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 Where possible the information omitted has been replaced by ranges of figures or a general description.

Sika AG
Zugerstrasse 50
6341 Baar
Switzerland

Subject: **Case M.10560 – SIKA / MBCC GROUP**
Commission decision pursuant to Article 6(1)(b) in conjunction with Article 6(2) of Council Regulation No 139/2004[1] and Article 57 of the Agreement on the European Economic Area[2]

Dear Sir or Madam,

(2) On 12 December 2022, the European Commission received the notification of a proposed concentration pursuant to Article 4 of Council Regulation (EC) No 139/2004, by which Sika AG ("Sika" or "Notifying Party", Switzerland) acquires within the meaning of Article 3(1)(b) of the Merger Regulation sole control over MBCC Group ("MBCC" or "Target", Germany), for approximately EUR 5.4 billion ("the Transaction").[3] Sika and MBCC are together referred to as "the Parties".

1. THE PARTIES

(2) **Sika** is a group active in the development, production and supply of chemical admixtures, mortars, sealants and adhesives, damping and reinforcing materials, structural strengthening systems, industrial flooring as well as roofing and

[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] Publication in the Official Journal of the European Union No C 484, 20.12.2022, p. 47.

waterproofing systems, which are used in the building sector and by manufacturing industries, at global level.

(3) **MBCC** is a spin-off of BASF (i.e. BASF's construction chemicals business) which was acquired by an investment fund (Lone Star) in 2020 for EUR 3.2 billion.[4] Already at the time, Sika was a potential interested buyer.

(4) MBCC has two divisions, namely EBA (chemical admixtures) and EBC (other construction chemicals), representing each approximately half of its sales. In 2021, Sika envisaged initially to acquire the other construction chemicals (EBC) only, but this project was abandoned due to the complexity of disentangling the two activities in terms of IP, brands, personnel, assets and need for transitional agreement from a competitor.[5]

2. THE OPERATION AND CONCENTRATION

(5) Pursuant to the SPA concluded on 10 November 2021, Sika intends to acquire 100% of MBCC's shares and, therefore, the Transaction is an acquisition of sole control under Article 3(1)(b) of the Merger Regulation.

3. UNION DIMENSION

(6) The undertakings concerned have a combined aggregate worldwide turnover of more than EUR 5 000 million (Sika: EUR 8 557 million; MBCC: EUR 2 707 million in 2021). Each of them has an EU-wide turnover in excess of EUR 250 million (Sika: EUR […] million; MBCC: EUR […] million in 2021) but they do not achieve more than two-thirds of their aggregate EU-wide turnover within one and the same Member State. The notified operation therefore has an EU dimension pursuant to Article 1(2) of the Merger Regulation.

4. THE PROCEDURE

(7) The Notifying Party initially notified the Transaction to the Commission on 7 June 2022.

(8) During its preliminary (Phase I) investigation, the Commission reached out to a large number of competitors, distributors and customers of the Parties requesting information through telephone calls and written requests for information pursuant to Article 11(2) of the Merger Regulation.

(9) In addition, the Commission sent several written requests for information to the Parties and reviewed internal documents of the Parties submitted at that stage.

(10) On 27 June 2022, a state-of-play meeting took place between the Commission and the Parties in which the Commission presented the preliminary results of its market investigation.

(11) In view of the preliminary results of the market investigation, the Notifying Party submitted draft commitments on 29 June 2022. The Commission provided feedback to

4 M.9636 – Lone Star / BASF Construction chemicals (EB) business, 28 July 2020.

5 [confidential details on Sika's rationale of acquiring MBCC].

the Notifying Party on the draft commitments. However, the Notifying Party did not submit formal commitments within 20 working days from the date of receipt of the notification.[6]

(12) On 4 July 2022, the Notifying Party withdrew the notification of the Transaction.

(13) On 12 December 2022, the Notifying Party re-notified the Transaction.

5. MARKET DEFINITION

(14) Sika and MBCC are two large global construction chemicals groups. In the EEA, MBCC's activities give rise to overlaps with Sika's activities across almost all of its product portfolio. The most critical area of overlap relates to the supply of chemical admixtures, where the Parties are also vertically integrated into polymer production. There are other affected markets in other construction chemicals, in particular concrete works, mortars industrial flooring, sealants, adhesives and waterproofing.

5.1. Chemical admixtures

5.1.1. Parties' activities

(15) Both Parties offer a wide range of chemical admixtures and additives for all types of concrete, as well as cement additives.

(16) Sika's main brands include Sika ViscoCrete, SikaPlast, Sika ViscoFlow, Sikament, Sika Plastiment, Sika Plastocrete, Sika Stabilizer, Sika Sigunit and SikaRapid. Sika offers chemical admixtures globally, including in the EEA, where it has chemical admixture plants in 15 Member States and R&D centers in Calusco (Italy), Gournay-en-Bray (France) and Leimen (Germany).

(17) MBCC's main brands include MasterGlenium, MasterEase, MasterSure, MasterMatrix, MasterSuna, MasterAir and Master X-Seed 100. MBCC offers chemical admixtures globally, including in the EEA, where it has chemical admixture plants in 13 Member States and R&D centers in Treviso (Italy) and Trostberg (Germany).

5.1.2. Product market definition

(18) Admixtures are ingredients that are added in order to improve the properties of cement, concrete or mortar.

5.1.2.1. Distinction between admixtures for concrete, cement and mortar

(19) Admixtures can be used in different production processes. Cement admixtures (often called 'grinding aids') are added to clinker cement to reduce the energy required to grind this material and produce cement powder of the desired finesse. Concrete and mortar admixtures are added to the mix of water, cement and aggregates to improve the workability and hardened properties of those materials. The vast majority of admixtures are used in concrete mixes.

[6] As required pursuant to Article 19(1) of Commission Regulation (EC) No 802/2004, OJ L 133, 30.4.2004, p. 1, as amended.

(20) In the past, the Commission considered that cement, concrete and mortar admixtures would be part of the same market because of a high degree of supply side substitutability between the different chemical admixtures for those uses.[7]

(21) The Notifying Party agrees with this conclusion. It explained that cement and concrete admixtures are produced based on the same raw materials and with the same equipment. Also from a demand-side perspective, the two categories of products would be similar because "*they ultimately improve the properties of the final concrete*" and at least certain liquid mortar chemical admixtures would also belong to the same market, because these are often exactly the same products (*e.g.* superplasticizers, accelerators, waterproofers, etc.) as sold to concrete producers.[8]

(22) In the present case, the preliminary market investigation nevertheless pointed to some differentiation of concrete admixtures, as opposed to admixtures for cement or mortar.

(23) **First,** there is no demand-side substitutability between these products, because they are sold to different customers, are used in different production processes and have different performances. Cement admixtures are sold to upstream cement producers and are used in clinker mills to facilitate the grinding process. Concrete and mortar admixtures are sold to concrete or mortar producers (who often produce only one of those two products) that use cement in a mix with water and aggregates and enhance the workability and hardened properties of those mixes.

(24) **Second**, from a supply-side perspective, even if the results of the market investigation generally confirmed that cement, concrete or mortar admixtures are produced with similar equipment and raw materials, some companies noted that performance testing for cement admixtures is relatively more complex, and often requires tests to be carried out at real scale. Moreover, from a chemical point of view, concrete admixtures are more sophisticated than cement admixtures.[9] Storage capacity is also different, as cement additives are mainly delivered in trucks while concrete and mortars admixtures are generally delivered in tanks.

(25) Given the different applications of these products, customer-specific know-how is also required. Therefore the supply of concrete admixtures would in principle require different investments and different qualified personnel compared to cement or mortar admixtures.[10]

(26) **Finally**, the Notifying Party's internal documents assessing market size and market share data distinguish between cement and concrete admixtures (see Figure 1 below).

Figure 1 - Excerpt from Sika's internal document

[Excerpt from Sika's internal document]

Source: Sika internal document, SIKA-COMP10560-0000147, Doc Id 294-463, page 2.

(27) In any event, the Commission considers that the possible segmentation of the market for chemical admixtures between concrete, mortar and cement admixtures can be left

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7 Case M.9736 *Lone Star/BASF Construction Chemicals (EB) Business*, paragraph 15; Case M.7498 *Compagnie de Saint Gobain/Sika*, paragraph 104.

8 Form CO, paragraph 289-302.

9 Minutes of a call with a competitor, 20.05.2022.

10 Replies to Questionnaire Q2, section B.1.

open, as the Transaction raises serious doubts as to its compatibility with the internal market under both plausible product market definitions, namely (i) chemical admixtures overall (hereinafter "chemical admixtures") and (ii) concrete chemical admixtures specifically (hereinafter "concrete admixtures"). No affected markets arise in relation to cement and mortar admixtures. Therefore, they are not assessed separately from the overall chemical admixture markets in this Decision. For the purpose of this Decision, the Commission will, therefore assess, market data for concrete admixtures separately, as well as for all chemical admixtures taken together.

5.1.2.2. Distinction between mineral and concrete admixtures

(28) Concrete admixtures can be distinguished in two large groups based on their composition. Mineral admixtures consist of fine-ground solid materials (*i.e.*, fly ash, slag, and silica fume) derived from industrial waste. They are usually added to concrete in large amounts and can also be utilized as a cheap replacement for cement. Chemical admixtures are specially formulated chemicals (including polymers) added to concrete in very small amounts to give the concrete a specific feature, such as the entrainment of air or plasticization of fresh concrete mixtures.[11]

(29) In the past, the Commission found that chemical and mineral admixtures constitute separate product markets, due to their differences in price, performance, and characteristics.[12] The Notifying Party does not dispute this conclusion.

(30) The Commission's preliminary market investigation confirmed the relevance of this distinction. Mineral admixtures are mostly used in large quantities as supplementary cementitious materials to reduce the amount of cement in the concrete mix.[13] Chemical admixtures are used in much smaller quantities to change the physical properties of wet or hardened concrete, often to reduce the amount of water in the mix. The products are produced through entirely different manufacturing processes: the main sources of mineral admixtures are coal power plants and metallurgical furnaces, while chemical admixtures are produced in chemical plants by mixing together different compounds, including polymers. The two categories of products are also considered separately in independent market reports.[14]

(31) In line with the Commission's past decisions and the outcome of the market investigation, mineral and concrete admixtures are considered as separate product markets for the purpose of this Decision.

(32) As the Parties' activities focus on concrete admixtures and no affected markets arise in relation to mineral concrete admixtures,[15] mineral admixtures are not assessed further in this Decision.

5.1.2.3. Distinction between standard and specialty concrete admixtures

(33) Chemical admixtures for concrete have different formulations depending on the desired functions.

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11 Form CO, paragraph 230.

12 Case M.9736 *Lone Star/BASF Construction Chemicals (EB) Business*, paragraph 14; Case M.7498 *Compagnie de Saint Gobain/Sika*, paragraphs 103-105; Case M.4177 *BASF/Degussa Construction Chemicals*, paragraph 17.

13 Replies to Questionnaire Q2, question 6.1.

14 Response to pre-notification RFI 1, question 26, Sika internal document, SIKA-COMP10560-0000107.

15 Form CO, fn. 72.

(34) The functions of some of the most common admixtures are set out in Standard EN 934-2 on admixtures for concrete, mortar and grout ('Standard Admixtures'). These include:

(a) water reducing/plasticizing admixture: admixture which without affecting the consistence, permits a reduction in the water content of a given concrete mix, or which, without affecting the water content increases the slump/flow or produces both effects simultaneously;

(b) high range water reducing/superplasticising admixture: admixture which, without affecting the consistence, permits a high reduction in the water content of a given concrete mix, or which, without affecting the water content increases the slump/flow considerably, or produces both effects simultaneously;

(c) water retaining admixture: admixture which reduces the loss of water by a reduction of bleeding;

(d) air entraining admixture: admixture which allows a controlled quantity of small, uniformly distributed air bubbles to be incorporated during mixing which remain after hardening;

(e) set accelerating or retarding admixture: admixture which decreases or extends the time to commencement of transition of the mix from the plastic to the rigid state;

(f) hardening accelerating admixture: admixture which increases the rate of development of early strength in the concrete, with or without affecting the setting time;

(g) water resisting admixture: admixture which reduces the capillary absorption of hardened concrete;

(h) viscosity modifying admixture: admixture incorporated in concrete to limit segregation by improving cohesion;

(i) admixtures combining two or more of the abovementioned functions.

(35) Other concrete admixtures are less common and are not explicitly defined in Standard EN 934-2 ('Specialty Admixtures'). These include:[16]

(a) Shrinkage reducing admixtures: reduces early age drying shrinkage of the concrete in order to prevent drying shrinkage cracks;

(b) Pumping aid: admixture to improve the stability of the fresh concrete and easy pumping of concrete especially with application of difficult aggregates and unfavourable grading curves;

(c) Corrosion inhibiting admixtures: admixture producing a protective layer on the steel reinforcement in reinforced concrete;

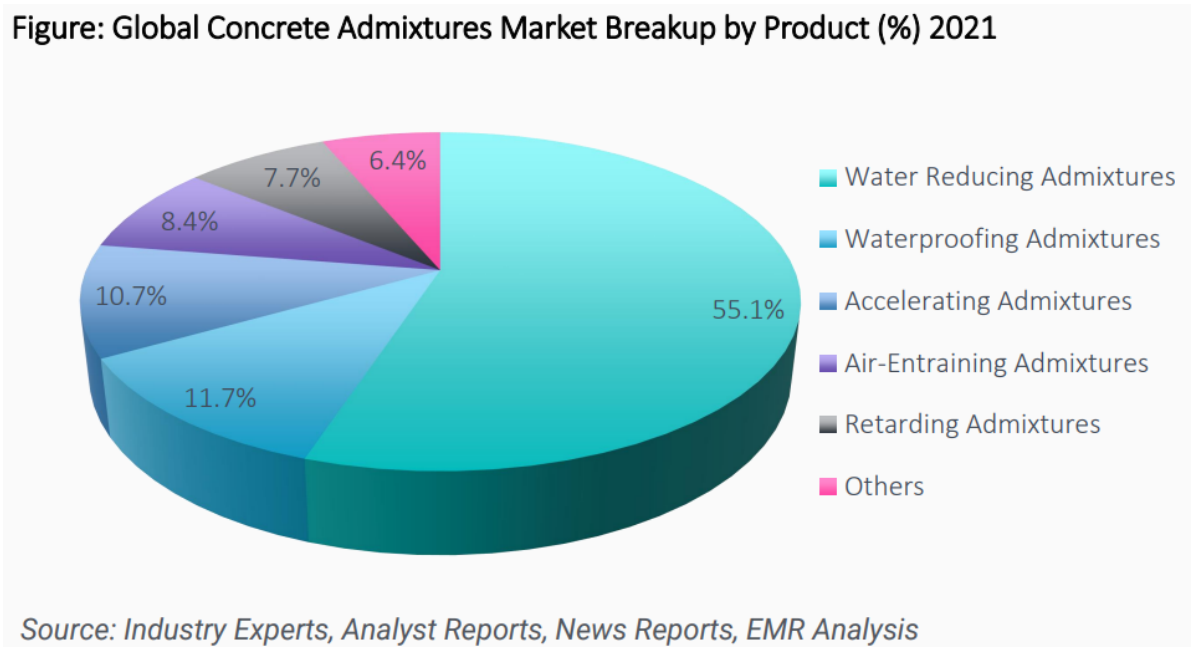
(d) Surface improving admixtures: blowhole reducing admixture that significantly reduces the overall air void content in the fresh concrete for production of high quality fair-faced concrete;

(e) Admixtures to control alkali-silica reaction: admixture minimizing deleterious expansions in concrete due to alkali-silica reaction and increasing durability and life span of the concrete structure.

[16] Sika's concrete handbook, page 38, SIKA-COMP10560-0000103.

(36) Standard admixtures account for more than 90% of all sales of concrete admixtures, in terms of value. Water reducing admixtures are by far the most used concrete admixtures, accounting for more than 50% of overall sales.

Figure 2 - EMR Global Concrete Admixtures Market Report and Forecast 2022-2027



Source: Form CO, Annex 7.1-J, page 34.

(37) The Notifying Party argues that it is not accurate to further segment the relevant product market based on the functionalities of each admixture. This is because all suppliers produce the full suite of chemical admixtures based on similar capabilities and customers usually purchase a full suite of products from their supplier, even if they have multiple suppliers.[17]

(38) The Commission observes that there is no demand-side substitutability between admixtures having different functions, as described above. These admixtures have different effects (*e.g.* accelerating v. retarding) and affect different states of the concrete mix (*e.g.* wet state for water reducers v. hardened state for air-entrainers). Therefore, customers cannot use these products interchangeably.

(39) In terms of supply-side substitutability, the preliminary market investigation generally confirmed that standard and specialty admixtures can be produced using the same raw materials, equipment and know-how, and most suppliers can supply the entire range of admixtures. Nonetheless, respondents noted that suppliers may need a specification team in order to sell certain specialty admixtures to architects or engineers.[18] Moreover, a customer explained that a supplier's ability to offer a broad range of specialty admixtures is an important differentiating factor, as customers generally buy admixtures from suppliers that are able to offer the full range of products that they need.[19]

17 Form CO, paragraphs 311 f.
18 Replies to Questionnaire Q2, Section B.5.
19 Minutes of a call with a customer, 7 January 2022.

(40) In light of the significant supply-side substitutability between different categories of concrete admixtures, the Commission will not consider separate markets based on each chemical admixture's function for the purpose of this Decision. However, it will take into account the breadth and diversification of the Parties' and their competitors' chemical admixtures portfolio when assessing their competitive strengths and differentiation.

5.1.2.4. Distinction of concrete admixtures by construction sector, i.e. residential, commercial and infrastructure

(41) Concrete is used in a broad range of different construction projects, such as residential projects (houses, condos, etc.), commercial projects (offices, malls, public buildings, etc.) or infrastructure projects (bridges, dams, highways, underground tunnels and mines, etc.).

(42) The Notifying Parties argued that a segmentation of the admixture market based on construction sectors would be inappropriate. This is because the same concrete admixtures and the same concrete mixes are used across those different sectors and most suppliers are able to provide admixtures for all construction projects.[20]

(43) In the present case, the preliminary market investigation showed that in principle similar admixtures can be used across different construction segments, including residential buildings, commercial buildings, and infrastructure projects. Most customers believe that the same admixtures can be used in each of those segments, if necessary adjusting their dosage in the concrete mix.[21] In addition, most suppliers explained that admixtures used in the different segments are produced with similar raw materials, equipment and know-how.[22]

(44) However, several respondents explained that at least for underground projects (such as tunnels or mines) the composition of the admixtures would typically change.[23] This is because concrete used in underground projects is generally sprayed on vertical surfaces (so called 'shotcrete') and therefore requires specific accelerating admixtures to achieve a fast setting immediately after the application.

(45) Moreover, some market participants have explained admixtures for infrastructure applications may require more sophisticated capabilities and be more expensive than those used for commercial or residential buildings,[24] although they are produced with similar raw materials.[25] In particular, large infrastructure projects require strong admixture suppliers with significant R&D capabilities and a good track-record.[26] According to some market participants, certain suppliers are not able to provide admixtures for infrastructure projects.[27] In the infrastructure sector, the offering for

20 Form CO, paragraph 319.
21 Replies to Questionnaire Q1, question 10.
22 Replies to Questionnaire Q2, question 11.
23 Replies to Questionnaire Q1, question 11; Replies to Questionnaire Q2, question 12.
24 Minutes of a call with a customer, 23 February 2022.
25 Minutes of a call with a customer, 18 February 2022.
26 Minutes of a call with a customer, 7 January 2022.
27 Minutes of a call with a competitor, 17 January 2022.

admixtures is more concentrated[28] and customers' technical requirements are more demanding.[29]

(46) Internal documents of the Notifying Party also show that Sika, when calculating its own market shares in the supply of admixtures at the national level, singles out admixtures used for infrastructure projects and in particular for underground projects (see Figure 1above).

(47) Since concrete admixtures used across residential and commercial construction segments appear to be in principle similar, the Commission will not consider separate markets based on those applications for the purpose of this Decision. However, since infrastructure and underground applications appear to require suppliers with a certain track-record, the Commission will take into account the Parties' and their competitors' market position for those specific applications when assessing their competitive strengths and differentiation.

5.1.2.5. Conclusion

(48) For the purpose of this Decision, the Commission considers as relevant product markets the overall market of chemical admixtures, as well as the narrower market of concrete admixtures.

(49) The breadth and diversification of each suppliers' concrete admixtures portfolio and its position in infrastructure and underground applications will also be taken into account in the competitive assessment of the Transaction.

5.1.3. Geographic market definition

5.1.3.1. The Commission's past decisions

(50) In its past decisions, the Commission left open whether the relevant geographic market for admixtures was EEA-wide or narrower. The Commission carried out its assessment based on the narrowest plausible geographic scope, *i.e.* national markets, as that was the most conservative approach.[30]

5.1.3.2. The Notifying Party's view

(51) The Notifying Party submits that the markets for chemical admixtures have a national dimension and that a narrower delimitation based on local catchment areas is not appropriate. In particular, the Notifying Party notes that the average radii in which Sika and MBCC realise 80% of their sales are 410 km and 379 km around their plants, respectively, and these catchment areas cover the majority if not the entirety of the country in which each plant is located. Therefore, market shares based on catchment areas would provide little to no additional value compared to market shares on a national basis.[31]

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28 Minutes of a call with a customer, 18 February 2022.

29 Minutes of a call with a customer, 23 February 2022.

30 See Cases M.7498 – Compagnie de Saint Gobain/Sika, M.4177 - BASF/Degussa Construction Chemicals, and M.9736 - LONE STAR / BASF CONSTRUCTION CHEMICALS (EB) BUSINESS.

31 Form CO, paragraph 346.

5.1.3.3. The Commission's assessment

(52) The Commission notes that the main suppliers of chemical admixtures are often active at the global scale and at least certain aspects of their business model – such as, in particular, R&D efforts and in-house production of raw materials – have an international if not global dimension. For instance, MBCC has one global R&D center located in Trostberg (Germany) serving local operations throughout the world. Its in-house production of polymers for the EEA markets is also centralised in one plant in Treviso (Italy).

(53) Nonetheless, the preliminary market investigation showed that the markets for chemical admixtures in the EEA are characterised by significant local specificities.

(54) **First,** the distance between the supplier's and the customer's plant appears to be an important parameter of competition in the markets for admixtures. A large majority of customers (72%) providing a view indicated as important or very important that admixture suppliers are able to deliver orders within the next day. A majority of customers (62%) also confirmed that it is important or very important for them that an admixture supplier can deliver its products from a plant located in the same country as the customer's plant. According to 46% of customers, it is important or very important that the admixtures plant is located within 400 km from the customer plant.[32] A respondent explained: "*Logistics are a big cost and we are transporting liquid (~50% water). In addition, we usually do not have a lot of land at the batching plant to accommodate big tanks to store the chemical admixtures. Hence the supplier has to be located close enough to refill the tanks to ensure supply continuity … From a geographic point of view admixtures suppliers should have a very strong and local supply chain. This contains local sources for raw materials which are reliable and a relatively low cost, as well as a dense production and logistics network. This network should usually have a limited transportation distance of approximately 300-500 km maximum, which should ensure a timely delivery.*" Several customers also indicated that the carbon footprint of admixtures transportation is an important consideration.[33]

(55) **Second**, the familiarity of a supplier's staff with local specificities is another important parameter of competition. 91% of customers providing a view indicated that it is important or very important for them that the admixture supplier's local technical staff is familiar with the local specificities of the place where the customer's plant is located, including morphology of sand and stones, local regulations and local standards.[34] A large majority of suppliers also confirmed that it is necessary to have a local technical team in order to effectively compete in a given EEA country.[35] A respondent explained that "*Suppliers need an intimate knowledge of local market and materials, especially the cements and sands. Admixture suppliers need to have the availability to respond rapidly to technical queries at the production plant or customer site when needed. Important that admixture suppliers can quickly supply admixtures at short notice.*" Another respondent noted that "*Ready-mix companies need to use local materials (stone, sand, cement) to minimise transportation. The ability of the suppliers to understand and know these materials makes them more reactive and able to find formulations suitable for those raw materials. Having a closer technical support helps troubleshooting customers, engage with sales based on customers' prescriptions, and*

32 Replies to Questionnaire Q1, question 18.
33 Replies to Questionnaire Q1, question 19.
34 Replies to Questionnaire Q1, question 18.
35 Replies to Questionnaire Q2, question 18.

correct mix design during a project."[36] Another respondent noted that "*Chemical admixtures from other countries don't necessarily work with the local cements, sands and aggregates so it is important to have local knowledge and product formulated close by to the customer or at least in the same country*."[37]

(56) **Third**, customers' procurement of chemical admixtures is generally managed at the local level. 56% of respondents to the market investigation indicated that the procurement process is managed at the plant level, or in any event at the level of local geographic areas within each EEA country. 25% of respondents manage their procurement process at the national level and only 13% at the European level, covering several different countries.[38]

(57) **Fourth**, also the supplier's footprint is generally narrower than the EEA. Indeed, the Parties are the only admixture suppliers that are able to deliver in most of the EEA, while all other main players are active only at regional or national levels. In particular, Chryso has a strong focus on France, GCP and MC Bauchemie on Germany, while Mapei is mostly active in Italy and in the Nordics.

(58) These reasons strongly indicate that the geographic markets of admixtures in the EEA are narrower than EEA-wide and no broader than national. The Commission therefore preliminarily concludes, for the purpose of this Decision, that in the EEA the markets for chemical admixtures (and for concrete admixtures) are national.

(59) At the same time, there are some indications that the scope of those markets does not always exactly coincide with national borders: cross border deliveries of admixtures are common and while certain plants can easily supply several small or contiguous Member States, others may be mostly focused on suppling one region within one large Member State.[39]

(60) This suggests that a geographic market definition based on catchment areas could also be appropriate. The market investigation did not provide conclusive evidence as to the appropriate radius for those catchment areas, although a distance of about 400-500 km around the manufacturing plant seems to be the most accurate approximation. For instance, a supplier mentioned that "*From an economical point of view admixtures (not depending on the type) can be delivered in a distance of around 500km, if the logistic is optimised. In case of longer distances ware houses are needed.*" Another supplier explained that "*admixtures are sold in low value markets for about 0.5 EUR/kg, in higher ends about 1.0 EUR/kg. A national freight / freight charge for a 500 km delivery commonly does not erase the margins - but beyond this distance, shipping less expensive material becomes increasingly unattractive.*"[40] According to another supplier, "*its a general rule of thumb, that you need a plant within 600km of a customer to be efficient due to the general cost of freight over that distance. For longer distance the freight can be 50% of the product value*."[41] A customer explained that the suppliers' logistic network "*should usually have a limited transportation distance of approximately 300-500 km maximum, which should ensure a timely delivery*." [42]

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36 Replies to Questionnaire Q1, question 19.
37 Replies to Questionnaire Q2, 1uestion 19.
38 Replies to Questionnaire Q1, question 17.
39 *See* Form CO, paragraph 344.
40 Replies to Questionnaire Q2, question 17.1.
41 Replies to Questionnaire Q2, question 17.2.
42 Replies to Questionnaire Q1, question 19.

(61) Given the absence of a clear appropriate radius and the limited availability of market data for catchment areas, for the purpose of this Decision the Commission includes shares based on catchment areas within the competitive assessment for each country for illustrative purposes only – notably with regard to closeness of competition between the Parties – and will not assess catchment areas further in the rest of the Decision. In any case, the commitments offered by the Notifying Party to remove the Commission's preliminary competition concerns (see Section 7) fully remove the overlap between the Parties in chemical admixtures in the EEA, thereby also resolving concerns which would arise from the Transaction on the basis of catchment areas.

(62) The Commission preliminarily concludes for the purpose of this Decision that chemical admixture markets in the EEA are national and will assess them on this basis in the competitive assessment.

5.2. Concrete works

5.2.1. Parties' activities

(63) Concrete works cover a large number of products, used for concrete surface treatment or to repair concrete structures, in particular to fill cracks and voids, to protect concrete structures against chemicals and corrosion, and to allow the application of coatings.

(64) The Parties' activities overlap in the EEA in the following sub-categories of concrete works:

− ***Injection resins***, which are used to fill and seal cracks and voids caused by corrosion, seismic activity or physical impact.

− ***Resin-based grouts***, which are mainly used to effectively transfer loads from a structure or a machine to the foundation.

− ***Anchoring resins***, which are mortars or adhesives used to anchor reinforcing steel bars or threaded rods in a drilled hole in concrete structures.

− ***Bonding agents***, which are chemical compounds used to repair concrete or attach various materials by promoting the bonding behaviour of materials to the substrate.

− ***Primers***, which are applied to surfaces such as hardened concrete to create a smooth surface for subsequently applied products such as repair mortars, coatings etc.

− ***Impregnations***, which are surface applied, protection systems that can increase the durability of a concrete structure by keeping out water, water soluble salts or other substances that could harm the concrete structure.

− ***Structural reinforcing/strengthening***, which include prefabricated plates or Carbon Fibre-reinforced Polymers ("**CFRP**") used to strengthen concrete substrates or increase the load bearing capacity of concrete beams.

− ***Ancillary products***, which are used to enhance the appearance and overall production process of concrete. These include curing agents, curing compounds, form oils, form release agents, surface retarders, concrete colours and other system components (trowels, buckets, etc.).

(65) Sika and MBCC offer concrete works products globally, including in the EEA.

5.2.2. Product market definition

(66) In its past decisions, the Commission has distinguished between different types of concrete works products, i.e. injection resins, polymer concrete, resin-based grouts, anchoring resins, bonding agents, primers, impregnations, corrosion, protection/control, structural reinforcing/strengthening and ancillaries (cleaners, release agents etc.).[43]

(67) The Notifying Party considers that each of those different types of products belong to a distinct product market within concrete works. As regards resin-based grouts, the Notifying Party contends that the product market includes both epoxy and polyester grouts. With regard to impregnations, they submit that the product market also includes coats and coatings.

(68) The preliminary market investigation confirmed the market definition in line with the Commission's decisional practice, based on a lack of both demand-side and supply-side substitutability. A majority of customers considered that the various types of concrete works are all non-substitutable[44], while a majority of competitors[45] stated that producers of a certain type of concrete works products cannot easily switch production to certain other types of concrete works products.

(69) As regards impregnations, contrary to the Notifying Party's claims, a majority of customers indicated that coats and coatings are not part of the same market because of a lack of demand-side substitutability[46]. However, from a supply-side[47] perspective, a majority of competitors responded that producers of coats and coatings could easily switch production to impregnations for concrete works.

(70) In line with the Commission's decisional practice and considering the results of its market investigation, the Commission will consider each of the following categories of concrete works as distinct product markets for the assessment of the Transaction:

(a) injection resins,

(b) resin-based grouts,

(c) anchoring resins,

(d) bonding agents,

(e) primers,

(f) impregnations (including coats/coatings),

(g) corrosion protection/control,

(h) structural reinforcing/strengthening, ancillaries (including cleaners, release agents etc.).

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43 Commission decision, Case/M.9276 - Sika / Financiere Dry Mix Solutions, paragraph 97 et seq.; Commission decision COMP/M.7498 - Compagnie de Saint Gobain/Sika, paragraph 113 et seq.

44 Replies to Questionnaire Q5, question 9.

45 Replies to Questionnaire Q5, question 6

46 Replies to Questionnaire Q5, question 14

47 Replies to Questionnaire Q6, question 8

5.2.3. Geographic market definition

(71) In previous decisions regarding these markets, the Commission carried out its assessment on a national basis, which was considered the narrowest plausible geographic market definition.

(72) While arguing that that the geographic markets might be wider than national, the Notifying Party submits that, for the purpose of this Decision, the competitive assessment can be conducted based on the narrowest plausible market definition, i.e., national markets.[48]

(73) During the Commission's preliminary market investigation a majority of customers stated that they procure concrete works at a national or subnational level[49], while a large number of competitors stated encountering technical, regulatory or other obstacles when delivering concrete works products across national borders within the EEA.[50]

(74) In line with the Commission's decisional practice and considering the information provided by the Parties and the results of the market investigation, the Commission is of the view that, for the purpose of this Decision, it is appropriate to consider the relevant geographic market for each of the segments within concrete works to be national in scope.

5.3. Mortars

(75) Mortar is a building material, usually made of sand, binders (like cement) and various additives (for example, pigments or waterproof compounds). Mortars are used to bind construction materials together or to fill the gap between them.

5.3.1. Parties' activities

(76) Both Parties offer a wide range of premix mortar products globally, including in the EEA. Sika's main brands are SikaQuick, SikaTop and SikaCrete, while MBCC's main brands are MasterFlow, MasterTop, MasterEmaco and PCI.

5.3.2. Product market definition

5.3.2.1. Distinction based on production site

(77) In previous decisions, the Commission distinguished between premix mortars, which are mixed at the factory, and on-site mortars, which are mixed on the construction site.[51] The Notifying Party does not dispute this conclusion and the market investigation did not call it into question.

(78) As the Parties are not active in the supply of on-site mortars in the EEA, this decision focuses on premix mortars.

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48 Form CO, paragraph 1378.

49 Replies to Questionnaire Q5, question 24.

50 Replies to Questionnaire Q6, question 22.

51 Commission Decision in Case M.9276 – Sika/Financière Dry Mix Solutions (2019), paragraph 10; Commission Decision in Case M.7498 – Compagnie de Saint-Gobain/Sika (2015), paragraph 25; Commission Decision in Case M.4898 – Compagnie de Saint-Gobain/Maxit (2008), paragraphs 16 and 19; Commission Decision in Case M.3572 – Cemex/RMC (2014), paragraphs 14-17.

5.3.2.2. Distinction based on physical form

(79) In its past decisions, within premix mortars, the Commission distinguished between dry mortars (supplied in a dry powder form), wet mortars (ready-mixed with water at the factory) and ready-to-use paste mortars (supplied as paste, including organic compounds as binders).[52]

(80) The Notifying Party disputes this conclusion, arguing that mortars having different physical form (dry, wet or paste) may belong to the same product market. From a demand-side perspective, the Notifying Party claims that mortars having different forms may be used for the same applications. The different application methods of these mortars (e.g. the addition of water in case of dry mortars) would not have a significant impact on their substitutability. From a supply-side perspective, the Notifying Party argues that the key ingredients and mixing processes for most types of premix mortars are the same.[53]

(81) However, the results of the market investigation do not support the Notifying Party's position.

(82) From a demand-side perspective, a majority of customers having expressed a view confirmed that dry and paste mortars for tiles are generally not interchangeable because they have different performances, applications, or prices. Almost half of those respondents believe that the same is true with respect to dry and paste façade mortars.[54] Respondents explained that "*the burn-in of cement is crucial to obtain the final specific property. this is only possible with freshly prepared product from a dry form. the burn-in of cement is physically impossible from a ready-to-use paste*." Another respondent explained that dry and paste mortars have different regulatory requirements, applications and prices: "*The European norm EN 12004 (and in France QB CSTB) specifies required performances for each application (indoor / outdoor, wall, floor, tile surface etc.). As a consequence of these norms, paste solutions are more restricted in terms of applications due to their lower technical performances. For instance, paste mortars are restricted to wall applications and to surfaces inferior to 2200cm². On the other hand, dry solutions can be used in several ways: indoor and outdoor (on larger surfaces than paste solutions) and for floor heating systems. … paste solutions are usually more expensive than dry solutions (between 30% to 100%).*" Another respondent explained that paste mortars are ready to use and therefore may be applied by unskilled users that would not otherwise have the necessary expertise or tools to properly mix dry mortars: "*We observe a decrease of technical expertise from our customer so ready-to-use solution is more and more wanted because it is more easier to apply especially for small projects.*"[55]

(83) From a supply-side perspective, a majority of competitors confirmed that dry and paste mortars are produced with different raw materials, equipment, manufacturing processes, or know-how. Therefore a manufacturer cannot easily switch production between the two types of product, as that would take considerable time and would

52 Commission Decision in Case M.9276 – Sika/Financière Dry Mix Solutions (2019), paragraph 11; Commission Decision in Case M.7498 – Compagnie de Saint-Gobain/Sika (2015), paragraphs 25 and 26; Commission Decision in Case M.4898 – Compagnie de Saint-Gobain/Maxit (2008), paragraph 20.

53 Form CO, paragraph 1683 ff.

54 Replies to Questionnaire Q7, question 10 and 11.

55 Replies to Questionnaire Q7, question 10.1 and 11.

result in significant costs and risks.[56] In particular, a respondent explained that "*the nature of those two mortar types requires different production lines. The production of dry mortars involves dry components (including cement, sand, limestone) and is packaged in bags. On the other hand, the production of paste products requires liquid resins and the finished product is packed in buckets. Only very limited equipment can be used in the production of both of those two types of mortars, such equipment being mainly auxiliary (e.g. electric parts).*" Another respondent noted that "*Dry and paste façade mortars require different industrial equipments and R&D process (organic vs mineral).*"[57]

(84) The Notifying Party explained that, with a few exceptions, wet premix mortar is no longer used in the EEA. In any event, the Parties are not active in wet premix mortar in the EEA. Therefore, wet mortars are not assessed further in this decision.

(85) In light of these considerations, the Commission will distinguish between dry and paste mortars for the purpose of this Decision.

5.3.2.3. Distinction based on application.

(86) The Commission also distinguished, in previous decisions, between mortars based on the application, namely: (i) construction mortars, used for various building construction purposes such as casting and setting, masonry, plastering, floor levelling and concrete repair; (ii) façade mortars, used as an outer layer of buildings for protective or aesthetic purposes, or as part of insulation systems and (iii) tile-fixing mortars, used for fixing tiles, both on substrate (adhesive mortars) and as sealants between tiles (grouts).[58]

(87) The Commission understands that dry mortars are used for all three applications, while paste mortars are only available for façades and tile fixing.

(88) The Notifying Party instead argues that mortars for different applications may belong to the same relevant product market. From a demand-side perspective, all types of premix mortars would serve the same purpose, "namely to either stick building materials together to create a rigid structure or to provide a surface finish to floors or walls." From a supply-side perspective, the Notifying Party argues that the key ingredients and mixing processes for most types of premix mortars are the same.[59]

(89) Again, the results of the market investigation do not support the Notifying Party's position.

(90) From a demand-side perspective, a large majority of customers confirmed that each different application (construction, façades, and tiles) requires specific mortars having specific performances and that these are not interchangeable with mortars used for other applications.[60] Respondents explained that "*Mortars are a very sophisticated product that would have different formula for different applications through the use of different additives to get different properties linked with different uses and applications*

56 Replies to Questionnaire Q8, question 9 and 10.
57 Replies to Questionnaire Q8, question 9.1.
58 Commission Decision in Case M.9276 – Sika/Financière Dry Mix Solutions (2019), paragraph 12; Commission Decision in Case M.7498 – Compagnie de Saint-Gobain/Sika (2015), paragraph 27; Commission Decision in Case M.7249 – CVC/Parexgroup (2014), paragraphs 17 and 18; Commission Decision in Case M.4898 – Compagnie de Saint-Gobain/Maxit (2008), paragraphs 21 and 22.
59 Form CO, paragraph 1683 ff.
60 Replies to Questionnaire Q7, question 5.

… each material requires a different type of mortar. Price for mortar for wall tiles or laying bricks are different as well as requested performance … Performance requirements are different for each sub-sector which drives different composition which in turn influences market price. For example, floor tile adhesives require relatively little polymer content (if any), façade tile adhesives require more, and structural grade repair mortars need a much higher polymer content, the most sophisticated ones being fibre reinforced too. The greater the sophistication, the better the engineering quality and the higher the price is."[61]

(91) From a supply side perspective, while a majority of competitors confirms that production can be easily switched among mortars for different applications, this seems to be true only in one direction, meaning from more sophisticated to less sophisticated mortars. In particular, respondents explained that "*producers of tile adhesive (mortar for tiles) can easily change to construction or facade mortars as the primary raw materials are the same. But tile adhesive contains more advanced raw materials to increase and control the performance, making it more difficult to go from simpler construction mortars to tile mortars*." Respondents also pointed out that mortars for different applications require "*[s]pecific know-how, formulation, equipment, customers and salesforce. So not easy to switch from one market field to another for a company. Customers and applications are also specific.*"[62]

(92) In light of these considerations, the Commission will distinguish between mortars for different applications (respectively construction, façade, and tiles) for the purpose of this Decision.

