EEA and on a regional basis comprising the country of intended vehicle registration and its neighbouring countries (in the EEA);

(d) Market segments for the manufacture and supply of curtainsiders in the EEA and on a regional basis comprising the country of intended vehicle registration and its neighbouring countries (in the EEA);

(e) Market segment for the manufacture and supply of curtainsiders semi-trailers in the EEA and on a regional basis comprising the country of intended vehicle registration and its neighbouring countries (in the EEA);

(f) Market segments for the manufacture and supply of container chassis in the EEA and on a regional basis comprising the country of intended vehicle registration and its neighbouring countries (in the EEA);

(g) Market segment for the manufacture and supply of container chassis trailers in the EEA and on a regional basis comprising the country of intended vehicle registration and its neighbouring countries (in the EEA); and

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51 Replies to eRFI to customers, question C.1-2.

52 The Parties' combined market shares are lower across the "wider Europe" as defined by the Notifying Party (see footnote 45 above) than at EEA-level for all product markets and segments thereof; see Form CO, paragraph 357. Therefore, the Commission will, for the purposes of this Decision, not further assess potential competitive effects at the "wider Europe" level.

(h) Market segment for the manufacture and supply of moving floor vehicles in the EEA and on a regional basis comprising the country of intended vehicle registration and its neighbouring countries (in the EEA).

5. COMPETITIVE ASSESSMENT

5.1. Analytical framework

(43) The legal test for the assessment of horizontal effects of a merger is set out in the Merger Regulation and in the *Guidelines on the assessment of horizontal mergers under the Council Regulation on the control of concentrations between undertakings* ('Horizontal Merger Guidelines').[53]

(44) Horizontal effects are those deriving from a concentration where the undertakings concerned are actual or potential competitors of each other in one or more of the relevant markets concerned. The Horizontal Merger Guidelines distinguish between two main ways in which mergers between actual or potential competitors on the same relevant market may significantly impede effective competition, namely non-coordinated and coordinated effects.[54] This Decision focuses on non-coordinated effects.

(45) Non-coordinated effects may significantly impede effective competition through the creation or strengthening of the dominant position of a single firm, or through the elimination of important competitive constraints on one or more firms, which consequently would allow those firms to have increased market power without resorting to coordinated behaviour. In that 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.[55]

(46) The Horizontal Merger Guidelines list a number of factors to be taken into consideration when assessing whether significant non-coordinated effects are likely to result from a merger, such as 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. Not all of these factors need to be present to make non-coordinated effects likely, nor does this constitute an exhaustive list.[56]

5.2. Non-coordinated effects

5.2.1. Introduction

(47) The Transaction leads to a number of horizontally affected markets, including the overall market for the production and sale of road transport equipment as well as its segments based on the type of trailer (trailer, semi-trailer, fixed body) and some of the body types (curtainsiders, container chassis and moving floor vehicles). As can be seen in Table 1 below, the size of the relevant segments on which both Parties

53 OJ C 31, 05.02.2004.
54 Horizontal Merger Guidelines, paragraph 22.
55 Horizontal Merger Guidelines, paragraphs 23-24.
56 Horizontal Merger Guidelines, paragraphs 26-38.

are active varies significantly, with some segments that can be qualified as rather "niche" products.

Table 1 - Market size of the segments on which both Parties are active at EEA level (2021-2023)

	2021	2022	2023
	Market size (units)	**Market size (units)**	**Market size (units)**
Road transport equipment	[200,000-250,000]	[200,000-250,000]	[200,000-250,000]
Distinction by trailer type			
Semi-trailers	[150,000-200,000]	[150,000-200,000]	[150,000-200,000]
Trailers	[40,000 – 60,000]	[40,000 – 60,000]	[40,000 – 60,000]
Fixed bodies	[10,000 – 15,000]	[10,000 – 15,000]	[10,000 – 15,000]
Distinction by body type			
Curtainsiders	[80,000 – 100,000]	[80,000 – 100,000]	[60,000 – 80,000]
Container chassis	[20,000 – 40,000]	[20,000 – 40,000]	[15,000 – 20,000]
Moving floor	[4,000 – 6,000]	[4,000 – 6,000]	[4,000 – 6,000]

Source: Form CO, paragraphs 481-489, and Notifying Party's replies to question 1 of RFI 7.

5.2.2. Market shares

(48) The Notifying Party submitted market share data for the different segments of road transport equipment mainly on the basis of units of road transport equipment sold (volume) for the years 2021-2023 as well as average market shares for this period. The data provided by the Parties is primarily based on the registration data published by national vehicle registration authorities as well as on third-party market studies. Insofar as registration figures were not available, the Notifying Party submitted estimates on the overall market size as well as on the sales of the different suppliers.

(49) The Notifying Party moreover submits that annual market shares either by volume or by value might not provide an accurate representation of the Parties' competitive position given that the market for road transport equipment is characterized by inhomogeneous and unstable orders, with sales ranging from a single vehicle to large fleets of several hundred vehicles sold to the same buyer depending on the year. Given the lifecycle of a trailer (6-10 years on average), large fleet customers often purchase high volumes of vehicles in one year, while not purchasing any in the next year.[57]

(50) The market for road transport equipment is thus characterized to a certain extent by volatile and unpredictable demand (also referred to as "lumpy" orders), with the effect that market shares may vary significantly depending on the particular contracts concluded during one year. In line with the methodology applied in

[57] Form CO, paragraphs 472-474. Replies to RFI 5, question 2.

previous cases,[58] the Commission therefore considers that multi-annual market share data either by volume or by value may provide a more adequate picture of the market position of the Parties and their competitors. Therefore, for the purposes of this case, the Commission will rely on 2023 annual market share data but will also take into account in its competitive assessment the Parties' average market shares over the last three year period (2021-2023).

(51) For its assessment of the Parties' position on a regional level, i.e., in a market including the country in which the vehicle is to be registered and all neighbouring countries (within the EEA),[59] the Commission has (i) assessed whether the Parties' combined market shares exceed 25%[60] in the country of registration and, where this is the case, (ii) assessed whether the Parties' combined market shares lead to affected markets for the region as such.[61] Table 3 to Table 11 below on regional market shares are based on this approach.[62]

5.2.2.1. Overall market for road transport equipment

(52) **EEA level** – The Parties' combined activities do not lead to affected markets on the overall market for road transport equipment at EEA level.[63]

(53) Despite there being no affected markets at EEA level, for the sake of providing an overview of the competitive landscape for road transport equipment at EEA level, Table 2 is included below.

