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 Where possible the information omitted has been replaced by ranges of figures or a general description.

NewPrinces S.p.A.
Via J. F. Kennedy no.16
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Italy

Subject: **Case M.12121 - NEWPRINCES / CARREFOUR ITALIA**
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 24 October 2025, the European Commission received notification of a proposed concentration pursuant to Article 4 of the Merger Regulation by which NewPrinces S.p.A. ('NewPrinces', Italy), controlled by Newlat Group S.A. (Switzerland), will acquire within the meaning of Article 3(1)(b) of the Merger Regulation sole control of the whole of Carrefour Italia S.p.A. ('Carrefour Italia', Italy), controlled by Carrefour S.A. (France) (the 'Transaction'). ([3]) NewPrinces and Carrefour Italia are jointly designated hereinafter as the 'Parties' and NewPrinces as the 'Notifying Party'.

([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').
([3]) OJ C, C/2025/5907, 4.11.2025.

1. THE PARTIES

(2) NewPrinces is active in the production and supply of food products, including dairy products ([4]), dry pasta, edible oils, bakery items, and baby food ([5]), distributed under both proprietary and third-party brands, as well as private labels. NewPrinces is presently a supplier of Carrefour Italia.

(3) Carrefour Italia operates nationwide in the large-scale retail distribution of daily consumer goods, by running (either directly or pursuant to franchise agreements) a network of hypermarkets, supermarkets and convenience stores, as well as in the cash & carry sale of daily consumer goods. It also offers products through the online channel.

2. THE CONCENTRATION

(4) The Transaction concerns the acquisition by NewPrinces of sole control over Carrefour Italia through the purchase of 100% of its share capital from Carrefour S.A. and Carrefour Nederland B.V (the Netherlands). ([6]) Upon completion, Carrefour Italia will become a wholly owned subsidiary of NewPrinces.

(5) The Transaction qualifies as a concentration pursuant to Article 3(1)(b) of Council Regulation (EC) No. 139/2004, as it results in the acquisition of sole control on a lasting basis.

3. UNION DIMENSION

(6) The notified concentration has a Union dimension pursuant to Article 1(2) of the Merger Regulation.

(7) In the last financial year, the undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 000 million (NewPrinces EUR […] billion, Carrefour Italia EUR […] billion). ([7]) Each of them has an EU-wide turnover in excess of EUR 250 million (NewPrinces: EUR […] million, Carrefour Italia EUR […] billion), but it is not the case that each of the undertakings concerned achieves more than two-thirds of its aggregate Union-wide turnover within one and the same Member State.

([4]) The production and supply of fresh milk are exclusively carried out by Centrale del Latte d'Italia, an entity which is also part of Newlat Group S.A.

([5]) On 9 July 2025, NewPrinces entered into an agreement with Heinz Italia S.p.A. for the acquisition of the entire share capital of a new company that holds the baby food line of business, commercialised under the brands Plasmon, Nipiol, and other brands. […], the Commission considers NewPrinces' ownership of these brands to constitute a future change to the market that can reasonably be predicted within the meaning of paragraph 20 of the Non-Horizontal Merger Guidelines. Accordingly, for the purpose of the competitive assessment of the Transaction, this decision treats those brands as part of NewPrinces.

([6]) The shares of Carrefour Italia are currently held by Carrefour Nederland B.V. (70%) and Carrefour S.A. (30%). Carrefour S.A. holds 100% of the shares of Carrefour Nederland B.V. and is therefore the ultimate sole control shareholder of Carrefour Italia.

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

4. MARKET DEFINITION

4.1. Supply of fresh milk

(8) Fresh milk is milk with a standardised fat content, which is pasteurised at 72°C for 15 seconds. The Notifying Party submits that the relevant market should be defined as the market for the production and supply of fresh milk, without any further segmentation. ([8])

(9) In its previous decisional practice, the Commission considered that fresh milk constitutes a separate product market from long-life milk. The market of fresh milk comprises both pasteurised milk as well as Extended Shelf Life (ESL) milk, ([9]) and both branded and private label products. ([10]) Instead, conventional and organic fresh milk constitute separate product markets. ([11]) The question of whether the market should be segmented according to the distribution channel (i.e., retail and out-of-home, or 'OOH') was left open. ([12]) The Commission also left open the question whether there could be a health segment within the market for fresh milk. ([13])