5.3.3. Geographic market definition

(93) In previous cases, while leaving the precise geographic market definition open, the Commission conducted the competitive assessment both at national and at local/regional levels, assuming 120 km, 300 km, and 600 km radii around the production plant.[63]

(94) Conversely, the Notifying Party argues that the competitive assessment can be conducted on a national basis.[64]

(95) In any event, the precise geographic market definition can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to premix mortars when assessed either on the basis of national markets or catchment areas.

5.4. Industrial Flooring

5.4.1. Parties' activities

(96) Both Parties supply industrial floorings based on (i) epoxy, (ii) methyl methacrylate (MMA), and (iii) polyurethane (PU), though MBCC is only to a very limited extent active in the supply of MMA-based industrial floorings.

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61 Replies to Questionnaire Q7, question 5.

62 Replies to Questionnaire Q8, question 4, 4.1 and 4.1.

63 Commission Decision in Case M.9276 – Sika/Financière Dry Mix Solutions (2019), paragraph 17 ff..

64 Form CO, paragraph 1729 ff.

(97) Sika offers a wide range of industrial flooring solutions that are used in industrial and commercial buildings, including in pharmaceutical and food sector production plants, public buildings and parking decks. Sika supplies its industrial flooring products mainly through direct sales to specialised applicators, which account for approximately [...]% of Sika's overall turnover in the area of industrial flooring. The remaining approximately [...]% of Sika's turnover are generated through sales to distributors, dealers, and wholesalers.

(98) MBCC's offering in the area of industrial flooring mainly comprises of liquid-applied flooring products for industrial applications, such as chemical plants, pharmaceutical plants and food and beverage plants. MBCC also offers floors for public areas and commercial buildings as well as for storage facilities. The majority of these solutions are sold under the Thomsit brand, and to a much smaller extent under PCI. MBCC sells these products through independent specialised distributors such as paint shops, parquet shops, etc. The final customers are applicators that do floor laying (e.g., painters, floor layers and carpenters).

(99) Both Sika and MBCC offer industrial flooring solutions globally, including in the EEA.[65]

5.4.2. Product market definition

5.4.2.1. Previous Commission decisions

(100) The Commission has previously considered the relevant market for industrial flooring in decisions relating to flooring products and distinguished between industrial and non-industrial flooring products: Industrial flooring was found to substantially differ from wooden and laminate flooring with regard to (i) supply-side substitutability, (ii) range of usability, (iii) pricing, and (iv) demand-side substitutability. It is therefore not considered to form part of the same market as laminate and wooden flooring.[66]

(101) In case *Paribas/JDC Sarl/Gerflor*[67], the Commission identified four main flooring products, i.e., parquet, PVC/vinyl, tiles and carpets, and suggested that floor coverings for private and commercial use might constitute separate product markets.

(102) In case *BASF/Degussa*[68], the Commission further suggested that indoor and outdoor sports floorings constitute separate product markets due to the different input materials, know-how and producers.

(103) In case *Compagnie de Saint-Gobain/Sika*[69], the Commission considered the product markets for various industrial flooring to be delineated by technology, namely: (i) epoxy, (ii) methyl methacrylate ("MMA"), (iii) vinyl ester, (iv) polyurethane (‘PU’), and (v) others.

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65 Form CO, paragraphs 1909 et seq.

66 See cases M.6871 - *Mohawk Industries/Spano Invest*, paragraphs 25-27; M.2051 - *Nordic Capital/HIAG/Nybron/Bauwerk*, paragraphs 11 and 13.

67 Case M.1253 - *Paribas/JDC Sarl/Gerflor*, paragraph 7.

68 Case M.4177 - *BASF/Degussa*, paragraphs 22-24.

69 Case M.7498 - *Compagnie de Saint Gobain/Sika*, paragraph 131.

5.4.2.2. The Notifying Party's arguments

(104) The Notifying Party submits that industrial flooring cannot be considered part of concrete works in light of differences in demand characteristics.[70]

(105) The Notifying Party further submits that a delineation by technology (i.e. epoxy, PU, MMA) including hybrid solutions such as PU/cementitious flooring is not necessary, since the required know-how and/or IP, production equipment, regulations governing manufacturing and supply, customer preferences, use-cases, production costs, distribution channels and customer groups are similar for all epoxy and PU-based industrial floorings and pricing is roughly similar.[71]

(106) The Notifying Party further argue that a sub-segmentation by end-use (food&beverage industry, pharmaceutical industry, park decks, manufacturing) is inappropriate.[72]

5.4.2.3. The Commission's Assessment

(107) The Commission assessed whether other types of flooring can be substitutes for industrial flooring and further investigated potential sub-segmentations by technology.

5.4.2.3.1. Other types of flooring

(108) The Commission investigated whether other types of flooring can be substitutable with industrial flooring.

(109) First, several market participants confirmed that from a demand-side perspective in specific use cases where chemical resistance is needed, tiles can sometimes be substitutable with industrial flooring since they have a good chemical resistance and are easy to install and maintain. However, they also have distinct disadvantages compared to industrial flooring, in particular they cannot be used for heavy loads and have no continuous pavement, making them not usable for instance for forklifts.[73] In addition, there appears to be almost no supply-side substitutability.

(110) Similarly, several market participants indicated that from a demand side perspective, linoleum can in a limited number of use cases be a substitute for industrial flooring. However, its usability in an industrial context is limited because of limited mechanical resistance being prone to scratches and water damage, its flammability, its limited chemical resistance, making it also not usable for forklifts. [74] In addition, there appears to be almost no supply-side substitutability.

(111) In light of this, the Commission preliminarily finds that industrial flooring constitutes a distinct market from tiles and linoleum, but can face some out of market constraints from these types of flooring in particular use cases.

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70 Form CO, paragraph 1922.

71 Form CO, paragraph 1923 et seq. and 1935 et seq.

72 Form CO, paragraph 1940 et seq.

73 Responses to Q4 – Questionnaire on industrial flooring to competitors, question 6.2; responses to Q4 – Questionnaire on industrial flooring to customers, question 9.

74 Responses to Q4 – Questionnaire on industrial flooring to competitors, question 6.2; responses to Q4 – Questionnaire on industrial flooring to customers, question 9.

5.4.2.3.2. Distinction based on technology

(112) Contrary to the Notifying Party's view and in line with considerations in previous Commission cases, the Commission's preliminary market investigation confirmed that a distinction by technology is most likely appropriate and the narrowest plausible product market segmentation.

(113) From a demand-side perspective, the Commission found in its preliminary market investigation that different technologies of industrial flooring substantially differ from one another with regard to (i) demand-side substitutability in light of usability (ii) supply-side substitutability, (iii) pricing.

(114) **First**, from a demand-side perspective, the preliminary market investigation confirmed that different types of industrial flooring technology such as PU, MMA, epoxy, vinyl-ester, cementitious flooring and hybrid solutions have limited substitutability. A majority of market participants confirmed that customers tend to use each of them to address different needs. A Majority of competitors said that end-users typically use PU, MMA, epoxy-based, vinyl ester or cementitious industrial flooring as well as hybrid solutions to address different needs.[75]

(115) This is in line with very different characteristics that the Commission preliminary finds each flooring technology to have:

(116) Market participants described PU-based flooring[76] as being extremely flexible and elastic when compared to other flooring types, while it does not have a high wear resistance and hardness and, therefore, is sensitive to scratches. MMA-based flooring in comparison is described as very fast-setting while its unpleasant odour and environmental unfriendliness are being highlighted. Epoxy-based flooring's main advantages are a very hard, abrasion-resistant surface, mechanical resistance and durability. Vinyl-ester's main advantage is its exceptional resistance to chemicals and solvents. A distinct disadvantage, however, is its unpleasant smell. A market participant explains its limited use cases: "*Vinyl ester - is no longer state of the art, interesting only in small niche (resistance to acids)*" [77] Cementitious flooring's main advantage identified by market participants is its economical price as compared to other types of industrial flooring. On the downside, it does have little chemical resistance according to market participants. Lastly, hybrid PU/cementitious flooring's main advantage is its extreme robustness and mechanical, chemical and temperature resistance. The most stressed disadvantage is that it is not aesthetically pleasing (yellowing), its high price compared to other types of industrial flooring as well as difficulty and complexity its application.

(117) **Second**, as regards the supply-side, the Commission found that not all suppliers offer all types of technology[78]. While almost all competitors said that they offer epoxy-based flooring, not all of them offer PU-based flooring, even fewer offer cementitious flooring, only some offer hybrid PU/cementitious flooring, very few offer MMA-based

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75 Response to Q4 – Questionnaire on industrial flooring to competitors, question 5; Responses to Q3 – Questionnaire on industrial flooring to customers, question 8.

76 Response to Q4 – Questionnaire on industrial flooring to competitors, question 5.1.; Responses to Q3 – Questionnaire on industrial flooring to customers, question 8.1.

77 Response to Q4 – Questionnaire on industrial flooring to competitors, question 4.1.

78 Responses to Q3 – Questionnaire on industrial flooring to customers, question 12; Responses to Q4 – Questionnaire on industrial flooring to competitors, question 4.

flooring and only one company indicated to offer vinyl-ester flooring. One competitor explained: "*Generally speaking, [our company] has more expertise in dry mortars where the know-how and equipment differ significantly from MMA-based and vinyl ester flooring solutions. Further, [our company] understands that the MMA-based flooring space is small and less profitable for certain suppliers due to the specific characteristics of the technology required to compete in this market (e.g. strong odour and short setting time). As a result, [our company] understands that there is a limited number of credible MMA-based flooring suppliers in the EEA.*"[79]

(118) The Commission further found that, from a supply-side perspective there are relevant barriers to entry between the different technology types, with many competitors indicating investments of several million Euros and timeframes of three to five years being required to offer a different industrial flooring technology. [80] One competitor explained: "*entering the market takes a shallow investment into machinery, quite some time and money for certifications and product testing, and a long breath to develop and establish references / build trust into the own product offering before the material can be placed in tenders - other entry strategy is through small projects with established applicator contacts and slowly develop the business from there. Either way, takes a long time - especially if one is not yet active in the flooring market at all.*"

(119) The preliminary investigation confirmed that barriers to entry partially resulted from relevant differences in certification and approval processes depending on the technology. All competitors said that there are certification/approval processes that are specific to a type of technology of industrial flooring.[81] "

(120) **Third**, the Commission's preliminary market investigation confirmed that there are significant price differences between different technologies. Market participants reported, for instance, that cementitious flooring' s main advantage is its economical price, while hybrid PU/cementitious flooring's main disadvantage is its high price point. [82]

(121) In light of both the limited demand-side and supply-side substitutability, the Commission preliminarily finds that different types of flooring technology are likely to constitute separate markets.

(122) In any event, the precise product market definition can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market irrespective of a sub-segmentation by technology or looking at overall markets for industrial flooring. For the purposes of this Decision, the Commission will conservatively assess both the overall market of industrial flooring and the sub-segments based on technology: PU-based, epoxy-based, MMA-based, cementitious and hybrid PU/cementitious flooring.

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79 Response to Q4 – Questionnaire on industrial flooring to competitors, question 4.1.

80 Responses to Q4 – Questionnaire on industrial flooring to competitors, question 4.3.

81 Responses to Q4 – Questionnaire on industrial flooring to competitors, question 4.3.2.

82 Response to Q4 – Questionnaire on industrial flooring to competitors, question 5.1; Responses to Q3 – Questionnaire on industrial flooring to customers, question 8.1.

5.4.3. Geographic market definition

5.4.3.1. The Commission's past decisions

(123) In its previous decisions[83], the Commission considered whether the markets for different flooring products are at least EEA-wide, but ultimately left the question open. However, in its latest decision on industrial flooring[84], the Commission assessed the sub-segments of industrial flooring on a national basis as the narrowest plausible geographic market.

5.4.3.2. The Notifying Party's view

(124) The Notifying Party submits that in their view the market for industrial flooring is at least EEA-wide irrespective of technology. The Notifying Party argues that they are not aware of any import restrictions, transport costs, or technical requirements that would constitute significant limitations at least within the EEA.[85]

5.4.3.3. The Commission's Assessment

(125) The Commission's market investigation confirmed the Commission's past finding of the national level being the narrowest plausible market. The Commission finds that the markets for industrial flooring in the EEA are at least national and potentially EEA-wide.

(126) A vast majority of both competitors and customers that took a view in the market investigation, said that the same suppliers are active and similar products are available in the EEA at national level or even EEA-wide rather than at local level. While many competitors and customers took the view that the same suppliers are active and similar products are available at EEA-level, just as many customers and almost as many competitors said this was only true at national level.[86] A competitor explained: "*There are large EEA-wide industrial flooring suppliers that are active in multiple EEA countries and there are also national players active on national or local level*."[87] Similarly, another competitor stated: "*There are some big, global/EEA-Players active in all markets with a wide product portfolio plus individual local/regional companies are active with limited portfolio*."[88]

(127) Similarly, other findings indicate a national or even EEA-wide market delineation with regard to the supply of industrial flooring. A slight majority of customers said that transport costs are a relevant factor when deciding from where to purchase industrial flooring products, while nearly as many customers said transport costs were not a relevant factor. [89] Likewise with regard to pricing levels, relevant regulatory standards and customer preferences the results of the market investigation indicate a national or

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83 Cases M.6871 – *Mohawk Industries/Spano Invest*, pars. 49-50; M.4048 – *Sonae Industria/Tarkett/JV*, paragraphs 17-18; M.4177 – *BASF/Degussa*, paragraphs 34-36; M.2051 – *Nordic Capital/HIAG/Nybron/Bauwerk*, paragraph 12; IV/M. 1253 – *Paribas/JDC Sarl/Gerflor*, paragraph 8.

84 Case M.7498 - *Compagnie de Saint Gobain/Sika*, paragraph 133.

85 Form CO, paragraphs 1947 et seq.

86 Responses to Q3 – Questionnaire on industrial flooring to customers, question 15, responses to Q4 – Questionnaire on industrial flooring to competitors, question 12.

87 Responses to Q4 – Questionnaire on industrial flooring to competitors, question 13.1.

88 Responses to Q4 – Questionnaire on industrial flooring to competitors, question 13.1; Responses to Q3 – Questionnaire on industrial flooring to customers, question 16.

89 Responses to Q3 – Questionnaire on industrial flooring to customers, question 16.

EEA-wide delineation of the industrial flooring markets. Many market participants reported similar pricing levels and similar regulatory standards across EEA countries. However, just as many market participants reported respective differences between Member States. In any event, no such differences were reported at a more local level.[90] One competitor noted in this regard: "*Price levels are depending on competition in each country. Many markets have developed differently regarding regulatory standards and customer preferences. For instance the OS systems are used for parking decks in Germany, but not in many other countries. Another example is the AgBB requirement regarding emission in Germany compared with the stricter M! requirement in the Nordics.*"[91] Another competitor explained: "*From country to country prices differ depending on how each brands markets the products, mainly local players have different price elasticity decisions factor comparing with multinational companies. Regulatory standards are the same. Customers preference are totally different within EEA countries. Some much more price oriented, others much more performance oriented. in southern country people like epoxy or cement, in nordic polyurethanes*"[92] Another competitor remarked: "*Across the EEA, market dynamics will vary due to the presence of local suppliers (in varying numbers). Prices also differ: for instance, in [redacted], the prices of epoxy vary [redacted], which makes a significant difference in the cost of the project.*"[93]

(128) In light of this, the Commission preliminarily finds for the purposes of this Decision that the markets for industrial flooring are at least national in scope and potentially EEA-wide. In any event, the precise geographic market definition can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to industrial flooring when assessed either on the basis of national markets or on the basis of an EEA-wide market.

5.5. Sealants

(129) Sealants are substances used to block the passage of fluids through the surface of joints or openings in materials such as sanitary joints, roofing joints, expansion joints and window and door joints.

5.5.1. Parties' activities

(130) The Parties offer sealant products globally, including in the EEA. Sika's main brands are SikaFlex and Sika DuoFlex, while MBCC's main brands are MasterSeal and PCI.

5.5.2. Product market definition

5.5.2.1. The Commission's past decisions

(131) In previous decisions, the Commission considered a possible distinction between adhesives and sealants, but ultimately left the market definition open. The Commission categorised adhesives and sealants into three end-use groups, according to the target customer group, namely adhesives and sealants for consumers and DIY customers,

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90 Responses to Q4 – Questionnaire on industrial flooring to competitors, question 15; Responses to Q3 – Questionnaire on industrial flooring to customers, question 17.

91 Response to Q4 – Questionnaire on industrial flooring to competitors, question 15.1.

92 Response to Q4 – Questionnaire on industrial flooring to competitors, question 15.1.

93 Response to Q4 – Questionnaire on industrial flooring to competitors, question 15.1.

adhesives and sealants for the construction sector, and adhesives and sealants for industrial applications.[94]

(132) In its most recent decisions on sealants, the Commission considered that there were likely distinct product markets for adhesives and for sealants. The Commission also considered that the market for sealants should most likely be further segmented into sealants produced for the construction and the consumer sectors respectively. The Commission noted that the lack of true demand- or supply-side substitutability between the different sealant technologies suggested that separate product markets may also exist for each type of sealant, i.e. acrylic sealants, polysulfide sealants, polyurethane sealants, silicone sealants and silylmodified polymers.[95]

5.5.2.2. The Notifying Party's views

(133) The Notifying Party agrees that sealants and adhesives belong to distinct product markets.

(134) However, the Notifying Party argues that the market of sealants should not be sub-segmented based on the end-use group (i.e. DIY customers, construction, industrial). According to the Notifying Party, all customers have similar demands with respect to the technical properties and usage of particular sealants. Also, suppliers tend to cater to all end-use groups.

(135) The Notifying Party also argues that the market of sealants should not be sub-segmented based on the technology (i.e. acrylic sealants, polysulfide sealants, polyurethane sealants, silicone sealants and silyl-modified polymers). This is because at least some of those technologies are characterised by similar applications, prices, shelf life and input materials. Also, the product portfolio of a sealant supplier usually encompasses the whole range of technologies and production can easily be switched among them.[96]

5.5.2.3. The Commission's assessment

(136) Although not entirely conclusive (given the relatively low number of responses), the results of the market investigation seem to provide some support to the Notifying Party's arguments.

(137) With respect to the distinction between end-use groups, a majority of customers having responded to the market investigation (59%) confirmed that the same sealants are generally used by professional construction businesses and DIY consumers.[97] A majority of suppliers (60%) also confirmed that sealants for professional construction businesses and sealants for DIY consumers are generally produced with the same or similar raw materials, equipment, and know-how and suppliers can switch production

94 Commission Decision in Case M.7465 – Arkema/Bostik (2015), paragraphs 9-12; Commission Decision in Case M.4941 – Henkel/Adhesives & Electronic Business (2008), paragraphs 10-15; Commission Decision in Case M.3612 – Henkel/Sovereign (2004), paragraphs 10-20.

95 Commission Decision in Case M.9276 – Sika/Financière Dry Mix Solutions (2019), paragraphs 121 and 122; Commission Decision in Case M.8152 - Arkema/Den Braven (2016), paragraphs 15-31.

96 Form CO, paragraphs 2118 ff.

97 Replies to Replies to Questionnaire Q11, question B.1.

between the two categories of sealants with no or limited costs and in a relatively short time.[98]

(138) With respect to the distinction between technologies, a majority of customers (56%) having responded to the preliminary market investigation stated that sealants based on different technologies are used interchangeably because they have similar performances, applications, and prices.[99] A majority of suppliers (60%) also confirmed that sealants based on different technologies are generally produced with the same or similar raw materials, equipment and know-how and suppliers can switch production between the different categories of sealants with no or limited costs and in a relatively short time.[100]

(139) In any event, the precise product market definition can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market either way. For the purposes of this Decision, the Commission will conservatively assess both the overall market of sealants and its sub-segments based on end-use and technology.

5.5.3. Geographic market definition

5.5.3.1. The Commission's past decisions

(140) In previous decisions, the Commission considered that the geographic market for industrial sealants and adhesives may vary depending on the application. For some of them, the Commission considered the geographic market to be at least EEA-wide. For other applications, the Commission found evidence suggesting that the relevant geographic market is national.[101]

(141) In its most recent decision on sealants, the Commission considered it likely that the geographical scope for the segment of sealants for DIY/consumers was national. The geographical scope of the segment of sealants for the professional construction segment was found to be likely supra-national or at least regional, namely Western Europe, Central and Eastern Europe and Scandinavia.[102]

5.5.3.2. The Notifying Party's view

(142) The Notifying Party claims that the geographic markets for sealants might be wider than national, but it presented statements and facts based on the narrowest plausible market definition, i.e., national markets.

5.5.3.3. The Commission's assessment

(143) Although not entirely conclusive (given the relatively low number of responses), the results of the market investigation seem to provide some support to the Notifying Party's arguments.

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98 Replies to Replies to Questionnaire Q12, question B.1.

99 Replies to Replies to Questionnaire Q11, question B.2.

100 Replies to Replies to Questionnaire Q12, question B.2.

101 Commission Decision in Case M.7465 – Arkema/Bostik (2015), paragraph 11; Commission Decision in Case M.4941 – Henkel/Adhesives & Electronic Business (2008), paragraphs 38-58; Commission Decision in Case M.3612 – Henkel/Sovereign (2004), paragraphs 36-42.

102 Commission Decision in Case M.9276 – Sika/Financière Dry Mix Solutions (2019), paragraphs 129 and 130; Commission Decision in Case M.8152 – Arkema/Den Braven (2016), paragraphs 41-43.

(144) A large majority of customers having responded to the market investigation (80% for construction sealants and 75% for DIY/consumers sealants) confirmed that they are able to procure sealants from suppliers located throughout the EEA, if not throughout the world.[103] A large majority of suppliers (60% for construction sealants and 67% for DIY/consumers sealants) also confirmed that they are able to sell sealants to customers located throughout the EEA, if not throughout the world.

(145) In any event, the precise geographic market definition can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market either way. For the purposes of this Decision, the Commission will conservatively assess both the overall EEA market and each relevant national market for sealants.

5.6. Adhesives

5.6.1. Parties' activities

(146) Sika offers a wide range of elastic and structural adhesives for modern joining methods, with construction, automotive, and industrial applications. Its portfolio includes polyurethane, water-based, epoxy, acrylate, and silicone adhesives. Sika's main brands are Sikaflex, SikaTack, SikaBond, i-Cure, PowerCure, SikaForce, SikaPower, SikaFast.

(147) MBCC has a much smaller presence in this sector, mainly under the brand Thomsit.

5.6.2. Product market definition

(148) Adhesives are products specifically developed to hold or stick objects together.

(149) In previous decisions, the Commission considered a possible distinction between adhesives and sealants. The Commission categorised adhesives into three end-use groups, according to the target customer group, namely adhesives for consumers and DIY customers, adhesives for the construction sector and adhesives for industrial applications. As regards adhesives for industrial applications, the Commission considered further segmentations according to the specific application such as automotive, bookbinding, labelling, packaging and according to the adhesive technology, such as water-based technologies, solvent-based technologies, hot melts or reactive adhesives.[104]

(150) The Notifying Party argues that the market of adhesives should not be sub-segmented based on the end-use group (i.e. DIY/consumers, construction, industrial). According to the Notifying Party, all customers have similar demands with respect to the technical properties and usage of particular adhesives. Also, suppliers tend to cater to all end-use groups.[105] The Notifying Party also argues that the market of adhesives should not be sub-segmented based on the technology (i.e. water-based, reactive, hot-melts or solvent-based adhesives). This is because at least some of those technologies are characterised by similar applications, prices, shelf life and input materials. Also, the

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103 Replies to Replies to Questionnaire Q11, question C.1.

104 Commission Decision in Case M.9276 – Sika/Financière Dry Mix Solutions (2019), paragraph 121; Commission Decision in Case M.7465 – Arkema/Bostik (2015), paragraphs 9-12; Commission Decision in Case M.4941 – Henkel/Adhesives & Electronic Business (2008), paragraphs 10-15; Commission Decision in Case M.3612 – Henkel/Sovereign (2004), paragraphs 10-20.

105 Form CO, paragraph 2176.

product portfolio of an adhesive supplier usually encompasses the whole range of technologies and production can easily be switched among them.[106]

(151) The Commission considers that, for the purpose of this case, the precise product market definition with regard to adhesives can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market under any plausible market definition. For the purposes of this Decision, the Commission will conservatively assess potential segmentations of the market based on both the end-use group and the underlying adhesive technology.

5.6.3. Geographic market definition

(152) In previous decisions, the Commission considered that the geographic market for industrial adhesives may vary depending on the application. For some of them, the Commission considered the geographic market to be at least EEA-wide. For other applications, the Commission found evidence that suggested the presence of national markets.[107]

(153) The Notifying Party claims that the geographic markets for adhesives might be wider than national, but it presented statements and facts based on the narrowest plausible market definition, i.e., national markets.

(154) The Commission considers that, for the purpose of this Decision, the precise geographic market definition with regard to adhesives can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market under any plausible geographic market definition. For the purposes of this Decision, the Commission will conservatively assess the Transaction under the narrowest plausible geographic market definition, i.e. at the national level.

5.7. Waterproofing

(155) Waterproofing encompasses an array of different products used to protect concrete structures against water. For instance, liquid-applied high-performance membranes provide a seamless barrier to seal surfaces against water.

5.7.1. Parties' activities

(156) Sika offers waterproofing products globally, including in the EEA. Sika offers a wide range of products for waterproofing, including SikaTop®, Sika MonoTop®, Sikaplan®, SikaProof®, Sikalastic®, SikaBit®, Sika® Igolflex®, Sika® Waterbar, SikaSwell®, SikaFuko®, Sikadur-Combiflex®, Sika® Dilatec®, Sika® Injection and SikaFix®.

(157) MBCC offers waterproofing products globally, including in the EEA. MBCC offers a wide range of products for waterproofing, primarily under the MasterSeal product line.

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106 Form CO, paragraphs 2177 to 2181.

107 Commission Decision in Case M.9276 – Sika/Financière Dry Mix Solutions (2019), paragraph 121; Commission Decision in Case M.7465 – Arkema/Bostik (2015), paragraph 11; Commission Decision in Case M.4941 – Henkel/Adhesives & Electronic Business (2008), paragraphs 38-58; Commission Decision in Case M.3612 – Henkel/Sovereign (2004), paragraphs 36-42.

5.7.2. Product market definition

5.7.2.1. Previous Commission decisions

(158) In its previous decisional practice[108], the Commission considered waterproofing and assessed distinct markets along the following lines as narrowest plausible markets: acrylic liquid membranes (used under tiling), acrylic liquid membranes (other applications), PU liquid membranes, epoxy liquid membranes, bitumen (liquid), bitumen felts, PVC/TPO bonding sheets, other non-liquid membranes (foils, tapes, etc.), PU injection resins, damp proofing injection and epoxy injection systems.

5.7.2.2. The Notifying Party's arguments

(159) The Notifying Party considers that waterproofing products belong to a distinct product market which is to be distinguished from other products with apparently similar application such as concrete works.[109]

(160) Furthermore, the Notifying Party submits as regards relationship between waterproofing and industrial flooring, that waterproofing products cannot be considered part of industrial flooring given the differences in demand characteristics.[110]

(161) The Notifying Party submits that the market for waterproofing is to be distinguished from the market for roofing to which certain membranes belong. This is because waterproofing and roofing serve different types of customers and needs.[111]

(162) The Notifying Party submits that a sub-segmentation by categories or technology is not appropriate in the area of waterproofing. They argue that there is significant demand- and high supply-side substitutability between all waterproofing categories and technologies.[112]

(163) The Notifying Party proposes the following product groupings in case the Commission would consider in the future to delineate the product market by technology:

- liquid-applied membranes, which include reactive coatings (i.e., PU, PUA and epoxy) and modified emulsion (i.e., acrylic and bitumen);
- sheet membranes, which include bitumen membranes and polymeric membranes (i.e., TPO, PVC, HDPE including tapes, foil, gaskets, hoses and joints); and
- injections (i.e., PU and epoxy).

(164) The Notifying Party argues that grouping together the different technologies in the three segments would reflect the actual structure of the waterproofing market more closely than the segmentation previously considered by the Commission.

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108 M.7498 - *Compagnie de Saint Gobain/Sika,* paragraph 123.
109 Form CO, paragraph 1549.
110 Form CO, paragraph 1556.
111 Form CO, paragraph 1557.
112 Form CO, paragraph 1562 et seq.

5.7.2.3. The Commission's Assessment

(165) Contrary to the Notifying Party's view and in line with considerations in previous Commission cases, the Commission's preliminary market investigation confirmed a distinction of the waterproofing markets by waterproofing application type and technology, namely as narrowest plausible markets: acrylic liquid membranes (used under tiling), acrylic liquid membranes (other applications), PU liquid membranes, epoxy liquid membranes, bitumen (liquid), bitumen felts, PVC/TPO bonding sheets, other non-liquid membranes (foils, tapes, etc.), PU injection resins, damp proofing injection and epoxy injection systems.

(166) From a demand-side perspective, the Commission found in its preliminary market investigation that these different technologies of waterproofing substantially differ from one another with regard to (i) demand-side substitutability in light of usability and (ii) supply-side substitutability.

(167) **First**, from a demand-side perspective, the preliminary market investigation confirmed that these different types of waterproofing have limited substitutability. A majority of market participants confirmed that customers tend to use each of them to address different needs. A clear majority of market participants that took a view said that end consumers typically use each of the listed waterproofing technologies to address different needs.[113]

(168) **Second**, as regards the supply-side, the Commission found that not all suppliers offer all types of waterproofing. While a few suppliers such as Sika offer all types of waterproofing, according to a vast majority of competitors suppliers of waterproofing do not typically offer all types of waterproofing.[114] One competitor explained: "*Most of suppliers are more focused on some types of waterproofing.Some supliers as Sika, Parex, PIC are seling full range waterproofing*." [115] Competitors indicated in the market investigation, that it would require significant financial expenses (several competitors indicated sums in EUR millions) as well as several years (timeframes on average:1-3 years) to add to their portfolio a different type of waterproofing technology that they are currently not offering.[116]

(169) In light of both the limited demand-side and supply-side substitutability, the Commission preliminarily finds that the following different types of flooring technology constitute the narrowest plausible separate markets in waterproofing: acrylic liquid membranes (used under tiling), acrylic liquid membranes (other applications), PU liquid membranes, epoxy liquid membranes, bitumen (liquid), bitumen felts, PVC/TPO bonding sheets, other non-liquid membranes (foils, tapes, etc.), PU injection resins, damp proofing injection and epoxy injection systems.

(170) For the purposes of this Decision, the Commission will conservatively assess the Transaction based on the narrowest plausible product segmentation based on application type and technology, namely: acrylic liquid membranes (used under tiling), acrylic liquid membranes (other applications), PU liquid membranes, epoxy liquid membranes, bitumen (liquid), bitumen felts, PVC/TPO bonding sheets, other non-liquid

113 Responses to Q10 – Questionnaire on waterproofing to competitors, question 5.
114 Responses to Q10 – Questionnaire on waterproofing to competitors, question 4.2.
115 Responses to Q10 – Questionnaire on waterproofing to competitors, question 4.2.1.
116 Responses to Q10 – Questionnaire on waterproofing to competitors, question 4.2.

membranes (foils, tapes, etc.), PU injection resins, damp proofing injection and epoxy injection systems.

5.7.3. Geographic market definition

5.7.3.1. The Commission's past decisions

(171) In its previous decisional practice[117], the Commission assessed the sub-segments of waterproofing on a national basis as the narrowest plausible geographic market.

5.7.3.2. The Notifying Party's view

(172) The Notifying Party submits that the geographic market(s) for waterproofing applications are at least EEA-wide in scope.

5.7.3.3. The Commission's Assessment

(173) The Commission finds that the markets for waterproofing are at least national and potentially EEA-wide. The Commission's market investigation confirmed the Commission's past finding of the national level being the narrowest plausible market.

(174) A vast majority of the customers that took a view in the market investigation, said that the same suppliers are active and similar products are available at national level or even EEA-wide rather than at local level. While many customers took the view that the same suppliers are even active and similar products available at EEA-level, slightly more customers said this was only true at national level.[118] This view was supported by the fact that a clear majority of customers notice that prices noticeably differ between countries in the EEA.[119] Similarly, customers noted regulatory differences between countries rather than at local level. [120]

(175) In light of the above, the Commission preliminarily finds for the purposes of this Decision that the markets for waterproofing are at least national in scope and potentially EEA-wide. The precise geographic market definition can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to waterproofing when assessed either on the basis of national markets or an EEA-wide market.

5.8. Polymers

(176) Polymers are large molecules made by chemically linking a series of smaller molecules (monomers). Polymers are a chemical input product that is used for the production of chemical admixtures but also for various other construction materials including concrete works, premix mortars, waterproofing, adhesives, sealants, etc. Polycarboxylate ether ('PCE') polymers are primarily used in chemical admixtures.[121]

(177) Various types of polymers are used in the production of concrete admixtures depending on their intended use and input materials, such as PCE polymers, naphthalene sulfonates

117 Case M.7498 - *Compagnie de Saint Gobain/Sika*, paragraph 125.
118 Responses to Q9 – Questionnaire on waterproofing to customers, question 12.
119 Responses to Q9 – Questionnaire on waterproofing to customers, question 14.
120 Responses to Q9 – Questionnaire on waterproofing to customers, question 14.
121 Notifying Party's response to RFI I-6, question 5.

('NSF') and melamine sulfonates ('MSF') polymers, which all produce a water reducing effect increasing the density and stability of the concrete in general.

5.8.1. The Commission's past decisions

(178) As regards product markets, *BASF/Degussa*[122], the Commission considered the relevant product market in relation to performance polymers for super-plasticizers, however the precise market definition was ultimately left open.

(179) In *Degussa/Dow*[123] (superabsorbent polymers), the Commission considered a separate relevant product market for superabsorbent polymers ('SAP'), another type of polymers. Further types of polymers previously considered include engineering polymers, synthetic latex polymers, polymer sealing solutions or film polymers typically used for pharmaceutical applications.[124]

(180) From a geographical perspective, the Commission has previously considered the relevant market to be EEA-wide or even worldwide in scope.[125]

5.8.2. The Notifying Party's view

(181) The Notifying Party submits that there is an overall product market for the supply of polymers and that no further differentiation by type of polymer (such as NSF, acrylic acids, lignosulfonates ('LSF'), polycarboxylates or polyethylene gycol) or production process (e.g. Free Radical Polymerization or Poly Analog Etherification) is warranted.

(182) The Notifying Party submits that the markets for the supply of polymers are global or at least EEA-wide in scope. It submits that Polymers are sourced by manufacturers of chemical admixtures on a global basis (e.g. not only in EEA but also from China) in light of a lack of regulatory barriers and limited relevance of transport costs.[126]

5.8.3. The Commission's assessment

(183) The Commission considers that, for the purpose of this Decision, the precise product and geographic market definition with regard to the supply of polymers can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market under any plausible product and geographic market definition previously considered by the Commission, either by polymer type or by production process. For the purpose of this Decision, the Commission will conservatively assess the Transaction based on the narrowest plausible segmentation based on type of polymers (PCE, LSF, and NSF) in the EEA.

6. COMPETITIVE ASSESSMENT

(184) The Transaction gives rise to horizontal affected markets for chemical admixtures, concrete works, mortars, industrial flooring, sealants, adhesives and waterproofing. The

122 Case No. COMP/M.4177 - BASF/Degussa, Paragraphs 9 et seq.
123 Case No. COMP/M.4154 - Degussa / Dow.
124 See e.g. case No COMP/M.6313 - Ashland/International Specialty Products; case No COMP/M.5424 - DOW/Rohm and Haas; case No. COMP/M.6093 - BASF/INEOS/Styrene/JV.
125 See, e.g., Case No. COMP/M.4154 - Degussa / Dow.
126 Form CO, paragraph 2215 and 2228 et seq.

preliminary competitive assessment of the horizontal non-coordinated effects of the Transaction for each of these is provided in Sections6.1 to 6.7.

(185) Further, an assessment of the plausible vertically affected markets arising from the Transaction in relation to the markets for the supply of polymers (upstream) and the manufacture and supply of chemical admixtures as well as the manufacture and supply of other construction materials respectively (downstream) is provided at Section6.8.

6.1. Horizontal non-coordinated effects: Chemical admixtures

6.1.1. General competitive features

(186) As regards the manufacture and supply of chemical admixtures and concrete admixtures more specifically, the Transaction leads to affected markets in Austria, Belgium, Croatia, Czechia, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Slovenia, Slovakia, Spain and Sweden.

6.1.1.1. Overview of main chemical admixtures suppliers

(187) The Commission analysed the competitive landscape. The following observations equally apply to the chemical admixture market overall as well as to the plausible sub-segment of concrete admixtures.

(188) **Sika** and **MBCC** are the two leading players in the European markets of chemical admixtures. They have the largest market shares at the EEA level –respectively at [10-20]% and [20-30]% - and are the only players whose geographic footprint extends to most of the EEA. The Parties are also two of the few vertically integrated suppliers with in-house production of polymers: Sika produces polymers in its plants in Leimen (Germany), Cerano (Italy), Siderno (Italy), Alcobendas Madrid (Spain) and Zwijndrecht/Antwerp (Belgium), while MBCC produces polymers in Treviso (Italy).

(189) The main other players in the EEA markets of chemical admixtures are:

(a) **Mapei.** Mapei has a market share of [10-20]% at the EEA level, although its activities are mostly focused on Italy, the DACH-region, and the Nordics. Mapei has in-house production of polymers in Ravenna and Milan (Italy). According to Sika's internal documents,[127][confidential details on Sika's assessment of Mapei's market position].

(b) **Chryso.** Chryso has a market share of [10-20]% at the EEA level, although its activities are mostly focused on France and the Iberic peninsula. Chryso has in-house production of polymers in Sermaises de Loiret (France). According to Sika's internal documents,[127] [confidential details on Sika's assessment of Chryso's market position].

(c) **MC-Bauchemie.** MC-Bauchemie has a market share of [5-10]% at the EEA level, although its activities are mostly focused on Germany. MC-Bauchemie has in-house production of polymers in Bottrop (Germany). Sika's internal documents also emphasize that[confidential details on Sika's assessment of MC Bauchemie's market position].[128]

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127 Sika internal document, SIKA-COMP10560-0000155 , Doc Id:294-471.

128 Sika internal document, SIKA-COMP10560-0000074, Doc Id:294-422.

(d) **GCP.** GCP has a market share of [0-5]% at the EEA level, although its activities are mostly focused on France and Germany. GCP does not have in-house production of polymers. According to Sika's internal documents,[127] [confidential details on Sika's assessment of GCP's market position].

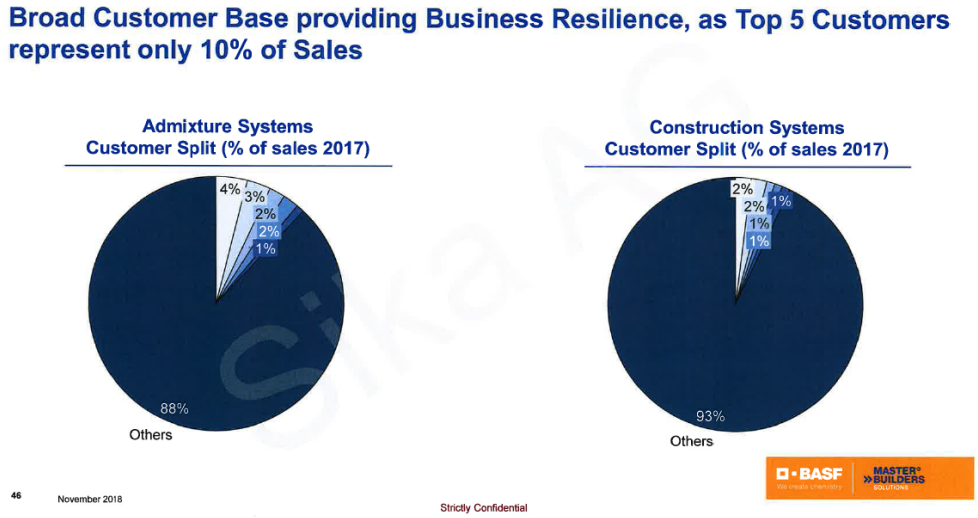
(190) No other competitor has a market share exceeding 3% in the admixtures market at the EEA level.

6.1.1.2. Customer base and procurement process

(191) The results of the Commission's preliminary market investigation show that the customer base of chemical admixture products (i) is fragmented, (ii) encounters difficulty to switch or multi-source and (iii) usually prefers a one-stop-shop supplier.