58 Commission decision in case M.6267 – *Volkswagen / MAN*, paragraphs 79-80; and case M.4336 – *MAN / Scania*, paragraph 105.

59 The relevant geographic scope will be represented in the tables below by referring to e.g., "Estonia +" to designate the geographic scope encompassing the country of registration (here Estonia) and its neighbouring EEA countries. Regional markets do not include non-EEA countries.

60 Or otherwise exceed the thresholds laid down in points 5(d) and 8 of the Simplified Notice.

61 Based on paragraphs 4 (d) i. (aa) and (bb) as well as paragraph 8 of the Simplified Notice.

62 For the sake of clarity and as it is also specified below in the text, the tables on regional market shares include only regions in which the combined shares exceed 35%.

63 Overlaps on the overall market for road transport equipment at EEA level fall under paragraph 8 of the Simplified Notice.

Table 2 - Market shares on the overall market for road transport equipment at EEA level (2021-2023)

	2021		2022		2023		Average (2021-2023)	
	Volume	**Market shares**	**Volume**	**Market shares**	**Volume**	**Market shares**	**Volume**	**Market shares**
Krone Group	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
Schwarz müller Group	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Combined	*[…]*	*[10-20]%*	*[…]*	*[20-30]%*	*[…]*	*[20-30]%*	*[…]*	*[20-30]%*
Schmitz Cargobull	/	[10-20]%	/	[20-30]%	/	[20-30]%		
Wielton	/	[5-10]%	/	[5-10]%	/	[5-10]%		
Kögel	/	[5-10]%	/	[5-10]%	/	[5-10]%		
Tirsan	/	[0-5]%	/	[0-5]%	/	[0-5]%		
Total	**[200,000-250,000]**	**100%**	**[200,000-250,000]**	**100%**	**[200,000-250,000]**	**100%**	**[200,000-250,000]**	**100%**

Source: Form CO, paragraph 481 and Annex 1.1 to RFI 7.

(54) **Regional level** – On the narrower geographic scope, i.e., regional markets comprising the country of registration of the vehicle and its neighbouring countries, the Parties' activities lead to affected markets in some regions on the overall market for road transport equipment. As can be seen in Table 3 below, affected markets where market shares exceed 35% are only in the region comprising Estonia and its neighbouring country Latvia, with combined market shares of [40-50]% in 2023 (increment of [0-5] percentage points).[64] However, given the small size of this geographic segment ([2,000 – 4,000] units sold in 2023), the Commission considers that the average market shares of the Parties over the last three years ([30-40]%, with an increment of [0-5] percentage points) is likely to provide a more reliable proxy of the Parties' competitive position.

64 Markets which are affected but with market shares below 35% are the following: Austria +, Czechia +, and Romania +. Markets which are neither listed here nor in the table, either do not lead to horizontal overlaps or fall under paragraph 5(d) (i) (aa), (bb) or paragraph 8 of the Simplified Notice.

Table 3 - Market shares of the Parties exceeding 35 % on the overall market for road transport equipment at regional level (2021-2023)

Country and neighbouring countries		2021		2022		2023		Average (2021-2023)	
		Units	%	Units	%	Units	%	Units	%
Estonia +	Krone	[…]	[20-30]%	[…]	[10-20]%	[…]	[30-40]%	[…]	[20-30]%
	SM	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
	Combined	*[...]*	*[30-40]%*	*[...]*	*[20-30]%*	*[...]*	*[40-50]%*	*[...]*	*[30-40]%*
	Total	**[2,000-4,000]**	**100%**	**[2,000-4,000]**	**100%**	**[2,000-4,000]**	**100%**	**[2,000-4,000]**	**100%**

Source: Annex 1.1 to RFI 7.

5.2.2.2. Market for road transport equipment segmented by trailer type (trailer, semi-trailer, fixed bodies)

(56) **EEA level** – When segmenting the market according to the type of road transport equipment, the Transaction does not lead to any affected markets at EEA level for either type of trailers.[65]

(57) Given that semi-trailers constitute the largest segment among the overall market for road transport equipment and despite there being no affected markets at EEA level, for the sake of providing an overview of the competitive landscape for semi-trailers at EEA level, Table 4 is included below.

Table 4 – Market shares on the segment for semi-trailers at EEA level (2021-2023)

	2021		2022		2023		Average (2021-2023)	
	Units	Market shares	Units	Market shares	Units	Market shares	Units	Market shares
Krone Group	[…]	[10-20]%	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%
Schwarz-müller Group	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Combined	*[...]*	*[20-30]%*	*[...]*	*[20-30]%*	*[...]*	*[20-30]%*	*[...]*	*[20-30]%*
Schmitz Cargobull	/	[20-30]%	/	[20-30]%	/	[20-30]%		
Wielton	/	[5-10]%	/	[5-10]%	/	[5-10] %		
Kögel	/	[5-10]%	/	[5-10]%	/	[5-10]%		
Tirsan	/	[0-5]%	/	[0-5]%	/	[0-5]%		
Total	**[150,000-200,000]**	**100%**	**[150,000-200,000]**	**100%**	**[150,000-200,000]**	**100%**	**[150,000-200,000]**	**100%**

Source: Annex 2 to RFI 5 and Annex 1.2 to RFI 7.

65 Overlaps on the segments for 'trailers', 'semi-trailers' and 'fixed bodies' at EEA level fall under paragraphs 5(d) (i) (aa) and 8 of the Simplified Notice.

(58) **Regional level** – On the narrower geographic scope, i.e., regional markets comprising the country of registration of the vehicle and its neighbouring countries, the Parties' activities lead to affected markets for semi-trailers and fixed bodies. The Parties' activities do not lead to affected markets for trailers.[66]

(59) On the segment for semi-trailers, the Transactions leads to affected markets in a number of regions. However, only in one region the Parties' affected markets exceed combined market shares of 35% (listed below in Table 5).[67]

Table 5 - Market shares of the Parties exceeding 35% on the segment for semi-trailers at regional level (2021-2023)

Country and neighbouring countries		2021		2022		2023		Average (2021-2023)	
		Units	%	Units	%	Units	%	Units	%
Hungary +	Krone	[…]	[10-20]%	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%
	SM	[…]	[20-30]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
	Combined	*[…]*	*[40-50]%*	*[…]*	*[30-40]%*	*[…]*	*[30-40]%*	*[…]*	*[30-40]%*
	Total	**[10,000 - 15,000]**	**100%**	**[10,000 - 15,000]**	**100%**	**[10,000 - 15,000]**	**100%**	**[10,000 - 15,000]**	**100%**

Source: Annex 1.2 to RFI 7.