(10) The market investigation in this case did not reveal any reasons to depart from this approach. ([14])

(11) With respect to the geographic scope of the market, in previous decisions the Commission concluded that the fresh milk market and its possible segments should be defined as national. ([15]) In case *Lactalis/Parmalat*, the Commission left open the question of whether the market for fresh milk in Italy was of a national or narrower (*i.e.*, regional) dimension. Most respondents indicated that fresh basic milk is transported over distances of up to 400 kilometres, extending beyond the scope of individual Italian regions. However, differences exist between Italian regions in consumption habits. Furthermore, the market investigation showed that brands of fresh basic milk varied from one region to another. ([16]) The Italian Competition Authority has considered that its traditional assessment on the geographic market definition (i.e. regional or macro-regional) had been overcome by the introduction of new preservation techniques (i.e., microfiltration or self-pasteurisation) that increase the milk shelf life. ([17])

(12) The Notifying Party submits that based on its experience in the market in question, fresh milk can be transported for distances above 400 km, and even if the maximum distance were limited to 400 km from each production plant, the catchment area would encompass several regions in Italy. The Notifying Party also highlights that [30-40]% of the fresh milk it produces in Italy is sold outside

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([8]) Form CO, paragraph 107.
([9]) M.6627 – *Arla Food/Milch-Union Hocheifel*, recital 20. Pasteurised fresh milk is still perishable and can be held for 8-9 days if stored and transported refrigerated. Extended shelf life (ESL) milk is fresh pasteurised milk which has a shelf life of approximately 90 days.
([10]) M.5046 - *Friesland Foods/Campina*, recital 207; M.7434 - *Müller Uk & Ireland/Dairy Crest Dairy Operations*, recital 14.
([11]) M.5046, *Friesland Foods/Campina*, recitals 207 and 460; M.6111 – *Arla Foods/Milk Link*, recital 15.
([12]) M.5046 - *Friesland Foods/Campina*, recital 207; M.7434 - *Müller Uk & Ireland/Dairy Crest Dairy Operations*, recital 14.
([13]) M.6242 – *Lactalis/Parmalat*, recital 31.
([14]) Replies to the questionnaire sent to competitors.
([15]) M.5046 – *Friesland Foods/Campina*, recital 230; M.6119 – *Arla/Hansa*, recital 36.
([16]) *M.6242 – Lactalis/Parmalat*, recital 33.
([17]) C11979 – *Parmalat/Ramo di azienda di consorzio cooperativo latterie friulane*, section IV.

the region where the production plant is located. In any case, the Transaction would not give rise to foreclosure effects even based on the most restrictive plausible market definition, i.e., the sale of fresh milk at regional level. ([18])

(13) The results of the market investigation carried out by the Commission are that fresh milk is procured predominantly at a regional level, influenced by proximity to production areas and regional operations. ([19]) Nonetheless, these markets are also characterized by players having a national footprint and being active across the entire territory (e.g. Granarolo and Parmalat).

(14) The Commission concludes that the precise geographic scope of the fresh milk markets can be left open because, even under the narrower market definition (i.e., at the regional level), the Transaction does not give rise to competition concerns.

4.2. The supply of baby foods

(15) In its decisional practice, the Commission has identified that the market for baby foods can be segmented into baby meals, baby dry cereals, baby snacks and baby drinks. ([20]) Baby meals designate prepared meals and individual ingredients for meal preparation, labelled and marketed for babies and children from 6 months up to 36 months. They include mashed purées with a combination of vegetables and meat or fish, single food purees, fruit compotes, soups and ambient dairy products. Baby snacks refer to all sweet and savoury snacks intended for babies and toddlers from 4 to 36 months and include biscuits, crackers, cereals bars and fruit bars.

(16) As to the geographic scope of the market, the Commission took the view that the different markets for baby food have a national geographic dimension. Several national features pointed to the existence of national markets, such as procurement at national level, price differences among Member States, existence of national brands, differences between countries as regards consumption level and market growth. ([21])

(17) The market investigation in this case did not reveal any reason to depart from this approach.

4.3. The retail sale of daily consumer goods through modern distribution channels

(18) In its decisional practice, the Commission has considered that a separate product market exists within the retail segment for the sale of daily consumer goods carried out by retail outlets such as hypermarkets, supermarkets and discount chains ("modern distribution channels"). ([22]) The Commission generally

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([18]) Form CO, paragraphs 241 and 242.