(192) **First**, the customer base for chemical admixture products is fragmented. Although there are some large concrete/cement producers, like Holcim or Heidelberg, the customer base is also comprised of much smaller customers. In fact, as shown in Figure 3 - MBCC internal document, Information Memorandumbelow, MBCC's customer base is very fragmented, with the top 5 customers representing only 10% of chemical admixture sales in 2017.

Figure 3 - MBCC internal document, Information Memorandum



Source: Form CO, Annex 3.2-A, page 46

(193) **Second**, customers are typically conservative and encounter difficulty in switching suppliers or multi-sourcing.

(194) Generally, once a customer starts developing a project, and in particular larger projects, it typically develops the mix design and then asks chemical admixture suppliers to propose their solutions, which is usually a mix of pre-existing, off-the-shelf products. Those solutions need to be tested before being used in the project, which is costly: "*Starting to use new admixtures in a running project or a running stationary plant is expensive*."[129] Once a construction project has started, it is therefore very costly and time consuming to switch admixture suppliers, since it requires resetting the different

129 Non-confidential minutes of a call with a customer, 23 February 2022, paragraph 17.

formulations and reobtaining the customer's approval. This is explained in more detail by a large customer: "*It is very difficult to switch suppliers for chemical admixtures in the middle of a project because, before choosing a supplier, Heidelberg engages with the customer and tests the applications. So a certain range of raw materials for the concrete are locked and cannot easily be changed later. This means that the supply is locked-in for the time the project lasts, which can be months or several years (e.g. it takes up to 3 years to build a tunnel). To change suppliers mid-project there must be a major problem with the previous supplier.*"[130] Switching chemical admixture supplier in the middle of a project is all the more difficult that "*any trials for a different admixture require permission from the customer. Concrete for large projects is tailor-made and this needs to be done in cooperation with the admixtures suppliers.*"[131]

(195) For some types of customers, like civil engineering customers, it is even more difficult to switch due to security concerns. A competitor explained that those customers "*are also particularly conservative and risk conscious because of the complexity of their project and the important safety issues at stake. Therefore, they are reluctant to switch to a new admixture's supplier*."[132] As regards the Parties in particular: "*On the commercial side, the Parties are the dominant suppliers and they make difficult to their customers splitting their supply, for example by acquiring commodity products from competitors*."[133]

(196) **Third**, customers usually prefer a one-stop-shop supplier. They need their suppliers to be able to provide the complete range of chemical admixture products they need, including in particular standard and specialty admixtures. As explained by one competitor: "*Civil engineering customers want one-stop-shop admixtures suppliers, therefore only deal with suppliers that can offer the entire range of admixtures*."[134] As a result, large chemical admixture suppliers enjoy portfolio effects to some extent.

(197) In any event, suppliers typically prevent any multi-sourcing commercially, by bundling the various products of their portfolio, in particular between standard and specialty products. As explained by a big customer: "*Suppliers expect their customers to purchase from them the entire range of admixtures. It would be not profitable for them investing in innovation if then customer only buys the most innovative solutions from them and sources all commodity materials (which are a great share of the market) from competitors*."[135]

6.1.1.3. Customisation

(198) The Notifying Party claims that admixtures represent only a minor input supplied to customers, which are ultimately in charge of the concrete mix design, and that they are commoditised products which are rarely customised.

(199) Those claims are not supported by the preliminary market investigation.

(200) **First**, the feedback from the market indicates that admixtures are important inputs for customers, as they are used to achieve concrete properties that could not be produced

130 Non-confidential minutes of a call with a customer, 7 January 2022, paragraph 12.
131 Non-confidential minutes of a call with a customer, 10 January 2022, paragraph 18.
132 Non-confidential minutes of a call with a competitor, 18 February 2022, paragraph 17.
133 Non-confidential minutes of a call with a customer, 10 January 2022, paragraph 30.
134 Non-confidential minutes of a call with a competitor, 18 February 2022, paragraph 17.
135 Non-confidential minutes of a call with a customer, 10 January 2022, paragraph 25.

without them. Admixtures are key ingredients to concrete, essential for customers to offer competitive products in the construction industry. Customers also mention that admixtures are essential for the economic optimisation of concrete mix designs and for lowering the environmental impact of concrete through water and cement reduction.[136]

(201) A large majority of customers consider admixtures to be a significant source of differentiation for their products and to be important for the competitiveness of their business. A customer commented: "*Chemical admixtures are an indispensable component of RMC concrete. […]Achieving the strategic goals of the business – economic and environmental performance and differentiation based on concrete attributes (value added products)* […] *they are a key component in achieving internal CO2 reduction targets and circularity.*"[137]

(202) **Second**, product customisation seems to be an important feature of admixture markets.

(203) Large customers in particular look for suppliers that can offer them added value and develop tailor-made solutions. Certain suppliers provide bespoke solutions, particularly for complex infrastructure projects, such as tunnelling and mining, where shotcrete is used. Certain customers have cooperation agreements with the Parties to create new types of concrete, which may involve the development of new polymers (technological cooperation) or specific formulations for targeted projects (formulation cooperation).

(204) The vast majority of customers say it is important for an admixtures supplier to be able to adjust the formulation of its admixtures and to develop new polymers to meet their requirements.[138]

(205) A customer explained: "*Depending on the properties of the general raw materials used (in particular aggregates and cement) special applications like shotcrete for tunneling or material for concrete poles of wind turbines can require customized products for a particular customer or project*."[139]

(206) Another customer commented: "*The technological cooperation is generally implemented to develop innovative admixtures with high-end technological applications, including those allowing the production of sustainable concrete. Conversely, the formulation cooperation is applicable to the entire range of admixtures which in any event need to be customised and adjusted for the local raw materials used in the production of ready-mix, such as gravel, sand and water.*"

(207) The Parties' internal documents refer to customisation as a typical feature of their admixture offer. For instance, a Sika document states [confidential details on Sika's market strategy][140].

(208) **Third**, the Parties are viewed as the two strongest players in terms of product customisation.

(209) The feedback from the market investigation clearly indicates that the Parties have the best capabilities to customise admixtures to customers' requirements: customers

136 Replies to Questionnaire Q1, question 20.
137 Replies to Questionnaire Q1, question 20.
138 Replies to Questionnaire Q1, question 27.
139 Non-confidential minutes of a call with a customer of 7 January 2022.
140 Sika internal document, SIKA-COMP10560-0000169, Doc ID 294-485.

consider them as the top two suppliers in terms of ability to customise admixtures and related services, far ahead of competitors Mapei, Chryso and MC Bauchemie.[141]

6.1.1.4. Innovation

(210) The Notifying Party claims that R&D does not play a significant role in chemical admixtures and that intellectual property ("IP") is not material to the industry, as the number of innovations is limited.

(211) These claims were not supported by the preliminary market investigation.

(212) First, innovation in chemical admixtures, either through the development of new polymers or new formulations, appear to play a key role in the concrete/cement industry, in particular to address sustainability challenges, such as admixtures for low-cement and recycled concrete; and bio-based admixtures.

(213) The vast majority of customers say that product innovation is an important feature of admixtures markets, and many comment that it is becoming increasingly important for the construction industry, now that it is transitioning to meet certain sustainability goals, but also to improve cost efficiency.[142]

(214) A customer said: ""*Innovation is important to ensure that admixtures are being developed in an increasingly sustainable way. I.e. new types of cement are being developed to reduce CO2 and reduction of aggregate quality demands innovation and development in admixtures to ensure a high quality in RMC*."[143]

(215) The vast majority of customers state that it is important for an admixtures supplier to have strong R&D and an ability to cooperate on R&D projects to develop new products meeting their needs.[144]

(216) The importance of innovation for admixture markets is confirmed in the Parties' internal documents. An MBCC strategy document for instance states that "*Innovation is most important growth driver for admixtures systems*"[145] , while another MBCC document estimates that[confidential details on MBCC's innovation concepts].[146]

(217) Another MBCC document sets out various areas of innovation that present opportunities for growth: [confidential details about MBCC's innovation concepts].[147]

(218) The Parties are seen by the market as strong innovators, with many ongoing R&D projects, including at the polymer and formulation stages. This R&D is viewed as central to meet the sustainability challenges, which is transformative of the industry.

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141 Replies to Questionnaire Q1, question 40.
142 Replies to Questionnaire Q1, question 29.
143 Replies to Questionnaire Q1, question 29.
144 Replies to Questionnaire Q1, question 27.
145 Form CO, Annex 3.2-A, page 28.
146 Pre-notification RFI 1, question 65, MBCC document, 1_2021_05_10_Decision Board EBA Strategy_OpportunitiesCO2.pptx.
147 Response to pre-notification RFI 1, question 65, MBCC internal document, "TCO of concrete: Outlook into admixture opportunities with current & new cements, 9 December 2020", Doc Id:294-288.

(219) Sika and MBCC are currently both taking part in similar research projects to increase the use of recycled concrete: Sika with its product reCO2ver in the project C2inCO2[148] and MBCC with its product Mastersuna in the project ReCyCONtrol[149].

(220) The feedback from the preliminary market investigation clearly indicates that the Parties are global leaders in R&D on admixtures: both customers and competitors consider them as the top two suppliers in terms of ability to develop innovative products and solutions in admixtures, far ahead of competitors Mapei, Chryso and MC Bauchemie.[150] Customers cite the Parties as the two suppliers that have launched the most important innovative products in admixtures in the last ten years, with Sika ViscoCrete and MBCC Master X Seed cited as examples.[151]

(221) Through its historic link with BASF, MBCC has a strong market reputation for product innovation. MBCC's innovation and R&D capabilities in particular in EBA are presented among key attractiveness of the business in internal documents. An internal MBCC document for instance cites the "*high value of R&D pipeline with balanced risks and significant investment in breakthrough* [New] *technologies […]*[confidential details on MBCC's R&D profitability]."[152]

(222) Second, the protection of technological intellectual property seems to be a key asset for admixture suppliers. A vast majority of both customers and competitors state that patents do play an important role in the industry.[153]

(223) The Parties are among few players to have significant active patent portfolios, both at the polymer and the formulated product level. Sika and MBCC derive some of their innovative strength from the fact that they are among a limited number of players to be vertically integrated into polymer production, holding certain patents,[154] and supplying polymers to some of their competitors. As a customer commented, "*Admixtures are not just about the right product formulation but also about innovation at the level of raw materials/polymers*."

(224) A Sika document assessing MBCC's R&D assets states for instance: "*The patent portfolio is of high quality and covers technologies such as VPEG based plasticizers*[…]".[155]

(225) As regards Sika:

(a) In terms of **spending**, in 2021, Sika spent EUR [...] million on chemical admixtures R&D (out of which approximately EUR [...] million were spent in Switzerland on R&D serving Sika's entire worldwide chemical admixtures

148 https://co2-utilization.net/fileadmin/user_upload/PRO_CO2-Win_C2inCO_ENG.pdf

149 https://www.mbcc-group.com/en/news/press-releases/master-builders-solutions-participates-in-research-project-of-the-german-federal-ministry-of-education-and-research/

150 Replies to Questionnaire Q1, question 41.

151 Replies to Questionnaire Q1, question 30.

152 Form CO, Annex 3.2-A, MBCC internal document « Confidential Information Memorandum », page 15.

153 Replies to Questionnaire Q1, question 31.

154 Sika holds patents on glycols, a PCE polymer.

155 Form CO, Annex 5.4 B-02, Sika Internal document "Project Eleven – Dd Report (Update) Intellectual Property (IP)".

business).[156] Sika also spent EUR [...] million for the overall "Concrete Systems" product group, which comprises chemical admixtures as well as other products.[157]

(b) In terms of **patent families**, Sika owns 84 chemical admixture patent families (and 402 single national patents for chemical admixtures), and 46 polymer-related patent families (and 275 single national patents for polymers).[158] Sika's main patent families relate to process patents in relation to PAE based PCE polymers, block polymers and powdered polymers (dispersant technologies) and formulation patents in relation to hardening accelerator, seeding accelerator, concrete recycling, shotcrete accelerator, modified carbohydrate and Limestone Calcinated Clay Clincker (LC3).[159] Sika's leading position in terms of patents is also recognized by industry experts: "*The development of innovative concrete admixtures by the leading companies in the region [Europe] has significantly contributed to the growth of the market in the historical period [2017-2021]. For instance, in October 2021, Sika, along with the Swiss Federal Institute of Technology Lausanne, developped concrete admixtures by leveraging the Limestone Calcinated Clay Cement (LC3) technology to lower carbon emissions*" (emphasis added)[160]

(c) In terms of **pipelines**,[161] In the period 2015 to 2022, Sika started R&D activities within [...] TCPs and [...] PDPs. These projects related to different categories, such as[confidential details on Sika's R&D activities]. [...] of the TCPs related to[confidential details on Sika's R&D activities] , [...] to [confidential details on Sika's R&D activities], [...] to [confidential details on Sika's R&D activitie]. Sika notes that it conducted [...] TCP and [...] PDP projects related to [confidential details on Sika's R&D activities] in the period 2015-2022 (i.e., [...] projects in total, while [...] of the PDPs were stopped). Sika also notes that it conducted [...] TCP projects and [...] PDP project (i.e., [...] projects in total) related to [confidential details on Sika's R&D activities] in the period 2015-2022.[162] **In terms of recent launches**, Sika recently launched ViscoCrete and **Sika reCO2ver**.[163]

(d) In terms of **sites**, Sika operates 7 R&D sites globally with; [...] FTEs;[164] and [...] FTEs for admixtures.[165]

(e) In terms of **strategy**, R&D and IP is one of Sika's priorities, as illustrated by its internal documents: [confidential details on Sika's R&D activities][166][167][168]

(f) **Finally,** Sika has a number of R&D-related cooperation agreements with customers[169]

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156 Form CO, Table 113.
157 Form CO, Tables 117 and 116.
158 Form CO, Table 115.
159 Response to pre-notification RFI 1, Annex Q37.1.
160 Form CO, Annex 7.1-J, GLOBAL CONCRETE ADMIXTURES MARKET REPORT AND FORECAST 2022-2027, EMR, Annex Q45.2, slides 64 and 74.
161 Form CO, Table 119 and paragraph 1155.
162 Form CO, Table 119.
163 Form CO, paragraphs 1159-1165.
164 Form CO, paragraphs 1132-1133.
165 Form CO, Table 116.
166 Response to pre-notification RFI 1, question 40.b, Sika internal document, SIKA-COMP10560-0000181.
167 Response to pre-notification RFI 1, question 40.b, Sika internal document, SIKA-COMP10560-0000169
168 Response to pre-notification RFI 1, question 26, Sika internal document, Concrete Systems CTG 1, Strategy Proposal 2023, February 2019, SIKA-COMP10560-0000148.

(226) As regards MBCC:

(a) In terms of **spending**, in 2021 MBCC spent EUR [...] million on chemical admixtures R&D and testing (EUR [...] million in the EEA).[170]

(b) In terms of **patent families**, MBCC owns 73 chemical admixtures-related patent families (and 251 single national patents related to chemical admixtures).[171] MBCC's main patent families relate to process patents in relation to PAE based polymers, NPPH, SPC and SMD polymers (dispersant technologies) and formulation patents in relation to novel hardening accelerator, self-healing concrete, and viscosity modifying admixtures.[172] In terms of **monitoring**, MBCC monitors 102 third party patents, including chemical admixture patents ([confidential details on MBCC's monitoring activities]).[173]

(c) In terms of **pipelines**,[174] MBCC has currently [...] pipeline projects related to [confidential details on MBCC's R&D activities], as well as the [...] projects related to [confidential details on MBCC's R&D activities]. [...] projects related to [confidential details on MBCC's R&D activities]. In terms of **recent launches**, MBCC recently launched several R&D projects such as Master X-Seed STE, MasterGlenium and MasterEase.[175]

(d) In terms of **sites**, MBCC operates 5 R&D sites in the EEA,[176] [...] FTEs and [...] FTEs for global R&D.[177]

(e) In terms of **strategy**, R&D and IP is one of MBCC's priorities, as illustrated by its internal documents:

– One internal document highlights the "high value of [MBCC] R&D pipeline with balanced risks and significant investment in breakthrough [New] technologies […] [confidential details on MBCC's R&D profitability];[178]

– "*Strong and well invested R&D capabilities*"[179] is described as one of MBCC's strengths by Sika.

– Other internal documents show that MBCC's R&D is boosting the market: "*Innovation is most important growth driver for admixtures systems […] Since 2014, next generation superplasticizer PAE (MasterEase) is boosting growth against market*"[180] (emphasis added), and "*In March 2019, according to a press release published by BASF, the MasterEase and Master X-Seed concrete admixtures provided by Matser Builders Solutions helped optimise the construction of Marienturn high rise building in Frankfurt am Main, which were customer tailored according to the clients' requirement. Among these, Master X-Seed is an accelerator that helped the concrete to harden up to ten times faster compared to conventional*

169 Form CO, Table 130.
170 Form CO, Table 126.
171 Form CO, Table 121.
172 Response to pre-notification RFI 1, Annex Q37.2.
173 Form CO, annexes 8.7-I1 to I2.
174 Form CO, Table 127.
175 Form CO, paragraphs 1236-1239.
176 Form CO, paragraph 1208.
177 Form CO, Table 125.
178 Form CO, Annex 3.2-A., page 15.
179 Sika internal document, SIKA-COMP10560-0000083.pdf, page 16.
180 Form CO, Annex 3.2-A, page 28.

concrete"[181] as well as "*For PC* [pre-cast], *there might be a unique position of MBCC especially if XSeed remains a proprietary technology of MBCC. EBITA could be significantly increased for MBCC*"[182]

(f) MBCC also has cooperation agreements with customers.[183]

6.1.1.5. Barriers to entry

(227) The preliminary market investigation showed that the markets of chemical admixtures are characterized by significant barriers to entry. According to competitors having responded to the Commission's questionnaire, the following obstacles to new entry are particularly relevant.[184]

(228) **First**, new entrants are required to build a sufficiently large customer base in order to compete. This may require significant start-up investments: As explained by a respondent, "*a new supplier needs to build up a dense production and supply network from the start but will only be able to supply small, local concrete producers at the beginning. Only once a considerable geographical, usually multi-national coverage, is achieved major international customers will consider new player in tenders*."[185]

(229) **Second**, new entrants must build a sufficiently strong sales force and technical team. In particular, customers emphasized that dedicated local staff with strong familiarity with the morphology of local aggregates and the application of local regulatory standards is crucial for an admixture supplier to compete in a given country. Without local staff having a sufficient technical knowledge of local specificities, suppliers with a good product portfolio may still be unable to win customers in a given geographic market.[186]

(230) **Third**, customer trust and brand loyalty is also considered to be an important barrier to entry. Customers explained that "*for ready-mixed concrete producers, long-term successful relationships are more important than price … this is a big obstacle for new entrants.*"[187] Similarly, "*civil engineering customers … are also particularly conservative and risk conscious because of the complexity of their project and the important safety issues at stake. Therefore, they are reluctant to switch to a new admixture's supplier*."[188]

(231) **Fourth**, profitable production of chemical admixtures is only possible if a sufficiently high volume of orders is secured. A respondent explained that "*admixture tenders mostly take place every 2-3 years. A new supplier might face a lack of sales/production volume during the first years. This can raise the fixed cost while decreasing the procurement power of the admixture producer*." Moreover, "*high transition/certification costs of concrete producers would have to be covered by the new supplier which leads to higher sales costs compared to existing suppliers*."[189]

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181 Form CO, Annex 7.1-J, GLOBAL CONCRETE ADMIXTURES MARKET REPORT AND FORECAST 2022-2027, EMR, slide 44.

182 Response to pre-notification RFI 1, question 65, MBCC internal document, "TCO of concrete: Outlook into admixture opportunities with current & new cements, 9 December 2020", slide 11, Doc Id:294-288.

183 Form CO, Table 131.

184 Replies to Questionnaire Q2, question 45.

185 Replies to Questionnaire Q1, question 45.

186 Minutes of a call with a competitor on 18 February 2022.

187 Replies to Questionnaire Q1, question 45.

188 Minutes of a call with a competitor on 28 February 2022.

189 Replies to Questionnaire Q1, question 45.

(232) **Fifth**, new entrants must also build the necessary know-how in formulation and testing of chemical admixtures. In particular, "*all their additives must be CE-approved and tested for against the binders that are being used on each national market*."[190]

(233) **Moreover**, a large majority of respondents to the market investigations were unaware of any recent entry of new suppliers in the markets for chemical admixtures. At most, respondents mentioned the expansion into new geographic areas by certain well-established European suppliers.[191]

(234) In light of these considerations, the Commission notes that new suppliers are unlikely to enter the market in the short term and at a scale that would allow them to exert a meaningful competitive pressure against the market leaders Sika and MBCC.

6.1.1.6. Importance of vertical integration

(235) During the Commission's preliminary investigation, concerns were raised by market participants in relation to the merged entity's market power in the production and procurement of molecules for chemical admixtures (e.g. polymers, including polycarboxylate ether polymers), as well as in the procurement of chemical inputs for the production of those molecules (e.g. monomers, including polyethylene glycol derivatives).

6.1.1.6.1. Production of molecules for chemical admixtures

(236) **Molecules used in chemical admixtures.** Chemical admixtures are produced by mixing together, according to the desired formulations, several different molecules. The main molecules used as input for the main categories of admixtures are listed in Table 1 below.

Table 1 – Main molecules used as input for chemical admixtures

Admixture	**Raw materials**
Superplasticizers	PCE, NSF, MSF
Plasticizers	LSF
Accelerators	Alkanolamines (including ethanolamines and propanolamines); Aluminium hydroxide, aluminium sulphate and similar chemicals; Calcium nitrate and sodium thiocyanate
Retarders	Sodium gluconates
All admixtures	Defoamers Alcohol and glycol Biocides

Source: Form CO

[190] Replies to Questionnaire Q1, question 45.
[191] Replies to Questionnaire Q1, question 43.

(237) Concerns raised during the preliminary market investigation mainly relate to polymers used for the productions of superplasticizers. The chemical structure of these molecules is relatively more complex than other inputs used in the production of chemical admixtures: polymers are manufactured by bonding (chemically linking) a series of building blocks (monomers) in a process called "polymerization", which includes heating and cooling stages often taking several hours. These molecules are also particularly important from a competitive perspective because superplasticizers are by far the largest category of admixtures in terms of volumes sold.[192]

(238) Polymers used for the production of superplasticizers mainly include polycarboxylate ether polymers ('PCE'), naphthalene sulfonates ('NSF') and melamine sulfonates ('MSF'), which all produce a water reducing effect increasing the density and stability of the concrete in general.

(239) This Decision mainly focuses on PCE, which is by far the most important polymer for superplasticizers.[193] (In any event, none of the Parties produces or sells NSF; MBCC's sales of MSF are minimal and Sika only produces very small volumes in Thailand for internal use.[194])

(240) **The Parties' activities.** The Parties are active at several levels of the supply chain of polymers for chemical admixtures. In particular, they (i) produce polymers for internal consumption, (ii) supply polymers to competing admixture suppliers and (iii) outsource the production of certain polymers to 'independent' suppliers (meaning suppliers of polymers that are not vertically integrated in the supply of chemical admixtures).

(241) In the EEA, Sika manufactures polymers for chemical admixtures in its production facilities in Leimen (Germany), Cerano (Italy), Alcobendas (Spain) and Antwerp (Belgium). Sika produces polymers for chemical admixtures predominantly for captive use: its EEA merchant sales in 2021 were less than [...]% of total volumes produced. As shown in Table 2 below, these merchant sales, over the last three years, were made with [...] customers located in Germany and Austria. Sika's polymers for chemical admixtures are sold under the name Viscocrete.[195]

Table 2 - Sika's merchant sales of polymers for chemical admixtures (EEA, 2019-2021)

[Confidential details on Sika's polymers sales].

Source: Annex RFI 15 Q4.1

(242) In the EEA, MBCC manufactures polymers for chemical admixtures in its production facility in Treviso, Italy.

(243) Out of the [...] tonnes that were manufactured in Treviso in 2021, [...]tonnes ([...]%) were used captively and [...] tonnes ([...]%) were sold to third-party customers, thereof [...] tonnes ([...]%) to customers in the EEA. As shown in Table 3 below, these customers include several competitors for chemical admixtures located in Central Europe (particularly Germany and Poland), such as[confidential details on MBCC's customers].

192 See above, paragraph 36.
193 Form CO, para 246 ff.
194 Response to RFI I-6, question 5.
195 Form CO, para 2104 ff.

Table 3 - MBCC's merchant sales of polymers for chemical admixtures (EEA, 2019-2021)

[Confidential details on MBCC's polymers sales].

Source: Annex RFI 15 Q4.2

(244) As shown in Table 4 below, PCE accounts for the large majority of MBCC's supplies of polymers to third parties, followed by de-foamers, MSF, and other minor molecules.

Table 4 - MBCC's merchant sale of raw materials for chemical admixtures, by product

[Confidential details on MBCC's polymers sales].

Source: Annex RFI I-2 Q18.2-B

(245) MBCC also procures polymers from BASF, based on a [...]-year supply agreement entered into at the time of the separation of MBCC from BASF and its divestment to Lone Star (the 'BASF Agreement'). BASF produces these polymers based on a license granted by MBCC on its VOPEG patent, which was transferred by BASF to MBCC at the time of said separation. BASF explained that these products are supplied to MBCC at "*attractive pricing*"[196].

(246) **Captive production of polymers provides the merged entity with a competitive advantage compared to other chemical admixtures suppliers.** In the EEA, the Parties are two of only five chemical admixtures suppliers with captive production of polymers, the other three being Mapei, Chryso, and MC Bauchemie. The Parties' polymer production capacities are far larger than those of the three other players.[197]

(247) The Commission's preliminary market investigation confirmed the crucial importance of this integration from a competitive perspective. Indeed, the majority of respondents to the investigation explained that suppliers of chemical admixtures with captive production of polymers have a competitive advantage compared to other suppliers sourcing polymers on the market.[198]

(248) In particular, in-house production of polymers allows chemical admixture suppliers to reduce their production costs compared to sourcing polymers on the market, particularly when market supply is affected by supply chain disruptions and capacity constraints of polymers producers. It also allows integrated suppliers to develop more innovative chemical admixtures and to better customize these products to meet the requirements of customers.[199]

(249) A respondent emphasized that "*own production of polymers causes a strong strengthening of such a manufacturer (few companies produce polymers in Europe) and in a way definitely affects the weakening of the competitiveness of other market participants. The dominant market participant through a number of tools is able to limit access to components (which are polymers) to other smaller manufacturers admixtures of concrete and mortars.*"[200]

196 Response to RFI on molecules, 22 June 2022, page 2.
197 Form CO, paragraph 2202.
198 Replies to Questionnaire Q2, question 21.
199 Replies to Questionnaire Q2, question 21.2.
200 Replies to Questionnaire Q2, question 21.2.

(250) **The merged entity controls supplies of polymers to many of its competitors in the chemical admixture markets.** The merged entity will not only have a competitive advantage in the production of chemical admixtures compared to its non-backward integrated competitors. It will also have particular leverage vis-à-vis those non-integrated competitors that depend on it for their own procurement of polymers.

(251) Indeed, as mentioned above, MBCC sells polymers to several competitors in the chemical admixtures market located in Central Europe (particularly Germany and Poland), such as [confidential details on MBCC's customers].

(252) According to MBCC's internal estimate shown in Table 5 below, at least some of those competitors depend on MBCC for considerable portions of their demand of polymers. In 2019, MBCC (then part of BASF) supplied [...]% of the PCE requirements of [MBCC's customer] in the Netherlands. It also supplied [...]% of [MBCC's customer's] demand and [...]% of [MBCC's customer's] demand, two important competitors in Germany. It also supplied [...]% of [MBCC's customer's] demand, a producer mainly active in Eastern Europe.

Table 5 – MBCC internal estimates of PCE demand and its share of supply

[Confidential details in MBCC's PCE demand and its share of supply].

Source: Annex RFI I-2 Q18.2-E

(253) Several respondents to the Commission's preliminary investigation expressed concerns about the merged entity's future supply of polymers to its own competitors.

(a) According to a market participant, "Of course, [the merged entity] could consider limiting the availability of part of their product portfolio to 3 rd parties – keeping certain "specialties" exclusively for formulation of their own admixtures - giving them a certain competitive edge in some formulations and/or applications. According to our experience this is already a common policy amongst companies which produce PCE and Admixtures at the same time (e.g. SIKA, MBCC, MAPEI, CHRYSO, MC Bauchmie etc.)."[201]

(b) Another respondent explained that "if MBCC (under the flag of Sika) will stop the sale of raw materials to competitors this will lead to significant disadvantages. Or if they continue the sale of raw materials at unattractive prices, this will also lead to competitive disadvantages."[202]

(254) Internal documents depicted in Table 6 and Table 7 below show that MBCC is well aware of its leverage on competing chemical admixture suppliers procuring polymers from it, and already made plans to use this leverage to its advantage. In particular, MBCC monitored prices of polymers supplied by alternative producers (including [suppliers monitored by MBCC]), noting that these are consistently higher that the costs of its own captive production. MBCC also planned to [confidential details on MBCC'S pricing and production strategy].

Table 6 – MBCC internal document – monitoring of polymer prices

[Confidential details on MBCC's pricing strategy].

Source: Annex Q18.2-A RFI I-2

201 Response to RFI on molecules, 24 June 2022, paragraph 15.a.

202 Replies to Questionnaire Q2 question 25.1

Table 7 – MBCC internal document – price increases of polymer products

[Confidential details on MBCC's pricing and production strategy].

Source: Annex Q18.2-A RFI I-2

(255) In light of these considerations, the Commission will take into account the merged entity's vertical integration in the production of polymers and its supply of polymers to competing admixtures suppliers when assessing the relative competitive strengths of the Parties and their competitors. The Commission will also assess the vertical relationship between the Parties' upstream activities in the production of polymers and their downstream activities in the production of chemical admixtures and other construction materials in Section 6.8 below.

6.1.1.6.2. Procurement of molecules for chemical admixtures

(256) As mentioned above, the Parties also fulfil a portion of their demand for polymers through supplies from external suppliers.

(257) During the Commission's preliminary investigation, concerns were raised that the Transaction would strengthen the Parties' purchasing power in the market of polymers, allowing the merged entity to negotiate better prices[203] and sale terms for these products.

(258) This outcome may in principle be pro-competitive, as it would lead to lower costs for the merged entity and, possibly, for its downstream customers. However, the merged entity's purchasing power in the upstream market of polymers may negatively impact competition in the downstream market of admixtures if the merged entity were able to obstruct its competitors' access to this important input, for instance by imposing exclusivity supply agreements to polymer producers or reserving considerable portions of their production capacity.[204]

(259) As noted in response to the Commission's investigation, "*Given the size of a merged SIKA/MBCC Group and its high demand (volume), it is most likely they are able to secure very favorable purchasing conditions in any way. (e.g. volume discounts, annual bonus schemes, joint development agreements, custom made molecules – perhaps even with exclusivity etc.) … Would expect they will take advantage out of "economy of scale" in whatever way.*"[205]

(260) Competition in the downstream chemical admixtures market may also be negatively affected if the merged entity were able to reduce the competitiveness of upstream suppliers of polymer, for instance by discontinuing its existing customer relationships with those suppliers. Concerns to this effect were raised during the market investigation, particularly in relation to a possible internalization of MBCC's demand of polymers post-Transaction. A supplier of polymers explained that "*we are selling to MBCC two product lines: liquid and powder NFS / PCE. The risk is to lose the customer that we serve for more than ten years, with a significantly increasing of*

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203 The considerable size of the merged entity would allow it to achieve substantial volume-based discounts, which generally amount to up to 20% of the full price of polymers for admixtures. Response to RFI on molecules, 24 June 2022, paragraph 9.e.

204 Guidelines on the assessment of horizontal mergers, paragraphs 61 to 63.

205 Response to RFI on molecules, 24 June 2022, paragraph 15.a.

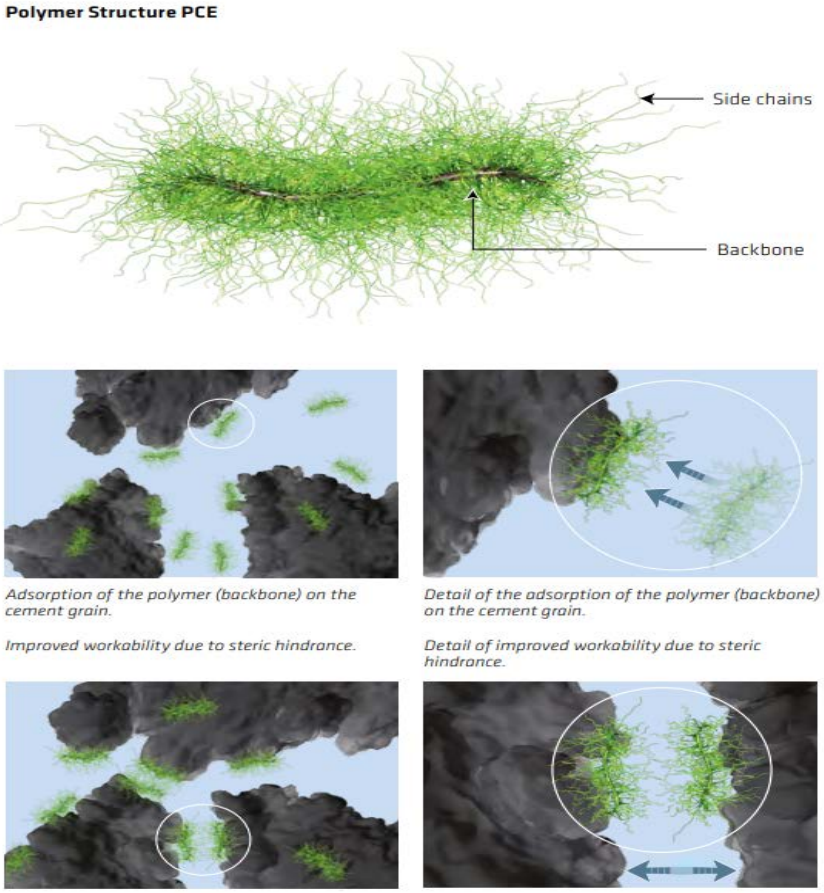
volumes in last 2 years."[206] Another respondent explained that "*since SIKA is producing also powder PCE, we don´t expect to gain additional business after the SIKA/MBCC transaction… rather the contrary, i.e. our current supply volumes might be at risk.*"[207]

(261) These concerns are not merely hypothetical: Sika already adopted similar commercial strategies in the past. As explained by a polymer supplier, "*Some of our former customers stopped buying NSF products after they have been acquired by SIKA.*"[208]

(262) In light of these considerations, the Commission will take into account the merged entity's market power vis-à-vis upstream suppliers of polymers when assessing the competitiveness of those suppliers.

6.1.1.6.3. Procurement of chemical inputs

(263) PCE molecules are composed of different chemical components linked together during the polymerization process. The so called "backbone" is the elongated structural component of the molecule and several "sidechains" are welded along each backbone. When superplasticizers are blended into the concrete mix, sidechains adhere to cement particles so that those particles become surrounded by a thin layer of PCE molecules. Because of this layer, cement particles cannot immediately coagulate with concrete aggregates and this ensures the desired fluidity and workability of the mix.



Source : Sika Concrete Handbook

206 Response to RFI on molecules, 24 June 2022, page 12.
207 Response to RFI on molecules, 24 June 2022, paragraph 14.f.
208 Response to RFI on molecules, 24 June 2022, page 12.

(264) The production of PCE therefore requires two main chemical inputs: acrylic acids, which are used as backbones, and monomers (mainly polyethylene glycol derivatives, PEG), which are used as sidechains.

(265) The Commission's preliminary investigation showed that PEG is not always easily available on the European market.[209] These chemical inputs are produced through sophisticated manufacturing processes downstream of naphtha and ethylene processing. This means that these products are generally supplied by a handful of large chemical companies. In the last few years, the high oil prices, the COVID pandemic and supply chain disruption at the global level have jeopardized the security of supply for PEG. While several PEG producers are located in Asia, transportation costs currently are an "significant hurdle" for customers.[210] European PCE producers (whether they are 'independent' polymer producers or vertically integrated admixtures suppliers) therefore compete against each other for upstream production capacity of the very few local suppliers of PEG, such as BASF or Clariant. They also compete against many other acquirers of chemical inputs active in other industrial sectors (e.g. pharmaceutical companies), which are often able to pay higher prices to secure production capacity of upstream suppliers.[211]

(266) This market context is reflected in the feedback received by the Commission from market participants. According to several respondents:

(a) "*Currently securing supplies is an uphill battle: most polymers for the production of chemical admixtures are arriving from Korea, Japan and increasingly China. With freight rates exploding and interrupted supply chains, securing supplies is a day-to-day challenge at the moment. Therefore a company that not only produces the polymers in Europe, but which also secures its raw material supplies for these polymers from European sources has a strong advantage (there are special so called PEG-molecules required).*"[212]

(b) "*The most interesting alternatives to the raw materials which are available in the EEA come from Asia (China or Korea) or Russia. The ones from Asia suffer from COVID(closed harbours, high logistic costs, unpredictable delivery times, long distances ->less sustainabilty, which becomes more and more important!!).The ones from Russia suffer from the war in Ukraine*" [213]

(c) "*Today we experience the market is a little tight in monomers and polymers (intermediates). The pricing of both is at outstanding levels with considerable adders for energy. Higher added value products and markets contend the available capacities. Not sure we will have additional capacities soon and not sure foreign markets such as Far-East are a viable solution given the geopolitics.*" [214]

(d) "*In this particular moment of history we believe some may experience shortages, as there is a limited availability of the raw materials upstream, though the production capacity for admixtures is likely unchanged.*"[215]

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209 Acrylic acids instead are commodity produce used as input in a multitude of different products. Response to RFI on molecules, 22 June 2022, page 2. Minutes of a call with a supplier, 23.06.2022.

210 Minutes of a call with a supplier, 23.06.2022.

211 Response to RFI on molecules, 22 June 2022.

212 Replies to Questionnaire Q2, question23.1.

213 Replies to Questionnaire Q2, question23.1.

214 Replies to Questionnaire Q2, question24.1.

215 Replies to Questionnaire Q2, question23.1.

(e) "*Les monomères sont produits essentiellement en Amérique du Nord et un peu en Asie. Par conséquent des évènements tels que des crises climatiques, la pandémie due au covid peuvent amener à des scénarii de difficultés d'approvisionnement voire derupture.*"[216]

(f) "*Like polymers, access to monomers is very limited (due to globalization and very limited supply).*"[217]

(g) "*At this moment many chemicals are not or have limited availability due to the pandemic and the resulting supply chain interruprions.*" [218]

(267) Market participants have also expressed concerns in relation to the merged entity's purchasing power in the upstream market of chemical input for the production of chemical admixture polymers.

(a) *"If the Sika & MBCC entities merge - such a large dominant producer, especially on the Eropean market, will gain a huge advantage over other manufacturers not only in the field of production capabilities, but above all, balance in purchasing power – purchase draw materials - can be upset (all market participants will buy several the same sources in the world. This will apply to both the industry of concrete and cement admixtures but also more local industries such as the production of mortars and dry mixtures (construction chemistry, adhesive mortars, dry mortars ... ect.). There will be a very dangerous situation.*"[219]

(b) The merged entity's advantage would be "*a matter of size, volume and footprint in the market - especially given that there is a limited amount of offerings from larger chemical companies only*".[220]

(c) "*We think, that because of the much higher volume they will be able to better negotiate prices*[221]".

(268) Again, the merged entity's ability to obtain better purchase terms for chemical inputs – thereby possibly offering lower prices for its own products – may in principle be pro-competitive. Nonetheless, competition downstream may be reduced if the merged entity were able to jeopardize access to those inputs for competing producers of polymers and vertically integrated chemical admixture suppliers, for instance by securing large portions of upstream capacity in periods of exceeding demand or supply shocks.[222]

(269) In light of these considerations, the Commission will take into account the merged entity's purchasing power in the upstream market when assessing its competitive position vis-à-vis other vertically integrated chemical admixture suppliers or producers of polymers.

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216 Replies to Questionnaire Q2, question24.1.
217 Replies to Questionnaire Q2, question24.1.
218 Replies to Questionnaire Q2, question24.1.
219 Replies to Questionnaire Q2, question25.1.
220 Replies to Questionnaire Q2, question25.1.
221 Replies to Questionnaire Q2, question25.1.
222 Guidelines on the assessment of horizontal mergers, paragraphs 61 to 63.