(60) On the segment for fixed bodies, the Transaction leads to one affected market in the region comprising Austria and its neighbouring countries, with however combined market shares below 35% (combined market shares of [30-40]% in 2023, increment of [5-10] percentage points). The Parties' combined market shares on average over the last three years in the segment comprising Austria and its neighbouring countries remain below 20%.[68]

5.2.2.3. Market for road transport equipment segmented by body type (curtainsiders, container chassis and moving floor)

(61) When segmenting the market for road transport equipment according to the body type of road transport equipment, the Transaction leads to affected markets on the curtainsiders, container chassis and moving floor segments.

5.2.2.3.1. Curtainsiders

(62) **EEA level** – The Parties' combined activities on the segment for curtainsiders lead to an affected market at EEA level, both on the overall segment for curtainsiders

66 Overlaps on the segment for 'trailers' at regional level are covered by paragraph 5 (d) (i) (aa) of the Simplified Notice.

67 Markets which are affected but with market shares below 35% are the following: Austria +, Czechia +, Romania+ and Slovakia+. Markets which are neither listed here nor in the table, either do not lead to horizontal overlaps or fall under paragraphs 5(d) (i) (aa), (bb) or paragraph 8 of the Simplified Notice.

68 Annex 1.3 to Notifying Party's replies to RFI 7.

(i.e., independently of the distinction between type of trailer) as well as on the narrowest market which is the segment for curtainsiders semi-trailers.[69]

(63) As can be seen in Table 6 below, on the overall segment for curtainsiders (i.e., not segmented according to trailer type), the Transaction leads to a combined market share of [30-40]% in the EEA in 2023 (increment of [0-5] percentage points). Based on average market shares, the Parties' combined market share would be [30-40]% for the years 2021-2023 (increment of [0-5] percentage points).

(64) On the narrowest segment for curtainsiders semi-trailers, the Transaction leads to a combined market share of [30-40]% in the EEA in 2023 (increment of [0-5] percentage points). Based on average market shares, the Parties' combined market share would be [30-40]% for the years 2021-2023 (increment of [5-10] percentage points).

Table 6 - Market shares on the overall segment for curtainsiders and on the curtainsiders semi-trailer segment at EEA level (2021-2023)

	2021		2022		2023		Average (2021-2023)	
	Units	**Market shares**	**Units**	**Market shares**	**Units**	**Market shares**	**Units**	**Market shares**
Curtainsiders – overall								
Krone Group	[…]	[20-30]%	[…]	[30-40]%	[…]	[20-30]%	[…]	[20-30]%
Schwarzmüller Group	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[0-5]%
Combined	*[...]*	*[30-40]%*	*[...]*	*[30-40]%*	*[...]*	*[30-40]%*	*[...]*	*[30-40]%*
Schmitz Cargobull	/	[30-40]%	/	[30-40]%	/	[30-40]%		
Kögel	/	[10-20]%	/	[10-20]%	/	[10-20]%		
Wielton	/	[5-10]%	/	[5-10]%	/	[5-10]%		
Tirsan	/	[0-5]%	/	[0-5]%	/	[0-5]%		
Total	**[80,000-100,000]**	**100%**	**[80,000-100,000]**	**100%**	**[60,000-80,000]**	**100%**	**[80,000-100,000]**	**100%**
Curtainsiders semi-trailers								
Krone Group	[…]	[30-40]%	[…]	[30-40]%	[…]	[30-40]%	[…]	[30-40]%
Schwarzmüller	[…]	[5-10]%	[…]	[5-10]%	[…]	[0-5]%	[…]	[5-10]%
Combined	*[...]*	*[30-40]%*	*[...]*	*[40-50]%*	*[...]*	*[30-40]%*	*[...]*	*[30-40]%*
Total	**[60,000-80,000]**	**100%**	**[60,000-80,000]**	**100%**	**[60,000-80,000]**	**100%**	**[60,000-80,000]**	**100%**

Source: Form CO, paragraph 485 and revised Annex 1.4 and 1.5 to RFI 7.

(65) **Regional level** – The transaction leads to affected markets on the overall curtainsiders segment[70] and on the curtainsiders semi-trailers segment in a number

[69] Overlaps on the segments for curtainsiders trailers and curtainsiders fixed bodies are covered by paragraph 5(d) (i) (aa) of the Simplified Notice, and therefore do not lead to affected markets.

[70] On the overall market for curtainsiders, the Transaction leads to affected markets in the same ten regions as on the narrower segment for curtainsiders semi-trailers. Given that market shares on the overall market for curtainsiders are consistently lower than for curtainsiders semi-trailers, the Commission will focus its assessment on the narrowest plausible segment, i.e., on curtainsiders semi-trailers.

of regions. Table 7 below presents affected markets where the Parties' combined market shares exceed 35% on the narrowest possible market segment, i.e., curtainsiders semi-trailers, at regional level.[71]

Table 7 – Market shares of the Parties exceeding 35% on the segment for curtainsiders semi-trailer at regional level (2021-2023)