([19]) Replies to the questionnaire sent to competitors.

([20]) M.4842 – *Danone / Numico*, recitals 31 and 32. The Commission has considered that there are separate markets for the supply of branded baby food products and private label baby foods products at the wholesale level, while branded and private label products compete in the same market at the retail level.

([21]) M.4842 – *Danone / Numico*, recital 35.

([22]) M.10631 – *ITM/Mestdagh*, recital 15, M.8374 – *UAB Rimi Lietuva/UAB Palink*, paragraph 13; M.7933 – *Carrefour/Billa Romania and Billa Invest Construct*, paragraph 14; M.7920 – *Netto/J Sainsbury/Dansk Supermarked/New Edlington/Hedon/Roundhay Road*, paragraph 15; M.7224 – *Koninklijke Ahold/Spar CZ*, paragraph 9; M.5112 – *Rewe/Plus Discount*, paragraph 15; M.4590 – *Rewe/Delvita*, paragraphs 9-14; M.2604 – *ICA Ahold/Dansk Supermarked*, paragraphs 10 and 11; M.4686 – *Louis Delhaize/Magyar Hipermarket Kft.*, paragraph 8; M.3905 – *TESCO/Carrefour*, paragraph 10; M.5047, *REWE/Adeg*, paragraph 24.

considered that other types of retailers such as specialised outlets (butchers or bakers, for instance), kiosks, cash & carry stores and service stations do not belong to the relevant market, in view of the fact that they fulfil a specialist or convenience function. ([23]) The Commission has generally left open the question of whether a further distinction should be made according to the total surface of the stores. It has nevertheless explored the following possible segmentations: (a) Hypermarkets, of a surface superior to 2500 m^2; (b) Supermarkets, of a surface comprised between 400 and 2 500 m^2; (c) Convenience stores, of a surface inferior to 400 m^2; (d) Large maxi-discount stores. ([24])

(19) In its decisional practice, the Commission has considered that the geographic market for the retail sale of daily consumer goods is local in nature, the exact geographical scope corresponding to a catchment area around each store, based on travel distance to the store. In previous decisions, the Commission has considered a zone of 10, 20, or 30 minutes of travel time by car to the store: in general, hypermarkets, defined as stores with a surface of more than 2500 square meter, have a larger catchment area (20 to 30 minutes) than smaller stores such as supermarkets (catchment areas of 10 to 20 minutes). ([25])

(20) The Commission considers that the segmentations described above are relevant when assessing relationships between retailers and consumers, as consumers typically express preferences for particular types of retail outlets. However, these segmentations are not relevant for evaluating upstream relationships between suppliers and retailers. Retailers procure products from suppliers to meet their overall demand, regardless of the type of outlet in which the products will ultimately be resold. Similarly, wholesale suppliers generally offer the same products to all retailers, irrespective of the retailers' specialization or store size.

(21) For these reasons, the Commission's assessment of the vertical relationship between NewPrinces and Carrefour Italia focuses on Carrefour Italia's purchasing shares in the upstream markets in which NewPrinces is active, rather than on the various segmentations of the downstream markets for the retail sale of daily consumer goods.

5. COMPETITIVE ASSESSMENT

5.1. Horizontal effects

(22) According to the Horizontal Merger Guidelines, horizontal mergers (i.e. mergers between undertakings active in the same relevant markets) may significantly

([23]) M.10631 – *ITM/Mestdagh*, recital 16; M.8374 – *UAB Rimi Lietuva/UAB Palink*, paragraph 14; M.7933 – *Carrefour/Billa Romania and Billa Invest Construct*, paragraph 15; M.7920 – *Netto/J Sainsbury/Dansk Supermarked/New Edlington/Hedon/Roundhay Road*, paragraph 16; M.6847 – *Triton/Suomen Lähikauppa*, paragraph 10; M.784 – *Kesko/Tuko*, paragraphs 18-20; M.1221 – *Rewe/Meinl*, paragraph 10; M.5790 – *Lidl/Plus/Plus Bulgaria*, paragraphs 11-13.

([24]) M.10631 – *ITM/Mestdagh*, recital 17; M.9847 – *Aldi/FPLPH Assets*, paragraph 15; M.7345 – *Carrefour/53 magasins de Billa en Italie*, paragraph 12.