6.1.2. Assessment of affected markets

6.1.2.1. Introduction: Market share calculation methodology

(270) The Notifying Party developed a top-down and a bottom-up methodology in order to estimate total market size estimates of chemical admixtures in each EEA country.

(271) The top-down methodology approximates the market size of chemical admixtures by adding up and estimating separately the total consumption of concrete admixtures and of cement admixtures. This methodology relies on total consumption and production of cement, which are the main drivers for the consumption of concrete and cement admixtures, respectively and on various parameters including the cement to concrete ratio and the admixture dosage per ton of treated cement or cubic meter of treated concrete. The Parties estimated separately the total demand for (a) cement admixtures and (b) concrete admixtures because the former is driven by the total cement production (cement admixtures are added during the production of cement) and the latter is driven by the total cement consumption in each country (concrete admixtures are added when using cement in the production of concrete).

(272) **First,** to estimate the total consumption of cement admixtures, the Parties computed the total production of cement derived from the total cement consumption, adding total exports and deducting total imports. Based on interviews with industry experts, Sika experts, and secondary research, the Parties estimated the total amount of cement produced that is treated with cement admixtures, distinguishing between (i) cement treated with grinding aids and (ii) cement treated with strength enhancers. By applying an average admixture dosage (per kilogramme of admixture per tonne of treated cement) for each type of cement admixture, the Parties then derived the total estimated admixture consumption in kilogrammes for each of these two types of cement admixtures.

(273) **Second**, to estimate the total consumption of concrete admixtures, the Parties used the total cement consumption by country and year available from the Global Cement Report by CemNet. For a more precise estimate of the total chemical admixture consumption, the Parties first distinguished between (i) cement used in bagged form and (ii) cement used in bulk. Bagged cement is typically delivered to a jobsite and mixed on-site by the contractor to create mortar, while bulk cement is typically delivered to a concrete or mortar/grout. Then, within bulk cement, the Parties distinguished between (a) cement used for concrete and (b) cement used for grouts and mortar. There is an overlap between cement used for bulked concrete and bulk cement used for grouts and mortars as ready-mix concrete producers produce both concrete and mortar/grouts. A conservative approach was followed by the Parties to disregard the estimated proportion of bulk cement attributable to grouts and mortars (b). The Parties derived the total chemical admixture consumption for concrete by applying an average cement to concrete ratio and an average admixture dosage in kilogrammes per cubic meter by country and concrete type.

(274) The total consumption for chemical admixtures was derived by adding up the individual components, i.e., the total consumption for cement admixtures derived from total cement production and the total consumption of concrete admixtures derived from the consumption of bulk and bagged cement.

(275) At a later stage, the Notifying Party adjusted some of the assumptions on which they based the top-down methodology and submitted a revised set of estimates.

(276) The bottom-up methodology relies on sales data collected by industry associations from chemical admixtures suppliers. These national industry associations report to the umbrella association EFCA (European Federation of Concrete Admixtures Associations). The Parties conducted this methodology for the largest countries where such industry association information is available (i.e. Belgium, Finland, France, Germany, Italy, the Netherlands, Spain and Sweden).

(277) The Notifying Party claims that the bottom-up methodology tends to underestimate the market size of the chemical admixtures segment for the following reasons.

- The chemical admixtures sales reported by the industry associations do not cover the sales of the suppliers that are not members of the industry associations. In addition, the Parties argue that *"integrated producers such as CEMEX are also likely understated in the estimates of EFCA"*[223]. The Parties did not provide any justifications for that assumption.

- Some values are not disclosed by EFCA when less than five members report their sales. Therefore, values for some types of chemical admixtures may then be missing in some industry associations' reports.

- The chemical admixtures sales reported by the industry associations does not account for the sales of chemical admixtures for cement.

- Finally, the Notifying Party claims that *"EFCA and national association datasets may lead to an understatement of the true extent and scope of the actual markets in each country represented."*[224]

(278) Accordingly, the Notifying Party accounted for the missing sales in their bottom-up methodology and rescaled the bottom-up figures in order to obtain a figure close to the actual total market of chemical admixtures. They made the following adjustments.

- The Notifying Party accounted for the missing suppliers that do not report their sales to the industry associations. They rescaled the EFCA figures using the market coverage provided by the industry associations.

- The Notifying Party accounted for the missing sales data. They rescaled the EFCA figure for France as the French industry association does not report sales for some of types of chemical admixtures.

- Finally, the Notifying Party added the volume of chemical admixtures for cement to the market size estimation of chemical admixtures, as estimated by the top-down methodology.

(279) When rescaling EFCA figures, the Notifying Party did not systematically integrate the most conservative data in their calculations. Indeed, when the Notifying Party accounted for the missing suppliers from EFCA estimates by using a coverage ratio, the Notifying Party in some cases selected the lowest coverage ratio estimate available. This has a significant importance for the methodology as a lower coverage ratio would further increase the market size estimate when rescaling the EFCA figures and, consequently, further decrease the combined market shares of the Parties. In detail, for

223 Reply to RFI I-9 para 3.

224 *Ibidem*

the following countries, the Notifying Party decided not to choose the most conservative figures as per the choice of the coverage ratio.

- For Spain, while EFCA reports a 90% coverage, the Parties decided to use 85% because they learned that EFCA would restate the figure to 85%.

- For France, while EFCA reports a coverage of more than 95%, the Parties used the lower end of the range (i.e. 95%).

- For Finland: while EFCA reported a coverage between 70 and 90%, the Parties used the lower end of the range (i.e. 70%).

- For Sweden, while the national association (SACA) reported a coverage of more than 90%, the Parties used the lower end of the range (i.e. 90%).

- For Italy, the Notifying Party preferred to rely on their own estimation of the coverage ratio (i.e. the share of the market covered by the sales realised by the members of the Italian industry association). Based on conversations with local experts, they estimated the market shares of the national association members. The Notifying Party did not provide the Commission with the methodology used for the estimation of these market shares. They aggregated them and obtained a coverage of 86%, while EFCA reported a coverage of 90% and the national association 95%.

(280) In general, the methodologies provided by the Notifying Party suffer from some limitations. A number of assumptions are not substantiated or documented, miss justifications and are based on conversations with local experts, which could not be verified. In particular, the assumptions resulting from conversations with local experts do not seem reliable as the Notifying Party indicated that *"The local management estimates of market sizes can be "influenced" by local personnel's own perspectives and considerations (e.g. where their own compensation may be linked to market share objectives or where they want to focus on certain categories of customers, therefore ignoring a certain part of the demand in a country)"*[225].

(281) The top-down methodology relying heavily on assumptions, the bottom-up methodology appears as a relatively more reliable approach. Furthermore, when comparing the results of the two methodologies, the top-down methodology seems more likely to overstate the market size estimates.

(282) A good benchmark in order to compare the two methodologies seems to be the market size estimate for Norway calculated with the bottom-up methodology as (i) the EFCA figure for Norway covers 100% of the chemical admixtures market and (ii) no missing data are reported for that market size estimate. As a result, the market size estimate for Norway appears to be the closest to the actual market size and, hence, the most reliable one.

(283) Comparing the two methodologies, the initial top-down market size estimate for Norway is 18% (low estimate) to 34% (high estimate) larger than the bottom-up estimate and the revised top-down market size estimate for Norway is 18% larger than the bottom-up estimate. Therefore, the Commission expects the methodology used by the top-down approach to overestimate the market size in general.

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225 Notifying Party's reply to RFI 11, Q36.

(284) Moreover, the Commission found evidence from internal documents that the actual total market size and the actual Parties' market shares may differ significantly from the ones provided by the Parties.

(285) According to a Sika internal document[226] dating from 2019, the market size of the concrete admixtures segment in Germany accounts for 126 Million EUR while the Parties submitted for that same year and that same segment a market size of 151 Million EUR. This document also indicates a combined market share of [50-60]%, which is not consistent with the Parties' submission indicating a combined market share of [30-40]% for the Parties.

(286) Another Sika internal document[227] indicates a market size for the German concrete admixtures segment in 2021 of [...] Million EUR while the Parties submitted a market size of [...] Million EUR. According to the same document, Sika has a market share of [20-30]%, which is significantly greater than the one estimated by the Parties (i.e. [10-20]%).

(287) An additional Sika internal document[228] presents combined market shares of [50-60]% in 2020 (Sika: [20-30]%, BASF: [20-30]%) for the concrete admixtures segment in Germany in 2020. This combined market share is not in line with the Parties' estimates (i.e. combined market share of [30-40]%) either.

(288) The same internal document shows higher market shares for Italy as well in the concrete admixtures segment in 2020 than those submitted by the Parties. According to the document, the combined market shares would be around [50-60]% (i.e. Sika: [20-30]%, BASF: [20-30]%) while the Parties indicated a combined market share of [50-60]%.

(289) In light of the numerous inconsistencies spotted between the market shares submission provided by the Notifying Party and the internal documents, the Commission preliminarily considers that the Notifying Party's methodologies might overestimate the total market size, meaning that the actual Parties' market shares might be higher than those provided by the Notifying Party. As a result, the Commission undertook a market reconstruction exercise.

(290) The Commission contacted the Parties' competitors identified as such by the Parties themselves in their market share submissions. The Commission requested them to provide their sales data in the chemical admixtures segment and in the concrete admixtures segment in each EEA country where they were active in 2019, 2020 and 2021.

(291) All the major competitors identified by the Parties provided such information to the Commission. Several additional smaller competitors whose sales are not reported by the Parties in certain countries also provided their sales data for those countries. For instance, in the case of Germany, the Commission received sales data from each competitor reported by the Parties and from one additional marginal competitor.

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226 M.10560ID000294-000606-SIKA-COMP10560-0000264-1 EMEA CONCRETE OVERVIEW p.74

227 M.10560ID000294-000463-SIKA-COMP10560-0000147 "Concrete Strategy 2021"

228 M.10560ID000294-000355-SIKA-COMP10560-0000054

(292) In order to reconstruct the market, the Commission used for each market player the best sales estimates available to the Commission: the Commission used the Parties' own sales data for the Parties' sales and the competitors' actual own sales data for their competitors' sales when such data was provided. In cases where competitors did not submit their sales data, the Commission used the Parties' sales data estimates for the missing competitors, provided in the Parties' market shares submissions.

(293) As mentioned above, the Commission received sales data from competitors whose sales in certain countries were not reported by the Parties. The Commission assumes that the Parties included the sales of those competitors in the category named "other" mentioned in the Parties' market shares submissions. Consequently, the Commission reconstructed this category "other" by subtracting from the Parties' estimate of the category the actual sales of the competitors not reported by the Parties.

(294) The best sales estimates for each market player (i.e. the Parties' own sales data, the competitors' own sales data when available, the Parties' sales data estimates for the missing competitors and the reconstructed category "other") were then aggregated to reconstruct the market size in each EEA country. Using the Parties' own sales and the reconstructed market size, the Commission computed reconstructed combined market shares of the Parties.

(295) The market reconstruction in the chemical admixtures and the concrete admixtures segments confirms that, for a high number of countries, the Parties' actual market shares are higher than the Parties' estimates provided by the Parties.

(296) The reconstructed combined market shares results are presented country by country in the sections below alongside, for illustration purpose, the catchment area market shares around the Parties' plants submitted by the Parties at the request of the Commission.

(297) Two approaches to the catchment area analysis were presented. The first one used catchment areas with a radius of 400km around the plants to reflect the assumed average distance between the Parties' chemical admixtures production sites and their customers. The second approach used catchment areas with a radius of 80% of the plants' sales to follow the Commission's decisional practice, which typically defines local markets by using radii that cover the area within which 70% to 90% of sales are made from each relevant production facility. To estimate the market size of the catchment areas, the Parties allocated the total estimated consumption of chemical admixtures at national level across NUTS 3 regions according to the share of national GDP in each NUTS 3 region. Then they added up by catchment area the allocated consumption of chemical admixtures of each NUTS 3 region. The GDP assigned to the NUTS 3 regions not entirely covered by a catchment area was only partially taken into account when determining the total GDP attributable to that catchment area. In those cases, the proportion of the surface area of the NUTS 3 region covered by the catchment area was determined by using a geo-information software and only a corresponding proportion of the GDP assigned to the NUTS 3 region was attributed to the catchment area.

6.1.2.2. Countries

(298) Based on the results of its investigation, as further described in this Section, the Commission considers that the Transaction raises serious doubts as to its compatibility with the internal market in Austria, Belgium, Croatia, Czechia, Denmark, Finland, France, Germany, Hungary, Iceland, Ireland, Italy, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain and Sweden.[229]

6.1.2.2.1. Austria

(299) In Austria, Sika has a domestic chemical admixture plant in Bludenz (near the border to Liechtenstein), whereas MBCC has a chemical admixtures plant in Krieglach (near the border to Hungary).

(300) The Notifying Party considers that there could be no basis for concerns in Austria, since post-Transaction there will be a large number of suppliers active in the chemical admixtures Austrian market.

(301) For the reasons set out in the paragraphs below, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to chemical admixtures, as well as when considering concrete admixtures specifically in Austria.

(302) **First**, the merged entity would have high market shares in Austria for chemical admixtures, as well as when considering concrete admixtures specifically, and even higher shares in some segments such as infrastructure.

(303) The Tables below present the Parties' and their main competitors' market shares over the last four years in value and volume for chemical admixtures and for concrete admixtures as per the Parties' best estimates.

Table 8 - Chemical admixtures - sales values -Austria

Chemical admixtures	Austria							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	[...]	**[40-50]%**	[...]	**[30-40]%**	[...]	**[40-50]%**	[...]	**[40-50]%**
Rohrdorfer	[...]	[10-20]%	[...]	[20-30]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
BT3	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
TAL Betonchemie	[...]	[0-5]%	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%
Ha-Be	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%

[229] Only countries where the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market are discussed in this Section. For completeness, the Transaction also gives raise to technically affected markets in Greece and Slovenia, but the increment is limited to 1-2% in those countries such that the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in those countries.

Chemical admixtures	Austria							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
MC-Bauchemie	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
GCP	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: ***Form CO, Annex 7.2-A***

Table 9 - Chemical admixtures - sales volumes - Austria

Chemical admixtures	Austria							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[20-30]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	[...]	**[30-40]%**	[...]	**[40-50]%**	[...]	**[40-50]%**	[...]	**[40-50]%**
Rohrdorfer	[...]	[20-30]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
BT3	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
TAL Betonchemie	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Ha-Be	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
MC-Bauchemie	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
GCP	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: ***Form CO, Annex 7.2-A***

Table 10 - Concrete admixtures - sales values -Austria

Concrete admixtures	Austria							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	[...]	**[40-50]%**	[...]	**[40-50]%**	[...]	**[40-50]%**	[...]	**[40-50]%**
Baustofftechnik Rohrdorfer	[...]	[10-20]%	[...]	[20-30]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
BT3	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%

Concrete admixtures	Austria							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Tal Betonchemie	[...]	[0-5]%	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%
GCP	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Combined	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 11 - Concrete admixtures - sales volumes - Austria

Concrete admixtures	Austria							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[20-30]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	[...]	**[30-40]%**	[...]	**[40-50]%**	[...]	**[50-60]%**	[...]	**[40-50]%**
Baustofftechnik Rohrdorfer	[...]	[20-30]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
BT3	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Tal Betonchemie	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%
GCP	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	**55,364**	**100%**

Source: Form CO, Annex 7.2-A

(304) According to the data provided by the Parties in Table 8 and Table 9, Sika had a market share for chemical admixtures in Austria in 2021 of [10-20]% based on value and [10-20]% based on volume. MBCC had a market share in 2021 of [20-30]% based on value and [20-30]% based on volume. Therefore, the combined market share of the Parties in 2021 was above [40-50]%, [40-50]% based on value and [40-50]% based on volume, with a significant increment. The Parties explain the slight decrease in sales from 2020 to 2021 with the end of the Brenner tunnel construction.[230]

(305) According to the data provided by the Parties in Table 10 and Table 11, market shares for concrete admixtures in Austria in 2021 are slightly higher than to those for chemical admixtures. Sika had a market share of [10-20]% based on value and [10-20]% based on volume, MBCC of [20-30]% based on value and [20-30]% based on volume. The combined market share is therefore around or above [40-50]%, [40-50]% (value) or [40-50]% (volume), with a significant increment.

230 Form CO, Para 485.

(306) According to the Commission's market reconstruction, the market shares of the Parties were slightly lower than estimated by the Parties themselves, but still high with a combined share of approximately [40-50]% and up to [40-50]% for concrete admixtures in volume in 2020, as can be seen in Table 12.

Table 12 – Market reconstruction – Austria

Segment	Metric	2019		2020		2021	
		Parties	Reconstruction	Parties	Reconstruction	Parties	Reconstruction
Chemical admixtures	in value (EUR)	[30-40]%	[30-40]%	[40-50]%	[30-40]%	[40-50]%	[30-40]%
	in volume (tons)	[40-50]%	[40-50]%	[40-50]%	[40-50]%	[40-50]%	[40-50]%
Concrete admixtures	in value (EUR)	[40-50]%	[30-40]%	[40-50]%	[40-50]%	[40-50]%	[40-50]%
	in volume (tons)	[40-50]%	[40-50]%	[50-60]%	[40-50]%	[40-50]%	[40-50]%

Source: Form CO, Annex 7.2-A; Market reconstruction.

(307) When considering catchment areas around the Parties' plants, the merged entity would have even higher market shares, with more than [50-60]% around Sika's Bludenz-Bings plant for both chemical admixtures and concrete admixtures, as can be seen in. Competitors' market shares would reflect their position at national level, since this is the proxy used by the Parties.

Table 13 – Catchment Areas – Austrian plants

Plant	Radius	RFI	Chemical admixtures		Concrete admixtures	
			2020	2021	2020	2021
MBCC - Krieglach	400Km	RFI 14	[30-40]%	[40-50]%	[40-50]%	[40-50]%
MBCC - Krieglach	80%	RFI 14	[30-40]%	[30-40]%	[30-40]%	[30-40]%
Sika - Bludenz-Bings	400Km	RFI 14	[40-50]%	[50-60]%	[50-60]%	[50-60]%
Sika - Bludenz-Bings	80%	RFI 14	[50-60]%	[50-60]%	[50-60]%	[50-60]%

Source: RFI 14

(308) **Second**, the Transaction would significantly increase the concentration level for chemical admixtures or concrete admixtures. According to the data provided by the parties for value of chemical admixtures in 2021, the HHI pre-Transaction is [1,500 – 2,000] and the HHI post-Transaction would be [2,500 – 3,000], with a delta of [900 – 950].[231] The delta is well above 150, the level below which horizontal competition concerns are unlikely when the HHI post-transaction is above 2 000.[232] Irrespective of the market segments, including for concrete admixtures and around the Parties' plants, the market share increment is always significant, more than 10%. The post-Transaction HHI as well as the delta is similar, though slightly lower, based on the Commission's market reconstruction.

(309) **Third**, while several other admixtures suppliers are active in Austria, only three of these have market shares in excess of 10%, and each of them would still be significantly smaller (by at least approximately [10-20]%-points) than the merged entity post-Transaction both for chemical admixtures and for concrete admixtures specifically.[233] Moreover, Mapei is the only large fully independent supplier in the Austrian market. Indeed, Baustofftechnik Rohrdorfer and TAL Betonchemie both

231 Form CO, Annex 7.2-A
232 Horizontal Merger Guidelines, paras 19-20
233 Form CO, Annex 7.2-A

depend on the supply of polymers from the Parties (see 6.1.1.6.1) and lack significant innovation capabilities. As a result, no competitor would be able to constrain the merged entity.

(310) **Fourth**, according to the market investigation, the Transaction would eliminate competition between two close competitors. As explained in Section 6.1.1.4, both Parties have strong innovation capabilities and large portfolios, including in Austria. A majority of customers expressing a view consider innovation to be "very important"[234]. One Austrian customer explained that they "*constantly face new challenges due to revised standards and new certifications of clinker-reduced cements (co2 reduction)*"[235]. According to the data provided by the Parties, the Parties have a particularly high combined market shares for concrete and chemical admixtures in infrastructure ([50-60]%), which is a segment where the strongest suppliers, with more track-record, are favoured.[236]

(311) According to customers, Sika is the closest competitor of MBCC, closely followed only by Mapei, which, as mentioned above, after the Transaction would have less than a third of the merged entity's market share. [237] MBCC is considered to be the second closest competitor of Sika after Mapei by customers.[238]

(312) **Fifth** contrary to the Notifying Party's claims, the investigation generally confirmed that barriers to entry are significant due to many factors as explained above (see Section 6.1.1.5), in particular due to the need to build (i) a sufficiently large customer base, (ii) a sufficiently strong sales force and technical team (iii) customer trust and brand loyalty (iv) the necessary know-how in formulation and testing of chemical admixtures and (iv) a large majority of respondents to the market investigations being unaware of any recent entry of new suppliers.[239]

(313) **Finally**, a significant number of market participants expressing a view anticipate a negative impact from the Transaction in the chemical admixtures or concrete admixtures markets in Austria.[240] One specific concern that was expressed was that innovation would be lost, as the Parties are generally considered to be the most innovative players. One Austrian customer stated, for example, that "*after the merger there will only be one supplier in our region with significant logistical and technical capabilities*."[241] Another stated that "*[t]he acquisition would lead to a concentration of the market and decrease of competition. This would lead to higher prices and a lower pressure to innovate Company*".[242]

(314) As to competitors, also a significant number of respondents expressing a view believe that the Transaction would have a negative impact on competition.[243] One competitor expressed concerns, stating that "*one should expect that reduced competition will lead*

234 Replies to Questionnaire Q1, question 29.
235 Replies to Questionnaire Q1, question 29.
236 RFI 8 Annex Q6
237 Replies to Questionnaire Q1, question 42.
238 Replies to Questionnaire Q1, question 42.
239 Replies to Questionnaire Q1, question 43.
240 Replies to Questionnaire Q1, question 51.
241 Replies to Questionnaire Q1, question 49.1.
242 Replies to Questionnaire Q1, question 49.1.
243 Replies to Questionnaire Q2, question 51.

to higher prices / margins, at least until new competitors are sinking in with smaller or mid term clients."[244]

(315) **To conclude**, in light in particular of (i) the level of the Parties' market shares and their closeness, (ii) the level of market concentration and limited number of credible alternatives, (iii) the high barriers to entry and (iv) the concerns expressed during the market investigation, the Commission concludes that the Transaction raises serious doubts as to its compatibility with the internal market in relation to both the markets for chemical admixtures and for concrete admixtures specifically in Austria.

6.1.2.2.2. Belgium

(316) In Belgium, neither Sika nor MBCC have any local production of chemical admixtures. Sika's nearest chemical admixture plant is located in the Douai region in northern France, close to the French-Belgian border. MBCC's closest chemical admixture plant, on the other hand, is located on the other side of the country, in the Breda region in the Netherlands.

(317) The Notifying Party considers that there could be no basis for concerns in Belgium, since post-Transaction there will be a large number of suppliers active in the Belgian chemical admixtures market.

(318) For the reasons set out in the paragraphs below, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to chemical admixtures, as well as when considering concrete admixtures specifically, in Belgium.

(319) **First**, the merged entity would have high market shares on the Belgian market for chemical admixtures and concrete admixtures considered separately.

(320) The Tables below present the Parties and their main competitors' market shares over the last four years in value and volume for chemical admixtures and for concrete admixtures as per the Parties' best estimates.

Table 14 – Chemical admixtures - sales values - Belgium

Chemical admixtures	Belgium							
	2018		2019		2020		2021	
	Sales (EUR million)	**Share (% by value)**	**Sales (EUR million)**	**Share (% by value)**	**Sales (EUR million)**	**Share (% by value)**	**Sales (EUR million)**	**Share (% by value)**
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**
Demula	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Chryso	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Tillman	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
GCP	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%

244 Replies to Questionnaire Q2, question 51.1.

Chemical admixtures	Belgium							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
MC-Bauchemie	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 15 - Chemical admixtures - sales volumes - Belgium

Chemical admixtures	Belgium							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC Group	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	[...]	**[40-50]%**	[...]	**[40-50]%**	[...]	**[40-50]%**	[...]	**[40-50]%**
Demula	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Chryso	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Tillman	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
GCP	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
MC-Bauchemie	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 16 - Concrete admixtures - sales values - Belgium

Chemical admixtures	Belgium							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	[...]	**[30-40]%**	[...]	**[40-50]%**	[...]	**[30-40]%**	[...]	**[30-40]%**
Demula	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[10-20]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%
CHRYSO	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Tillman	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%

Chemical admixtures	Belgium							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
MC-Bauchemie	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 17 - Concrete admixtures - sales volumes - Belgium

Concrete admixtures	Belgium							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	[...]	**[40-50]%**	[...]	**[40-50]%**	[...]	**[40-50]%**	[...]	**[40-50]%**
Demula	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[10-20]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%
CHRYSO	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Tillman	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
GCP	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%
Other	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[0-5]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

(321) According to the data provided by the Parties in Table 14 and Table 15, Sika had a market share for chemical admixtures in Belgium in 2021 of [10-20]% based on value, and [10-20]% based on volume. MBCC had a market share in 2021 of [20-30]% based on value, and [20-30]% based on volume. Therefore, the combined market share of the Parties is around [40-50]%, [30-40]% based on value, and [40-50]% based on volume, with a significant increment.

(322) According to the data provided by the Parties in Table 16 and Table 17, market shares for concrete admixtures in Belgium in 2021 are quite similar to those for chemical admixtures. Sika had a market share of [10-20]% based on value and [10-20]% based on volume, MBCC of [20-30]% based on value and [20-30]% based on volume. The combined market share is therefore around or above [40-50]%, [30-40]% (value) and [40-50]% (volume), with a significant increment.

(323) According to the Commission's market reconstruction, the Parties overestimated the market size and underestimated their market shares, as can be seen in Table 18 below. It appears that, the Parties had market shares between [40-50]% throughout the last three years for both chemical admixtures and for concrete admixtures.

Table 18 – Market reconstruction – Belgium

Segment	Metric	2019		2020		2021	
		Parties	Reconstruction	Parties	Reconstruction	Parties	Reconstruction
Chemical admixtures	in value (EUR)	[30-40]%	[40-50]%	[30-40]%	[40-50]%	[30-40]%	[40-50]%
	in volume (tons)	[40-50]%	[40-50]%	[40-50]%	[40-50]%	[40-50]%	[40-50]%
Concrete admixtures	in value (EUR)	[40-50]%	[40-50]%	[30-40]%	[40-50]%	[30-40]%	[40-50]%
	in volume (tons)	[40-50]%	[40-50]%	[40-50]%	[40-50]%	[40-50]%	[40-50]%

(324) Source: Form CO, Annex 7.2-A; Market reconstruction.

(325) **Second**, the Transaction would significantly increase the concentration level for chemical admixtures and concrete admixtures. According to the data provided by the parties for value of chemical admixtures in 2021, the HHI pre-Transaction is [1,000 – 1,500] and the HHI post-Transaction would be [2,000 – 2,500], with a delta of [600 – 650].[245] The delta is well above 150, the level for which horizontal competitive concerns are unlikely when the HHI post-transaction is above 2,000.[246] Irrespective of the market segments, including for concrete admixtures, the market share increment is always significant, more than 10%. The post-Transaction HHI as well as the delta is even higher based on the Commission's market reconstruction.

(326) **Third**, while several other admixture suppliers are active in Belgium, only two of them have market shares in excess of 10%, and each of them would still be significantly smaller (by at least approximately [20-30]%-points) than the merged entity post-Transaction both for chemical admixtures and for concrete admixtures specifically. Moreover, Mapei is the only large fully independent supplier in the Belgian market. Indeed, as explained in Section 6.1.1.6.1 above, Demula depend on the supply of polymers from the Parties and lack significant innovation capabilities. As a result, no competitor would be able to constrain the merged entity.

(327) **Fourth**, according to the market investigation, the Transaction would eliminate competition between two close competitors. As explained in Section 6.1.1.4, both Parties have strong innovation capabilities and large portfolios, including in Belgium. A majority of customers expressing a view consider innovation to be "very important"[247]. Apart from the Parties, Mapei is the only large fully independent supplier in the Belgian market but is significantly smaller than the merged entity.

(328) **Fifth,** contrary to the Notifying Party's claims, the investigation generally confirmed that barriers to entry are significant due to many factors as explained above (see Section 6.1.1.5), among others in particular due to the need to build (i) a sufficiently large customer base, (ii) a sufficiently strong sales force and technical team (iii) customer trust and brand loyalty (iv) the necessary know-how in formulation and testing of chemical admixtures and (iv) a large majority of respondents to the market investigations being unaware of any recent entry of new suppliers in Belgium.[248]

245 Form CO, Annex 7.2-A
246 Horizontal Merger Guidelines, paras 19-20
247 Replies to Questionnaire Q1, question 29.
248 Replies to Questionnaire Q1, question 43.

(329) **Finally,** some market participants anticipate a negative impact from the Transaction in Belgium.[249] Customers raised the concern that the Transaction could "*Probably* [have] *an impact on prices, in response to the market, with potentially a tendency to drive the market up"*[250] "*increased prices*"[251] and "*risk of quasi Monopol*"[252]. On the other hand, there were also customers, which stated that they do not know if the Transaction will have an impact for them.[253]

(330) **To conclude**, in light in particular of (i) the level of the Parties' market shares and their closeness, (ii) the level of market concentration and limited number of credible alternatives, (iii) the high barriers to entry and (iv) the concerns expressed during the market investigation, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to the market for chemical admixtures and for concrete admixtures specifically in Belgium.

6.1.2.2.3. Croatia

(331) Neither Sika nor MBCC has any local chemical admixture production in Croatia, and Sika's presence in the country is limited to a warehouse in Zagreb (whereas MBCC does not have any domestic presence). Sika's nearest chemical admixtures plant is located in Simanovci, Serbia. MBCC's closest chemical admixtures plant, on the other hand, is located in Krieglach, Austria.

(332) The Notifying Party considers that there could be no basis for concerns in Croatia, since post-Transaction there will be a large number of suppliers active in the Croatian chemical admixtures market.

(333) For the reasons set out in the paragraphs below, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to chemical admixtures or concrete admixtures in Croatia.

(334) **First**, the merged entity will have high market shares in Croatia in chemical admixtures and for concrete admixtures specifically, and even higher shares in some segments, in particular as regards infrastructure projects.

(335) The Tables below present the Parties and their main competitors' market shares over the last four years in value and volume for chemical admixtures and for concrete admixtures as per the Parties' best estimates.

249 Replies to Questionnaire Q1, question 51.
250 Replies to Questionnaire Q1, question 49.1.
251 Replies to Questionnaire Q1, question 49.1.
252 Replies to Questionnaire Q1, question 49.1.
253 Replies to Questionnaire Q1, question 49.1.

Table 19- Chemical admixtures - sales values - Croatia

Chemical admixtures	Croatia							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[10-20]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[5-10]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%
Combined	**[...]**	**[10-20]%**	**[...]**	**[10-20]%**	**[...]**	**[20-30]%**	**[...]**	**[30-40]%**
BT3	[...]	[0-5]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[5-10]%
Mapei	[...]	[5-10]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%
Kedobet	[...]	[5-10]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[5-10]%
Tkk	[...]	[10-20]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
GCP	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Ha-Be	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%
Other	[...]	[30-40]%	[...]	[30-40]%	[...]	[10-20]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 20 - Chemical admixtures - sales volumes - Croatia

Chemical admixtures	Croatia							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[5-10]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[10-20]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%
Combined	**[...]**	**[10-20]%**	**[...]**	**[10-20]%**	**[...]**	**[20-30]%**	**[...]**	**[30-40]%**
BT3	[...]	[0-5]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[5-10]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%
Kedobet	[...]	[5-10]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[5-10]%
TKK	[...]	[10-20]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
GCP	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Ha-Be	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%
Other	[...]	[30-40]%	[...]	[30-40]%	[...]	[10-20]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

*Source: Form **CO, Annex 7.2-A***

Table 21 – Concrete admixtures - sales values - Croatia

Concrete admixtures	Croatia							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Combined	[...]	**[20-30]%**	[...]	**[20-30]%**	[...]	**[20-30]%**	[...]	**[20-30]%**
GCP	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
BT3	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Ha-Be	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%
Other	[...]	[50-60]%	[...]	[40-50]%	[...]	[30-40]%	[...]	[30-40]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 22 – Concrete admixtures - sales volumes - Croatia

Concrete admixtures	Croatia							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Combined	[...]	**[20-30]%**	[...]	**[20-30]%**	[...]	**[20-30]%**	[...]	**[30-40]%**
GCP	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
BT3	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Ha-Be	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%
Other	[...]	[50-60]%	[...]	[50-60]%	[...]	[30-40]%	[...]	[30-40]%

Source: Form CO, Annex 7.2-A

(336) According to the data provided by the Parties in Table 19 and Table 20, Sika had a market share for chemical admixtures in Croatia in 2021 of [10-20]%% based on value, and [10-20]% based on volume. MBCC had a market share in 2021 of [10-20]% based on value, and [10-20]% based on volume. Therefore, the combined market share of the Parties is above [30-40]%, [30-40]% based on value, and [30-40]% based on volume, with a significant increment.

(337) According to the data provided by the Parties in Table 21 and Table 22, market shares for concrete admixtures in Croatia in 2021 are quite similar to those for chemical admixtures. Sika had a market share of [10-20]% based on value and [10-20]% based on volume, MBCC of [10-20]% based on value and [10-20]% based on volume. The combined market share is therefore around or above [30-40]%, [20-30]% (value) and [30-40]% (volume), with a significant increment.

(338) According to the Commission's market reconstruction, the market shares of the Parties were higher than estimated by the Parties, as can be seen in Table 23. Indeed, it appears that the Parties had a combined market share of [30-40]% in chemical admixtures (value) and [40-50]% in concrete admixtures (value) in 2021 with increasing market shares over the last 3 years.

Table 23 – Market reconstruction – Croatia

Segment	Metric	2019		2020		2021	
		Parties	Reconstruction	Parties	Reconstruction	Parties	Reconstruction
Chemical admixtures	in value (EUR)	[10-20]%	[20-30]%	[20-30]%	[30-40]%	[30-40]%	[30-40]%
	in volume (tons)	[10-20]%	[20-30]%	[20-30]%	[30-40]%	[30-40]%	[30-40]%
Concrete admixtures	in value (EUR)	[20-30]%	[20-30]%	[20-30]%	[30-40]%	[30-40]%	[40-50]%
	in volume (tons)	[20-30]%	[20-30]%	[20-30]%	[30-40]%	[30-40]%	[40-50]%

Source: Form CO, Annex 7.2-A; Market reconstruction.

(339) **Second**, the Transaction would significantly increase the concentration level for chemical admixtures and concrete admixtures. According to the data provided by the parties for value of chemical admixtures in 2021, the HHI pre-Transaction is [1,000 – 1,500] and the HHI post-Transaction would be [1,500 – 2,000], with a delta of [500 – 550].[254] The delta is well above 150, the level below which horizontal competition concerns are unlikely when the HHI post-transaction is above 2 000.[255] Irrespective of the market segments, including for concrete admixtures, the market share increment is always significant, more than 9%. The post-Transaction HHI as well as the delta is even higher based on the Commission's market reconstruction.

(340) **Third**, while several other admixture suppliers are active in Croatia, only three of these have market shares in around 10%, and each of them would still be significantly smaller (by at least [20-30]%-points) than the merged entity post-Transaction both for chemical admixtures and for concrete admixtures specifically. As a result, no competitor would be able to constrain the merged entity.

(341) **Fourth**, according to the market investigation, the Transaction would eliminate competition between two close competitors. As explained in Section 6.1.1.4 both Parties have strong innovation capabilities and large portfolios, including in Croatia. A majority of customers expressing a view consider innovation to be "very important"[256]. In addition, the Transaction leads to the merger of the strongest two players on the Croatian market. The preliminary market investigation, however, was inconclusive whether the Transaction would eliminate competition between two close competitors. Only one of two respondents answered to that question.[257]

(342) **Fifth** contrary to the Notifying Party's claims, the preliminary market investigation generally confirmed that barriers to entry are significant due to many factors as explained above (see Section 6.1.1.5), in particular due to the need to build (i) a sufficiently large customer base, (ii) a sufficiently strong sales force and technical team (iii) customer trust and brand loyalty (iv) the necessary know-how in formulation and

254 Form CO, Annex 7.2-A
255 Horizontal Merger Guidelines, paras 19-20
256 Replies to Questionnaire Q1, question 29.
257 Replies to Questionnaire Q1, question 42.

testing of chemical admixtures and (iv) a large majority of respondents to the market investigations being unaware of any recent entry of new suppliers.[258]

(343) **Finally**, the preliminary market investigation was inconclusive on whether the Transaction would have a negative impact on competition in Croatia.[259] One customer for example expressed that "*(i)t depends whether SIKA will keep all the products (currently available by MBCC) on the market or not.*"[260]

(344) **To conclude**, in light in particular of (i) the level of the Parties' market shares and their closeness, (ii) the level of market concentration and limited number of credible alternatives, (iii) and the high barriers to entry, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to the market for chemical admixtures and for concrete admixtures specifically in Croatia.

6.1.2.2.4. Czechia

(345) In Czechia, Sika is active through sales offices and warehouses, as well as a domestic chemical admixtures plant in Modrice in the South-Eastern part of the country (near the border to Austria and Hungary), whereas MBCC has a chemical admixtures plant located in Prague.

(346) The Notifying Party considers that there could be no basis for concerns in Czechia, since post-Transaction there will be a large number of suppliers active in the Czech chemical admixtures market.

(347) For the reasons set out in the paragraphs below, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to chemical admixtures, as well as when considering concrete admixtures specifically, in Czechia.

(348) **First**, the merged entity would have high market shares in Czechia on the market for chemical admixtures and for concrete admixtures, and even higher shares in some segments, in particular in chemical admixtures for tunnelling and mining applications.

(349) The Tables below present the Parties and their main competitors' market shares over the last four years in value and volume for chemical admixtures and for concrete admixtures as per the Parties' best estimates.

Table 24 - Chemical admixtures - sales values - Czechia

Chemical admixtures	Czechia							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[5-10]%	[...]	[5-10]%
MBCC	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Combined	[...]	**[20-30]%**	[...]	**[20-30]%**	[...]	**[20-30]%**	[...]	**[20-30]%**

258 Replies to Questionnaire Q1, question 43.
259 Replies to Questionnaire Q1, question 51.
260 Replies to Questionnaire Q1, question 49.1.

Chemical admixtures	Czechia							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Stachema	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Cemex	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[10-20]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%
MC-Bauchemie	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Chryso	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Remei	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[10-20]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 25 - Chemical admixtures - sales volumes - Czechia

Chemical admixtures	Czechia							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[5-10]%	[...]	[5-10]%
MBCC	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Combined	[...]	**[20-30]%**	[...]	**[20-30]%**	[...]	**[20-30]%**	[...]	**[20-30]%**
Stachema	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Cemex	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[10-20]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%
MC-Bauchemie	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Chryso	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Remei	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Others	[...]	[10-20]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 26 - Concrete admixtures - sales values - Czechia

Concrete admixtures	Czechia							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[5-10]%	[...]	[5-10]%
MBCC	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Combined	[...]	**[20-30]%**	[...]	**[20-30]%**	[...]	**[20-30]%**	[...]	**[20-30]%**
Stachema	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Cemex	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%

Concrete admixtures	Czechia							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
MC-Bauchemie	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
CHRYSO	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 27 - Concrete admixtures - sales volumes - Czechia

Concrete admixtures	Czechia							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[5-10]%	[...]	[5-10]%
MBCC	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Combined	[...]	**[20-30]%**	[...]	**[20-30]%**	[...]	**[20-30]%**	[...]	**[20-30]%**
Stachema	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[30-40]%
Cemex	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
MC-Bauchemie	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
CHRYSO	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

*Source: Form CO, Annex **7.2-A***

(350) According to the data provided by the Parties in Table 24 and Table 25, Sika had a market share for chemical admixtures in Czechia of [5-10]% based on value, and [5-10]% based on volume in 2021. MBCC had a market share in 2021 of [10-20]% based on value and [10-20]% based on volume. Therefore, the combined market share of the Parties is above [20-30]%, [20-30]% based on value, and [20-30]% based on volume, with a significant increment.

(351) According to the data provided by the Parties in Table 26 and Table 27, market shares for concrete admixtures in Czechia in 2021 are slightly higher to those for chemical admixtures. Sika had a market share of [5-10]% based on value, and [5-10]% based on volume in 2021, MBCC of [10-20]% based on value and [10-20]% based on volume. The combined market share is therefore around [20-30]%, [20-30]% (value) or [20-30]% (volume), with a significant increment.