Country and neighbouring countries		2021		2022		2023		Average (2021-2023)	
		Units	%	Units	%	Units	%	Units	%
Austria+	Krone	[…]	[30-40]%	[…]	[30-40]%	[…]	[30-40]%	[…]	[30-40]%
	SM	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
	Combined	*[…]*	*[40-50]%*	*[…]*	*[40-50]%*	*[…]*	*[50-60]%*	*[…]*	*[40-50]%*
	Total	**[20,000-40,000]**	**100%**	**[20,000-40,000]**	**100%**	**[20,000-40,000]**	**100%**	**[20,000-40,000]**	**100%**
Bulgaria +	Krone	[…]	[20-30]%	[…]	[40-50]%	[…]	[30-40]%	[…]	[30-40]%
	SM	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
	Combined	*[…]*	*[30-40]%*	*[…]*	*[40-50]%*	*[…]*	*[40-50]%*	*[…]*	*[40-50]%*
	Total	**[2,000-4,000]**	**100%**	**[2,000-4,000]**	**100%**	**[2,000-4,000]**	**100%**	**[2,000-4,000]**	**100%**
Czechia +	Krone	[…]	[30-40]%	[…]	[30-40]%	[…]	[30-40]%	[…]	[30-40]%
	SM	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
	Combined	*[…]*	*[30-40]%*	*[…]*	*[40-50]%*	*[…]*	*[40-50]%*	*[…]*	*[40-50]%*
	Total	**[20,000-40,000]**	**100%**	**[20,000-40,000]**	**100%**	**[20,000-40,000]**	**100%**	**[20,000-40,000]**	**100%**
Germany+	Krone	[…]	[30-40]%	[…]	[30-40]%	[…]	[30-40]%	[…]	[30-40]%
	SM	[…]	[5-10]%	[…]	[5-10]%	[…]	[0-5]%	[…]	[5-10]%
	Combined	*[…]*	*[30-40]%*	*[…]*	*[40-50]%*	*[…]*	*[40-50]%*	*[…]*	*[40-50]%*
	Total	**[40,000-60,000]**	**100%**	**[40,000-60,000]**	**100%**	**[40,000-60,000]**	**100%**	**[40,000-60,000]**	**100%**
Hungary +	Krone	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%
	SM	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%
	Combined	*[…]*	*[40-50]%*	*[…]*	*[40-50]%*	*[…]*	*[40-50]%*	*[…]*	*[40-50]%*
	Total	**[6,000-8,000]**	**100%**	**[6,000-8,000]**	**100%**	**[6,000-8,000]**	**100%**	**[6,000-8,000]**	**100%**
Poland+	Krone	[…]	[30-40]%	[…]	[30-40]%	[…]	[40-50]%	[…]	[30-40]%
	SM	[…]	[5-10]%	[…]	[5-10]%	[…]	[0-5]%	[…]	[5-10]%
	Combined	*[…]*	*[30-40]%*	*[…]*	*[40-50]%*	*[…]*	*[40-50]%*	*[…]*	*[40-50]%*
	Total	**[20,000-40,000]**	**100%**	**[20,000-40,000]**	**100%**	**[20,000-40,000]**	**100%**	**[20,000-40,000]**	**100%**

[71] Markets which are affected but with market shares below 35% comprise the segment Slovakia + and Lithuania +. Markets which are not listed here nor in the table, either do not lead to horizontal overlaps or fall under paragraph 5(d) (i) (aa) or (bb) or paragraph 8 of the Simplified Notice.

Country and neighbouring countries		2021		2022		2023		Average (2021-2023)	
		Units	%	Units	%	Units	%	Units	%
Romania +	Krone	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%
	SM	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
	Combined	*[…]*	*[40-50]%*	*[…]*	*[40-50]%*	*[…]*	*[40-50]%*	*[…]*	*[40-50]%*
	Total	**[4,000-6,000]**	**100%**	**[4,000-6,000]**	**100%**	**[4,000-6,000]**	**100%**	**[4,000-6,000]**	**100%**
Slovenia +	Krone	[…]	[20-30]%	[…]	[20-30]%	[…]	[10-20]%	[…]	[10-20]%
	SM	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
	Combined	*[…]*	*[30-40]%*	*[…]*	*[30-40]%*	*[…]*	*[30-40]%*	*[…]*	*[30-40]%*
	Total	**[6,000-8,000]**	**100%**	**[8,000-10,000]**	**100%**	**[6,000-8,000]**	**100%**	**[8,000-10,000]**	**100%**

Source: Revised Annex 1.5 to RFI 7.

5.2.2.3.2. Container chassis

(66) **EEA level** – The Parties' combined activities on the segment for container chassis lead to an affected market at EEA level only in one of the narrowest segments, namely in the segment for container chassis trailers (see Table 8 below).[72]

Table 8 - Market shares of the Parties on the container chassis trailer segment at EEA level (2021-2023) [73]

	2021		2022		2023		Average (2021-2023)	
	Units	Market shares	Units	Market shares	Units	Market shares	Units	Market shares
Container chassis trailers								
Krone Group	[…]	[20-30]%	[…]	[20-30]%	[…]	[10-20]%	[…]	[10-20]%
Schwarzmüller Group	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
Combined	*[…]*	*[40-50]%*	*[…]*	*[30-40]%*	*[…]*	*[30-40]%*	*[…]*	*[30-40]%*
Total	**[8,000-10,000]**	**100%**	**[8,000-10,000]**	**100%**	**[8,000-10,000]**	**100%**	**[8,000-10,000]**	**100%**

Source: Annex 1.7 to RFI 7.

(67) **Regional level** – The transaction leads to affected markets on the overall container chassis segment[74] as well as the container chassis trailers segment in a number of

[72] Overlaps on the overall segment for container chassis at EEA level are covered by paragraph 8 of the Simplified Notice. The Parties do not overlap on a possible segment for container chassis fixed bodies. The Parties' overlap on the possible segment for container chassis semi-trailers is negligible, given that Krone produced only […] vehicles of this segment in the last 3 years. Notifying Party's reply to RFI 4, question 2.

[73] Unlike for the other markets at EEA level, for this segment the Parties were unable to provide an overview of the market position of their major competitors in the segment for container chassis, due to lack of available data.

regions. Table 9 below presents the affected markets where the Parties' combined market shares exceed 35% on the narrowest possible market segment, i.e., container chassis – trailers, at regional level.[75]

Table 9 - Market shares of the Parties exceeding 35% on the container chassis trailer segment at regional level (2021-2023)

Country and neighbouring countries		2021		2022		2023		Average (2021-2023)	
		Units	%	Units	%	Units	%	Units	%
Austria+	Krone	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%
	SM	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%
	Combined	*[…]*	*[50-60]%*	*[…]*	*[50-60]%*	*[…]*	*[40-50]%*	*[…]*	*[40-50]%*
	Total	**[6,000-8,000]**	**100%**	**[6,000-8,000]**	**100%**	**[4,000-6,000]**	**100%**	**[6,000-8,000]**	**100%**
Germany+	Krone	[…]	[20-30]%	[…]	[20-30]%	[…]	[10-20]%	[…]	[20-30]%
	SM	[…]	[20-30]%	[…]	[20-30]%	[…]	[10-20]%	[…]	[20-30]%
	Combined	*[…]*	*[50-60]%*	*[…]*	*[40-50]%*	*[…]*	*[30-40]%*	*[…]*	*[40-50]%*
	Total	**[6,000-8,000]**	**100%**	**[6,000-8,000]**	**100%**	**[6,000-8,000]**	**100%**	**[6,000-8,000]**	**100%**

Source: Annex 1.7 to RFI 7.

5.2.2.3.3. Moving floor vehicles

(68) **EEA level** – The Parties' combined activities in the segment for moving floor vehicles do not lead to an affected market at EEA level.[76]

(69) Despite there being no affected markets at EEA level, for the sake of providing an overview of the competitive landscape for moving floor vehicles at EEA level, Table 10 is included below. The Notifying Party moreover indicates that the entire market of moving floor vehicles consists almost exclusively of the combination Moving Floor Semi-trailer.[77] The Commission will therefore carry out its assessment on the overall moving floor vehicles segment.