([25]) M.10631 – *ITM/Mestdagh*, recital 20; M.8468 – *Norgesgruppen/Axfood/Eurocash*, paragraph 24; M.8374 – *Uab Rimi Lietuva/Uab Palink*, paragraph 15; M.7702 – *Koninklijke Ahold/Delhaize Group*, paragraph 17; M.6506 – *Groupe Auchan/Magyar Hipermarket*, paragraph 13; M.6822 – *Groupe Auchan/Real/Real Hypermarket Romania*, paragraph 11; M.5790 – *Lidl/Plus Romania/Plus Bulgaria*, paragraph 14; M.5176 – *CVC/Schuitema*, paragraph 12; M.7920 – *Netto/J Sainsbury/Dansk Supermarked/New Edlington/Hedon/Roundhay*, paragraph 17.

impede effective competition by eliminating important competitive constraints on one or more firms, which consequently would have increased market power. ([26])

(23) In the present case, NewPrinces and Carrefour Italia's private labels are both active in a number of markets, including milk, butter, yogurt, pasta, bread substitutes, etc. In particular:

(a) NewPrinces' largest market positions are in the sale of fresh milk in Liguria ([30-40]% by value, [30-40]% by volume), Piedmont ([40-50]% by value, [40-50]% by volume) and Tuscany ([30-40]% by value, [30-40]% by volume). However, in each of those markets, Carrefour Italia's private labels – which are only sold in Carrefour Italia's own stores – have marginal market shares of less than [0-5]%. These horizontal overlaps therefore meet the requirements under para. 5(d)(i)(aa) of the Notice on Simplified Treatment ([27]).

(b) As discussed below, NewPrinces also have material market positions in the markets of baby food. However, Carrefour Italia's private labels are not present in those markets.

(c) In all other markets where NewPrinces and Carrefour Italia's private labels compete, both Parties have marginal market positions with combined shares well below the thresholds under para. 5(d)(1)(aa) of the Notice on Simplified Treatment.

(24) For these reasons, the horizontal overlaps between the Parties' activities do not give rise to affected markets within the meaning of recital 25(g) Annex I to Regulation (EU) 2023/914 ([28]) and are not further discussed in this decision.

5.2. Vertical effects

(25) Pursuant to the Non-Horizontal Merger Guidelines, ([29]) a vertical merger (i.e. a merger involving companies operating at different levels of the supply chain) may result in anticompetitive foreclosure effects where actual or potential rivals' access to supplies or markets is hampered or eliminated as a result of the merger, thereby reducing these companies' ability and/or incentive to compete. Such foreclosure may discourage entry or expansion of rivals or encourage their exit. Foreclosure thus can be found even if the foreclosed rivals are not forced to exit the market: it is sufficient that the rivals are disadvantaged and consequently led to compete less effectively. ([30])

(26) In the present case, vertical relationships exist between NewPrinces' upstream supply of daily consumer goods and Carrefour Italia's downstream retail distribution of those same goods. In the markets listed in Table 1, the Parties' combined shares exceed the thresholds set out in paragraph 5(d)(ii) of the Notice on Simplified Treatment.

([26]) Horizontal Merger Guidelines, paragraph 22.

([27]) 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.

([28]) 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.

([29]) OJ L 24, 29.1.2004, p. 1.

([30]) Non-horizontal Merger Guidelines, paragraph 29.

Table 1: Vertically affected markets

Relevant market	NewPrinces' upstream supply share	Carrefour Italia's downstream purchasing share ([31])
Liguria, conventional fresh milk	[30-40]% in value [30-40]% in volume	[10-20]%
Piedmont, conventional fresh milk	[40-50]% in value [40-50]% in volume	[10-20]%
Tuscany, conventional fresh milk	[30-40]% value [20-30]% volume	[10-20]%
Tuscany, organic fresh milk	[60-70]% value [50-60]% volume	[10-20]%
Italy, baby meals	[40-50]% in value	[0-5]%
Italy, baby snacks	[50-60]% in value	[0-5]%

Source: Form CO

(27) Accordingly, these markets constitute affected markets within the meaning of recital 25(g) Annex I to Regulation (EU) 2023/914, and the effects of the Transaction in those markets are therefore assessed in this Decision.

(28) The Non-Horizontal Merger Guidelines distinguish between two main ways in which vertical mergers may significantly impede effective competition, namely input foreclosure and customer foreclosure. These two scenarios are assessed in turn in the following sections.