(352) According to the Commission's market reconstruction, the market shares of the Parties were slightly higher than estimated by the Parties, with a combined share of approximately [20-30]% for chemical admixtures, and up to [30-40]% for concrete admixtures in 2019.

Table 28 – Market reconstruction – Czechia

Segment	Metric	2019		2020		2021	
		Parties	Reconstruction	Parties	Reconstruction	Parties	Reconstruction
Chemical admixtures	in value (EUR)	[20-30]%	[30-40]%	[20-30]%	[20-30]%	[20-30]%	[20-30]%
	in volume (tons)	[20-30]%	[30-40]%	[20-30]%	[20-30]%	[20-30]%	[20-30]%
Concrete admixtures	in value (EUR)	[20-30]%	[30-40]%	[20-30]%	[20-30]%	[20-30]%	[20-30]%
	in volume (tons)	[20-30]%	[30-40]%	[20-30]%	[20-30]%	[20-30]%	[20-30]%

Source: Form CO, Annex 7.2-A; Market reconstruction.

(353) When considering catchment areas around the Parties' plants, the merged entity would have even higher market shares, with up to [40-50]% for chemical admixtures and [40-50]% for concrete admixtures around the MBCC plant in Prague, as can be seen in Table 29 below.

Table 29 – Catchment Areas – Czechia plants

Plant	Radius	RFI	Chemical admixtures		Concrete admixtures	
			2020	2021	2020	2021
MBCC - Prag	400Km	RFI 14	[40-50]%	[40-50]%	[40-50]%	[40-50]%
MBCC - Prag	80%	RFI 14	[30-40]%	[20-30]%	[30-40]%	[20-30]%
Sika - Modrice	400Km	RFI 14	[30-40]%	[30-40]%	[40-50]%	[30-40]%
Sika - Modrice	80%	RFI 14	[30-40]%	[30-40]%	[30-40]%	[30-40]%

Source: ***RFI 14***

(354) According to the data provided by the Parties, the Parties also have high market shares in the sub-segment of chemical admixture for tunnelling and mining application with [70-80]%.

(355) **Second**, the Transaction would significantly increase the concentration level for chemical admixtures and concrete admixtures in Czechia. According to the data provided by the parties for value of chemical admixtures in 2021, the HHI pre-Transaction is [1,000 – 1,500] and the HHI post-Transaction would be [1,500 – 2,000], with a delta of [250 – 300].[261] The delta is well above 150, the level below which horizontal competition concerns are unlikely when the HHI post-transaction is above 2 000.[262] Irrespective of the market segments, including for concrete admixtures, the market share increment is always significant, i.e. more than 5%. The post-Transaction HHI as well as the delta is even higher based on the Commission's market reconstruction.

(356) **Third**, while several other chemical admixtures suppliers are active in Czechia, only two of these have market shares in excess of 10%. According to the data provided by the Parties, Stachema is the only competitor exceeding the Parties combined market shares, but it depends on the supply of polymers from the Parties and lacks significant innovation capabilities (see Section 6.1.1.6.1). As a result, no competitor would be able to constrain the merged entity.

261 Form CO, Annex 7.2-A

262 Horizontal Merger Guidelines, paras 19-20

(357) **Fourth**, according to the market investigation, the Transaction would eliminate competition between two close competitors. As explained in Section 6.1.1.4, both Parties have strong innovation capabilities and large portfolios, including in Czechia. A majority of customers expressing a view consider innovation to be "very important"[263]. The preliminary market investigation, however, was inconclusive whether the Transaction would eliminate competition between two close competitors. According to customers, MC Bauchemie is the closest competitor of MBCC, while Stachema and Chryso are considered the closest competitors of Sika.[264] However, only 3 out of 5 respondents to the Questionnaire for Czechia have answered that question.

(358) **Fifth** contrary to the Notifying Party's claims, the investigation generally confirmed that barriers to entry are significant due to many factors as explained above (see Section 6.1.1.5), in particular due to the need to build (i) a sufficiently large customer base, (ii) a sufficiently strong sales force and technical team (iii) customer trust and brand loyalty (iv) the necessary know-how in formulation and testing of chemical admixtures and (iv) a large majority of respondents to the market investigations being unaware of any recent entry of new suppliers.[265]

(359) **Finally**, the preliminary market investigation was inconclusive on whether the Transaction would have a negative impact on competition in Czechia.[266] One customer stated that he has "*a feeling that it cannot significantly impact the market*".[267]

(360) **To conclude**, in light in particular of (i) the level of the Parties' market shares and their closeness, (ii) the level of market concentration and limited number of credible alternatives, and (iii) the high barriers to entry, the Commission concludes that the Transaction raises serious doubts as to its compatibility with the internal market in relation to the market for chemical admixtures and for concrete admixtures specifically in Czechia.

6.1.2.2.5. Denmark

(361) In Denmark, Sika is only active through a sales office and a warehouse. It has no domestic chemical admixtures production, whereas MBCC has a chemical admixtures plant located in Rodekro (near the border to Germany).

(362) The Notifying Party considers that there could be no basis for concerns in Denmark, since post-Transaction there will be a large number of suppliers active in the chemical admixtures markets in Denmark.

(363) For the reasons set out in the paragraphs below, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation for chemical admixtures, as well as when considering concrete admixtures specifically, in Denmark.

(364) **First**, the merged entity would have high market shares on the Danish market for chemical admixtures and concrete admixtures.

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263 Replies to Questionnaire Q1, question 29.
264 Replies to Questionnaire Q1, question 42.
265 Replies to Questionnaire Q1, question 43.
266 Replies to Questionnaire Q1, question 51.
267 Replies to Questionnaire Q1, question 49.1.

(365) The Tables below present the Parties and their main competitors' market shares over the last four years in value and volume for chemical admixtures and for concrete admixtures as per the Parties' best estimates.

Table 30 - Chemical admixtures - sales values - Denmark

Chemical admixtures	Denmark							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[40-50]%	[...]	[40-50]%	[...]	[40-50]%	[...]	[50-60]%
Combined	[...]	**[50-60]%**	[...]	**[60-70]%**	[...]	**[60-70]%**	[...]	**[60-70]%**
Fosroc	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Other	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 31 - Chemical admixtures - sales volumes - Denmark

Chemical admixtures	Denmark							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[40-50]%	[...]	[50-60]%	[...]	[50-60]%	[...]	[50-60]%
Combined	[...]	**[60-70]%**	[...]	**[60-70]%**	[...]	**[60-70]%**	[...]	**[70-80]%**
Fosroc	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Other	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

*Source: Form CO, Annex **7.2-A***

Table 32 - Concrete admixtures - sales values - Denmark

Concrete admixtures	Denmark							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[40-50]%	[...]	[50-60]%	[...]	[40-50]%	[...]	[50-60]%
Combined	[...]	**[50-60]%**	[...]	**[60-70]%**	[...]	**[60-70]%**	[...]	**[60-70]%**
FOSROC	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Other	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 33 - Concrete admixtures - sales volumes - Denmark

Concrete admixtures	Denmark							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[40-50]%	[...]	[50-60]%	[...]	[50-60]%	[...]	[50-60]%
Combined	[...]	**[60-70]%**	[...]	**[70-80]%**	[...]	**[60-70]%**	[...]	**[70-80]%**
FOSROC	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Other	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

(366) According to the data provided by the Parties in Table 30 and Table 31, Sika had a market share for chemical admixtures in Denmark in 2021 of [10-20]% based on value and [10-20]% based on volume. MBCC had a market share in 2021 of [50-60]% based on value and [50-60]% based on volume. Therefore, the combined market share of the Parties is above [60-70]%, [60-70]%based on value and [70-80]% based on volume, with a significant increment.

(367) According to the data provided by the Parties in Table 32 and Table 33, market shares for concrete admixtures in Denmark in 2021 are quite similar to those for chemical admixtures. Sika had a market share of [10-20]% based on value and [10-20]% based on volume, MBCC of [50-60]% based on value and [50-60]% based on volume. The combined market share is therefore around [70-80]%, [60-70]% (value) and [70-80]% (volume), with a significant increment.

(368) According to the Commission's market reconstruction, the market shares of the Parties were overall correctly estimated by the Parties, being very high with a combined share of approximately [60-70]%, as can be seen in Table 34, making them by far the strongest player in Denmark. The combined market shares of the merged Parties have constantly been between [60-70]% and [60-70]% in the last three years for both chemical admixtures and for concrete admixtures.

Table 34 – Market Reconstruction - Denmark

Segment	Metric	2019		2020		2021	
		Parties	Reconstruction	Parties	Reconstruction	Parties	Reconstruction
Chemical admixtures	in value (EUR)	[60-70]%	[60-70]%	[60-70]%	[60-70]%	[60-70]%	[60-70]%
	in volume (tons)	[60-70]%	[60-70]%	[60-70]%	[60-70]%	[70-80]%	[60-70]%
Concrete admixtures	in value (EUR)	[60-70]%	[60-70]%	[60-70]%	[60-70]%	[60-70]%	[60-70]%
	in volume (tons)	[70-80]%	[60-70]%	[60-70]%	[60-70]%	[70-80]%	[60-70]%

Source: Form CO, Annex 7.2-A; Market reconstruction.

(369) When considering catchment areas around the Parties' plants, the merged entity would also have high market shares, with up to [50-60]% in chemical admixtures and [50-60]% in concrete admixtures around MBCC's Rodekro plant, as can be seen in Table 35.

Table 35 – Catchment area around the plant in Denmark

Plant	Radius	RFI	Chemical admixtures		Concrete admixtures	
			2020	2021	2020	2021
MBCC - Rodekro	400Km	RFI 14	[40-50]%	[40-50]%	[40-50]%	[40-50]%
MBCC - Rodekro	80%	RFI 14	[40-50]%	[50-60]%	[50-60]%	[50-60]%

Source: ***RFI 14***

(370) **Second**, the Transaction would significantly increase the concentration level for chemical admixtures and concrete admixtures. According to the data provided by the parties for value of chemical admixtures in 2021, the HHI pre-Transaction is [3,000 – 3,500] and the HHI post-Transaction would be [4,500 – 5,000], with a delta of [1,000 – 1,500].[268] The delta is well above 150, the level below which horizontal competition concerns are unlikely when the HHI post-transaction is above 2 000.[269] Irrespective of the market segments, including for concrete admixtures, the market share increment is always significant, more than 10%. The post-Transaction HHI as well as the delta is similar based on the Commission's market reconstruction.

(371) **Third**, the transaction would constitute a merger between the two strongest players on the market. While a few other admixture suppliers are active in Denmark, only two of these have market shares between 10% and 15% and each of them would still be significantly smaller (by approximately [60-70]%-points) than the merged entity post-Transaction both for chemical admixtures and for concrete admixtures specifically. Moreover, Mapei is the only large fully independent supplier in the Danish market and is still significantly smaller. Fosroc buys its polymers from external suppliers (Section 6.1.1.6.1) and also lacks significant innovation capabilities. As a result, no competitor would be able to constrain the merged entity.

(372) **Fourth**, according to the market investigation, the Transaction would eliminate competition between two close competitors. As explained in Section 6.1.1.4, both Parties have strong innovation capabilities and large portfolios, including in Denmark. According to the only customer answering the question, Sika is the closest competitor of MBCC, while MBCC is the closest competitor of Sika.[270]

(373) **Fifth** contrary to the Notifying Party's claims, the investigation generally confirmed that barriers to entry are significant due to many factors as explained above (see Section 6.1.1.5), in particular due to the need to build (i) a sufficiently large customer base, (ii) a sufficiently strong sales force and technical team (iii) customer trust and brand loyalty (iv) the necessary know-how in formulation and testing of chemical admixtures and (iv) a large majority of respondents to the market investigations being unaware of any recent entry of new suppliers.[271]

(374) However, no market participants anticipate a negative impact from the Transaction in Denmark.[272]

268 Form CO, Annex 7.2-A
269 Horizontal Merger Guidelines, paras 19-20
270 Replies to Questionnaire Q1, question 42.
271 Replies to Questionnaire Q1, question 43.
272 Replies to Questionnaire Q1, question 49.1.

(375) As to competitors, half of the competitors expressing a view believe the Transaction would have a negative impact on competition.[273]

(376) **To conclude**, in light in particular of (i) the level of the Parties' market shares and their closeness, (ii) the level of market concentration and limited number of credible alternatives, and (iii) the high barriers to entry, the Commission concludes that the Transaction raises serious doubts as to its compatibility with the internal market in relation to the market for chemical admixtures and for concrete admixtures specifically in Denmark.

6.1.2.2.6. Finland

(377) In Finland, Sika has a domestic chemical admixtures plant and offices and a warehouse in Espoo (near Helsinki), whereas MBCC only has a domestic chemical admixtures plant located in Riihimäki.

(378) The Notifying Party considers that there could be no basis for concerns in Finland, since post-Transaction there will be a large number of suppliers active in the Finish chemical admixtures market.

(379) For the reasons set out in the paragraphs below, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to chemical admixtures, as well as when considering concrete admixtures specifically, in Finland.

(380) **First**, the merged entity would have high market shares on in Finland for chemical admixtures and concrete admixtures.

(381) The Tables below present the Parties and their main competitors' market shares over the last four years in value and volume for chemical admixtures and for concrete admixtures as per the Parties' best estimates.

Table 36 - Chemical admixtures - sales values - Finland

Chemical admixtures	Finland							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[30-40]%	[...]	[30-40]%
Combined	[...]	**[30-40]%**	[...]	**[40-50]%**	[...]	**[50-60]%**	[...]	**[40-50]%**
Finnsementti	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Semtu	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[10-20]%	[...]	[10-20]%	[...]	[5-10]%	[...]	[5-10]%
Normet	[...]	[10-20]%	[...]	[10-20]%	[...]	[5-10]%	[...]	[5-10]%
Ha-Be	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

[273] Replies to Questionnaire Q2, question 51.

Table 37 - Chemical admixtures - sales volumes - Finland

Chemical admixtures	Finland							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[30-40]%	[...]	[30-40]%
Combined	[...]	**[30-40]%**	[...]	**[40.50]%**	[...]	**[50-60]%**	[...]	**[50-60]%**
Finnsementti	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Semtu	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[10-20]%	[...]	[10-20]%	[...]	[5-10]%	[...]	[5-10]%
Normet	[...]	[10-20]%	[...]	[10-20]%	[...]	[5-10]%	[...]	[5-10]%
Ha-Be	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 38 - Concrete admixtures - sales values - Finland

Concrete admixtures	Finland							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[30-40]%	[...]	[30-40]%
Combined	[...]	**[40.50]%**	[...]	**[40.50]%**	[...]	**[50-60]%**	[...]	**[40.50]%**
Finnsementti	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Semtu	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[10-20]%	[...]	[10-20]%	[...]	[5-10]%	[...]	[5-10]%
Norbet	[...]	[10-20]%	[...]	[10-20]%	[...]	[5-10]%	[...]	[5-10]%
Ha-Be	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 39 - Concrete admixtures - sales volumes - Finland

Concrete admixtures	Finland							
	2018		2019		*2020*		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[30-40]%	[...]	[30-40]%
Combined	[...]	**[40-50]%**	**[...]**	**[40-50]%**	**[...]**	**[50-60]%**	**[...]**	**[50-60]%**
Finnsementti	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Semtu	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[10-20]%	[...]	[10-20]%	[...]	[5-10]%	[...]	[5-10]%
Normet	[...]	[10-20]%	[...]	[10-20]%	[...]	[5-10]%	[...]	[5-10]%
Ha-Be	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

(382) According to the data provided by the Parties in Table 36 and Table 37, Sika had a market share for chemical admixtures in Finland in 2021 of [10-20]% based on value and [10-20]% based on volume. MBCC had a market share in 2021 of [30-40]% based on value and [30-40]% based on volume. Therefore, the combined market share of the Parties is above [40-50]%, [40-50]%based on value, and [50-60]% based on volume, with a significant increment.

(383) According to the data provided by the Parties in Table 38 and Table 39, market shares for concrete admixtures in Finland in 2021 are quite similar to those for chemical admixtures. Sika had a market share of [10-20]% based on value and [10-20]% based on volume, MBCC of [30-40]% based on value and [30-40]% based on volume. The combined market share is therefore around or above [50-60], [40-50]% (value) and [50-60]% (volume), with a significant increment.

(384) According to the Commission's market reconstruction, the market shares of the Parties were slightly higher than estimated by the Parties, with a combined share of approximately [50-60]% in chemical admixtures (value) and [50-60]% in concrete admixtures (value), as can be seen in Table 40. The combined market shares of the Parties have constantly been between [40-50]% and [50-60]% in the last three years for both chemical admixtures and for concrete admixtures.

Table 40 – Market Reconstruction – Finland

Segment	Metric	2019		2020		2021	
		Parties	Reconstruction	Parties	Reconstruction	Parties	Reconstruction
Chemical admixtures	in value (EUR)	[40-50]%	[40-50]%	[50-60]%	[50-60]%	[40-50]%	[50-60]%
	in volume (tons)	[40-50]%	[40-50]%	[50-60]%	[50-60]%	[50-60]%	[50-60]%
Concrete admixtures	in value (EUR)	[40-50]%	[40-50]%	[50-60]%	[50-60]%	[40-50]%	[50-60]%
	in volume (tonnes)	[40-50]%	[50-60]%	[50-60]%	[50-60]%	[50-60]%	[50-60]%

Source: Form CO, Annex 7.2-A; Market reconstruction.

(385) When considering catchment areas around the Parties' plants, the merged entity would also have high market shares, with up to [50-60]% in the area around MBCC's Riihimaki plant, as can be seen in Table 41.

Table 41 – Catchment area around the plants in Finland

Plant	Radius	RFI	Chemical admixtures		Concrete admixtures	
			2020	2021	2020	2021
MBCC - Riihimaki	400Km	RFI 14	[20-30]%	[20-30]%	[30-40]%	[20-30]%
MBCC - Riihimaki	80%	RFI 14	[40-50]%	[40-50]%	[50-60]%	[50-60]%
Sika - Espoo	400Km	RFI 14	[30-40]%	[30-40]%	[30-40]%	[30-40]%
Sika - Espoo	80%	RFI 14	[40-50]%	[30-40]%	[40-50]%	[30-40]%

*Source: **RFI 14***

(386) **Second**, the Transaction would significantly increase the concentration level for chemical admixtures and concrete admixtures. According to the data provided by the parties for value of chemical admixtures in 2021, the HHI pre-Transaction is [1,500 – 2,000] and the HHI post-Transaction would be [2,500 – 3,000], with a delta of [1,000 – 1,500].[274] The delta is well above 150, the level below which horizontal competition

274 Form CO, Annex 7.2-A

concerns are unlikely when the HHI post-transaction is above 2 000.[275] Irrespective of the market segments, including for concrete admixtures, the market share increment is always significant, more than 10%. The post-Transaction HHI as well as the delta is even slightly higher based on the Commission's market reconstruction.

(387) **Third**, the transaction would constitute a merger between the two strongest players on the market. While several other admixture suppliers are active in Finland, only two of these have market shares in excess of 10% (but below 15%) and each of them would still be significantly smaller (by approximately [30-40]%-points) than the merged entity post-Transaction both for chemical admixtures and for concrete admixtures specifically. The strongest competitors Finnsementti and Semtu are very distant players and mainly active in Finland. Mapei, with market shares under 10% is the only large fully independent supplier on the Finish market. As a result, no competitor would be able to constrain the merged entity.

(388) **Fourth**, according to the market investigation, the Transaction would eliminate competition between two close competitors. As explained in Section 6.1.1.4, both Parties have strong innovation capabilities and large portfolios, including in Austria. A majority of customers expressing a view consider innovation to be "very important"[276]. The preliminary market investigation, however, was inconclusive whether the Transaction would eliminate competition between two close competitors. According to customers, Finnsementti is the closest competitor of Sika and MBCC.[277] Finnsementti is, however, a local player with limited innovation capabilities.

(389) **Fifth** contrary to the Notifying Party's claims, the investigation generally confirmed that barriers to entry are significant due to many factors as explained above (see Section 6.1.1.5), in particular due to the need to build (i) a sufficiently large customer base, (ii) a sufficiently strong sales force and technical team (iii) customer trust and brand loyalty (iv) the necessary know-how in formulation and testing of chemical admixtures and (iv) a large majority of respondents to the market investigations being unaware of any recent entry of new suppliers.[278]

(390) **Finally**, some market participants anticipate a negative impact from the Transaction in Finland. A customer stated that "(*i*)*t* [the transaction] *will have negative impact until some other big suppliers come to Finland."*[279] Another customer, however, noted that *(o)ther companies have same kind of product.* [280]

(391) As to competitors, some respondents expressing a view believe the Transaction would have a negative impact on competition in Finland.*[281]* A competitor expressed concerns: "*Reduced choice. Dominant market shares, RM cost advantages".[282]*

(392) **To conclude**, in light in particular of (i) the level of the Parties' market shares and their closeness, (ii) the level of market concentration and limited number of credible alternatives, (iii) the high barriers to entry and (iv) the concerns expressed during the market investigation, the Commission concludes that the Transaction raises serious

275 Horizontal Merger Guidelines, paras 19-20
276 Replies to Questionnaire Q1, question 29.
277 Replies to Questionnaire Q1, question 42.
278 Replies to Questionnaire Q1, question 43.
279 Replies to Questionnaire Q1, question 49.1.
280 Replies to Questionnaire Q1, question 49.1.
281 Replies to Questionnaire Q2, question 51.1.
282 Replies to Questionnaire Q2, question 51.1.

doubts as to its compatibility with the internal market in relation to the market for chemical admixtures and for concrete admixtures specifically in Denmark

6.1.2.2.7. France

(393) In France, both parties have plants, offices and warehouses. Sika is active through sales offices and warehouses as well as domestic chemical admixtures plants in Gournay-en-Bray (north of Paris) and in the southern part of France in Les-Salles-du-Gardon, whereas MBCC has chemical admixtures plants in Lisses (south of Paris) and Sorgues (in the south near Avignon and Montpellier).

(394) The Notifying Party considers that there could be no basis for concerns in France, since post-Transaction there will be a large number of suppliers active in the French chemical admixtures market.

(395) For the reasons set out in the paragraphs below, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to chemical admixtures or concrete admixtures in France.

(396) **First**, the merged entity would have high market shares in France for chemical admixtures and concrete admixtures.

(397) The Tables below present the Parties and their main competitors' market shares over the last four years in value and volume for chemical admixtures and for concrete admixtures as per the Parties' best estimates.

Table 42 - Chemical admixtures - sales value - France

Chemical admixtures	France							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
MBCC	[...]	[10-20]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	[...]	**[40-50]%**	[...]	**[40-50]%**	[...]	**[40-50]%**	[...]	**[40-50]%**
Chryso	[...]	[30-40]%	[...]	[30-40]%	[...]	[30-40]%	[...]	[30-40]%
Cemex	[...]	[5-10]%	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%
Mapei	[...]	[5-10]%	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%
GCP	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Technique Beton	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 43 - Chemical admixtures - sales volumes - France

Chemical admixtures	France							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	[...]	**[40-50]%**	[...]	**[40-50]%**	[...]	**[40-50]%**	[...]	**[50-60]%**
Chryso	[...]	[30-40]%	[...]	[30-40]%	[...]	[30-40]%	[...]	[20-30]%
Cemex	[...]	[5-10]%	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%
Mapei	[...]	[5-10]%	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%
GCP	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Technique Beton	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 44 – Concrete admixtures - sales values - France

Concrete admixtures	France							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
MBCC	[...]	[10-20]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	[...]	**[40-50]%**	[...]	**[40-50]%**	[...]	**[40-50]%**	[...]	**[50-60]%**
CHRYSO	[...]	[30-40]%	[...]	[30-40]%	[...]	[30-40]%	[...]	[20-30]%
Cemex	[...]	[5-10]%	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%
Mapei	[...]	[5-10]%	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%
GCP	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Technique Beton	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 45 - Concrete admixtures - sales volumes - France

Concrete admixtures	France							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	[...]	**[40-50]%**	[...]	**[40-50]%**	[...]	**[50-60]%**	[...]	**[50-60]%**
CHRYSO	[...]	[30-40]%	[...]	[30-40]%	[...]	[30-40]%	[...]	[20-30]%
Cemex	[...]	[5-10]%	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%

Concrete admixtures	France							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Mapei	[...]	[5-10]%	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%
GCP	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Technique Beton	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

(398) According to the data provided by the Parties in Table 42 and Table 43, Sika had a market share for chemical admixtures in France in 2021 of [20-30]% based on value and [20-30]% based on volume. MBCC had a market share in 2021 of [20-30]% based on value and [20-30]% based on volume. Therefore, the combined market share of the Parties is around [50-60]%, [40-50]% based on value and [50-60]% based on volume, with a significant increment.

(399) According to the data provided by the Parties in Table 44 and Table 45, market shares for concrete admixtures in France in 2021 are quite similar to those for chemical admixtures. Sika had a market share of [20-30]% based on value and [20-30]% based on volume, MBCC of [20-30]% based on value and [20-30]% based on volume. The combined market share is therefore around or above X, [50-60]% (value) or [50-60]% (volume), with a significant increment.

(400) According to the Commission's market reconstruction, the market shares of the Parties were slightly higher than estimated by the Parties, with a combined share of approximately [50-60]%, as can be seen in Table 46. The combined market shares of the Parties have constantly been between [40-50]% and [50-60]% in the last three years, for both chemical admixtures and for concrete admixtures.

Table 46 – Market reconstruction – France

Segment	Metric	2019		2020		2021	
		Parties	Reconstruction	Parties	Reconstruction	Parties	Reconstruction
Chemical admixtures	in value (EUR)	[40-50]%	[40-50]%	[40-50]%	[40-50]%	[40-50]%	[40-50]%
	in volume (tons)	[40-50]%	[40-50]%	[40-50]%	[40-50]%	[50-60]%	[40-50]%
Concrete admixtures	in value (EUR)	[40-50]%	[50-60]%	[40-50]%	[50-60]%	[50-60]%	[50-60]%
	in volume (tons)	[40-50]%	[50-60]%	[50-60]%	[50-60]%	[50-60]%	[50-60]%

Source: Form CO, Annex 7.2-A; Market ***reconstruction.***

(401) When considering catchment areas around the Parties' plants, the merged entity would also have high market shares, with up to [40-50]% for MBCC's Sorgues plant, as can be seen in Table 47.

Table 47 – Catchment Areas – French plants

Plant	Radius	RFI	Chemical admixtures		Concrete admixtures	
			2020	2021	2020	2021
MBCC - Evry-Lisses	400Km	RFI 14	[40-50]%	[40-50]%	[40-50]%	[40-50]%
MBCC - Evry-Lisses	80%	RFI 14	[40-50]%	[40-50]%	[40-50]%	[40-50]%
MBCC - Sorgues	400Km	RFI 14	[40-50]%	[40-50]%	[40-50]%	[40-50]%
MBCC - Sorgues	80%	RFI 14	[40-50]%	[40-50]%	[40-50]%	[40-50]%
Sika - Gournay-En-Bray	400Km	RFI 14	[30-40]%	[40-50]%	[40-50]%	[40-50]%
Sika - Gournay-En-Bray	80%	RFI 14	[30-40]%	[40-50]%	[40-50]%	[40-50]%
Sika - Marguerittes	400Km	RFI 14	[40-50]%	[40-50]%	[40-50]%	[40-50]%
Sika - Marguerittes	80%	RFI 14	[40-50]%	[40-50]%	[40-50]%	[40-50]%

Source: ***RFI 14***

(402) **Second**, the Transaction would significantly increase the concentration level for chemical admixtures and concrete admixtures. According to the data provided by the parties for value of chemical admixtures in 2021, the HHI pre-Transaction is [2,000 – 2,500] and the HHI post-Transaction would be [3,000 – 3,500], with a delta of [1,000 – 1,500].[283] The delta is well above 150, the level below which horizontal competition concerns are unlikely when the HHI post-transaction is above 2 000.[284] Irrespective of the market segments, including for concrete admixtures, the market share increment is always significant, more than 15%. The post-Transaction HHI as well as the delta is similar, though slightly lower, based on the Commission's market reconstruction.

(403) **Third**, while several other small admixture suppliers are active in France, Chryso would remain the only large fully independent alternative to the parties with market shares of approximately 30%, as the market shares of the other competitors do not exceed 5 %, de facto making it a three-to-two transaction. As a result, no competitor would be able to constrain the merged entity.

(404) **Fourth**, according to the market investigation, the Transaction would eliminate competition between two close competitors. As explained in Section 6.1.1.4, both Parties have strong innovation capabilities and large portfolios, including in France. A majority of customers expressing a view consider innovation to be "very important"[285]. One customer explained that innovation is important because "*Nowadays, concrete has to decrease its carbon footprint in order to comply with European regulations*"[286]. According to customers, MBCC is the second closest competitor of Sika after Chryso together with Mapei and the other way around.[287] Mapei, however, as mentioned above, would have less than 10% of the merged entity's market share.

(405) **Fifth** contrary to the Notifying Party's claims, the investigation generally confirmed that barriers to entry are significant due to many factors as explained above (see Section 6.1.1.5), in particular due to the need to build (i) a sufficiently large customer base, (ii) a sufficiently strong sales force and technical team (iii) customer trust and brand loyalty (iv) the necessary know-how in formulation and testing of chemical

283 Form CO, Annex 7.2-A
284 Horizontal Merger Guidelines, paras 19-20
285 Replies to Questionnaire Q1, question 29.
286 Replies to Questionnaire Q1, question 29.
287 Replies to Questionnaire Q1, question 42.

admixtures and (iv) a large majority of respondents to the market investigations being unaware of any recent entry of new suppliers.[288]

(406) **Finally**, a majority of customers expressing a view anticipate a negative impact from the Transaction in the markets for chemical admixtures and for concrete admixtures markets specifically in France.[289] One customer stated that "*In France, the choice of quality suppliers is reduced if there is a takeover of MBCC by SIKA and the consolidation under Saint-Gobain of CHRYSO and GCP. Prices are likely to skyrocket. In addition, some products that we use to differentiate ourselves from the competition may disappear*".[290] Another customer stated that "*This operation risks destabilizing the market in terms of price (and more particularly with regard to our company, which has MBCC as its main supplier with purchasing conditions linked to the volume achieved).*[291]

(407) **To conclude**, in light in particular of (i) the level of the Parties' market shares and their closeness, (ii) the level of market concentration and limited number of credible alternatives, (iii) the high barriers to entry and (iv) the concerns expressed during the market investigation, the Commission concludes that the Transaction raises serious doubts as to its compatibility with the internal market in relation to the market for chemical admixtures and for concrete admixtures specifically in France.

6.1.2.2.8. Germany

(408) Germany is by far the most important market for chemical admixtures in the EEA. Based on volume 16 % of all chemical admixtures sold in the EEA are sold in Germany, based on value it is even 17 %. Sika and MBCC achieve [10-20]% (volume) and [10-20]% (value) of their combined sales in the EEA in Germany (volume).

(409) In Germany, Sika is active through sales offices and warehouses as well as domestic chemical admixtures plant in Leimen (close to the French border, near Mannheim), whereas MBCC Group's chemical admixtures plant is located about 350km further northwest, towards the Polish border near Berlin.

(410) The Notifying Party considers that there could be no basis for concerns in Germany, since post-Transaction there will be a large number of suppliers active in the German chemical admixtures markets. According to the submission, sales made through the Agency Agreement with HeidelbergCement should not be counted for Sika's market share. According to the agreement, HeidelbergCement sells Sika's products together with its cement.[292]

(411) For the reasons set out in the paragraphs below, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market

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288 Replies to Questionnaire Q1, question 43.

289 Replies to Questionnaire Q1, question 51.

290 Replies to Questionnaire Q1, question 51. Courtesy translation from French: *Sur la France le choix de fournisseurs de qualité se réduit s'il y a un rachat de MBCC par SIKA et le regroupement sous Saint-Gobain de CHRYSO et GCP. Les tarifs risquent de s'envoler. De plus certains produits que nous utilisons pour nous differencier de la concurrence risque de disparaitre.*

291 Replies to Questionnaire Q1, question 51. Courtesy translation from French: *Cette opération risque de déstabiliser le marché en terme de prix (et plus particulièrement en ce qui concerne notre société qui a pour fournisseur principal MBCC avec des conditions d'achats liées au volume réalisé)*

292 For the details of the agreement, see paragraphs below.

in relation to chemical admixtures, as well as when considering concrete admixtures specifically, in Germany.

(412) **First**, the merged entity would have high market shares in Germany for both chemical admixtures and concrete admixtures.

(413) Contrary to the Parties' submission, the sales made by Sika through the Agency Agreement with HeidelbergCement should be included in Sika's sales and contribute to Sika's market position in Germany.

(414) This is because in relation to those sales: (i) Sika owns the IP and uses its brand[293]; (ii) Sika develops, produces and delivers the products to end-customers; (iii) [Confidential details on business relationship with HeidelbergCement][294][295][296] [297][298].

(415) On the other hand, HeidelbergCement seems to act rather as intermediary facing the end-customers with its sales force and technical support, selling Sika's products together with its cement. According to the Agency agreement, HeidelbergCement receives a remuneration consisting on a fixed payment and an incentive bonus on top of that.[299]

(416) To support their argument that the sales by HeidelbergCement should not be counted for Sika's market share, the Parties cite an email between a customer and HeidelbergCement. In that email, the customer states that *"for SIKA [products] I have always been fine with paying a little more, and have continued to source the products mainly due to the quality, but also because of you."*[300] The parties argue, that this shows that customers buy the products mainly because they are sold by HeidelbergCement. In contrast to the Parties' claim, the statement, however, also shows that customer also buys the product because of the high quality of the Sika product. Indeed, should the Agency Agreement come to an end, given the critical assets and know-how held by Sika, it appears likely that the customers would turn to Sika directly, and they would in any event not turn to HeidelbergCement which is not in a position to develop and manufacture those products.

(417) The Tables below present the Parties and their main competitors' market shares over the last four years in value and volume for chemical admixtures and for concrete admixtures as per the Parties' best estimates, including the sales of Sika products by HeidelbergCement.

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293 "HC sells the contractual products exclusively in the name and for the account of SIKA, distribution agreement, Annex 10.C-01 Form CO, para 1.2.

294 [Confidential details on business relationship with HeidelbergCement], Annex 10.C-01 Form CO, para 7.1.

295 Form CO, paragraph 608.

296 Form CO, paragraph 607.

297 [Confidential details on business relationship with HeidelbergCement] (Annex 10.C-01 Form CO, paragraph 4.2)

298 [Confidential details on business relationship with HeidelbergCement] (Annex 10.C-01 Form CO, paragraph 4.5)

299 [Confidential details on business relationship with HeidelbergCement] (Annex 10.C-01, para 8). This performance-related component is laid down in Annex 10 C-02.

300 Paragraph 607 Form CO .*Convenience translation from German - original email attached as Annex 10.A*

Table 48 - Chemical admixtures - sales values – Germany (prior to adjustment for the role of HeidelbergCement)

Chemical admixtures	Germany							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**
Ha-Be	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
MC-Bauchemie	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Cemex	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Liesen	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[0-5]%
Rhein-Chemotechnik	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
GCP	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
BT3	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Chryso	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 49 - Chemical admixtures - sales volumes – Germany (prior to adjustment for the role of HeidelbergCement)

Chemical admixtures	Germany							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**
Ha-Be	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Mapei	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
MC-Bauchemie	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Cemex	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Liesen	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[0-5]%
Rhein-Chemotechnik	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
GCP	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
BT3	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Chryso	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

*Source: Form CO, Annex **7.2-A***

Table 50 - Concrete admixtures - sales values - Germany (prior to adjustment for the role of HeidelbergCement)

Concrete admixtures	Germany							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**
Ha-Be	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MC-Bauchemie	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Mapei	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Cemex	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Liesen	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 51 - Concrete admixtures - sales volumes - Germany (prior to adjustment for the role of HeidelbergCement)

Concrete admixtures	Germany							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**
Ha-Be	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MC-Bauchemie	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Mapei	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Cemex	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Liesen	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

(418) According to the data provided by the Parties in Table 48 and Table 49, Sika had a market share for chemical admixtures in Germany in 2021 of [10-20]% based on value and [10-20]% based on volume. MBCC had a market share in 2021 of [20-30]% based on value and [20-30]% based on volume. Therefore, the combined market share of the Parties is above [30-40]%, [30-40]%based on value and [30-40]%based on volume, with a significant increment.

(419) According to the data provided by the Parties in Table 50 and Table 51, market shares for concrete admixtures in Germany in 2021 are quite similar to those for chemical admixtures. Sika had a market share of [10-20]% based on value and [10-20]% based on volume, MBCC of [20-30]% based on value and [20-30]% based on volume. The combined market share is therefore around [40-50]%, [30-40]% (value) or [30-40]% (volume), with a significant increment. Internal documents even suggest a combined market share between [40-50] and [50-60]%.[301]

(420) According to the Commission's market reconstruction, the market shares of the Parties were even higher than estimated by the Parties with combined shares of between [30-40]% and [40-50]%, as can be seen in Table 52. The combined market shares of the Parties have constantly been between [30-40]% and [40-50]% in the last three years for both chemical admixtures and for concrete admixtures.

Table 52 – Market reconstruction – Germany

Segment	Metric	2019		2020		2021	
		Parties	Reconstruction	Parties	Reconstruction	Parties	Reconstruction
Chemical admixtures	in value (EUR)	[30-40]%	[40-50]%	[30-40]%	[40-50]%	[30-40]%	[40-50]%
	in volume (tons)	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[30-40]%
Concrete admixtures	in value (EUR)	[30-40]%	[40-50]%	[30-40]%	[40-50]%	[30-40]%	[40-50]%
	in volume (tons)	[30-40]%	[30-40]%	[30-40]%	[40-50]%	[30-40]%	[40-50]%

Source: Form CO, Annex 7.2-A; Market reconstruction.

(421) When considering catchment areas around the Parties' plants, the merged entity would have even higher market shares, with up to [40-50]% for Sika's Leimen plant, as can be seen in Table 53.

Table 53 – Catchment Areas – German plants

Plant	Radius	RFI	Chemical admixtures		Concrete admixtures	
			2020	2021	2020	2021
MBCC - Glothe, Stassfurt	400Km	RFI 14	[30-40]%	[30-40]%	[30-40]%	[30-40]%
MBCC - Glothe, Stassfurt	80%	RFI 14	[30-40]%	[30-40]%	[30-40]%	[30-40]%
Sika - Leimen	400Km	RFI 14	[40-50]%	[40-50]%	[40-50]%	[40-50]%
Sika - Leimen	80%	RFI 14	[40-50]%	[40-50]%	[40-50]%	[40-50]%

Source: ***RFI 14***

(422) **Second**, the Transaction would significantly increase the concentration level for chemical admixtures and concrete admixtures in Germany. According to the data provided by the Parties for value of chemical admixtures in 2021, the HHI pre-Transaction is [1,000 – 1,500] and the HHI post-Transaction according to the parties data would be [1,500 – 2,000], but taking into account the market reconstruction even above 2000, with a delta of [900 – 950].[302] The delta is well above 704, the level below which horizontal competition concerns are unlikely when the HHI post-transaction is above 2 000.[303] Irrespective of the market segments, including for concrete admixtures, the market share increment is always significant, more than 10%. The post-Transaction HHI as well as the delta is even higher based on the Commission's market reconstruction.

301 Sika internal documents ([50-60]%); Form CO in M.9736 Lone Star/BASF ([40-50]%).
302 Form CO, Annex 7.2-A
303 Horizontal Merger Guidelines, paras 19-20

(423) **Third**, while several other admixture suppliers are active in Germany, only MC Bauchemie/Ha-Be has market shares in excess of 10%, while still being significantly smaller (by almost [20-30]%-points) than the merged entity post-Transaction both for chemical admixtures and for concrete admixtures specifically. Moreover, they are less vertically integrated and depend on the supply of polymers from the Parties, and also lack significant innovation capabilities (see Section 6.1.1.6.1). As a result, no competitor would be able to constrain the merged entity.