74 On the overall market for container chassis, the Transaction leads to affected markets in the regions Austria + and Germany +. Given that market shares on these segments are lower than on the narrower segment of container chassis trailer, the Commission will focus its assessment on the narrowest plausible segment, i.e., on container chassis trailer.

75 Markets which are affected but with market shares below 35% comprise only the segment of Slovakia +. Markets which are not listed here nor in the table, either do not lead to horizontal overlaps or fall under paragraphs 5(d) (i) (aa), (bb) or paragraph 8 of the Simplified Notice.

76 Overlaps on the market for moving floor at EEA level fall under paragraph 5(d) (i) (bb) of the Simplified Notice.

77 The Notifying Party explains that Krone Group has in the past constructed fixed bodies with moving floor systems with sales not exceeding […] vehicles over the last three years. In practice, these products are considered custom-made by Krone and do not form part of Krone Group's general portfolio. Schwarzmüller has constructed […] vehicles in the last three years. Notifying Party's replies to RFI 4, question 2.

Table 10 - Market shares on the overall segment for moving floor vehicles at EEA level (2021-2023)

Moving floor vehicles	2021		2022		2023		Average (2021-2023)	
	Units	Market shares	Units	Market shares	Units	Market shares	Units	Market shares
Krone Group	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%
Schwarzmüller Group	[…]	[5-10]%	[…]	[5-10]%	[…]	[0-5]%	[…]	[5-10]%
Combined	*[…]*	*[20-30]%*	*[…]*	*[20-30]%*	*[…]*	*[20-30]%*	*[…]*	*[20-30]%*
STAS	/	[10-20]%	/	[10-20]%	/	[10-20]%		
Kraker	/	[10-20]%	/	[10-20]%	/	[10-20]%		
Legras	/	[10-20]%	/	[10-20]%	/	[10-20]%		
Total	**[4,000-6,000]**	**100%**	**[4,000-6,000]**	**100%**	**[4,000-6,000]**	**100%**	**[4,000-6,000]**	**100%**

Source: Form CO, paragraph 489 and Annex 1.8 to RFI 7.

(70) **Regional level** – The transaction leads to affected markets in the overall moving floor vehicles segment in three regions.[78] Table 11 below presents the Parties' affected markets on the moving floor segment where market shares exceed 35% at regional level.[79]

Table 11 - Market shares of the Parties exceeding 35% on the segment for moving floor vehicles at regional level (2021-2023)

Country and neighbouring countries		2021		2022		2023		Average (2021-2023)	
		Units	%	Units	%	Units	%	Units	%
Austria+	Krone	[…]	[30-40]%	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%
	SM	[…]	[10-20]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[10-20]%
	Combined	*[…]*	*[40-50]%*	*[…]*	*[30-40]%*	*[…]*	*[30-40]%*	*[…]*	*[30-40]%*
	Total	**[2,000-4,000]**	**100%**	**[2,000-4,000]**	**100%**	**[2,000-4,000]**	**100%**	**[2,000-4,000]**	**100%**
Czechia+	Krone	[…]	[30-40]%	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%
	SM	[…]	[10-20]%	[…]	[10-20]%	[…]	[5-10]%	[…]	[10-20]%
	Combined	*[…]*	*[40-50]%*	*[…]*	*[30-40]%*	*[…]*	*[30-40]%*	*[…]*	*[40-50]%*
	Total	**[2,000-4,000]**	**100%**	**[2,000-4,000]**	**100%**	**[0-2,000]**	**100%**	**[2,000-4,000]**	**100%**

Source: Annex 1.8 to RFI 7.

78 Markets which are affected but with market shares below 35% comprise only the segment of Germany +.

79 The Notifying Party submits that due to a lack of specific registration data or other reliable market data, the Parties are unable to reasonably estimate total market volumes outside of the Parties' core markets Germany and Austria (and the Netherlands, where the Parties' activities however do not overlap). The Notifying Party further submits that the Target has very limited activities in all other EEA Member States with less than […] vehicles sold in each country in 2023. Due to these very limited increments, the Transaction is unlikely to have an effect on effective competition in the regional segments concerned. See replies to RFI 5, question 4.

5.2.3. The Notifying Party's view

(71) The Notifying Party submits that the Transaction will not give rise to non-coordinated effects on the overall market for road transport equipment and its possible segments, both at EEA level and at regional level, for the following reasons.

(72) *First*, market shares are moderate on most potential segments at EEA level, barely exceeding 20%, with limited increments. The only exception is the segment for curtainsiders where the Parties' combined market share exceeds 30% at EEA level, without however exceeding 40%.[80] With regard to the regional level, due to the small size of segments and high variations from year to year, the Parties' average market shares over the last three years presents a better indicator of the Parties' market position. On the majority of regional segments, the Parties' combined market share does not exceed 40%. In the regions in which combined market shares do exceed 40%, the merged entity will continue to face strong competition from rivals. Moreover, as will be discussed in more detail below, the Parties are not close competitors on the curtainsiders and container chassis segments and for moving floor trailers, Schwarzmüller's production, and hence market position, decreased by more than […]% in the last three years.[81]

(73) *Second*, the merged entity will continue to face significant competitive pressure from its competitors. This applies in particular to Schmitz Cargobull (which will remain the market leader post-Transaction with approx. [20-30]% market share on the overall market), Wielton (including the Fruehauf brand), Kögel and Tirsan (including the Kässbohrer brand), followed by Fliegl and LeciTrailers in the segments of road transport equipment, trailers, semi-trailers, curtainsiders and container chassis. For the niche market for moving floor trailers, the merged entity will continue to face competitive pressure from STAS, Legras and Kraken Trailers.[82]

(74) *Third*, the Parties are not close competitors on the overall market or on specific segments of road transport equipment, as Krone is focused on standard products, such as curtainsiders, refrigerated and non-refrigerated box vehicles and container chassis, which jointly represent approximately 65-75% of the overall road transport equipment market.[83] Schwarzmüller on the other hand is rather active in niche and specialized markets of curtainsiders and container chassis and within categories that Krone does not offer, such as tipper trailers, timber/stanchion vehicles, or other special purposes vehicles.[84] For instance, with regard to curtainsiders, Schwarzmüller has put a clear focus on light-weight construction, whereas Krone and most large producers of curtainsiders produce heavier curtainsiders. Schwarzmüller is therefore competing more closely with other, more specialized companies such as Berger (subsidiary of Schmitz Cargobull) and Fliegl.[85] With regard to container chassis, Krone produces traditional container chassis for the transport of sea containers and of swap bodies (i.e., removable bodies similar to containers but specifically designed to fit the producer's carrier and to be changed

80 Form CO, paragraphs 430-433.
81 Form CO, paragraphs 476b-476jj.
82 Form CO, paragraph 452.
83 Form CO, paragraphs 437.
84 Form CO, paragraphs 436-440.
85 Form CO, paragraphs 144, 441-443.