(29) The Commission also examines whether the merged entity may, by vertically integrating, gain access to commercially sensitive information regarding the upstream or downstream activities of rivals. For instance, by becoming the supplier of a downstream competitor, a company may obtain critical information, which allows it to price less aggressively in the downstream market to the detriment of end customers. It may also put competitors at a competitive disadvantage, thereby dissuading them to enter or expand in the market. ([32])

5.2.1. Input foreclosure

(30) Input foreclosure arises where, post-merger, the new entity would be likely to restrict access to the products or services that it would have otherwise supplied absent the merger, thereby raising its actual or potential downstream rivals' costs

([31]) Carrefour Italia's share of sales through modern distribution channels (i.e., hypermarkets, supermarkets, and similar formats) within the geographic area corresponding to the upstream market in which NewPrinces operates is used as a proxy for Carrefour Italia's purchasing share in that market. For baby food in particular, this approach yields a conservative estimate, as a substantial portion of baby food sales occurs outside modern distribution channels (e.g., pharmacies, baby stores, canteens and kindergartens). See Notifying Party's correspondence on 21 October 2025.

([32]) Non-horizontal Merger Guidelines, paragraph 78.

by making it harder for them to obtain supplies of the input under similar prices and conditions as absent the merger. ([33])

(31) In assessing the likelihood of an anticompetitive input foreclosure strategy, the Commission has to examine whether (i) the combined entity would have the ability to substantially foreclose access to inputs, (ii) whether it would have the incentive to do so, and (iii) whether a foreclosure strategy would have a significant detrimental effect on competition downstream. ([34])

(32) **Ability to foreclose.** NewPrinces is unlikely to have the ability to pursue an input foreclosure strategy against Carrefour Italia's downstream competitors following the Transaction.

(33) *First*, the market-share estimates referenced above may overstate NewPrinces' market power in the fresh milk markets. As established by the Commission in previous cases – and confirmed by the market investigation in this case – the geographic scope of the fresh milk markets may extend beyond regional boundaries and may even have a national scope. ([35]) Under any market definition broader than the regional level, NewPrinces' market shares would be substantially lower. This is because, in all regions adjacent to the affected geographic areas (Liguria, Piedmont and Tuscany), NewPrinces' market shares are negligible and do not exceed [0-5]%. (In any event, for the reasons set out below, NewPrinces would lack the ability to engage in input foreclosure, even assuming the existence of hypothetical regional markets.)

(34) *Second*, although NewPrinces holds material market positions in certain Italian regions for fresh milk, it will continue to face significant competition post-Transaction from well-established suppliers, including brands having nation-wide presence (e.g. Parmalat and Granarolo). The same applies to baby food, where NewPrinces competes with some of the strongest players in the food industry, including firms with robust market positions in Italy and internationally (e.g., Danone and Nestlè). These competitors are likely to win significant shares from NewPrinces as a result of a hypothetical input foreclosure strategy.

(35) *Third*, Carrefour Italia will be unable to absorb the entirety of NewPrinces' fresh milk supply in the affected markets. Indeed, Carrefour Italia's total purchases of fresh milk in Liguria, Piedmont, and Tuscany represent only [10-20]% of NewPrinces' supply in those regions. Accordingly, NewPrinces will need to continue supplying Carrefour Italia's downstream rivals post-Transaction in order to maintain its market position. ([36]) The same holds for baby food, where NewPrinces' upstream market shares are […] than Carrefour Italia's downstream shares. Moreover, even assuming that NewPrinces were able to concentrate its supplies to Carrefour Italia to a limited extent, this would release capacity for Carrefour Italia's existing suppliers. Those suppliers could then redirect their output to Carrefour Italia's competitors, thereby neutralising the hypothetical foreclosure strategy.

(36) *Fourth*, market participants noted that the inherent inelasticity of raw milk supply would limit the feasibility of a hypothetical input foreclosure strategy. Farmers must regularly milk their cows, and alternative outlets for raw milk – such as UHT

([33]) Non-horizontal Merger Guidelines, paragraph 31.
([34]) Non-Horizontal Merger Guidelines, paragraph 32.
([35]) See above, Section 4.1.
([36]) Response to request of information No. 7.

milk or cheese – are less economically advantageous than the production of fresh milk. ([37]) Accordingly, even if NewPrinces were to reduce its output of fresh milk after the Transaction, the availability of raw milk is unlikely to decline. Instead, that supply would be redirected to other producers of fresh milk.