(424) **Fourth**, according to the market investigation, the Transaction would eliminate competition between two close competitors. As explained in Section 6.1.1.4, both Parties have strong innovation capabilities and large portfolios, including in Germany. A majority of customers expressing a view consider innovation to be "very important"[304]. One customer from Germany explained that they "*Product innovation is of crucial importance for future (ultra) low clinker cements and concretes and the extended use of new cementitious materials in cement and concrete (see. 27.3 and 5). It is also important for the extended use of recycled aggregates, sands, and concrete fines. We think that innovation is a key factor in the admixture market.*"[305] Another customer explained that "*In Germany, no player other than the Parties can supply admixtures to the whole country and has comparable R&D capabilities.*"[306]

(425) According to customers, Sika is the second closest competitor of MBCC after MC Bauchemie/Ha-Be, which, as mentioned above, after the Transaction would have less than half of the merged entity's market share. [307] On the other hand, MBCC is considered the second closest competitor of Sika after MC Bauchemie/Ha-Be by customers. [308]

(426) This is confirmed when looking at tender data provided by the parties. According to this data, the parties meet each other / lose or win against each other more often than against other competitors.[309]

(427) **Fifth** contrary to the Notifying Party's claims, the investigation generally confirmed that barriers to entry are significant due to many factors as explained above (see Section 6.1.1.5), in particular due to the need to build (i) a sufficiently large customer base, (ii) a sufficiently strong sales force and technical team (iii) customer trust and brand loyalty (iv) the necessary know-how in formulation and testing of chemical admixtures and (iv) a large majority of respondents to the market investigations being unaware of any recent entry of new suppliers.[310]

(428) **Finally**, some market participants anticipate a negative impact from the Transaction in the chemical admixtures and concrete admixtures markets in Germany. A significant number of customers expressing a view believe the Transaction would have a negative impact on competition in Germany.[311] One specific concern that was expressed was that innovation would be lost, as the Parties are generally considered to be the most innovative players. One customer stated, for example, that "*after the merger there will*

304 Replies to Questionnaire Q1, question 29.
305 Replies to Questionnaire Q1, question 29.
306 Call with customer, 7.1.2022, Para 18.
307 Replies to Questionnaire Q1, question 42.
308 Replies to Questionnaire Q1, question 42.
309 Form CO.
310 Replies to Questionnaire Q1, question 43.
311 Replies to Questionnaire Q1, question 51.

only be one supplier in our region with significant logistical and technical capabilities".[312] Another stated that "*[t]he acquisition would lead to a concentration of the market and decrease of competition. This would lead to higher prices and a lower pressure to innovate Company*". [313]

(429) In addition, some competitors expressing a view believe the Transaction would have a negative impact on competition in Germany.[314] A German competitor expressed concerns, stating that "*one should expect that reduced competition will lead to higher prices / margins, at least until new competitors are sinking in with smaller or mid term clients.*"[315]

(430) **To conclude**, in light in particular of (i) the level of the Parties' market shares and their closeness, (ii) the level of market concentration and limited number of credible alternatives, (iii) the high barriers to entry and (iv) the concerns expressed during the market investigation, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to the market for chemical admixtures and for concrete admixtures specifically in Germany.

6.1.2.2.9. Hungary

(431) In Hungary, Sika has an admixture plant in Biatorbágy while MBCC does not have any local production of chemical admixtures. MBCC's closest chemical admixtures plant is located in Krieglach (Austria).

(432) The Notifying Party considers that there could be no basis for concerns in Hungary, since post-Transaction there will be a large number of suppliers active in the Hungarian chemical admixtures market.

(433) For the reasons set out in the paragraphs below, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to chemical admixtures, as well as when considering concrete admixtures specifically in Hungary.

(434) **First**, the merged entity would have high market shares in Hungary for chemical admixtures and concrete admixtures.

(435) The Tables below present the Parties and their main competitors' market shares over the last four years in value and volume for chemical admixtures and for concrete admixtures as per the Parties' best estimates.

312 Replies to Questionnaire Q1, question 49.1.
313 Replies to Questionnaire Q1, question 49.1.
314 Replies to Questionnaire Q2, question 51.
315 Replies to Questionnaire Q2, question 51.1.

Table 54 - Chemical admixtures - sales values - Hungary

Chemical admixtures	Hungary							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
MBCC	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Combined	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**
MC-Bauchemie	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Mapei	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[10-20]%
Rohrdorfer	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Other	[...]	[0-5]%	[...]	[0-5]%	[...]	[10-20]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 55 - Chemical admixtures - sales volumes - Hungary

Chemical admixtures	Hungary							
	2018		2019		2020		2021	
	Volume s (in tons)	Share (% by volume)	Volume s (in tons)	Share (% by volume)	Volume s (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)
Sika	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
MBCC	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Combined	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**
MC-Bauchemie	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Mapei	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Rohrdorfer	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Other	[...]	[0-5]%	[...]	[0-5]%	[...]	[10-20]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 56 - Concrete admixtures - sales values - Hungary

Concrete admixtures	Hungary							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
MBCC	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Combined	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**40-50%**
Mapei	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
MC-Bauchemie	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%

Concrete admixtures	Hungary							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Baustofftechnik Rohrdorfer	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Other	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 57 - Concrete admixtures - sales volumes - Hungary

Concrete admixtures	Hungary							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
MBCC	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Combined	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**
Mapei	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
MC-Bauchemie	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Baustofftechnik Rohrdorfer	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Other	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

(436) According to the data provided by the Parties in Table 54 and Table 55, Sika had a market share for chemical admixtures in Hungary in 2021 of [20-30]% based on value and [20-30]% based on volume. MBCC had a market share in 2021 of [10-20]% based on value and [10-20]% based on volume. Therefore, the combined market share of the Parties is above [30-40]%, [30-40]% based on value and [30-40]% based on volume, with a significant increment.

(437) According to the data provided by the Parties in Table 56 and Table 57, market shares for concrete admixtures in Hungary in 2021 are quite similar to those for chemical admixtures. Sika had a market share of [20-30]% based on value and [20-30]% based on volume, MBCC of [10-20]% based on value and [10-20]% based on volume. The combined market share is therefore around or above [40-50]%, [40-50]% (value) or [30-40]% (volume), with a significant increment.

(438) According to the Commission's market reconstruction, the market shares of the Parties were approximately as estimated by the Parties, with a combined share of [30-40]% for chemical admixtures and [40-50]% for concrete admixtures, as can be seen in Table 58. The combined market shares of the Parties have constantly been between [20-30]% and [40-50]% in the last three years for both chemical admixtures and for concrete admixtures.

Table 58 – Market reconstruction – Hungary

Segment	Metric	2019		2020		2021	
		Parties	Reconstruction	Parties	Reconstruction	Parties	Reconstruction
Chemical admixtures	in value (EUR)	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[30-40]%
	in volume (tons)	[30-40]%	[30-40]%	[30-40]%	[20-30]%	[30-40]%	[30-40]%
Concrete admixtures	in value (EUR)	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[40-50]%	[40-50]%
	in volume (tons)	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[30-40]%

Source: Form CO, Annex 7.2-A; Market ***reconstruction.***

(439) When considering catchment areas around the Parties' plants, the merged entity would have even higher market shares, with up to [40-50] % for concrete admixtures for Sika's Biatorbágy plant, as can be seen in Table 59.

Table 59 – Catchment Areas – Hungarian plants

Plant	Radius	RFI	Chemical admixtures		Concrete admixtures	
			2020	2021	2020	2021
Sika - Biatorbágy	400Km	RFI 14	[30-40]%	[30-40]%	[30-40]%	[30-40]%
Sika - Biatorbágy	80%	RFI 14	[30-40]%	[30-40]%	[30-40]%	[40-50]%

Source: RFI 14

(440) **Second**, the Transaction would significantly increase the concentration level for chemical admixtures and concrete admixtures. According to the data provided by the parties for value of chemical admixtures in 2021, the HHI pre-Transaction is [1,500 – 2,000] and the HHI post-Transaction would be [2,500 – 3,000], with a delta of [700 – 750].[316] The delta is well above 150, the level below which horizontal competition concerns are unlikely when the HHI post-transaction is above 2 000.[317] Irrespective of the market segments, including for concrete admixtures, the market share increment is always significant, more than 10%. The post-Transaction HHI as well as the delta is similar based on the Commission's market reconstruction.

(441) **Third**, while several other admixture suppliers are active in Hungary, only two of these have market shares in excess of 10% (but below [20-30]%), and each of them would still be significantly smaller (by at least approximately [10-20]%-points) than the merged entity post-Transaction both for chemical admixtures and for concrete admixtures specifically. Moreover, Mapei is the only large fully independent supplier on the Hungary market. MC Bauchemie is less vertically integrated, depends on the supply of polymers from the Parties (see Section 6.1.1.6.1) and lack significant innovation capabilities. As a result, no competitor would be able to constrain the merged entity.

(442) **Fourth**, according to the market investigation, the Transaction would eliminate competition between two close competitors. According to customers, Sika is the second closest competitor of MBCC after Mapei, which would have almost 20% less than the merged entity's market share.[318] MBCC is also considered the second closest competitor of Sika after Mapei by customers.[319]

316 Form CO, Annex 7.2-A
317 Horizontal Merger Guidelines, paras 19-20
318 Replies to Questionnaire Q1, question 42.
319 Replies to Questionnaire Q1, question 42.

(443) **Fifth** contrary to the Notifying Party's claims, the investigation generally confirmed that barriers to entry are significant due to many factors as explained above (see Section 6.1.1.5), in particular due to the need to build (i) a sufficiently large customer base, (ii) a sufficiently strong sales force and technical team (iii) customer trust and brand loyalty (iv) the necessary know-how in formulation and testing of chemical admixtures and (iv) a large majority of respondents to the market investigations being unaware of any recent entry of new suppliers.[320]

(444) **Finally**, a Hungarian customer expressed concerns, stating that alternative players have products of less quality.[321] In addition, one competitor expressed the view that the Transaction would have a negative impact on competition. [322]

(445) **To conclude**, in light in particular of (i) the level of the Parties' market shares and their closeness, (ii) the level of market concentration and limited number of credible alternatives, (iii) the high barriers to entry and (iv) the concerns expressed during the market investigation, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to the market for chemical admixtures and for concrete admixtures specifically in Hungary.

6.1.2.2.10. Iceland

(446) In Iceland, neither Sika nor MBCC have any local production of chemical admixtures.

(447) The Notifying Party considers that there could be no basis for concerns in Iceland, since post-Transaction there will be a large number of suppliers active in the Icelandic chemical admixtures market.

(448) For the reasons set out in the paragraphs below, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to chemical admixtures, as well as when considering concrete admixtures specifically, in Iceland.

(449) **First**, the merged entity would have high market shares on the Iceland market for chemical admixtures and concrete admixtures.

(450) The Tables below present the Parties and their main competitors' market shares over the last four years in value and volume for chemical admixtures and for concrete admixtures as per the Parties' best estimates.

320 Replies to Questionnaire Q1, question 43.
321 Minutes of a call with a customer, 23.02.2022, para 7.
322 Replies to Questionnaire Q2, question 51.

Table 60 - Chemical admixtures - sales values - Iceland

Chemical admixtures	Iceland							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[50-60]%	[...]	[40-50]%	[...]	[30-40]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Combined	[...]	**[80-90]%**	[...]	**[50-60]%**	[...]	**[40-50]%**	[...]	**[20-30]%**
GCP	[...]	[5-10]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[30-40]%
Mapei	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[20-30]%
Other	[...]	[0-5]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

*Source: Form CO, Annex **7.2-A***

Table 61 - Chemical admixtures - sales volumes - Iceland

Chemical admixtures	Iceland							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)
Sika	[...]	[40-50]%	[...]	[30-40]%	[...]	[20-30]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Combined	[...]	**[70-80]%**	[...]	**[50-60]%**	[...]	**[30-40]%**	[...]	**[30-40]%**
GCP	[...]	[10-20]%	[...]	[20-30]%	[...]	[30-40]%	[...]	[30-40]%
Mapei	[...]	[5-10]%	[...]	[10-20]%	[...]	[20-30]%	[...]	[20-30]%
Other	[...]	[0-5]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 62 - Concrete admixtures - sales values - Iceland

Concrete admixtures	Iceland							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[50-60]%	[...]	[40-50]%	[...]	[30-40]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Combined	[...]	**[80-90]%**	[...]	**[50-60]%**	[...]	**[40-50]%**	[...]	**[20-30]%**
GCP	[...]	[5-10]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[30-40]%
Mapei	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[20-30]%
Other	[...]	[0-5]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 63 – Concrete admixtures - sales volumes - Iceland

Concrete admixtures	Iceland							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[40-50]%	[...]	[30-40]%	[...]	[20-30]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Combined	[...]	**[70-80]%**	[...]	**[50-60]%**	[...]	**[30-40]%**	[...]	**[30-40]%**
GCP	[...]	[10-20]%	[...]	[20-30]%	[...]	[30-40]%	[...]	[30-40]%
Mapei	[...]	[5-10]%	[...]	[10-20]%	[...]	[20-30]%	[...]	[20-30]%
Other	[...]	[0-5]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

(451) According to the data provided by the Parties in Table 60 and Table 61, Sika had a market share for chemical admixtures in Iceland in 2021 of [10-20]% based on value and [10-20]% based on volume. MBCC had a market share in 2021 of [10-20]% based on value and [10-20]% based on volume. Therefore, the combined market share of the Parties is around [30-40]%, [20-30]% based on value and [30-40]% based on volume, having decreased in the last year from initially [80-90]% (value) and [70-80]% (volume) in 2018, with a significant increment.

(452) According to the data provided by the Parties in Table 62 and Table 63, market shares for concrete admixtures in Iceland in 2021 are quite similar to those for chemical admixtures. Sika had a market share of [10-20]% based on value and [10-20]% based on volume, MBCC of [10-20]% based on value and [10-20]% based on volume. The combined market share is therefore around or above [30-40]% , [20-30]% (value) or [30-40]% (volume), with a significant increment.

(453) According to the Commission's market reconstruction, the market shares of the Parties were significantly higher than estimated by the Parties, but still high with a combined share of [40-50]% for chemical admixtures in 2021, as can be seen in Table 64. The combined market shares of the Parties have constantly been between [40-50]% and [60-70]% in the last three years for both chemical admixtures and for concrete admixtures.

Table 64 – Market reconstruction – Iceland

Segment	Metric	2019		2020		2021	
		Parties	Reconstruction	Parties	Reconstruction	Parties	Reconstruction
Chemical admixtures	in value (EUR)	[50-60]%	[50-60]%	[40-50]%	[60-70]%	[20-30]%	[40-50]%
	in volume (tons)	[50-60]%	[40-50]%	[30-40]%	[50-60]%	[30-40]%	[40-50]%
Concrete admixtures	in value (EUR)	[50-60]%	[50-60]%	[40-50]%	[60-70]%	[20-30]%	[40-50]%
	in volume (tons)	[50-60]%	[40-50]%	[30-40]%	[50-60]%	[30-40]%	[40-50]%

Source: Form CO, Annex 7.2-A; Market reconstruction.

(454) **Second**, the Transaction would significantly increase the concentration level in Iceland for chemical admixtures and concrete admixtures. According to the data provided by the parties for value of chemical admixtures in 2021, the HHI pre-Transaction is [2,000 – 2,500] and the HHI post-Transaction would be [2,500 – 3,000], with a delta of [400 – 450]. The delta is well above 150, the level below which horizontal competition concerns are unlikely when the HHI post-transaction is above 2 000. Irrespective of the

market segments, including for concrete admixtures, the market share increment is always significant, more than 10%. The post-Transaction HHI as well as the delta is even higher based on the Commission's market reconstruction.

(455) **Third**, while several other admixture suppliers are active in Iceland, only one of these, GCP, has market shares in excess of [10-20]%, and would still be significantly smaller (taking into account the market reconstruction - by at least [20-30]%-points, value) than the merged entity post-Transaction both for chemical admixtures and for concrete admixtures specifically. Moreover, Mapei is the only fully independent supplier on the market in Iceland. Indeed, as explained in Section 6.1.1.6.1 above, GCP depends on the supply of polymers from the Parties and lack significant innovation capabilities. As a result, no competitor would be able to constrain the merged entity.

(456) **Fourth** contrary to the Notifying Party's claims, the investigation generally confirmed that barriers to entry are significant due to many factors as explained above (see Section 6.1.1.5), in particular due to the need to build (i) a sufficiently large customer base, (ii) a sufficiently strong sales force and technical team (iii) customer trust and brand loyalty (iv) the necessary know-how in formulation and testing of chemical admixtures and (iv) a large majority of respondents to the market investigations being unaware of any recent entry of new suppliers.[323]

(457) **Finally**, market participants anticipate a negative impact from the Transaction in Iceland. All customers expressing a view believes the Transaction would have a negative impact on competition.[324] In addition, one competitor expressed the view that the Transaction would have a negative impact on competition in Iceland.[325]

(458) **To conclude**, in light in particular of (i) the level of the Parties' market shares and their closeness, (ii) the level of market concentration and limited number of credible alternatives, (iii) the high barriers to entry and (iv) the concerns expressed during the market investigation, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to the market for chemical admixtures and for concrete admixtures specifically in Iceland.

6.1.2.2.11. Ireland

(459) In Ireland, neither Sika nor MBCC have any local production of chemical admixtures. Sika's nearest chemical admixtures plant is located close to London (Welwyn Garden City), UK whereas MBCC's closest chemical admixtures plant is located in Manchester, UK. Sika only has a warehouse and sales office in Dublin, whereas MBCC has no domestic presence at all.

(460) The Notifying Party considers that there could be no basis for concerns in Ireland, since post-Transaction there will be a large number of suppliers active in the Irish chemical admixtures market.

(461) For the reasons set out in the paragraphs below, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to chemical admixtures, as well as when considering concrete admixtures specifically, in Ireland.

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323 Replies to Questionnaire Q1, question 43.

324 Replies to Questionnaire Q1, question 51.

325 Replies to Questionnaire Q2, question 51.

(462) **First**, the merged entity would have high market shares in Ireland for chemical admixtures and concrete admixtures.

(463) The Tables below present the Parties and their main competitors' market shares over the last four years in value and volume for chemical admixtures and for concrete admixtures as per the Parties' best estimates.

Table 65 - Chemical admixtures - sales values - Ireland

Chemical admixtures	Ireland							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
MBCC	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Combined	[...]	**[40-50]%**	[...]	**[40-50]%**	[...]	**[40-50]%**	[...]	**[30-40]%**
GCP	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
MC-Bauchemie	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Larsen	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[10-20]%
Fosroc	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Adcrete	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Chryso	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 66 - Chemical admixtures - sales volumes - Ireland

Chemical admixtures	Ireland							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)
Sika	[...]	[30-40]%	[...]	[30-40]%	[...]	[30-40]%	[...]	[20-30]%
MBCC	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Combined	[...]	**[40-50]%**	[...]	**[50-60]%**	[...]	**[50-60]%**	[...]	**[40-50]%**
GCP	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[20-30]%
MC-Bauchemie	[...]	[10-20]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[10-20]%
Larsen	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Fosroc	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Adcrete	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%
Chryso	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 67 - Concrete admixtures - sales values - Ireland

Concrete admixtures	Ireland							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[30-40]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
MBCC	[...]	[10-20]%	[...]	[10-20]%	[...]	[20-30]%	[...]	[10-20]%
Combined	[...]	**[40-50]%**	[...]	**[40-50]%**	[...]	**[40-50]%**	[...]	**[30-40]%**
GCP	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MC-Bauchemie	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Larsen	[...]	[5-10]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%
FOSROC	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Adcrete	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%
Other	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 68 - Concrete admixtures - sales volumes - Ireland

Concrete admixtures	Ireland							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[30-40]%	[...]	[30-40]%	[...]	[30-40]%	[...]	[30-40]%
MBCC	[...]	[10-20]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[10-20]%
Combined	[...]	**[50-60]%**	[...]	**[50-60]%**	[...]	**[50-60]%**	[...]	**[40-50]%**
GCP	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MC-Bauchemie	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[10-20]%
Larsen	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[10-20]%
FOSROC	[...]	[5-10]%	[...]	[5-10]%	[...]	[0-5]%	[...]	[5-10]%
Adcrete	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%
Other	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

(464) According to the data provided by the Parties in Table 65and Table 66, Sika had a market share for chemical admixtures in Ireland in 2021 of [20-30]% based on value and [20-30]% based on volume. MBCC had a market share in 2021 of [10-20]% based on value and [10-20]% based on volume. Therefore, the combined market share of the Parties is around [40-50]%, [30-40]% based on value and [40-50]% based on volume, with a significant increment.

(465) According to the data provided by the Parties in Table 67 and Table 68, market shares for concrete admixtures in Ireland in 2021 are quite similar to those for chemical admixtures. Sika had a market share of [20-30]% based on value and [30-40]% based on volume, MBCC of [10-20]% based on value and [10-20]% based on volume. The

combined market share is therefore around or above [40-50]%, [30-40]% (value) or [40-50]% (volume), with a significant increment.

(466) According to the Commission's market reconstruction, the market shares of the Parties were higher for value and slightly lower for volume than estimated by the Parties, with a combined share of [40-50]% (value) in chemical admixtures and [40-50]% (value) in concrete admixtures in 2021, as can be seen in Table 69. The combined market shares of the Parties have constantly been between [40-50]% and [50-60]% with a slight decrease over the last three years for both chemical admixtures and for concrete admixtures.

Table 69 – Market reconstruction – Ireland

Segment	Metric	2019		2020		2021	
		Parties	Reconstruction	Parties	Reconstruction	Parties	Reconstruction
Chemical admixtures	in value (EUR)	[40-50]%	[40-50]%	[40-50]%	[40-50]%	[30-40]%	[40-50]%
	in volume (tons)	[50-60]%	[40-50]%	[50-60]%	[40-50]%	[40-50]%	[40-50]%
Concrete admixtures	in value (EUR)	[40-50]%	[50-60]%	[40-50]%	[50-60]%	[30-40]%	[40-50]%
	in volume (tons)	[50-60]%	[50-60]%	[50-60]%	[50-60]%	[40-50]%	[40-50]%

Source: Form CO, Annex 7.2-A; Market reconstruction.

(467) According to the data provided by the Parties, the Parties also have high combined market shares in the sub-segment of chemical admixtures specialties combined ([50-60]%).[326]

(468) **Second**, the Transaction would significantly increase the concentration level for chemical admixtures and concrete admixtures. According to the data provided by the parties for value of chemical admixtures in 2021, the HHI pre-Transaction is [1,500 – 2,000] and the HHI post-Transaction would be [2,000 – 2,500], with a delta of [600 – 650].[327] The delta is well above 150, the level below which horizontal competition concerns are unlikely when the HHI post-transaction is above 2 000.[328] Irrespective of the market segments, including for concrete admixtures, the market share increment is always significant, more than 10%.

(469) **Third**, while several other admixture suppliers are active in Ireland, only three of these have market shares in excess of 10% (but below [20-30]%), and each of them would still be significantly smaller (by at least approximately [10-20]%-points) than the merged entity post-Transaction both for chemical admixtures and for concrete admixtures specifically. While MC Bauchemie is only active in few countries, GCP depends on the supply of polymers from the Parties and lacks significant innovation capabilities, as explained in Section 6.1.1.6.1 above. As a result, no competitor would be able to constrain the merged entity.

(470) **Fourth**, according to the market investigation, the Transaction would eliminate competition between two close competitors. As explained in Section 6.1.1.4, both Parties have strong innovation capabilities and large portfolios, including in Ireland. A majority of customers expressing a view consider innovation to be "very important"[329]. The preliminary market investigation, however, was inconclusive whether the Transaction would eliminate competition between two close competitors. According to

326 RFI 8 Annex Q6

327 Form CO, Annex 7.2-A

328 Horizontal Merger Guidelines, paras 19-20

329 Replies to Questionnaire Q1, question 29.

customers, Adcrete is the closest competitor of Sika and Adcrete and Larsen are the closest competitors of MBCC.[330]

(471) **Fifth** contrary to the Notifying Party's claims, the investigation generally confirmed that barriers to entry are significant due to many factors as explained above (see Section 6.1.1.5), in particular due to the need to build (i) a sufficiently large customer base, (ii) a sufficiently strong sales force and technical team (iii) customer trust and brand loyalty (iv) the necessary know-how in formulation and testing of chemical admixtures and (iv) a large majority of respondents to the market investigations being unaware of any recent entry of new suppliers.[331]

(472) **Finally**, the preliminary market investigation was inconclusive on whether the Transaction would have a negative impact on competition in Ireland. Only one competitor expressing a view believes the Transaction would have a negative impact on competition in Ireland.[332]

(473) **To conclude**, in light in particular of (i) the level of the Parties' market shares and their closeness, (ii) the level of market concentration and limited number of credible alternatives, and (iii) the high barriers to entry and (iv), the Commission concludes that the Transaction raises serious doubts as to its compatibility with the internal market in relation to the market for chemical admixtures and for concrete admixtures specifically in Ireland.

6.1.2.2.12. Italy

(474) In Italy, Sika is active through sales offices and warehouses, as well as domestic chemical admixtures plants in Calusco d'Adda (in the north, near Milan) and Siderno Marina (close to Sicily), whereas MBCC only has chemical admixtures plants about 500km away from both Sika plants in Latina (near Rome), as well as 200km away from Calusco in Treviso (near Venezia).

(475) The Notifying Party considers that there could be no basis for concerns in Italy, since post-Transaction there will be a large number of suppliers active in the Italian chemical admixtures market.

(476) For the reasons set out in the paragraphs below, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to chemical admixtures or concrete admixtures in Italy.

(477) **First**, the merged entity would have high market shares in Italy for chemical admixtures and concrete admixtures, and even higher shares in some segments, in particular for chemical admixtures infrastructure projects.

(478) The Tables below present the Parties and their main competitors' market shares over the last four years in value and volume for chemical admixtures and for concrete admixtures as per the Parties' best estimates.

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330 Replies to Questionnaire Q1, question 42.

331 Replies to Questionnaire Q1, question 43.

332 Replies to Questionnaire Q2, question 51.

Table 70 - Chemical admixtures - sales values - Italy

Chemical admixtures	Italy							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[20-30]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	[...]	**[30-40]%**	[...]	**[40-50]%**	**[...]**	**[40-50]%**	**[...]**	**[40-50]%**
Mapei	[...]	[30-40]%	[...]	[30-40]%	[...]	[20-30]%	[...]	[20-30]%
Chryso	[...]	[10-20]%	[...]	[10-20]%	[...]	[5-10]%	[...]	[5-10]%
General Admixtures	[...]	[5-10]%	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%
Draco	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
GCP	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Tekna Chem	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

*Source: Form **CO, Annex 7.2-A***

Table 71 - Chemical admixtures - sales volumes - Italy

Chemical admixtures	Italy							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)
Sika	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[30-40]%	[...]	[30-40]%
Combined	[...]	**[40-50]%**	[...]	**[40-50]%**	[...]	**[50-60]%**	[...]	**[50-60]%**
Mapei	[...]	[30-40]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Chryso	[...]	[10-20]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
General Admixtures	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Draco	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
GCP	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Tekna Chem	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 72 - Concrete admixtures - sales values - Italy

Concrete admixtures	Italy							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[30-40]%	[...]	[30-40]%
Combined	[...]	**[40-50]%**	[...]	**[40-50]%**	[...]	**[40-50]%**	[...]	**[50-60]%**
Mapei	[...]	[30-40]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
CHRYSO	[...]	[10-20]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
General Admixtures	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
DRACO	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Tekna Chem	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 73 – Concrete admixtures - sales volumes - Italy

Concrete admixtures	Italy							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[30-40]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[30-40]%	[...]	[20-30]%	[...]	[30-40]%
Combined	[...]	**[40-50]%**	[...]	**[50-60]%**	[...]	**[50-60]%**	[...]	**[50-60]%**
Mapei	[...]	[20-30]%	[...]	[20-30]%	[...]	[10-20]%	[...]	[20-30]%
CHRYSO	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
General Admixtures	[...]	[5-10]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[0-5]%
DRACO	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Tekna Chem	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

(479) According to the data provided by the Parties in Table 70Table 72 and Table 71, Sika had a market share for chemical admixtures in Italy in 2021 of [20-30]% based on value and [10-20]% based on volume. MBCC had a market share in 2021 of [20-30]% based on value and [30-40]% based on volume. Therefore, the combined market share of the Parties is around [50-60]%, [40-50]% based on value and [50-60]% based on volume, with a significant increment.

(480) According to the data provided by the Parties in Table 72 and Table 73, market shares for concrete admixtures in Italy in 2021 are quite similar to those for chemical admixtures. Sika had a market share of [10-20]% based on value and [10-20]% based on volume, MBCC of [30-40]%based on value and [30-40]%based on volume. The

combined market share is therefore around or above [50-60]%, [50-60]% (value) or [50-60]% (volume), with a significant increment.

(481) According to the Commission's market reconstruction, the market shares of the Parties were slightly lower than estimated by the Parties, but still high with a combined share in 2021 for chemical admixtures of [40-50]% (value) and for concrete admixtures of [50-60]% (value) as can be seen in Table 74. The combined market shares of the Parties have constantly been between [40-50]% and [50-60]% and has constantly been increase in the last three years for both chemical admixtures and for concrete admixtures.

Table 74 – Market reconstruction – Italy

Segment	Metric	2019		2020		2021	
		Parties	Reconstruction	Parties	Reconstruction	Parties	Reconstruction
Chemical admixtures	in value (EUR)	[40-50]%	[40-50]%	[40-50]%	[40-50]%	[40-50]%	[40-50]%
	in volume (tons)	[40-50]%	[40-50]%	[50-60]%	[40-50]%	[50-60]%	[40-50]%
Concrete admixtures	in value (EUR)	[40-50]%	[40-50]%	[40-50]%	[40-50]%	[50-60]%	[50-60]%
	in volume (tons)	[40-50]%	[40-50]%	[50-60]%	[40-50]%	[50-60]%	[40-50]%

Source: Form CO, Annex 7.2-A; Market reconstruction.

(482) When considering catchment areas around the Parties' plants, the merged entity would have even higher market shares, with up to [50-60]% for MBCC's Treviso plant, as can be seen in Table 75.

Table 75 – Catchment Areas – Italian plants

Plant	Radius	RFI	Chemical admixtures		Concrete admixtures	
			2020	2021	2020	2021
MBCC - Latina	400Km	RFI 14	[40-50]%	[50-60]%	[50-60]%	[50-60]%
MBCC - Latina	80%	RFI 14	[40-50]%	[40-50]%	[40-50]%	[40-50]%
MBCC - Treviso	400Km	RFI 14	[50-60]%	[50-60]%	[50-60]%	[50-60]%
MBCC - Treviso	80%	RFI 14	[40-50]%	[40-50]%	[50-60]%	[50-60]%
Sika - Calusco D'adda (Bg)	400Km	RFI 14	[40-50]%	[40-50]%	[50-60]%	[50-60]%
Sika - Calusco D'adda (Bg)	80%	RFI 14	[50-60]%	[50-60]%	[50-60]%	[50-60]%
Sika - Siderno Marina (Rc)	400Km	RFI 14	[50-60]%	[50-60]%	[40-50]%	[50-60]%
Sika - Siderno Marina (Rc)	80%	RFI 14	[40-50]%	[50-60]%	[40-50]%	[50-60]%

Source: RFI 14

(483) According to the data provided by the Parties, the Parties also have high combined market shares in the sub-segment of chemical admixtures infrastructure (combined share of [50-60]%).[333]

(484) **Second**, the Transaction would significantly increase the concentration level for chemical admixtures and concrete admixtures in Italy. According to the data provided by the parties for value of chemical admixtures in 2021, the HHI pre-Transaction is [2,000 – 2,500] and the HHI post-Transaction would be [3,000 – 3,500], with a delta of [1,000 – 1,500].[334] The delta is well above 150, the level below which horizontal competition concerns are unlikely when the HHI post-transaction is above 2 000.[335]

333 RFI 8 Annex Q6

334 Form CO, Annex 7.2-A

335 Horizontal Merger Guidelines, paras 19-20

Irrespective of the market segments, including for concrete admixtures, the market share increment is always significant, more than 15%. The post-Transaction HHI as well as the delta is similar, though slightly lower, based on the Commission's market reconstruction.

(485) **Third**, while several other admixture suppliers are active in Italy, only Mapei has market shares in excess of 10% (and below [20-30]%), but even Mapei would still be significantly smaller (by at least approximately [20-30]%-points) than the merged entity post-Transaction both for chemical admixtures and for concrete admixtures specifically. Mapei is also the only large fully independent supplier on the Italian market. As a result, no competitor would be able to constrain the merged entity.

(486) **Fourth**, according to the market investigation, the Transaction would eliminate competition between two close competitors. As explained in Section 6.1.1.4, both Parties have strong innovation capabilities and large portfolios, including in Italy. A majority of customers expressing a view consider innovation to be "very important"[336]. One Italian customer explained that "*Innovation in the admixtures sector has always been the key element to improve the quality of concrete*".[337] According to the data provided by the Parties, the Parties have a particularly high combined market shares for chemical admixtures and concrete admixtures in infrastructure ([50-60]%), which is a segment where the strongest suppliers, with more track-record, are favoured.[338] According to customers, Mapei is the closest competitor of Sika as well as of MBCC.[339]

(487) **Fifth** contrary to the Notifying Party's claims, the investigation generally confirmed that barriers to entry are significant due to many factors as explained above (see Section 6.1.1.5), in particular due to the need to build (i) a sufficiently large customer base, (ii) a sufficiently strong sales force and technical team (iii) customer trust and brand loyalty (iv) the necessary know-how in formulation and testing of chemical admixtures and (iv) a large majority of respondents to the market investigations being unaware of any recent entry of new suppliers.[340]

(488) **Finally**, some market participants anticipate a negative impact from the Transaction in Italy. One customer expressed the concern that the transaction would lead to an increase of prices.[341] Also some competitors expressing a view believe the Transaction would have a negative impact on competition in Italy.[342]

(489) **To conclude**, in light in particular of (i) the level of the Parties' market shares and their closeness, (ii) the level of market concentration and limited number of credible alternatives, (iii) the high barriers to entry and (iv) the concerns expressed during the market investigation, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to the market for chemical admixtures and for concrete admixtures specifically in Italy.

336 Replies to Questionnaire Q1, question 29.
337 Replies to Questionnaire Q1, question 29.
338 RFI 8 Annex Q6
339 Replies to Questionnaire Q1, question 42.
340 Replies to Questionnaire Q1, question 43.
341 Replies to Questionnaire Q1, question 49.1.
342 Replies to Questionnaire Q2, question 51.

6.1.2.2.13. Luxembourg

(490) In Luxembourg, neither Sika nor MBCC have any local production or warehouses of chemical admixtures.

(491) The Notifying Party considers that there could be no basis for concerns in Luxembourg, since post-Transaction there will be a large number of suppliers active in the Luxembourgish chemical admixtures market.

(492) For the reasons set out in the paragraphs below, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to chemical admixtures, as well as when considering concrete admixtures specifically, in Luxembourg.

(493) **First**, the merged entity would have high market shares in Luxembourg for both chemical admixtures and concrete admixtures.

(494) The Tables below present the Parties and their main competitors' market shares over the last four years in value and volume for chemical admixtures and for concrete admixtures as per the Parties' best estimates.

Table 76 - Chemical admixtures - sales values - Luxembourg

Chemical admixtures	Luxembourg							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)
Sika	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[30-40]%
MBCC	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[20-30]%
Combined	[...]	**[5-10]%**	[...]	**[10-20]%**	[...]	**[10-20]%**	[...]	**[50-60]%**
MC-Bauchemie	[...]	[50-60]%	[...]	[50-60]%	[...]	[50-60]%	[...]	[20-30]%
Tillman	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Chryso	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 77 - Chemical admixtures - sales volumes - Luxembourg

Chemical admixtures	Luxembourg							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)
Sika	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[40-50]%
MBCC	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Combined	[...]	**[10-20]%**	[...]	**[10-20]%**	[...]	**[10-20]%**	[...]	**[50-60]%**
MC-Bauchemie	[...]	[50-60]%	[...]	[50-60]%	[...]	[50-60]%	[...]	[10-20]%
Tillman	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%

Chemical admixtures	Luxembourg							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)
Chryso	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[20-30]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 78 - Concrete admixtures - sales values - Luxembourg

Concrete admixtures	Luxembourg							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[30-40]
MBCC	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[20-30]%
Combined	[...]	**[10-20]%**	[...]	**[10-20]%**	[...]	**[10-20]%**	[...]	**[60-70]%**
MC-Bauchemie	[...]	[50-60]%	[...]	[50-60]%	[...]	[50-60]%	[...]	[20-30]%
Tillman	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[0-5]%
CHRYSO	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[5-10]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 79 - Concrete admixtures - sales volumes - Luxembourg

Concrete admixtures	Luxembourg							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[40-50]%
MBCC	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
Combined	[...]	[10-20]**%**	[...]	[10-20]**%**	[...]	[10-20]**%**	[...]	**[50-60]%**
MC-Bauchemie	[...]	[50-60]%	[...]	[50-60]%	[...]	[50-60]%	[...]	[20-30]%
Tillman	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[0-5]%
CHRYSO	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[20-30]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[5-10]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

*Source: **Form CO, Annex 7.2-A***

(495) According to the data provided by the Parties in Table 76 and Table 77, Sika had a market share for chemical admixtures in Luxembourg in 2021 of [30-40]% based on value and [40-50]% based on volume. MBCC had a market share in 2021 of [20-30]%

based on value and [10-20]% based on volume. Therefore, the combined market share of the Parties is above 50%, [50-60]% based on value and [50-60]% based on volume, with a significant increment.[343]

(496) According to the data provided by the Parties in Table 78 and Table 79, market shares for concrete admixtures in Luxembourg in 2021 are quite similar to those for chemical admixtures. Sika had a market share of [30-40]% based on value and [40-50]%based on volume, MBCC of [20-30]% based on value and [10-20]% based on volume. The combined market share is therefore around or above [60-70]%, [60-70]% (value) or [60-70]% (volume), with a significant increment.

(497) According to the Commission's market reconstruction, the market shares of the Parties were significantly higher than estimated by the Parties with a combined share for chemical admixtures of [60-70]% (value) and for concrete admixtures of [70-80]% (value), as can be seen in Table 80. The combined market shares of the Parties have constantly been increasing significantly from approximately [20-30]% in 2019 to [70-80]% in 2021.

Table 80 – Market reconstruction – Luxembourg

Segment	Metric	2019		2020		2021	
		Parties	Reconstruction	Parties	Reconstruction	Parties	Reconstruction
Chemical admixtures	in value (EUR)	[10-20]%	[20-30]%	[10-20]%	[20-30]%	[50-60]%	[60-70]%
	in volume (tons)	[10-20]%	[10-20]%	[10-20]%	[20-30]%	[50-60]%	[70-80]%
Concrete admixtures	in value (EUR)	[10-20]%	[20-30]%	[10-20]%	[20-30]%	[60-70]%	[70-80]%
	in volume (tons)	[10-20]%	[20-30]%	[10-20]%	[20-30]%	[60-70]%	[70-80]%

Source: Form CO, Annex 7.2-A; Market reconstruction.

(498) **Second**, the Transaction would significantly increase the concentration level for chemical admixtures and concrete admixtures. According to the data provided by the parties for value of chemical admixtures in 2021, the HHI pre-Transaction is [2,000 – 2,500] and the HHI post-Transaction would be [4,000 – 4,500], with a delta of [1,500 – 2,000].[344] The delta is well above 150, the level below which horizontal competition concerns are unlikely when the HHI post-transaction is above 2 000.[345] Irrespective of the market segments, including for concrete admixtures, the market share increment is always significant, more than 10%. The post-Transaction HHI as well as the delta is even higher based on the Commission's market reconstruction.

(499) **Third**, while several other admixture suppliers are active in Luxembourg, only MC Bauchemie has market shares in excess of 10% (and below [20-30]%), and would still be significantly smaller (by approximately [40-50]%-points) than the merged entity post-Transaction both for chemical admixtures and for concrete admixtures specifically. As a result, no competitor would be able to constrain the merged entity.

(500) **Fourth**, according to the market investigation, the Transaction would eliminate competition between two close competitors. As explained in Section 6.1.1.4, both Parties have strong innovation capabilities and large portfolios, including in Ireland. A majority of customers expressing a view consider innovation to be "very important"[346].

343 The significant increase in market share in 2021 resulted from the win of one tender, according to the Parties, Form CO para. 733.

344 Form CO, Annex 7.2-A

345 Horizontal Merger Guidelines, paras 19-20

346 Replies to Questionnaire Q1, question 29.

The preliminary market investigation, however, was inconclusive whether the Transaction would eliminate competition between two close competitors.