(or swapped) from one carriage to another, or to leave the body at a destination, without using extra equipment such as a crane or hoist). Schwarzmüller, on the other hand, primarily produces so-called roll carrier systems that are geared towards the construction or waste disposal industry. The carrier systems produced by Krone and Schwarzmüller therefore cater to different needs and hence target different customer groups.[86]

(75) *Fourth*, customers have the ability to easily switch suppliers as rival products are largely interchangeable and truck units are versatile and can be combined with (semi-)trailers or fixed bodies of all major producers with no or little additional effort. The Notifying Party notes that in practice large customers often source from different suppliers and not rarely switch from one supplier to another, with very limited switching costs.[87]

(76) *Fifth*, competitors have the ability and incentive to increase supply if prices were to increase due to significant free production capacities. The Notifying Party notes that producers of road transport equipment generally do not have relevant capacity restrictions. To the contrary, due to high volatility of demand, producers have significant free capacities both today and in the foreseeable future.[88] For instance, for 2024, both Krone and Schwarzmüller are operating only at respectively […]% and […]% of their theoretical maximum production capacities.[89] Competitors will moreover have an incentive to increase production given that higher volumes enable to decrease fixed costs per unit overall.[90]

(77) *Sixth*, the Transaction would not eliminate an important competitive force, as Schwarzmüller has experienced a negative sales trend for at least the last three years,[91] […] despite an overall more or less stable market environment. The Target's difficult financial situation would also be reflected in […].[92] Due to the Target's significant financial and commercial struggles, it is currently not able to exert significant competitive pressure on the market. In addition, Schwarzmüller's pricing strategy cannot be qualified as aggressive, nor is Schwarzmüller a particularly innovative company.[93]

(78) *Lastly*, customers enjoy a significant degree of buyer power. In particular, large customers have been able to drive down prices of suppliers due to their ability to switch easily from one manufacturer to another. If a supplier were to increase its prices, customers would switch to another supplier.[94]

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86 Form CO, paragraphs 444-448.

87 Form CO, paragraphs 451-453.

88 Form CO, paragraphs 454-457.

89 The Notifying Party refers to theoretical maximum capacity given the fact that this capacity could easily be increased by adding additional shifts to the plants' operations in the event of a significant increase in demand. The Notifying Party submits that this is also the case for its competitors. Form CO, paragraphs 490-494.

90 Form CO, paragraph 458. In that regard, the Notifying Party notes that high volume contracts with large customers are sometimes agreed upon with negligible or even negative margins in order to increase volumes and drive down the fixed costs per unit.

91 [Description of sales trend of the Schwarzmüller Group].

92 Form CO, paragraphs 62 et seq.

93 Form CO, paragraphs 459-467.

94 Form CO, paragraphs 479 et. seq.

5.2.4. The Commission's assessment

(79) As explained in section 5.2.2, the Parties' combined market shares are not negligible and exceed 35% in a series of markets and segments, with sizeable increments in some cases. However, the Commission notes that the Parties' market shares at EEA level are below 40% on all plausible product market segments in 2023. Only when considering the narrowest geographic market definition, i.e., on the basis of a country and neighbouring countries approach, do the Parties' market shares exceed 40% in the following product segments in 2023:

(a) In one region (Estonia and its neighbouring countries), on the overall market for road transport equipment, with a market share of [40-50]% (increment of [0-5] percentage points).

(b) In seven regions,[95] on the potential segment for 'curtainsiders semi-trailers' with market shares of up to [50-60]%, in the region comprising Austria and its neighbouring countries (increment of [10-20] percentage points); and

(c) In one region (Austria and its neighbouring countries), on the potential segment of 'container chassis trailers', with a market share of [40-50]% (increment of [20-30] percentage points).

(80) With respect to these market shares, the Commission further notes that the market for road transport equipment, irrespective of its segmentation, is characterised by a certain volatility and unpredictable demand as customers would not regularly renew their fleets entirely, or would be less likely to pass large orders in times of overall economic downturn, when there are less goods to be transported by road.[96] In addition, markets at regional level, i.e., country of intended vehicle registration and its neighbouring countries, are relatively small, with the total market size in annual units sold being below 10,000 for instance in the Estonia and neighbouring countries and Bulgaria and neighbouring countries regions, and between 10,000 and 20,000 in the regions around Hungary and Romania, with their respective neighbouring countries. Only in regions including either France, Germany or Poland, i.e. four[97] of the markets listed in Tables 3-11 above, is the total market size significantly larger. Therefore, bulk orders by large fleet customers can impact market shares significantly from year to year. In line with the methodology applied in previous cases,[98] the Commission has therefore taken into account also the average market share of the Parties over the last three years, as reflected in section 5.2.2 above.

(81) Based on the three-year average for 2021-2023, the Parties' combined market shares exceed 35% in a series of markets and segments, with sizeable increments in some cases. However, the Commission notes that the Parties' market shares at EEA level are below 40% on all plausible product market segments. Only when considering the narrowest geographic market definition, i.e., on the basis of a country and neighbouring countries approach, do the Parties' market shares exceed 40% in the following product segments over the relevant period:

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95 Which are Austria+, Bulgaria+, Czechia+, Germany+, Hungary+, Poland+, and Romania+.

96 Form CO, paragraphs 536 et seq. and replies to RFI 5, question 2.

97 Which are Austria +, Czechia +, Germany + and Poland +.

98 Commission decision in case M.6267 – *Volkswagen / MAN*, paragraphs 79-80; and case M.4336 – *MAN / Scania*, paragraph 105.

(a) In seven regions,[99] on the potential segment for 'curtainsiders semi-trailers' with market shares of up to [40-50]% in the region comprising Hungary and its neighbouring countries (increment of [20-30] percentage points); and

(b) In two regions,[100] on the potential segment of 'container chassis trailers', with market shares of up to [40-50]%, in the region comprising Austria and its neighbouring countries (increment of [20-30] percentage points).