(37) *Fifth*, Carrefour Italia's downstream rivals may adopt counter-strategies that could impede or even neutralize a hypothetical input foreclosure strategy by NewPrinces. For example, if NewPrinces were to restrict access to its fresh milk (in the three Italian regions where it holds significant market shares) or baby food, Carrefour Italia's rivals could threaten to remove NewPrinces' other products from their shelves nationwide. Such retaliation would not materially harm those rivals, because NewPrinces' products (other than fresh milk and baby food) hold only marginal market shares and cannot be regarded as must-have items. By contrast, it would impose substantial harm on NewPrinces, given that a large share of its revenues derive from those products.

(38) Moreover, although NewPrinces' fresh milk enjoys strong brand recognition in certain Italian regions, the fresh milk offered by Carrefour Italia's rivals is at least as competitively positioned. In fact, retailers' private-label fresh milk holds even higher volume-based market shares than NewPrinces in Tuscany ([40-50]%) and Liguria ([30-40]%), and only slightly lower shares in Piedmont ([30-40]%). In the event of input foreclosure of NewPrinces' products, Carrefour Italia's rivals could therefore expand supply under their well-established private labels, including by using those brands to market milk produced by new upstream entrants.

(39) **Incentive to foreclose.** NewPrinces is also unlikely to have an incentive to engage in input foreclosure post-Transaction.

(40) *First*, Carrefour Italia's franchising structure is likely to limit the profitability of such a strategy. Because the vast majority of Carrefour Italia stores are operated by franchisees, most downstream gains from any hypothetical foreclosure strategy would accrue to those franchisees. NewPrinces would capture only indirect benefits through […], returns that would likely be outweighed by the significant loss of upstream revenues.

(41) *Second*, those upstream losses are likely to be substantial. In the case of baby food in particular, […]. As a result, post-Transaction, NewPrinces would be unable to target a hypothetical input foreclosure strategy for baby food to the limited number of regions in which Carrefour Italia holds meaningful market shares. Consequently, any attempt to increase downstream sales in only a few regions would require NewPrinces to incur upstream losses across the entire national territory.

(42) *Third*, NewPrinces' downstream recapture of diverted consumers resulting from an input foreclosure strategy is likely to be limited. Even in the regions where Carrefour Italia's market shares are highest, they do not exceed [10-20]%. Accordingly, Carrefour Italia would regain only a small fraction of consumers diverted from competitors, unless the foreclosure strategy were extended to all or nearly all competing retailers – a move that would further exacerbate NewPrinces' upstream losses.

(43) **Effects on competition.** Finally, a hypothetical input-foreclosure strategy does not appear likely to harm effective competition in the downstream markets for modern distribution channels. Given the limited importance of the inputs at issue,

([37]) Minutes of a call on 12 September 2025.

the correspondingly limited diversion of consumers from competitors and the even more limited recapture of those consumers by the merged entity, it is unlikely that such a strategy would lead to any material increase in the costs of Carrefour Italia's downstream rivals.

(44) For these reasons, the Commission concludes that the Transaction does not raise input foreclosure concerns.

5.2.2. Customer foreclosure

(45) Customer foreclosure may occur when a supplier integrates with an important customer in the downstream market. Because of this downstream presence, the combined entity may foreclose access to a sufficient customer base to its actual or potential rivals in the upstream market (the input market) and reduce their ability or incentive to compete. ([38])

(46) In assessing the likelihood of an anticompetitive customer foreclosure scenario, the Commission has to examine whether (i) the combined entity would have the ability to foreclose access to downstream markets by reducing its purchases from its upstream rivals, (ii) whether it would have the incentive to reduce its purchases upstream, and (iii) whether a foreclosure strategy would have a significant detrimental effect on consumers in the downstream market. ([39])

(47) **Ability to foreclose.** Carrefour Italia is unlikely to have the ability to pursue a customer foreclosure strategy against NewPrinces' upstream competitors following the Transaction.

(48) *First*, Carrefour Italia does not represent a significant customer for the upstream suppliers of fresh milk. Indeed, in the fresh milk markets (conservatively assuming these markets have a regional scope) Carrefour Italia's purchasing share does not exceed [10-20]% in any region. Consequently, NewPrinces' competitors would retain access to approximately [80-90]% of the customer base in each relevant market.