(501) **Fifth,** contrary to the Notifying Party's claims, the investigation generally confirmed that barriers to entry are significant due to many factors as explained above (see Section 6.1.1.5), among others in particular due to the need to build (i) a sufficiently large customer base, (ii) a sufficiently strong sales force and technical team (iii) customer trust and brand loyalty (iv) the necessary know-how in formulation and testing of chemical admixtures and (iv) a large majority of respondents to the market investigations being unaware of any recent entry of new suppliers.[347]

(502) **Finally**, some market participants anticipate a negative impact from the Transaction in the market for chemical admixtures and concrete admixtures markets in Luxembourg. Half of the competitors expressing a view believe the Transaction would have a negative impact on competition in Luxembourg. [348]

(503) **To conclude**, in light in particular of (i) the level of the Parties' market shares and their closeness, (ii) the level of market concentration and limited number of credible alternatives, (iii) the high barriers to entry and (iv) the concerns expressed during the market investigation, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to the market for chemical admixtures and for concrete admixtures specifically in Luxembourg.

6.1.2.2.14. Malta

(504) In Malta, neither Sika nor MBCC have any local production of chemical admixtures.

(505) The Notifying Party considers that there could be no basis for concerns in Malta, since post-Transaction there will be a large number of suppliers active in the Maltese chemical admixtures market. In addition, the Parties argue that since they are only active through distributors and do not have any direct sales to Malta, there should be no overlap between the Parties' activities in Malta.

(506) For the reasons set out in the paragraphs below, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to chemical admixtures, as well as when considering concrete admixtures specifically, in Malta.

(507) **First**, the merged entity would have high market shares in Malta for both chemical admixtures and concrete admixtures.

(508) In contrast to the Parties' argument, also indirect sales have to be included when calculating their market shares, as there is no rule that only direct sales count for market shares. In contrast, also indirect sales can contribute to market power of a company.

(509) The Tables below present the Parties and their main competitors' market shares over the last four years in value and volume for chemical admixtures and for concrete admixtures as per the Parties' best estimates.

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347 Replies to Questionnaire Q1, question 43.

348 Replies to Questionnaire Q2, question 51.

Table 81 - Chemical admixtures - sales values - Malta (including indirect sales)

Chemical admixtures	Malta							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika (indirect sales only)	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
MBCC (indirect sales only)	[...]	[10-20]%	[...]	[10-20]%	[...]	[20-30]%	[...]	[10-20]%
Combined	**[...]**	**[30-40]%**	**[...]**	**[30-40]%**	**[...]**	**[40-50]%**	**[...]**	**[40-50]%**
Draco	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Mapei	[...]	[0-5]%	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[50-60]%	[...]	[40-50]%	[...]	[40-50]%	[...]	[40-50]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 82 - Chemical admixtures - sales volumes - Malta (including indirect sales)

Chemical admixtures	Malta							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)
Sika (indirect sales only)	[...]	[10-20]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
MBCC (indirect sales only)	[...]	[10-20]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[10-20]%
Combined	[...]	**[30-40]%**	[...]	[40-50]%	[...]	[40-50]%	[...]	**[40-50]%**
Draco	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Mapei	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[50-60]%	[...]	[40-50]%	[...]	[40-50]%	[...]	[40-50]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 83 - Concrete admixtures - sales values - Malta

Concrete admixtures	Malta							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
MBCC	[...]	[10-20]%	[...]	[10-20]%	[...]	[20-30]%	[...]	[10-20]%
Combined	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[40-50]%**	[...]	**[40-50]%**
Mapei	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
DRACO	[...]	[0-5]%	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[50-60]%	[...]	[40-50]%	[...]	[40-50]%	[...]	[40-50]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 84 - Concrete admixtures - sales volumes - Malta

Concrete admixtures	Malta							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[10-20]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
MBCC	[...]	[10-20]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[10-20]%
Combined	[...]	**[30-40]%**	[...]	**[40-50]%**	[...]	**[40-50]%**	[...]	**[40-50]%**
Mapei	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
DRACO	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[50-60]%	[...]	[40-50]%	[...]	[40-50]%	[...]	[40-50]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

*Source: **Form CO, Annex 7.2-A***

(510) According to the data provided by the Parties in Table 81 and Table 82, Sika had a market share for chemical admixtures in Malta in 2021 of [20-30]% based on value and [20-30]% based on volume. MBCC had a market share in 2021 of [10-20]% based on value and [10-20]% based on volume. Therefore, the combined market share of the Parties is above 40%, [40-50]% based on value and [40-50]% based on volume, with a significant increment.

(511) According to the data provided by the Parties in Table 83 and Table 84, market shares for concrete admixtures in Malta in 2021 are quite similar to those for chemical admixtures. Sika had a market share of [20-30]% based on value and [20-30]% based on volume, MBCC of [10-20]% based on value and [10-20]% based on volume. The combined market share is therefore around or above 40%, [40-50]% (value) or [40-50]% (volume), with a significant increment.

(512) According to the Commission's market reconstruction, the market shares of the Parties were slightly higher than estimated by the Parties with a combined share of

approximately [40-50]%, as can be seen in Table 85. The combined market shares of the Parties have constantly been between [30-40]% and [40-50]% in the last three years for both chemical admixtures and for concrete admixtures.

Table 85 – Market reconstruction – Malta

Segment	Metric	2019		2020		2021	
		Parties	Reconstruction	Parties	Reconstruction	Parties	Reconstruction
Chemical admixtures	in value (EUR)	[30-40]%	[30-40]%	[40-50]%	[40-50]%	[40-50]%	[40-50]%
	in volume (tons)	[40-50]%	[40-50]%	[40-50]%	[40-50]%	[40-50]%	[40-50]%
Concrete admixtures	in value (EUR)	[30-40]%	[30-40]%	[40-50]%	[40-50]%	[40-50]%	[40-50]%
	in volume (tons)	[40-50]%	[40-50]%	[40-50]%	[40-50]%	[40-50]%	[40-50]%

Source: Form CO, Annex 7.2-A; Market reconstruction.

(513) According to the data provided by the Parties, the Parties also have high combined market shares in the sub-segment of chemical admixtures specialities ([60-70]%).[349]

(514) **Second**, the Transaction would significantly increase the concentration level for chemical admixtures and concrete admixtures. According to the data provided by the parties for value of chemical admixtures in 2021, the HHI pre-Transaction is [1,000 – 1,500] and the HHI post-Transaction would be [2,000 – 2,500], with a delta of [850 – 900].[350] The delta is well above 150, the level below which horizontal competition concerns are unlikely when the HHI post-transaction is above 2 000.[351] Irrespective of the market segments, including for concrete admixtures, the market share increment is always significant, more than 10%.[352] The post-Transaction HHI as well as the delta is even higher based on the Commission's market reconstruction.

(515) **Third**, while few other admixture suppliers are active in Malta, none of these have market shares in excess of 10%, and each of them would still be significantly smaller (by at least [30-40]%-points) than the merged entity post-Transaction both for chemical admixtures and for concrete admixtures specifically.[353] Competitors are very fragmented, small players ("others") account for [40-50]% of shares. [354] As a result, no competitor would be able to constrain the merged entity.

(516) **Fourth**, according to the market investigation, the Transaction would eliminate competition between two close competitors. As explained in Section 6.1.1.4, both Parties have strong innovation capabilities and large portfolios. A majority of customers expressing a view consider innovation to be "very important"[355]. The preliminary market investigation, however, was inconclusive whether the Transaction would eliminate competition between two close competitors.

(517) **Fifth** contrary to the Notifying Party's claims, the investigation generally confirmed that barriers to entry are significant due to many factors as explained above (see Section 6.1.1.5), in particular due to the need to build (i) a sufficiently large customer base, (ii) a sufficiently strong sales force and technical team (iii) customer trust and brand loyalty (iv) the necessary know-how in formulation and testing of chemical

349 RFI 8 Annex Q6.
350 Form CO, Annex 7.2-A.
351 Horizontal Merger Guidelines, paras 19-20.
352 Form CO, Annex 7.2-A.
353 Form CO, Annex 7.2-A.
354 Form CO, Annex 7.2-A.
355 Replies to Questionnaire Q1, question 29.

admixtures and (iv) a large majority of respondents to the market investigations being unaware of any recent entry of new suppliers.[356]

(518) **Finally**, a significant percentage of competitors expect that the Transaction will have a negative impact on competition in Malta. No customer expressed its views on Malta.

(519) **To conclude**, in light in particular of (i) the level of the Parties' market shares and their closeness, (ii) the level of market concentration and limited number of credible alternatives, (iii) the high barriers to entry and (iv) the concerns expressed during the market investigation, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to the market for chemical admixtures and for concrete admixtures specifically in Malta.

6.1.2.2.15. Netherlands

(520) In the Netherlands, Sika does not have any domestic chemical admixtures production and its presence is limited to sales offices and warehouses. MBCC only has a chemical admixtures plant located in Oosterhout.

(521) The Notifying Party considers that there could be no basis for concerns in the Netherlands, since post-Transaction there will be a large number of suppliers active in the Dutch chemical admixtures market.

(522) For the reasons set out in the paragraphs below, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to chemical admixtures or concrete admixtures in the Netherlands.

(523) **First**, the merged entity would have high market shares on the Dutch market for chemical admixtures and concrete admixtures.

(524) The Tables below present the Parties and their main competitors' market shares over the last four years in value and volume for chemical admixtures and for concrete admixtures as per the Parties' best estimates.

Table 86 - Chemical admixtures - sales values - Netherlands

Chemical admixtures	Netherlands							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[10-20]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**
Cugla	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Tillman	[...]	[10-20]%	[...]	[10-20]%	[...]	[5-10]%	[...]	[5-10]%
Kiwitz	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Rhein-Chemotechnik	[...]	[5-10]%	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%

[356] Replies to Questionnaire Q1, question 43.

Chemical admixtures	Netherlands							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
MC-Bauchemie	[...]	[5-10]%	[...]	[5-10]%	[...]	[0-5]%	[...]	N/A
Chryso	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Mapei	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Van Den Bergh En Co	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[0-5]%	[...]	[0-5]%	[...]	[10-20]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 87 - Chemical admixtures - sales volumes - Netherlands

Chemical admixtures	Netherlands							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)
Sika	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**
Cugla	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Tillman	[...]	[10-20]%	[...]	[10-20]%	[...]	[5-10]%	[...]	[5-10]%
Kiwitz	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
MC-Bauchemie	[...]	[5-10]%	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%
Rhein Chemotechnik	[...]	[5-10]%	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%
Chryso	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Mapei	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Van Den Bergh En Co	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[0-5]%	[...]	[0-5]%	[...]	[10-20]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 88 - Concrete admixtures - sales values - Netherlands

Concrete admixtures	Netherlands							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[40-50]%**
Cugla	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[10-20]%
Tillman	[...]	[10-20]%	[...]	[10-20]%	[...]	[5-10]%	[...]	[5-10]%
Kiwitz	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
CHRYSO	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Mapei	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[10-20]%	[...]	[10-20]%	[...]	[20-30]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 89 - Concrete admixtures - sales volumes - Netherlands

Concrete admixtures	Netherlands							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[30-40]%
Combined	[...]	[30-40]%	[...]	[30-40]%	[...]	[30-40]%	[...]	[30-40]%
Cugla	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Tillman	[...]	[10-20]%	[...]	[10-20]%	[...]	[5-10]%	[...]	[5-10]%
Kiwitz	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
CHRYSO	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Mapei	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[10-20]%	[...]	[10-20]%	[...]	[20-30]%	[...]	[10-20]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

(525) According to the data provided by the Parties in Table 86 and Table 87, Sika had a market share for chemical admixtures in the Netherlands in 2021 of [10-20]% based on value and [5-10]% based on volume. MBCC had a market share in 2021 of [20-30]% based on value and [20-30]% based on volume. Therefore, the combined market share of the Parties is above [30-40]%, [30-40]% based on value and [30-40]% based on volume, with a significant increment.

(526) According to the data provided by the Parties in Table 88 and Table 89, market shares for concrete admixtures in the Netherlands in 2021 are quite similar to those for chemical admixtures. Sika had a market share of [10-20]% based on value and [5-10]% based on volume, MBCC of [20-30]% based on value and [30-40]% based on volume.

The combined market share is therefore around or above X, [40-50]% (value) or [30-40]% (volume), with a significant increment.

(527) According to the Commission's market reconstruction, the market shares of the Parties were approximately as estimated by the Parties, with a combined share of approximately [40-50]%, as can be seen in Table 90. The combined market shares of the Parties have constantly been raising from [30-40]% to [40-50]% in the last three years for both chemical admixtures and for concrete admixtures.

Table 90 – Market reconstruction –Netherlands

Segment	Metric	2019		2020		2021	
		Parties	Reconstruction	Parties	Reconstruction	Parties	Reconstruction
Chemical admixtures	in value (EUR)	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[30-40]%
	in volume (tons)	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[30-40]%
Concrete admixtures	in value (EUR)	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[40-50]%	[40-50]%
	in volume (tons)	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[30-40]%

Source: Form CO, Annex 7.2-A; Market reconstruction.

(528) When considering catchment areas around the Parties' plants, the merged entity would still have high market shares, with up to [30-40]% for MBCC's Oosterhout plant, as can be seen in Table 91.

Table 91 – Catchment Areas – Dutch plants

Plant	Radius	RFI	Chemical admixtures		Concrete admixtures	
			2020	2021	2020	2021
MBCC - Oosterhout	400Km	RFI 14	[30-40]%	[30-40]%	[30-40]%	[30-40]%
MBCC - Oosterhout	80%	RFI 14	[30-40]%	[30-40]%	[30-40]%	[30-40]%

Source: RFI 14

(529) **Second**, the Transaction would significantly increase the concentration level for chemical admixtures overall and concrete admixtures. According to the data provided by the parties for value of chemical admixtures in 2021, the HHI pre-Transaction is [1,500 – 2,000] and the HHI post-Transaction would be [2,000 – 2,500], with a delta of [550 - 600].[357] The delta is well above 150, the level below which horizontal competition concerns are unlikely when the HHI post-transaction is above 2 000.[358] Irrespective of the market segments, including for concrete admixtures, the market share increment is always significant, more than 7%. The post-Transaction HHI as well as the delta is similar based on the Commission's market reconstruction.

(530) **Third**, while several other admixture suppliers are active in the Netherlands, only Cugla has market shares in excess of 10% (around 20%) and would still be significantly smaller (by almost 20%-points) than the merged entity post-Transaction both for chemical admixtures overall and for concrete admixtures specifically.[359] Moreover, Cugla depends on the supply of polymers from the Parties and lacks significant innovation capabilities, as explained in Section 6.1.1.6.1 above. As a result, no competitor would be able to constrain the merged entity.

357 Form CO, Annex 7.2-A
358 Horizontal Merger Guidelines, paras 19-20
359 Form CO, Annex 7.2-A

(531) **Fourth**, according to the market investigation, the Transaction would eliminate competition between two close competitors. As explained in Section 6.1.1.4, both Parties have strong innovation capabilities and large portfolios. A majority of customers expressing a view consider innovation to be "very important"[360]. According to customers, MBCC is the closest competitor of Sika together with Mapei.[361] Customers consider Chryso, Tilmann and Cugla to be MBCC's closest competitors.[362]

(532) **Fifth** contrary to the Notifying Party's claims, the investigation generally confirmed that barriers to entry are significant due to many factors as explained above (see Section 6.1.1.5), in particular due to the need to build (i) a sufficiently large customer base, (ii) a sufficiently strong sales force and technical team (iii) customer trust and brand loyalty (iv) the necessary know-how in formulation and testing of chemical admixtures and (iv) a large majority of respondents to the market investigations being unaware of any recent entry of new suppliers.[363]

(533) The preliminary market investigation, was inconclusive whether the Transaction would have a negative impact in the Netherlands. Half of the competitors expressing a view expect that the Transaction will have a negative impact on competition the Netherlands.

(534) **To conclude**, in light in particular of (i) the level of the Parties' market shares and their closeness, (ii) the level of market concentration and limited number of credible alternatives, and (iii) the high barriers to entry, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to the market for chemical admixtures and for concrete admixtures specifically in the Netherlands.

6.1.2.2.16. Norway

(535) In Norway, Sika is active through a sales office and warehouse as well as a chemical admixtures plant located in Oslo, whereas MBCC only has a chemical admixtures plant located near Oslo.

(536) The Notifying Party considers that there could be no basis for concerns in Norway, since post-Transaction there will be a large number of suppliers active in the Norwegian chemical admixtures market.

(537) For the reasons set out in the paragraphs below, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to chemical admixtures or concrete admixtures in Norway.

(538) **First**, the merged entity would have high market shares in Norway both for chemical admixtures and concrete admixtures.

(539) The Tables below present the Parties and their main competitors' market shares over the last four years in value and volume for chemical admixtures and for concrete admixtures as per the Parties' best estimates.

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360 Replies to Questionnaire Q1, question 29.
361 Replies to Questionnaire Q1, question 42.
362 Replies to Questionnaire Q1, question 42.
363 Replies to Questionnaire Q1, question 43.

Table 92 - Chemical admixtures - sales values - Norway

Chemical admixtures	Norway							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**
Mapei	[...]	[50-60]%	[...]	[50-60]%	[...]	[50-60]%	[...]	[50-60]%
Chryso	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Normet	[...]	[5-10]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[0-5]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 93 - Chemical admixtures - sales volumes - Norway

Chemical admixtures	Norway							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)
Sika	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	**[…]**	**[30-40]%**	**[…]**	**[30-40]%**	**[…]**	**[30-40]%**	**[…]**	**[30-40]%**
Mapei	[...]	[50-60]%	[...]	[50-60]%	[...]	[50-60]%	[...]	[50-60]%
Chryso	[...]	[5-10-]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Normet	[...]	[5-10]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[0-5]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

Table 94 - Concrete admixtures - sales values - Norway

Concrete admixtures	Norway							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	**[...]**	**[30-40]%**	**[...]**	**[30-40]%**	**[...]**	**[30-40]%**	**[...]**	**[30-40]%**
Mapei	[...]	[50-60]%	[...]	[50-60]%	[...]	[50-60]%	[...]	[50-60]%
CHRYSO	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Normet	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

Table 95 - Concrete admixtures - sales volumes - Norway

Concrete admixtures	Norway							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**	[...]	**[30-40]%**
Mapei	[...]	[50-60]%	[...]	[50-60]%	[...]	[50-60]%	[...]	[50-60]%
CHRYSO	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Normet	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Total	[...]	**100%**	[...]	**100%**	[...]	**100%**	[...]	**100%**

Source: Form CO, Annex 7.2-A

(540) According to the data provided by the Parties in Table 92 and Table 93, Sika had a market share for chemical admixtures in Norway in 2021 of [5-10]% based on value and [5-10]% based on volume. MBCC had a market share in 2021 of [20-30]% based on value and [20-30]% based on volume. Therefore, the combined market share of the Parties is above [30-40]%, [30-40]% based on value and [30-40]% based on volume, with a significant increment.

(541) According to the data provided by the Parties in Table 94 and Table 95, market shares for concrete admixtures in Norway in 2021 are quite similar to those for chemical admixtures. Sika had a market share of [5-10]% based on value and [5-10]% based on volume, MBCC of [20-30]% based on value and [20-30]% based on volume. The combined market share is therefore around or above X, [30-40]% (value) or [30-40]% (volume), with a significant increment.

(542) According to the Commission's market reconstruction, the market shares of the Parties were slightly lower than estimated by the Parties, but still high with a combined share of approximately [30-40]%, as can be seen in Table 96. The combined market shares of the Parties have constantly been between [30-40]% and [30-40]%, slightly decreasing in the last three years for both chemical admixtures overall and for concrete admixtures.

Table 96 – Market reconstruction – Norway

Segment	Metric	2019		2020		2021	
		Parties	Reconstruction	Parties	Reconstruction	Parties	Reconstruction
Chemical admixtures	in value (EUR)	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[30-40]%
	in volume (tons)	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[30-40]%
Concrete admixtures	in value (EUR)	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[30-40]%
	in volume (tons)	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[30-40]%

Source: Form CO, Annex 7.2-A; Market reconstruction.

(543) When considering catchment areas around the Parties' plants, the merged entity would have even higher market shares, with up to [50-60]% for Sika's Hagan or MBCC's Sagstua plant, as can be seen in Table 97 below.

Table 97 – Catchment Areas – Norwegian plants

Plant	Radius	RFI	Chemical admixtures		Concrete admixtures	
			2020	2021	2020	2021
MBCC - Sagstua	400Km	RFI 14	[50-60]%	[50-60]%	[50-60]%	[50-60]%
MBCC - Sagstua	80%	RFI 14	[50-60]%	[50-60]%	[50-60]%	[50-60]%
Sika - Hagan	400Km	RFI 14	[50-60]%	[50-60]%	[50-60]%	[50-60]%
Sika - Hagan	80%	RFI 14	[50-60]%	[50-60]%	[50-60]%	[50-60]%

Source: RFI 14

(544) **Second**, the Transaction would significantly increase the concentration level for chemical admixtures overall and concrete admixtures in Norway. According to the data provided by the parties for value of chemical admixtures in 2021, the HHI pre-Transaction is [3,500 – 4,000] and the HHI post-Transaction would be [4,000 – 4,500], with a delta of [350 – 400].[364] The delta is well above 150, the level below which horizontal competition concerns are unlikely when the HHI post-transaction is above 2 000.[365] Irrespective of the market segments, including for concrete admixtures, the market share increment is always significant, more than 5%. The post-Transaction HHI as well as the delta is similar, though slightly lower, based on the Commission's market reconstruction.

(545) **Third**, while several other admixture suppliers are active in Norway, only Mapei has market shares in excess of 10%.[366] Moreover, Mapei is the only large fully independent supplier on the Norwegian market. As a result, no competitor would be able to constrain the merged entity.

(546) **Fourth**, according to the market investigation, the Transaction would eliminate competition between two close competitors. As explained in Section 6.1.1.4, both Parties have strong innovation capabilities and large portfolios. A majority of customers expressing a view consider innovation to be "very important"[367]. The preliminary market investigation, however, was inconclusive whether the Transaction would eliminate competition between two close competitors.

(547) **Fifth** contrary to the Notifying Party's claims, the investigation generally confirmed that barriers to entry are significant due to many factors as explained above (see Section 6.1.1.5), in particular due to the need to build (i) a sufficiently large customer base, (ii) a sufficiently strong sales force and technical team (iii) customer trust and brand loyalty (iv) the necessary know-how in formulation and testing of chemical admixtures and (iv) a large majority of respondents to the market investigations being unaware of any recent entry of new suppliers.[368]

(548) **Finally**, some market participants anticipate a neutral or negative impact from the Transaction in Norway. A clear majority of competitors expect that the Transaction will have a negative impact on competition in Norway. Customers from Norway did not express a view in this regard.

364 Form CO, Annex 7.2-A.
365 Horizontal Merger Guidelines, paras 19-20.
366 Form CO, Annex 7.2-A.
367 Replies to Questionnaire Q1, question 29.
368 Replies to Questionnaire Q1, question 43.

(549) **To conclude**, in light in particular of (i) the level of the Parties' market shares and their closeness, (ii) the level of market concentration and limited number of credible alternatives, (iii) the high barriers to entry and (iv) the concerns expressed during the market investigation, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to the market for chemical admixtures and for concrete admixtures specifically in Norway.

6.1.2.2.17. Poland

(550) In Poland, Sika is active through sales offices and warehouses as well as a domestic chemical admixtures plant in Warsaw, whereas MBCC only has a chemical admixtures plant located almost 300 km further to the south in Myslenice (near the border to Slovakia).

(551) The Notifying Party considers that there could be no basis for concerns in Poland, since post-Transaction there will be a large number of suppliers active in the Polish chemical admixtures market.

(552) For the reasons set out in the paragraphs below, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to chemical admixtures overall, as well as when considering concrete admixtures specifically in Poland.

(553) **First**, the merged entity would have high market shares in Poland for chemical admixtures and concrete admixtures.

(554) The Tables below present the Parties and their main competitors' market shares over the last four years in value and volume for chemical admixtures and for concrete admixtures as per the Parties' best estimates.

Table 98- Chemical admixtures - sales values - Poland

Chemical admixtures	Poland							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
MBCC	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
Combined	**[…]**	**[20-30]%**	[…]	**[20-30%**	**[…]**	**[20-30%**	**[…]**	**[20-30]%**
Chryso	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
MC-Bauchemie	[…]	[10-20]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Stachema	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Mapei	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Ha-Be	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Isola	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Remei	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Admitex	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Androimpex	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Schomburg	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Other	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

Table 99- Chemical admixtures - sales volumes - Poland

Chemical admixtures	Poland							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)
Sika	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
MBCC	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
Combined	**[…]**	**[20-30]%**	**[…]**	**[20-30%**	**[…]**	**[20-30%**	**[…]**	**[30-40]%**
Chryso	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
MC-Bauchemie	[…]	[10-20]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Stachema	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Mapei	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Ha-Be	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Isola	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Remei	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Admitex	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Androimpex	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Schomburg	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Other	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

Table 100 - Concrete admixtures - sales values - Poland

Concrete admixtures	Poland							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
MBCC	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
Combined	**[…]**	**[30-40]%**	**[…]**	**[20-30]%**	**[…]**	**[20-30]%**	**[…]**	**[30-40]%**
CHRYSO	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
MC-Bauchemie	[…]	[10-20]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Mapei	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Stachema	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Ha-Be	[…]	[5-10]%	[…]	[5-10]%	[…]	[0-5]%	[…]	[0-5]%
Other	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

Table 101 - Concrete admixtures - sales volumes - Poland

Concrete admixtures	Poland							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
MBCC	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
Combined	**[…]**	**[30-40]%**	**[…]**	**[30-40]%**	**[…]**	**[30-40]%**	**[…]**	**[30-40]%**
CHRYSO	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
MC-Bauchemie	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Mapei	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Stachema	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Ha-Be	[…]	[5-10]%	[…]	[5-10]%	[…]	[0-5]%	[…]	[0-5]%
Other	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

(555) According to the data provided by the Parties in Table 98 and Table 99, Sika had a market share for chemical admixtures in COUNTRY** in 2021 of [10-20]% based on value and [10-20]% based on volume. MBCC had a market share in 2021 of [10-20]% based on value and [10-20]% based on volume. Therefore, the combined market share of the Parties is around [30-40]%, [20-30]% based on value and [30-40]% based on volume, with a significant increment.

(556) According to the data provided by the Parties in Table 100 and Table 101, market shares for concrete admixtures in Poland in 2021 are quite similar to those for chemical admixtures. Sika had a market share of [10-20]% based on value and 10-20]% based on volume, MBCC of [10-20]% based on value and [10-20]% based on volume. The combined market share is therefore around or above [30-40]%, [30-40]% (value) or [30-40]% (volume), with a significant increment.

(557) According to the Commission's market reconstruction, the market shares of the Parties were slightly higher than estimated by the Parties with a combined share of [30-40]% in chemical admixtures (value) and [30-40]% in concrete admixtures (value) [30-40]%, as can be seen in Table 102. The combined market shares of the Parties have constantly been between [20-30]% and [30-40]% in the last three years for both chemical admixtures overall and for concrete admixtures.

* Should read: 'Poland'

Table 102 – Market reconstruction – Poland

Segment	Metric	2019		2020		2021	
		Parties	Reconstruction	Parties	Reconstruction	Parties	Reconstruction
Chemical admixtures	in value (EUR)	[20-30]%	[20-30]%	[20-30]%	[30-40]%	[20-30]%	[30-40]%
	in volume (tons)	[20-30]%	[30-40]%	[20-30]%	[30-40]%	[30-40]%	[30-40]%
Concrete admixtures	in value (EUR)	[20-30]%	[30-40]%	[20-30]%	[30-40]%	[30-40]%	[30-40]%
	in volume (tons)	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[30-40]%	[30-40]%

(558) Source: Form CO, Annex 7.2-A; Market reconstruction.

(559) When considering catchment areas around the Parties' plants, the merged entity would have high market shares, with up to [20-30]% around Sika's Warsaw plant, as can be seen in Table 103.

Table 103 – Catchment Areas – Poland plants

Plant	Radius	RFI	Chemical admixtures		Concrete admixtures	
			2020	2021	2020	2021
MBCC - Myslenice	400Km	RFI 14	[20-30]%	[20-30]%	[20-30]%	[20-30]%
MBCC - Myslenice	80%	RFI 14	[20-30]%	[20-30]%	[20-30]%	[20-30]%
Sika - Warsaw	400Km	RFI 14	[20-30]%	[20-30]%	[20-30]%	[20-30]%
Sika - Warsaw	80%	RFI 14	[20-30]%	[20-30]%	[20-30]%	[20-30]%

Source: RFI 14

(560) **Second**, the Transaction would significantly increase the concentration level for chemical admixtures overall and concrete admixtures. According to the data provided by the parties for value of chemical admixtures in 2021, the HHI pre-Transaction is [950 – 1,000] and the HHI post-Transaction would be [1,000 – 1,500], with a delta of [400 – 450].[369] The delta is well above 150, the level below which horizontal competition concerns are unlikely when the HHI post-transaction is above 2 000.[370] Irrespective of the market segments, including for concrete admixtures, the market share increment is always significant, more than 10%. The post-Transaction HHI as well as the delta is even higher based on the Commission's market reconstruction.

(561) **Third**, the Transaction would constitute a merger between the two strongest players on the market. While several other admixture suppliers are active in Poland, only Chryso has market shares in excess of [10-20]% and would still be significantly smaller (half the size) than the merged entity post-Transaction. As a result, no competitor would be able to constrain the merged entity.

(562) **Fourth**, according to the market investigation, the Transaction would eliminate competition between two close competitors. As explained in Section 6.1.1.4, both Parties have strong innovation capabilities and large portfolios. A majority of customers expressing a view consider innovation to be "very important"[371]. According to customers, Sika is among the four closest competitors of MBCC.[372] MBCC is considered to be among the second closest competitor of Sika.[373]

369 Form CO, Annex 7.2-A
370 Horizontal Merger Guidelines, paras 19-20
371 Replies to Questionnaire Q1, question 29.
372 Replies to Questionnaire Q1, question 42.
373 Replies to Questionnaire Q1, question 42.

(563) **Fifth** contrary to the Notifying Party's claims, the investigation generally confirmed that barriers to entry are significant due to many factors as explained above (see Section 6.1.1.5), in particular due to the need to build (i) a sufficiently large customer base, (ii) a sufficiently strong sales force and technical team (iii) customer trust and brand loyalty (iv) the necessary know-how in formulation and testing of chemical admixtures and (iv) a large majority of respondents to the market investigations being unaware of any recent entry of new suppliers.[374]

(564) **Finally**, some market participants anticipate a negative impact from the Transaction in Poland. A majority of customers expressing a view expect the Transaction will have a negative impact on competition in Poland.[375] One customer stated "*the company expects that the concentration of SIKA and MBCC will negatively affect the market structure (in the area of chemical admixtures supply).*"[376] Likewise, some competitors expressing a view expect the Transaction will have a negative impact on competition in Poland.

(565) **To conclude**, in light in particular of (i) the level of the Parties' market shares and their closeness, (ii) the level of market concentration and limited number of credible alternatives, (iii) the high barriers to entry and (iv) the concerns expressed during the market investigation, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to the market for chemical admixtures and for concrete admixtures specifically in Poland.

6.1.2.2.18. Portugal

(566) In Portugal, only Sika has a domestic chemical admixtures plant, which is located in Ovar (at the Atlantic coast, near Porto). MBCC does not have any domestic presence in Portugal.

(567) The Notifying Party considers that there could be no basis for concerns in Poland, since post-Transaction there will be a large number of suppliers active in the Polish chemical admixtures market.

(568) For the reasons set out in the paragraphs below, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to chemical admixtures overall, as well as when considering concrete admixtures specifically in Portugal.

(569) **First**, the merged entity would have high market shares on the Portugal market for chemical admixtures and concrete admixtures.

(570) The Tables below present the Parties and their main competitors' market shares over the last four years in value and volume for chemical admixtures and for concrete admixtures as per the Parties' best estimates.

374 Replies to Questionnaire Q1, question 43.

375 Replies to Questionnaire Q1, question 51.

376 Curtesy translation from Polish: Przedsiębiorstwo przewiduje, że koncentracja SIKA i MBCC negatywnie wpłynie na strukturę rynku (w obszarze dostaw domieszek chemicznych).

Table 104 - Chemical admixtures - sales value - Portugal

Chemical admixtures	Portugal							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	**[…]**	**[50-60]%**	**[…]**	**[40-50]%**	**[…]**	**[40-50]%**	**[…]**	**[50-60]%**
Chryso	[...]	[30-40]%	[...]	[30-40]%	[...]	[30-40]%	[...]	[30-40]%
Fosroc	[...]	[0-5]%	[...]	[5-10] %	[...]	[5-10]%	[...]	[5-10]%
Mapei	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[0-5]%
MC-Bauchemie	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
GCP	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Proquicesa	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other[377]	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Total	**[…]**	**100.0%**	**[…]**	**100.0%**	**[…]**	**100.0%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

Table 105 - Chemical admixtures - sales volumes - Portugal

Chemical admixtures	Portugal							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)
Sika	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	**[…]**	**[50-60]%**	**[…]**	**[40-50]%**	**[…]**	**[40-50]%**	**[…]**	**[50-60]%**
Chryso	[...]	[30-40]%	[...]	[30-40]%	[...]	[30-40]%	[...]	[30-40]%
Fosroc	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Mapei	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[0-5]%
MC-Bauchemie	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
GCP	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Proquicesa	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other[378]	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

377 Including MC-Bauchemie.

378 Including MC-Bauchemie.

Table 106- Concrete admixtures - sales values - Portugal

Concrete admixtures	Portugal							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[30-40]%
MBCC	[...]	[30-40]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[30-40]
Combined	**[…]**	**[60-70]%**	**[…]**	**[50-60]%**	**[…]**	**[50-60]%**	**[…]**	**[60-70]%**
CHRYSO	[...]	[20-30]%	[...]	[20-30]%	[...]	[30-40]%	[...]	[30-40]%
FOSROC	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%
Mapei	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[5-10]%	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

Table 107- Concrete admixtures - sales volumes - Portugal

Concrete admixtures	Portugal							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[20-30%	[...]	[20-30%	[...]	[20-30%	[...]	[20-30%
MBCC	[...]	[30-40]%	[...]	[20-30%	[...]	[20-30%	[...]	[30-40]%
Combined	**[…]**	**[50-60]%**	**[…]**	**[50-60]%**	**[…]**	**[50-60]%**	**[…]**	**[50-60]%**
CHRYSO	[...]	[30-40]%	[...]	[30-40]%	[...]	[30-40]%	[...]	[30-40]%
FOSROC	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Mapei	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[5-10]%	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

(571) According to the data provided by the Parties in Table 104 and Table 105, Sika had a market share for chemical admixtures in Portugal in 2021 of [20-30]% based on value and [20-30]% based on volume. MBCC had a market share in 2021 of [20-30]% based on value and [20-30]% based on volume. Therefore, the combined market share of the Parties is above [50-60]%, [50-60]%based on value and [50-60]% based on volume, with a significant increment.

(572) According to the data provided by the Parties in Table 106 and Table 107, market shares for concrete admixtures in Portugal in 2021 are quite similar to those for chemical admixtures. Sika had a market share of [30-40]% based on value and [20-30]% based on volume, MBCC of [30-40]% based on value and [30-40]% based on volume. The combined market share is therefore around or above [60-70]%, [60-70]% (value) or [50-60]% (volume), with a significant increment.

(573) According to the Commission's market reconstruction, the market shares of the Parties were approximately as estimated by the Parties, but still high with a combined share of approximately [50-60]% for chemical admixtures (value) and [50-60]% for concrete

admixtures (value), as can be seen in Table 108. The combined market shares of the Parties have constantly been between [40-50]% and [60-70]% in the last three years for both chemical admixtures and for concrete admixtures.

Table 108 – Market reconstruction – Portugal

Segment	Metric	2019		2020		2021	
		Parties	Reconstruction	Parties	Reconstruction	Parties	Reconstruction
Chemical admixtures	in value (EUR)	[40-50]%	[40-50]%	[40-50]%	[50-60]%	[50-60]%	[50-60]%
	in volume (tons)	[40-50]%	[40-50]%	[40-50]%	[50-60]%	[50-60]%	[50-60]%
Concrete admixtures	in value (EUR)	[50-60]%	[50-60]%	[50-60]%	[50-60]%	[60-70]%	[50-60]%
	in volume (tons)	[50-60]%	[50-60]%	[50-60]%	[50-60]%	[50-60]%	[50-60]%

Source: Form CO, Annex 7.2-A; Market reconstruction.

(574) When considering catchment areas around the Parties' plants, the merged entity would also have high market shares, with up to [50-60]% around Sika's Ovar plant, as can be seen in Table 109 below.

Table 109 – Catchment Areas – Portuguese plants

Plant	Radius	RFI	Chemical admixtures		Concrete admixtures	
			2020	2021	2020	2021
Sika - Ovar	400Km	RFI 14	[40-50]%	[40-50]%	[50-60]%	[50-60]%
Sika - Ovar	80%	RFI 14	[40-50]%	[40-50]%	[50-60]%	[50-60]%

Source: RFI 14

(575) According to the data provided by the Parties, the Parties also have high combined market shares in the sub-segment of Chemical Admixtures Tunnelling and Mining ([80-90]%).[379]

(576) **Second**, the Transaction would significantly increase the concentration level for chemical admixtures and concrete admixtures in Portugal. According to the data provided by the parties for value of chemical admixtures in 2021, the HHI pre-Transaction is [2,000 – 2,500] and the HHI post-Transaction would be [3,500 – 4,000], with a delta of [1,000 – 1,500].[380] The delta is well above 150, the level below which horizontal competition concerns are unlikely when the HHI post-transaction is above 2 000.[381] Irrespective of the market segments, including for concrete admixtures, the market share increment is always significant, more than 15%. The post-Transaction HHI as well as the delta is similar, though slightly lower, based on the Commission's market reconstruction.

(577) **Third**, the transaction would constitute a merger between the strongest and the third strongest player on the market. While several other admixture suppliers are active in Poland, only Chryso has market shares in excess of [10-20]% and would still be significantly smaller (almost [20-30]% less) than the merged entity post-Transaction.[382] As a result, no competitor would be able to constrain the merged entity.

(578) **Fourth**, according to the market investigation, the Transaction would eliminate competition between two close competitors. As explained in Section 6.1.1.4, both

379 RFI 8 Annex Q6
380 Form CO, Annex 7.2-A
381 Horizontal Merger Guidelines, paras 19-20
382 Form CO, Annex 7.2-A

Parties have strong innovation capabilities and large portfolios. A majority of customers expressing a view consider innovation to be "very important"[383]. According to customers, Sika is among the closest competitor of MBCC, MBCC is considered to be among the second closest competitors of Sika after Fosroc, which would only have [10-20]% the size of the merged entity post transaction.[384]

(579) **Fifth** contrary to the Notifying Party's claims, the investigation generally confirmed that barriers to entry are significant due to many factors as explained above (see Section 6.1.1.5), in particular due to the need to build (i) a sufficiently large customer base, (ii) a sufficiently strong sales force and technical team (iii) customer trust and brand loyalty (iv) the necessary know-how in formulation and testing of chemical admixtures and (iv) a large majority of respondents to the market investigations being unaware of any recent entry of new suppliers.[385]

(580) **Finally**, a majority of market participants anticipate a negative impact from the Transaction in Portugal. A vast majority of customers expressing a view believe the Transaction would have a negative impact on competition in Portugal. [386] A customer stated that "*SIKA and MBCC have the best products and are alternative to each other in the Portuguese market. The other alternatives do not have the same quality of products and technical support*." [387]Halof of the competitors expressing a view believe the Transaction would have a negative impact on competition in Portugal.*[388]*

(581) **To conclude**, in light in particular of (i) the level of the Parties' market shares and their closeness, (ii) the level of market concentration and limited number of credible alternatives, (iii) the high barriers to entry and (iv) the concerns expressed during the market investigation, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to the market for chemical admixtures and for concrete admixtures specifically in Portugal.

6.1.2.2.19. Romania

(582) In Romania, Sika is active through sales offices and warehouses as well as a domestic chemical admixtures plant in Brasov (in the centre of Romania), whereas MBCC Group's domestic chemical admixture plant is located almost 100km further south in Ploiesti (near Bucharest).