(c) In one region (Czechia and its neighbouring countries), on the segment for moving floor vehicles, with a market share of [40-50]% (increment of [10-20] percentage points).

(82) Whereas market shares provide useful first indications of the market structure and of the competitive importance of the parties to a transaction and their competitors,[101] the competitive analysis in a particular case must be based on an overall assessment of the foreseeable impact of the merger in the light of the relevant factors and conditions [102]. In this respect and despite the market shares just described, the Commission considers that the Transaction does not lead to competition concerns in any of the horizontally affected markets for the following reasons.

(83) As a general premise to the analysis, the Commission notes that, as discussed at section 4.2.3 above, the Commission has assessed the different plausible product markets and segments both at EEA- and regional, i.e., neighbouring country level. The market investigation has yielded no particular differences in competitive dynamics (i) between the EEA and regional levels, and (ii) on the regional level, between the different country groups, despite responding customers hailing from 9 countries across Europe,[103] and competitors from across the EEA[104] and Türkiye. Therefore, the Commission considers that the arguments below are equally applicable across EEA and all relevant regions.

(84) *First*, the Transaction would not eliminate competitive pressure from a close competitor.

(85) Within both the overall market for road transport equipment as well as in narrower segments by trailer type or body type and across all putative geographic cuts in the EEA, the Parties do not compete closely. The market investigation confirmed that the Parties' overall product portfolios are complementary in terms of product specialisation and that Krone, in particular, competes more closely with other rivals such as Schmitz Cargobull, Kögel, Kässbohrer (Tiersan), Wielton and others rather than with the Target.[105] Among the large majority of customers who consider that the Parties are not close competitors, customers noted that "*KRONE and Schwarzmüller may offer a comparable range of products, but the similarities end there*".[106] With regard to the products offered by the Parties, customers noted that "*Krone and Schwarzmüller only have slight overlap in their product portfolio, like the semi-trailers with suitcase or tarpaulin. We don't see a competition between the*

99 Which are Austria +, Bulgaria +, Czechia +, Germany +, Hungary +, Poland + and Romania.
100 Which are Austria + and Germany +.
101 Horizontal Merger Guidelines, paragraph 14.
102 Horizontal Merger Guidelines, paragraph 13.
103 Including, for instance, from Austria, Czechia, Estonia, Germany, Poland, Romania, and others.
104 Including, for instance, from Belgium, France, Germany, Poland and Spain.
105 Replies to eRFI to customers, question D.2.1.
106 Replies to eRFI to customers, question D.1.

two companies as they sell different products" and that "*apart from curtain-sided trailers, all other Schwarzmüller products are not manufactured by Krone*".[107] Customers further pointed to the different size of the Parties, noting that "*Krone is a much bigger company while Schwarzmüller is a very local company*"[108] and to the different customer groups each Party targets, noting that "*[m]any products are very similar, but usually appeal to different types of customers*".[109]

(86) The Parties are also not close competitors within the narrower segments by trailer type or body type. Whereas fixed bodies play a very minor role in the production portfolio of both parties,[110] making them minor players in the fixed body segment as such, they both face a large number of manufacturers for trailers and semi-trailers, including Schmitz Cargobull, Kögel, Kässbohrer (Tiersan), and Wielton who are active across the EEA and who are, according to the results of the market investigation, close rivals to Krone.[111]

(87) As regards curtainsiders, Schwarzmüller has a strong focus on lightweight construction, whereas Krone constructs primarily standard weight equipment. As one respondent to the market investigation noted, "*[t]here are manufacturers which are highly specialized on lightweight constructions, e.g. Schwarzmüller, which, in our opinion, is particularly specialized in lightweight (semi-)trailers*".[112] While interchangeable to a certain extent, different tare weights[113] of (semi-)trailers attract different customer groups depending on their use cases, which makes the Parties not close competitors for curtainsiders, where light-weight construction plays a particular role.[114] As noted by competitors during the market investigation, "*[l]ight trailers are best suited for tasks where speed, fuel efficiency, and manoeuvrability are priorities, such as local deliveries. Standard trailers excel in industries requiring high performance under demanding conditions, like construction or industrial transport. While there may be limited overlap in their usage, […] [s]electing the right trailer type depends on transportation needs*".[115]

(88) As regards container chassis, the market investigation has not invalidated[116] the Notifying Party's argument that the Parties' respective chassis differ significantly.[117] Krone manufactures chassis primarily for standardized sea containers, i.e., chassis used to transport sea containers in harbour environments or from harbours to distribution centres, and for container changing systems or swap bodies, i.e. chassis used to transport removable bodies specifically designed to change, or swap, the body from one carriage to another, or to leave the swap body

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107 Replies to eRFI to customers, question D.1.

108 Replies to eRFI to customers, question D.1.

109 "*Viele Produkte sind sehr ähnlich, sprechen aber meist verschiedene Typen von Kunden an*." See Replies to eRFI to customers, question D.1.

110 Form CO, paragraphs 7 and 399 et seq.

111 Replies to eRFI to customers, question D.2.1.

112 Replies to eRFI to competitors, question B.4.1.

113 Tare weight, also called unladen weight, is the weight of the empty (semi-)trailer.

114 For instance, see lightweight trailers by Schmitz Cargobull (BERGER) (https://www.cargobull.com/en/products/bergerecotrail-leichtbaufahrzeuge), Wielton (https://wielton.com.pl/en/wielton-products/curtain-semi-trailers/standard/strong-light-master/), and Kögel (https://www.koegel.com/en/product-overview/product-family-tarpaulin-vehicles/product-detail-light/), which all offer lightweight versions primarily for curtainsider semi-trailers, like Schwarzmüller.

115 Replies to eRFI to competitors, question B.4.1.

116 Replies to eRFI to customers, question D.4.

117 See, e.g., Krone internal document, Form CO Annex 5.4(K2), slide 19.

at a destination, without using extra equipment such as a crane or hoist.[118] Schwarzmüller, on the other hand, mainly produces roll carrier systems, i.e., chassis used to transport roller containers, such as waste collection containers.[119] While, therefore, both offer container chassis, the specific container type their chassis can transport and the specific characteristics of the chassis differ, and so do the use cases for customers.