(49) *Second*, in the national market for baby food, Carrefour Italia's role as a customer is even more limited. It accounts for only [0-5]% of sales of consumer goods through modern distribution channels, which constitute just one of several distribution outlets for baby food, alongside pharmacies, specialized baby stores, canteens and kindergartens.

(50) **Incentive to foreclose.** NewPrinces is also unlikely to have an incentive to engage in customer foreclosure post-Transaction.

(51) *First*, Carrefour Italia's business model relies on offering a diversified assortment of brands on its shelves, giving it a clear incentive to maintain a multisourcing strategy. Notably, a major upstream competitor of NewPrinces in the fresh milk markets has confirmed that, due to the strength of its own brands, Carrefour Italia is unlikely to be in a position to exclude it from its stores. ([40])

(52) *Second*, Carrefour Italia's franchising structure is also likely to limit the profitability of such a strategy. Franchisees would have no incentive to support it,

([38]) Non-horizontal Merger Guidelines, paragraph 58.
([39]) Non-horizontal Merger Guidelines, paragraph 59.
([40]) Minutes of a call on 19 September 2025.

as they would bear the losses associated with a reduced product assortment – namely, the risk of losing consumers – while offsetting gains would be limited to increased sales of NewPrinces' products.

(53) **Effects on competition.** In the upstream markets for fresh milk and baby food, NewPrinces competes with strong and sophisticated companies operating on a national—if not European—scale (e.g., Parmalat, Granarolo, Danone, Nestlé, and others). Even in the unlikely event that Carrefour Italia were to pursue a customer-foreclosure strategy, its limited purchasing position (amounting to only [0-5]% of national sales through modern distribution channels) means that the loss of this customer might negatively affect suppliers' overall revenues but is unlikely to diminish their ability to compete to a degree that would lead to higher costs for Carrefour Italia's downstream rivals.

(54) For these reasons, the Commission concludes that the Transaction does not raise customer foreclosure concerns.

5.3. Access to commercially sensitive information

(55) Separate from foreclosure, as set out in paragraph 78 of the Non-Horizontal Merger Guidelines, non-horizontal non-coordinated effects can also arise when the merged entity, by vertically integrating, gains access to commercially sensitive information regarding the upstream or downstream activities of rivals.[41]

(56) During the market investigation, some respondents expressed concerns that, following the Transaction, NewPrinces could gain access to commercially sensitive information that Carrefour Italia receives from NewPrinces' competitors, including price lists and details of promotional activities.

(57) The Commission considers that NewPrinces will not have the ability to access any commercially sensitive information for the following reasons.

(58) *First*, the information that upstream suppliers share with Carrefour Italia would not give NewPrinces meaningful insights into its competitors' commercial strategies. Although suppliers' price lists are typically identical for all customers, the final prices charged to each retailer are customer-specific and may deviate by as much as [70-80]% from the listed values. Accordingly, even if NewPrinces were to receive these price lists, they would not reliably indicate the prices that its competitors actually apply to other customers. With respect to promotional activities, upstream suppliers could choose to exclude Carrefour Italia from such initiatives, given its limited purchasing importance. Indeed, a major supplier to Carrefour Italia confirmed that it could restrict the information it shares with Carrefour Italia. ([42])

(59) *Second*, there is no evident channel through which any commercially sensitive information could be exchanged between NewPrinces and Carrefour Italia. Although this could change over time, […]. ([43])

(60) *Third*, in any event, as noted in Section 5.2.2, Carrefour Italia is not a significant customer for upstream suppliers. If those suppliers are concerned about the

([41]) Non-Horizontal Merger Guidelines, paragraph 78. The legal soundness of paragraph 78 of the Non-Horizontal Merger Guidelines was confirmed by the General Court in its judgment of 18 May 2022 in case T-251/19 - *Wieland-Werke v Commission*, EU:T:2022:296, paragraph 88.

([42]) Minutes of a call on 2 October 2025.

([43]) RFI 7, question 13.

potential disclosure of their information to Carrefour Italia, they could cease supplying Carrefour Italia without materially affecting their ability to compete.

(61) In view of the above, the Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market and the functioning of the EEA Agreement based on access to commercially sensitive information.

6. CONCLUSION

(62) 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