(89) *Second*, customers have numerous alternative suppliers to source from and do not face significant difficulties switching suppliers. The large majority of customers having expressed a view during market investigation confirmed that they could switch to at least 3 alternative suppliers apart from the Parties, and a significant minority of respondents indicated they could switch to more than five alternative suppliers.[120] The market investigation confirmed the Notifying Party's submission that truck units are typically versatile and can be used in combination with trailers and semi-trailers or fixed bodies of all major producers, with limited adjustments.[121]

(90) This is further evidenced by the large majority of customers who expressed a view using a multi-sourcing strategy, procuring fixed bodies, trailers or semi-trailers from at least two different suppliers.[122] Most customers who multi-source indicated that procurement decisions depend on objective criteria such as price and quality with no fix set of preferred suppliers.[123] Of those respondents who indicated specific suppliers, most do not multi-source from both Parties at the same time.[124]

(91) From a supply-side perspective, the majority of competitors having expressed a view during the market investigation explained that they would be able to increase their production of trailers or semi-trailers in a timely and profitable manner, i.e. within less than 12 months and without incurring significant sunk cost, to supply additional customers.[125] A number of competitors noted that they "*could ramp up production if needed*", "*[have] flexible production lines and could easily increase [their] capacity within 12 months if there are no supply problems of components and raw materials*" or "*still have capacity in production and are not fully utilized*".[126]

(92) In addition, with regard to the narrower product market segments of curtainsider semi-trailers and container chassis trailers, where the Parties' combined shares can be as high as almost 50% on a regional basis (see Tables 7 and 9 above), the Commission notes that even if one were to retain such narrow segmentation, the merged entity would continue to face additional out-of-market constraints from curtainsiders and container chassis more broadly, i.e., including other trailer types.

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118 Swap bodies are usually fitted with four up-folding legs under their frame on which they stand once the trailer is removed. See Form CO, paragraphs 445-446.

119 Roll carrier systems are unable to transport sea containers or swap bodies. They are designed to carry rollable containers that roll onto the carrier, e.g. using a tipping function. See Form CO, paragraph 447.

120 Replies to eRFI to customers, question D.2.

121 Form CO, paragraphs 229 and 453, and eRFI to customers, question B.1.1 and B.2.1., and eRFI to competitors, question B.1.1.

122 Replies to eRFI to customers, question D.3.

123 Replies to eRFI to customers, question D.3.1.

124 Replies to eRFI to customers, question D.2.1.

125 Replies to eRFI to competitors, question D.2.

126 Replies to eRFI to competitors, question D.2.1.

The market investigation has confirmed that from a customer perspective, there is a certain degree of substitutability between the different trailer types as they can serve similar use cases[127] and suppliers could switch production to the respective other trailer type[128]. Indeed, one respondent noted in this respect that "*[t]he most common and standard semi-trailers, curtainsiders, container chassis, moving floors and box are interchangeable in high proportions*".[129] Such out-of-market constraints by other trailer types for each of curtainsiders and container chassis will contribute to discipline the market power of the merged entity in this market.[130]

(93) *Third*, the Transaction will not eliminate an important competitive force. Schwarzmüller has experienced a negative trend in sales, translating into decreasing market shares in recent years. At least over the past three years (2021-2023), Schwarzmüller's sales figures have continuously decreased from around […] units sold in the EEA in 2021 (equivalent to [0-5]% market share in the production and sale of road transport equipment) to […] units sold in the EEA in 2023 (i.e., [0-5]% market share), representing a decrease of about [20-30]% over the three-year-period, i.e., more than […] times as fast as the overall market volume, which decreased only by approx. [0-5]% (or […] units sold) over the same period.[131] At the same time, the financial situation of Schwarzmüller has recently deteriorated. [Description of the financial situation of the Schwarzmüller Group].[132]

(94) The market investigation has confirmed that the Transaction would not eliminate an important competitive force. Neither customers nor competitors having expressed a view consider that Schwarzmüller is typically pricing below average market prices. Whereas the majority of both customers and competitors indicated that they did not perceive any significant price difference between Schwarzmüller and its rivals, a significant minority of customers indicated that Schwarzmüller was actually typically pricing above its competitors.[133] Similarly, the majority of customers and a large majority of competitors do not consider Schwarzmüller to be a strong innovator, regarding parameters of competition such as new (semi-)trailer types or features, new materials or technology, production or sales methods, or others.[134]

(95) Moreover, the large majority of customers having expressed a view expect the Transaction to have a neutral or, for a significant minority of customers, positive effect on the market for the manufacturing and supply of road transport

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127 Replies to eRFI to customers, question B.1.1 (e.g., "*semi-trailers have similar characteristics [as trailers] and perform the same functions*").

128 Replies to eRFI to competitors, question B.1.1. ("*Manufacturers would usually cover a wide range of transport vehicles and their applications would overlap to some extent, therefore, a certain degree of interchangeability can be affirmed in this respect.*").

129 Replies to eRFI to competitors, question B.3.1.

130 Commission Notice on the definition of the relevant market for the purposes of Union competition law, OJ C/2024/1645, 22.2.2024, paragraph 17.

131 Form CO, paragraph 481. In "wider Europe" as defined by the Notifying Party, Schwarzmüller's decrease was even more pronounced, from […] units sold in 2021 to […] units sold in 2023, i.e., a decrease of [20-30]%, if compared to the fact that the overall market slightly grew over the same period, by approx. [0-5]% or […] units overall. Form CO, paragraphs 461 et seq. (based on national vehicle registration data and a third party market study, complemented with the Parties' internal estimates where public data was not available, see Form CO, paragraphs 388 et seq.).

132 Form CO, paragraphs 62 et seq. and Annexes 5.4 (SM2)–(c)(1), 6.2, and 6.3.

133 Replies to eRFI to customers, question D.6 and replies to eRFI to competitors, question D.3.

134 Replies to eRFI to customers, question D.7 and replies to eRFI to competitors, question D.4.

equipment,[135] with some customers stating that they "*expect better prices and a better service level European wide*" following the Transaction, or that the Transaction will bring about a more efficient supplier.[136] Competitors' views on the expected impact of the Transaction on the market were mixed, primarily driven by concerns about the addition of new product types to Krone's product portfolio, an increased bargaining power of the combined entity vis-à-vis parts suppliers, as well as an intensification of price pressure,[137] none of which constitute anti-competitive effects as such.

5.2.5. Conclusion on non-coordinated effects

(96) Based on the above considerations, in particular the lack of close competition between the Parties, the numerous remaining alternative sources to which customers could switch post-Transaction, and the fact that the Target is not an important competitive force, and in light of all evidence available to it, the Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market as a result of non-coordinated effects in the market for the production and sale of road transport equipment in the EEA, or any product or geographic segment thereof.

6. CONCLUSION

(97) 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

135 Replies to eRFI to customers, question E.2.
136 Replies to eRFI to customers, question E.3.
137 Replies to eRFI to competitors, question E.3.