(583) The Notifying Party considers that there could be no basis for concerns in Romania, since post-Transaction there will be a large number of suppliers active in the Romanian chemical admixtures market.

(584) For the reasons set out in the paragraphs below, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to chemical admixtures or concrete admixtures in Romania.

(585) **First**, the merged entity would have high market shares on the Romania market for chemical admixtures and concrete admixtures.

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383 Replies to Questionnaire Q1, question 29.
384 Replies to Questionnaire Q1, question 42.
385 Replies to Questionnaire Q1, question 43.
386 Replies to Questionnaire Q1, question 51.
387 Replies to Questionnaire Q1, question 49.1.
388 Replies to Questionnaire Q2, question 51.1.

(586) The Tables below present the Parties and their main competitors' market shares over the last four years in value and volume for chemical admixtures and for concrete admixtures as per the Parties' best estimates.

Table 110 - Chemical admixtures - sales values - Romania

Chemical admixtures	Romania							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%
MBCC	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[20-30]%
Combined	**[…]**	**[30-40]%**	**[…]**	**[30-40%**	**[…]**	**[30-40%**	**[…]**	**[40-50]%**
Chryso	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
Mapei	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
GCP	[…]	[5-10]%	[…]	[10-20]%	[…]	[10-20]	[…]	[10-20]%
MC-Bauchemie	[…]	[0-5]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Other	[…]	[30-40]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

Table 111 - Chemical admixtures - sales volumes - Romania

Chemical admixtures	Romania							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)
Sika	[…]	[20-30]%	[…]	[10-20]%	[…]	[20-30]%	[…]	[20-30]%
MBCC	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[20-30]%
Combined	**[…]**	**[30-40]%**	**[…]**	**[30-40]%**	**[…]**	**[30-40]%**	**[…]**	**[40-50]%**
Chryso	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
Mapei	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
GCP	[…]	[5-10]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
MC-Bauchemie	[…]	[0-5]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Other	[…]	[30-40]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

Table 112 - Concrete admixtures - sales values - Romania

Concrete admixtures	Romania							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%
MBCC	[…]	[10-20]%	[…]	[10-20]%	[…]	[20-30]%	[…]	[20-30]%
Combined	**[…]**	**[40-50]%**	**[…]**	**[40-50]%**	**[…]**	**[40-50]%**	**[…]**	**[40-50]%**
CHRYSO	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
Mapei	[…]	[5-10]%	[…]	[10-20]%	[…]	[5-10]%	[…]	[5-10]%
GCP	[…]	[5-10]%	[…]	[10-20]%	[…]	[5-10]%	[…]	[5-10]%
MC-Bauchemie	[…]	[0-5]%	[…]	[5-10]%	[…]	[0-5]%	[…]	[0-5]%
Other	[…]	[20-30]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

Table 113 - Concrete admixtures - sales volumes - Romania

Concrete admixtures	Romania							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%
MBCC	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[20-30]%
Combined	**[…]**	**[30-40]%**	**[…]**	**[30-40]%**	**[…]**	**[40-50]%**	**[…]**	**[40-50]%**
CHRYSO	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
Mapei	[…]	[5-10]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[5-10]%
GCP	[…]	[5-10]%	[…]	[10-20]%	[…]	[5-10]%	[…]	[5-10]%
MC-Bauchemie	[…]	[0-5]%	[…]	[5-10]%	[…]	[0-5]%	[…]	[0-5]%
Other	[…]	[20-30]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

(587) According to the data provided by the Parties in Table 110 and Table 111, Sika had a market share for chemical admixtures in Romania in 2021 of [20-30]% based on value and [20-30]% based on volume. MBCC had a market share in 2021 of [20-30]% based on value and [20-30]% based on volume. Therefore, the combined market share of the Parties is above [40-50]%, [40-50]% based on value and [40-50]% based on volume, with a significant increment.

(588) According to the data provided by the Parties in Table 112 and Table 113, market shares for concrete admixtures in Romania in 2021 are quite similar to those for chemical admixtures. Sika had a market share of [20-30]% based on value and [20-30]% based on volume, MBCC of [20-30]% based on value and [20-30]% based on volume. The combined market share is therefore around or above X, [40-50]% (value) or [40-50]% (volume), with a significant increment.

(589) According to the Commission's market reconstruction, the market shares of the Parties were significantly higher than estimated by the Parties with a combined share of [40-50]% in chemical admixtures (value) and [50-60]% in concrete admixtures, as can be seen in Table 114. The combined market shares of the Parties have constantly been between [30-40]% and [50-60]%, decreasing in the last three years for both chemical admixtures and for concrete admixtures.

Table 114 – Market reconstruction – Romania

Segment	Metric	2019		2020		2021	
		Parties	Reconstruction	Parties	Reconstruction	Parties	Reconstruction
Chemical admixtures	in value (EUR)	[30-40]%	[40-50]%	[30-40]%	[40-50]%	[40-50]%	[40-50]%
	in volume (tons)	[30-40]%	[40-50]%	[30-40]%	[50-60]%	[40-50]%	[50-60]%
Concrete admixtures	in value (EUR)	[40-50]%	[20-30]%	[40-50]%	[50-60]%	[40-50]%	[50-60]%
	in volume (tons)	[30-40]%	[50-60]%	[40-50]%	[50-60]%	[40-50]%	[50-60]%

Source: Form CO, Annex 7.2-A; Market reconstruction.

(590) When considering catchment areas around the Parties' plants, the merged entity would also have high market shares, with up to [40-50]% for Sika's Brasov plant, as can be seen in Table 115.

Table 115– Catchment Areas – Romanian plants

Plant	Radius	RFI	Chemical admixtures		Concrete admixtures	
			2020	2021	2020	2021
MBCC - Ploiesti	400Km	RFI 14	[30-40]%	[30-40]%	[30-40]%	[30-40]%
MBCC - Ploiesti	80%	RFI 14	[30-40]%	[30-40]%	[40-50]%	[40-50]%
Sika - Brasov	400Km	RFI 14	[30-40]%	[30-40]%	[30-40]%	[30-40]%
Sika - Brasov	80%	RFI 14	[30-40]%	[40-50]%	[40-50]%	[40-50]%

Source: RFI 14

(591) **Second**, the Transaction would significantly increase the concentration level for chemical admixtures and concrete admixtures. According to the data provided by the parties for value of chemical admixtures in 2021, the HHI pre-Transaction is [1,500 – 2,000] and the HHI post-Transaction would be [2,000 – 2,500], with a delta of [850 – 900].[389] The delta is well above 150, the level below which horizontal competition concerns are unlikely when the HHI post-transaction is above 2 000.[390] Irrespective of the market segments, including for concrete admixtures, the market share increment is always significant, more than 15%. The post-Transaction HHI as well as the delta is even higher based on the Commission's market reconstruction.

(592) **Third**, the transaction would constitute a merger between the two strongest players on the market. While several other admixture suppliers are active in Romania, only three of these have market shares in excess of [10-20]%, and each of them would still be significantly smaller (by at least [30-40]%-points) than the merged entity post-Transaction both for chemical admixtures and for concrete admixtures specifically.[391] Moreover, Mapei is the only large fully independent supplier on the Romanian market, Indeed, GCP depends on the supply of polymers from the Parties and lacks significant

389 Form CO, Annex 7.2-A
390 Horizontal Merger Guidelines, paras 19-20
391 Form CO, Annex 7.2-A

innovation capabilities, as explained in Section 6.1.1.6.1 above. As a result, no competitor would be able to constrain the merged entity.

(593) **Fourth**, according to the market investigation, the Transaction would eliminate competition between two close competitors. As explained in Section 6.1.1.4, both Parties have strong innovation capabilities and large portfolios. A majority of customers expressing a view consider innovation to be "very important"[392]. The preliminary market investigation, however, was inconclusive whether the Transaction would eliminate competition between two close competitors. According to customers, MBCC[393] is considered to be the second closest competitor of Sika after Chryso together with Mapei.[394]

(594) **Fifth** contrary to the Notifying Party's claims, the investigation generally confirmed that barriers to entry are significant due to many factors as explained above (see Section 6.1.1.5), in particular due to the need to build (i) a sufficiently large customer base, (ii) a sufficiently strong sales force and technical team (iii) customer trust and brand loyalty (iv) the necessary know-how in formulation and testing of chemical admixtures and (iv) a large majority of respondents to the market investigations being unaware of any recent entry of new suppliers.[395]

(595) **Finally**, some market participants anticipate a neutral impact from the Transaction in Romania. No customers expect that the Transaction will have a negative impact on competition in Romania. [396] However, one competitor expects the Transaction will have a negative impact on competition in Romania.[397]

(596) **To conclude**, in light in particular of (i) the level of the Parties' market shares and their closeness, (ii) the level of market concentration and limited number of credible alternatives, (iii) the high barriers to entry and (iv) the concerns expressed during the market investigation, the Commission concludes that the Transaction raises serious doubts as to its compatibility with the internal market in relation to the market for chemical admixtures and for concrete admixtures specifically in Romania.

6.1.2.2.20. Slovakia

(597) In Slovakia, neither Sika nor MBCC have any local production of chemical admixtures. Sika only has warehouses and an office in Bratislava as well as Bytca, whereas MBCC Group's domestic presence is limited to an office related to a resin plant. Sika's nearest chemical admixtures plant is located in Modrice, Czechia. MBCC's closest chemical admixture plant, on the other hand, is located in Krieglach, Slovakia.

(598) The Notifying Party considers that there could be no basis for concerns in Slovakia, since post-Transaction there will be a large number of suppliers active in the Slovakian chemical admixtures market.

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392 Replies to Questionnaire Q1, question 29.
393 In that case, a customer named the competitor BASF, but its assumed that they meant MBCC.
394 Replies to Questionnaire Q1, question 42.
395 Replies to Questionnaire Q1, question 43.
396 Replies to Questionnaire Q1, question 51.
397 Replies to Questionnaire Q1, question 51.

(599) For the reasons set out in the paragraphs below, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to chemical admixtures or concrete admixtures in Slovakia.

(600) **First**, the merged entity would have high market shares on the Slovakia market for chemical admixtures or concrete admixtures.

(601) The Tables below present the Parties and their main competitors' market shares over the last four years in value and volume for chemical admixtures and for concrete admixtures as per the Parties' best estimates.

Table 116 - Chemical admixtures - sales values - Slovakia

Chemical admixtures	Slovakia							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[20-30]%[398]	[...]	[10-20]%	[...]	[10-20]%	[...]	[10-20]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[10-20]%	[...]	[10-20]%
Combined	**[…]**	**[40-50]%**	**[…]**	**[30-40]%**	**[…]**	**[20-30]%**	**[…]**	**[30-40]%**
Stachema	[...]	[10-20]%	[...]	[10-20]%	[...]	[20-30]%	[...]	[20-30]%
Beton Racio	[...]	[10-20]%	[...]	[20-30]%	[...]	[10-20]%	[...]	[10-20]%
MC-Bauchemie	[...]	[5-10]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%
Chryso	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%
Mapei	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%
Other	[...]	[5-10]%	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

Table 117 - Chemical admixtures - sales volumes - Slovakia

Chemical admixtures	Slovakia							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)
Sika	[...]	[30-40]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[20-30]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[10-20]%	[...]	[20-30]%
Combined	**[…]**	**[50-60]%**	**[…]**	**[40-50]%**	**[…]**	**[30-40]%**	**[…]**	**[40-50]%**
Stachema	[...]	[10-20]%	[...]	[10-20]%	[...]	[20-30]%	[...]	[10-20]%

[398] The relatively high market share of Sika in 2018 has resulted from the supply of chemical admixtures for the Visonove tunnel construction project. With the end of this project, Sika's sales came down in 2019, reaching a normal level again.

Chemical admixtures	Slovakia							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)
Beton Racio	[...]	[10-20]%	[...]	[20-30]%	[...]	[10-20]%	[...]	[10-20]%
MC-Bauchemie	[...]	[5-10]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%
Chryso	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%
Mapei	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%
Other	[...]	[5-10]%	[...]	[5-10]%	[...]	[0-5]%	[...]	[0-5]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

Table 118 - Concrete admixtures - sales values - Slovakia

Concrete admixtures	Slovakia							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[...]	[30-40]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[20-30]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	**[…]**	**[50-60]%**	**[…]**	**[40-50]%**	**[…]**	**[30-40]%**	**[…]**	**[40-50]%**
Stachema	[...]	[10-20]%	[...]	[10-20]%	[...]	[20-30]%	[...]	[10-20]%
MC-Bauchemie	[...]	[0-5]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[10-20]%
CHRYSO	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%
Mapei	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%
Other	[...]	[10-20]%	[...]	[20-30]%	[...]	[10-20]%	[...]	[10-20]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

*Source: **Form CO, Annex 7.2-A***

Table 119 - Concrete admixtures - sales volumes - Slovakia

Concrete admixtures	Slovakia							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[30-40]%	[...]	[10-20]%	[...]	[10-20]%	[...]	[20-30]%
MBCC	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%	[...]	[20-30]%
Combined	**[…]**	**[60-70]%**	**[…]**	**[40-50]%**	**[…]**	**[30-40]%**	**[…]**	**[50-60]%**
Stachema	[...]	[10-20]%	[...]	[10-20]%	[...]	[20-30]%	[...]	[10-20]%
MC-Bauchemie	[...]	[0-5]%	[...]	[5-10]%	[...]	[10-20]%	[...]	[5-10]%

Concrete admixtures	Slovakia							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
CHRYSO	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%
Mapei	[...]	[0-5]%	[...]	[0-5]%	[...]	[5-10]%	[...]	[5-10]%
Other	[...]	[10-20]%	[...]	[20-30]%	[...]	[10-20]%	[...]	[10-20]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

(602) According to the data provided by the Parties in Table 116 and Table 117, Sika had a market share for chemical admixtures in Slovakia in 2021 of [10-20]% based on value and [20-30]% based on volume. MBCC had a market share in 2021 of [10-20]% based on value and [20-30]% based on volume. Therefore, the combined market share of the Parties is around [40-50]%, [30-40]% based on value and [40-50]% based on volume, with a significant increment.

(603) According to the data provided by the Parties in Table 118 and Table 119, market shares for concrete admixtures in Slovakia in 2021 are quite similar to those for chemical admixtures. Sika had a market share of [20-30]% based on value and [20-30]% based on volume, MBCC of [20-30]% based on value and [20-30]% based on volume. The combined market share is therefore around or above X, [40-50]% (value) or [50-60]% (volume), with a significant increment.

(604) According to the Commission's market reconstruction, the market shares of the Parties were significantly lower than estimated by the Parties, but still high with a combined share of approximately [30-40]% in chemical admixtures (volume) and [40-50] in concrete admixtures (volume), as can be seen in Table 120. The combined market shares of the Parties have constantly been between [20-30]% and [40-50]% in the last three years for both chemical admixtures and for concrete admixtures.

Table 120 – Market reconstruction – Slovakia

Segment	Metric	2019		2020		2021	
		Parties	Reconstruction	Parties	Reconstruction	Parties	Reconstruction
Chemical admixtures	in value (EUR)	[30-40]%	[20-30]%	[20-30]%	[20-30]%	[30-40]%	[20-30]%
	in volume (tons)	[40-50]%	[30-40]%	[30-40]%	[30-40]%	[40-50]%	[30-40]%
Concrete admixtures	in value (EUR)	[40-50]%	[30-40]%	[30-40]%	[20-30]%	[40-50]%	[30-40]%
	in volume (tons)	[40-50]%	[40-50]%	[30-40]%	[30-40]%	[50-60]%	[40-50]%

Source: Form CO, Annex 7.2-A; Market reconstruction.

(605) According to the data provided by the Parties, the Parties also have high combined market shares in the sub-segment of chemical admixtures tunnelling and mining ([60-70]%).[399]

(606) **Second**, the Transaction would significantly increase the concentration level for chemical admixtures and concrete admixtures. According to the data provided by the parties for value of chemical admixtures in 2021, the HHI pre-Transaction is [1,500 –

399 RFI 8 Annex Q6

2,000] and the HHI post-Transaction would be [2,000 – 2,500], with a delta of [650 – 700].[400] The delta is well above 150, the level below which horizontal competition concerns are unlikely when the HHI post-transaction is above 2 000.[401] Irrespective of the market segments, including for concrete admixtures, the market share increment is always significant, more than 15%. The post-Transaction HHI as well as the delta is similar, though slightly lower, based on the Commission's market reconstruction.

(607) **Third**, while several other admixture suppliers are active in Slovakia, only three of these have market shares in excess of [10-20]%, and each of them would still be significantly smaller (by at least approximately [10-20]%-points) than the merged entity post-Transaction both for chemical admixtures and for concrete admixtures specifically.[402] Moreover, as explained in Section 6.1.1.6.1, Stachema, the strongest competitor depends on the supply of polymers from the Parties and lack significant innovation capabilities. As a result, no competitor would be able to constrain the merged entity.

(608) **Fourth**, according to the market investigation, the Transaction would eliminate competition between two close competitors. As explained in Section 6.1.1.4, both Parties have strong innovation capabilities and large portfolios. A majority of customers expressing a view consider innovation to be "very important"[403]. The preliminary market investigation, however, was inconclusive whether the Transaction would eliminate competition between two close competitors.

(609) **Fifth**, contrary to the Notifying Party's claims, the investigation generally confirmed that barriers to entry are significant due to many factors as explained above (see Section 6.1.1.5), in particular due to the need to build (i) a sufficiently large customer base, (ii) a sufficiently strong sales force and technical team (iii) customer trust and brand loyalty (iv) the necessary know-how in formulation and testing of chemical admixtures and (iv) a large majority of respondents to the market investigations being unaware of any recent entry of new suppliers.[404]

(610) **Finally**, some market participants anticipate a negative impact from the Transaction in the chemical admixtures and concrete admixtures markets in Slovakia. A relevant number of competitors expect that the Transaction will have a negative impact on competition in Slovakia. [405]

(611) **To conclude**, in light in particular of (i) the level of the Parties' market shares and their closeness, (ii) the level of market concentration and limited number of credible alternatives, (iii) the high barriers to entry and (iv) the concerns expressed during the market investigation, the Commission concludes that the Transaction raises serious doubts as to its compatibility with the internal market in relation to the market for chemical admixtures and for concrete admixtures specifically in Slovakia.

400 Form CO, Annex 7.2-A
401 Horizontal Merger Guidelines, paras 19-20
402 Form CO, Annex 7.2-A
403 Replies to Questionnaire Q1, question 29.
404 Replies to Questionnaire Q1, question 43.
405 Replies to Questionnaire Q2, question 51.

6.1.2.2.21. Spain

(612) In Spain, Sika is active through sales offices and warehouses as well as a domestic chemical admixtures plant in Alcobendas (towards the Portuguese border), whereas MBCC only has a chemical admixtures plant located more than 100 km away in Mejorada, Madrid.

(613) The Notifying Party considers that there could be no basis for concerns in Spain, since post-Transaction there will be a large number of suppliers active in the Spanish chemical admixtures market.

(614) For the reasons set out in the paragraphs below, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to chemical admixtures or concrete admixtures in Spain.

(615) **First**, the merged entity would have high market shares on the Spanish market for chemical admixtures and for concrete admixtures, and even higher shares in some segments, in particular in chemical admixtures tunnelling and mining.

(616) The Tables below present the Parties and their main competitors' market shares over the last four years in value and volume for chemical admixtures and for concrete admixtures as per the Parties' best estimates.

Table 121 - Chemical admixtures - sales values - Spain

Chemical admixtures	Spain							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
MBCC	[…]	[30-40]%	[…]	[30-40]%	[…]	[30-40]%	[…]	[30-40]%
Combined	**[…]**	**[40-50]%**	**[…]**	**[40-50]%**	**[…]**	**[40-50]%**	**[…]**	**[40-50]%**
Mapei	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%
Chryso	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
MC-Bauchemie	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Fosroc	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Cemex	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Other	[…]	[0-5]%	[…]	[0-5]%	[…]	[5-10]%	[…]	[5-10]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

Table 122 - Chemical admixtures - sales volumes - Spain

Chemical admixtures	Spain							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)
Sika	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
MBCC	[…]	[30-40]%	[…]	[40-50]%	[…]	[40-50]%	[…]	[30-40]%
Combined	**[…]**	**[50-60]%**	**[…]**	**[50-60]%**	**[…]**	**[50-60]%**	**[…]**	**[50-60]%**
Mapei	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
Chryso	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
MC-Bauchemie	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Fosroc	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Cemex	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Other	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

Table 123 - Concrete admixtures - sales values - Spain

Concrete admixtures	Spain							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
MBCC	[…]	[30-40]%	[…]	[30-40]%	[…]	[30-40]%	[…]	[30-40]%
Combined	**[…]**	**[50-60]%**	**[…]**	**[50-60]%**	**[…]**	**[40-50]%**	**[…]**	**[50-60]%**
Mapei	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%	[…]	[20-30]%
CHRYSO	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
MC-Bauchemie	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
FOSROC	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Cemex	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Other	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

Table 124- Concrete admixtures - sales volumes - Spain

Concrete admixtures	Spain							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
MBCC	[…]	[40-50]%	[…]	[40-50]%	[…]	[40-50]%	[…]	[40-50]%
Combined	**[…]**	**[60-70]%**	**[…]**	**[50-60]%**	**[…]**	**[50-60]%**	**[…]**	**[50-60]%**
Mapei	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%	[…]	[10-20]%
CHRYSO	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
MC-Bauchemie	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
FOSROC	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Cemex	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Other	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

(617) According to the data provided by the Parties in Table 121 and Table 122, Sika had a market share for chemical admixtures in Spain in 2021 of [10-20]% based on value and [10-20]% based on volume. MBCC had a market share in 2021 of [30-40]% based on value and [30-40]% based on volume. Therefore, the combined market share of the Parties is around [50-60]%, [40-50]% based on value and [50-60]% based on volume, with a significant increment.

(618) According to the data provided by the Parties in Table 123 and Table 124, market shares for concrete admixtures in Spain in 2021 are quite similar to those for chemical admixtures. Sika had a market share of [10-20]% based on value and [10-20]% based on volume, MBCC of [30-40]%based on value and [40-50]% based on volume. The combined market share is therefore around or above X, [50-60]% (value) or [50-60]% (volume), with a significant increment.

(619) According to the Commission's market reconstruction, the market shares of the Parties were slightly higher than estimated by the Parties, with a combined share in 2021 of [50-60]% for chemical admixtures and [50-60]% for concrete admixtures, as can be seen in Table 125. The combined market shares of the Parties have constantly been between [50-60]% and [60-70]%, slightly decreasing in the last three years for both chemical admixtures and for concrete admixtures.

Table 125 – Market reconstruction – Spain

Segment	Metric	2019		2020		2021	
		Parties	Reconstruction	Parties	Reconstruction	Parties	Reconstruction
Chemical admixtures	in value (EUR)	[40-50]%	[50-60]%	[40-50]%	[50-60]%	[40-50]%	[50-60]%
	in volume (tons)	[50-60]%	[50-60]%	[50-60]%	[50-60]%	[50-60]%	[50-60]%
Concrete admixtures	in value (EUR)	[50-60]%	[60-70]%	[40-50]%	[50-60]%	[50-60]%	[50-60]%
	in volume (tons)	[50-60]%	[50-60]%	[50-60]%	[50-60]%	[50-60]%	[50-60]%

Source: Form CO, Annex 7.2-A; Market reconstruction.

(620) When considering catchment areas around the Parties' plants, the merged entity would have even higher market shares, with up to [50-60]% for MBCC's Mejorada/ Madrid plant, as can be seen in Table 126 below.

Table 126 – Catchment Areas – Spain plants

Plant	Radius	RFI	Chemical admixtures		Concrete admixtures	
			2020	2021	2020	2021
MBCC - Mejorada, Madrid	400Km	RFI 14	[50-60]%	[50-60]%	[50-60]%	[50-60]%
MBCC - Mejorada, Madrid	80%	RFI 14	[40-50]%	[40-50]%	[50-60]%	[50-60]%
Sika - Alcobendas	400Km	RFI 14	[50-60]%	[50-60]%	[50-60]%	[50-60]%
Sika - Alcobendas	80%	RFI 14	[50-60]%	[50-60]%	[50-60]%	[50-60]%

Source: RFI 14

(621) According to the data provided by the Parties, the Parties also have high combined market shares in the sub-segment of Chemical Admixtures tunnelling and mining ([50-60]%).[406]

(622) **Second**, the Transaction would significantly increase the concentration level for chemical admixtures and concrete admixtures. According to the data provided by the parties for value of chemical admixtures in 2021, the HHI pre-Transaction is [1,500 – 2,000] and the HHI post-Transaction would be [2,500 – 3,000], with a delta of [1,000 – 1,500].[407] The delta is well above 150, the level below which horizontal competition concerns are unlikely when the HHI post-transaction is above 2 000.[408] Irrespective of the market segments, including for concrete admixtures, the market share increment is always significant, more than 15%.

(623) **Third**, while several other admixture suppliers are active in Spain, only two of these have market shares in excess of 10%, and each of them would still be significantly smaller (by at least 30%-points) than the merged entity post-Transaction both for chemical admixtures and for concrete admixtures specifically.[409] Moreover, Mapei is the only large fully independent supplier on the Spanish market. As a result, no competitor would be able to constrain the merged entity.

(624) **Fourth**, according to the market investigation, the Transaction would eliminate competition between two close competitors. As explained in Section 6.1.1.4, both Parties have strong innovation capabilities and large portfolios, including in Spain. A majority of customers expressing a view consider innovation to be "very important"[410]. One customer explained that they "*the product porfolio of both mbcc and sika are the widest on the market.*"[411] According to customers, Sika is the second closest competitor of MBCC after Mapei together with MC Bauchemie. MBCC is considered to be the forth-closest competitor of Sika by customers. [412]

406 RFI 8 Annex Q6
407 Form CO, Annex 7.2-A
408 Horizontal Merger Guidelines, paras 19-20
409 Form CO, Annex 7.2-A
410 Replies to Questionnaire Q1, question 29.
411 Replies to Questionnaire Q1, question 49.1.
412 Replies to Questionnaire Q1, question 42.

(625) **Fifth** contrary to the Notifying Party's claims, the investigation generally confirmed that barriers to entry are significant due to many factors as explained above (see Section 6.1.1.5), in particular due to the need to build (i) a sufficiently large customer base, (ii) a sufficiently strong sales force and technical team (iii) customer trust and brand loyalty (iv) the necessary know-how in formulation and testing of chemical admixtures and (iv) a large majority of respondents to the market investigations being unaware of any recent entry of new suppliers.[413]

(626) **Finally**, some market participants anticipate a negative impact from the Transaction in Spain. A relevant number of customers expect that the Transaction will have a negative impact on competition in Spain. [414] One customer stated that the result of the transaction would be "l*ess competition, less ability to choose products, less bargaining power, higher prices, easier market agreements between suppliers, less innovation due to less competition.*" [415] Another explained that "*MBCC is SIKA's main competitor. the transaction will eliminate one significant player"* [416]

(627) As to competitors, three out of seven competitors expressing a view believe the Transaction would have a negative impact on competition in Spain. [417] A competitor expressed concerns, stating that "(…) *there will be small companies that will be affected"*. [418] Another competitor stated that the Parties compete closely and that there are no alternatives in Spain.[419]

(628) **To conclude**, in light in particular of (i) the level of the Parties' market shares and their closeness, (ii) the level of market concentration and limited number of credible alternatives, (iii) the high barriers to entry and (iv) the concerns expressed during the market investigation, the Commission concludes that the Transaction raises serious doubts as to its compatibility with the internal market in relation to the market for chemical admixtures and for concrete admixtures specifically in Spain.

6.1.2.2.22. Sweden

(629) In Sweden, Sika is active through a sales office and a warehouse as well as a domestic chemical admixtures plant in Spånga in Stockholm, whereas MBCC only has a chemical admixtures plant located further to the north in Rosersberg, Sigtuna.

(630) The Notifying Party considers that there could be no basis for concerns in Sweden, since post-Transaction there will be a large number of suppliers active in the Swedish chemical admixtures market.

(631) For the reasons set out in the paragraphs below, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to chemical admixtures and concrete admixtures in Sweden.

(632) **First**, the merged entity would have high market shares on the Sweden market for chemical admixtures and for concrete admixtures, and even higher shares in some segments, in particular in infrastructure, tunnelling and mining.

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413 Replies to Questionnaire Q1, question 43.
414 Replies to Questionnaire Q1, question 51.
415 Replies to Questionnaire Q1, question 49.1.
416 Replies to Questionnaire Q1, question 49.1.
417 Replies to Questionnaire Q2, question 51.
418 Replies to Questionnaire Q1, question 49.1.
419 Call with competitor, 10.1.2022.

(633) The Tables below present the Parties and their main competitors' market shares over the last four years in value and volume for chemical admixtures and for concrete admixtures as per the Parties' best estimates.

Table 127 - Chemical admixtures - sales values - Sweden

Chemical admixtures	Sweden							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[…]	[40-50]%	[…]	[30-40]%	[…]	[30-40]%	[…]	[30-40]%
MBCC	[…]	[20-30]%	[…]	[20-30]%	[…]	[30-40]%	[…]	[30-40]%
Combined	**[…]**	**[60-70]%**	**[…]**	**[60-70]%**	**[…]**	**[70-80]%**	**[…]**	**[70-80]%**
Mapei	[…]	[20-30]%	[…]	[20-30]%	[…]	[10-20]%	[…]	[10-20]%
Chryso	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Fosroc					[…]	[0-5]%	[…]	[0-5]%
Normet	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

Table 128 - Chemical admixtures - sales volumes - Sweden

Chemical admixtures	Sweden							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)
Sika	[…]	[30-40]%	[…]	[30-40]%	[…]	[30-40]%	[…]	[30-40]%
MBCC	[…]	[20-30]%	[…]	[20-30]%	[…]	[30-40]%	[…]	[30-40]%
Combined	**[…]**	**[60-70]%**	**[…]**	**[60-70]%**	**[…]**	**[70-80]%**	**[…]**	**[70-80]%**
Mapei	[…]	[20-30]%	[…]	[20-30]%	[…]	[10-20]%	[…]	[10-20]%
Chryso	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%	[…]	[5-10]%
Fosroc					[…]	[0-5]%	[…]	[0-5]%
Normet	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%	[…]	[0-5]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

Table 129 - Concrete admixtures - sales values - Sweden

Concrete admixtures	Sweden							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
Sika	[…]	[40-50]%	[…]	[30-40]%	[…]	[10-20]%	[…]	[30-40]%
MBCC	[…]	[20-30]%	[…]	[20-30]%	[…]	[10-20]%	[…]	[30-40]%
Combined	**[…]**	**[70-80]%**	**[…]**	**[60-70]%**	**[…]**	**[20-30]%**	**[…]**	**[70-80]%**
Mapei	[…]	[20-30]%	[…]	[20-30]%	[…]	[5-10]%	[…]	[10-20]%

Concrete admixtures	Sweden							
	2018		2019		2020		2021	
	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)	Sales (EUR million)	Share (% by value)
CHRYSO	[...]	[5-10]%	[...]	[5-10]%	[...]	[0-5]%	[...]	[5-10]%
Normet	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

Table 130- Concrete admixtures - sales volumes - Sweden

Concrete admixtures	Sweden							
	2018		2019		2020		2021	
	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Volumes (in tons)	Share (% by volume)	Sales (EUR million)	Sales (EUR million)
Sika	[...]	[40-50]%	[...]	[30-40]%	[...]	[30-40]%	[...]	[30-40]%
MBCC	[...]	[30-40]%	[...]	[20-30]%	[...]	[30-40]%	[...]	[30-40]%
Combined	**[…]**	**[70-80]%**	**[…]**	**[60-70]%**	**[…]**	**[70-80]%**	**[…]**	**[70-80]%**
Mapei	[...]	[20-30]%	[...]	[20-30]%	[...]	[10-20]%	[...]	[10-20]%
CHRYSO	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%	[...]	[5-10]%
Normet	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Other	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%	[...]	[0-5]%
Total	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**	**[…]**	**100%**

Source: Form CO, Annex 7.2-A

According to the data provided by the Parties in Table 127 and Source: Form CO, Annex 7.2-A

(634) Table 128, Sika had a market share for chemical admixtures in Sweden in 2021 of [30-40]% based on value and [30-40]% based on volume. MBCC had a market share in 2021 of [30-40]% based on value and [30-40]% based on volume. Therefore, the combined market share of the Parties is above [70-80]%, [70-80]% based on value and [70-80]% based on volume, with a significant increment.

(635) According to the data provided by the Parties in Table 129 and Table 130, market shares for concrete admixtures in Sweden in 2021 are quite similar to those for chemical admixtures. Sika had a market share of [30-40]% based on value and [30-40]% based on volume, MBCC of [30-40]%based on value and [30-40]% based on volume. The combined market share is therefore around or above X, [70-80]% (value) or [70-80]% (volume), with a significant increment.

(636) According to the Commission's market reconstruction, the market shares of the Parties were slightly higher than estimated by the Parties with a combined share of approximately [70-80]%, as can be seen in Table 131. The combined market shares of the Parties have constantly been between [70-80]% and [80-90]%, slightly decreasing in the last three years for both chemical admixtures and for concrete admixtures.

Table 131– Market reconstruction – Sweden

Segment	Metric	2019		2020		2021	
		Parties	Reconstruction	Parties	Reconstruction	Parties	Reconstruction
Chemical admixtures	in value (EUR)	[60-70]%	[70-80]%	[70-80]%	[70-80]%	[70-80]%	[70-80]%
	in volume (tons)	[60-70]%	[70-80]%	[70-80]%	[70-80]%	[70-80]%	[70-80]%
Concrete admixtures	in value (EUR)	[60-70]%	[80-90]%	[70-80]%	[70-80]%	[70-80]%	[70-80]%
	in volume (tons)	[60-70]%	[80-90]%	[70-80]%	[70-80]%	[70-80]%	[70-80]%

Source: Form CO, Annex 7.2-A; Market reconstruction.

(637) When considering catchment areas around the Parties' plants, the merged entity would have high market shares, with up to [50-60]% for MBCC's Rosersberg plant, as can be seen in Table 132 below.

Table 132– Catchment Areas – Swedish plants

Plant	Radius	RFI	Chemical admixtures		Concrete admixtures	
			2020	2021	2020	2021
MBCC - Rosersberg, Sigtuna	400Km	RFI 14	[40-50]%	[40-50]%	[40-50]%	[40-50]%
MBCC - Rosersberg, Sigtuna	80%	RFI 14	[40-50]%	[50-60]%	[40-50]%	[50-60]%
Sika - Spånga	400Km	RFI 14	[40-50]%	[40-50]%	[40-50]%	[50-60]%
Sika - Spånga	80%	RFI 14	[30-40]%	[40-50]%	[40-50]%	[40-50]%

Source: RFI 14

(638) According to the data provided by the Parties, the Parties also have high combined market shares in the sub-segment of Chemical Admixtures Infrastructure ([80-90]%) and Chemical Admixtures tunnelling and mining ([80-90]%).[420]

(639) **Second**, the Transaction would significantly increase the concentration level for chemical admixtures and concrete admixtures. According to the data provided by the parties for value of chemical admixtures in 2021, the HHI pre-Transaction is [3,000 – 3,500] and the HHI post-Transaction would be [5,500 – 6,000], with a delta of [2,500 – 3,000].[421] The delta is well above 150, the level below which horizontal competition concerns are unlikely when the HHI post-transaction is above 2 000.[422] Irrespective of the market segments, including for concrete admixtures, the market share increment is always significant, more than 15%.

(640) **Third**, while several other admixture suppliers are active in Sweden, only Mapei has market shares in excess of 10% (and below [10-20]%), and it would still be significantly smaller (by at least [50-60]%-points) than the merged entity post-Transaction both for chemical admixtures and for concrete admixtures specifically.[423] Moreover, Mapei is the only large fully independent supplier on the Swedish market. As a result, no competitor would be able to constrain the merged entity.

420 RFI 8 Annex Q6
421 Form CO, Annex 7.2-A
422 Horizontal Merger Guidelines, paras 19-20
423 Form CO, Annex 7.2-A

(641) **Fourth**, according to the market investigation, the Transaction would eliminate competition between two close competitors. As explained in Section 6.1.1.4, both Parties have strong innovation capabilities and large portfolios. A majority of customers expressing a view consider innovation to be "very important"[424]. According to customers, MBCC would be among Sika's closest competitors, together with Mapei and Chryso, which, as mentioned above, after the Transaction would have less than a fifth of the merged entity's market share. [425] Sika is considered to be the third closest competitor of MBCC. [426]

(642) **Fifth** contrary to the Notifying Party's claims, the investigation generally confirmed that barriers to entry are significant due to many factors as explained above (see Section 6.1.1.5), in particular due to the need to build (i) a sufficiently large customer base, (ii) a sufficiently strong sales force and technical team (iii) customer trust and brand loyalty (iv) the necessary know-how in formulation and testing of chemical admixtures and (iv) a large majority of respondents to the market investigations being unaware of any recent entry of new suppliers.[427]

(643) **Finally**, some market participants anticipate a negative impact from the Transaction in Sweden. A clear majority of customers that took a view expect the Transaction would have a negative impact on competition in Sweden. [428] A customer explained: „*increased prices, reduced choice/quality, reduced innovation*" [429] Another customer stated that the Parties "*will be very dominant in this market. The combined entity will be the only supplier having local production capacity to supply the market, other suppliers will not be able to compete effectively.*"[430]

(644) As to competitors, a majority of competitors expressing a view believe the Transaction would have a negative impact on competition in Sweden. [431]

(645) **To conclude**, in light in particular of (i) the level of the Parties' market shares and their closeness, (ii) the level of market concentration and limited number of credible alternatives, (iii) the high barriers to entry and (iv) the concerns expressed during the market investigation, the Commission concludes that the Transaction raises serious doubts as to its compatibility with the internal market in relation to the market for chemical admixtures and for concrete admixtures specifically in Sweden.

6.1.2.2.23. Greece and Slovenia

(646) The markets for chemical admixture in Greece and Slovenia are also technically affected. In Greece, the Parties had a combined market share for chemical admixtures of [30-40]% (value) and [30-40]% (volume) in 2021. For the same year, the Parties had a combined market share for concrete admixtures of [30-40]% (value) and [30-40]% (volume). In Slovenia, the Parties had a combined market share for chemical admixtures of [10-20]% (value) and [20-30]% (volume) in 2021. For the same year, the Parties had a combined market share for concrete admixtures of [10-20]% (value) and [20-30]% (volume).

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424 Replies to Questionnaire Q1, question 29.
425 Replies to Questionnaire Q1, question 42.
426 Replies to Questionnaire Q1, question 42.
427 Replies to Questionnaire Q1, question 43.
428 Replies to Questionnaire Q1, question 51.
429 Replies to Questionnaire Q1, question 49.1.
430 Call with customer, 28.2.2022.
431 Replies to Questionnaire Q2, question 51.

(647) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in chemical admixtures and concrete admixtures in Greece and Slovenia, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(648) **First**, the increment in market shares is very limited, and remains below 2% both in Greece and Slovenia for affected markets, such that the change in market structure brought about by the Transaction will only be limited.

(649) **Second**, there would be a sufficient number of other competitors left on the market in both countries. With regards to Greece, there will be three other competitors in excess of [10-20]% market share, including the international player Chryso. In Slovenia there will be two other competitors with market shares in excess of [10-20]% market share, TKK having market shares of [40-50]% and therefore more than twice the size of the Parties post-Transaction.

(650) **Third,** no concerns were expressed with regard to Greece and Slovenia in the market investigation.

(651) In light of the above, the Commission therefore considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to the markets for chemical admixtures and for concrete admixtures specifically in Greece and Slovenia.

6.1.2.3. Conclusion on the competitive assessment of chemical admixtures

Overall, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to the market for chemical admixtures and for concrete admixtures specifically in Austria, Belgium, Croatia, Czechia, Denmark, Finland, France, Germany, Hungary, Iceland, Ireland, Italy, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain and Sweden.

6.2. Horizontal non-coordinated effects: Concrete works

(652) Based on the product and geographic markets as defined above, the Transaction leads to affected markets in 7 EEA countries, with a combined market share in excess of 30% only for impregnations in Austria.

Table 133

Product Subsegment	Country	Market Size	Sika Net Sales	Sika Share	MBCC Net Sales	MBCC Share	Combined Sales	Combined Share
Impregnations	Austria	[…]	[…]	[10-20]%	[…]	[20-30]%	[…]	[30-40]%
Injection Resins	Austria	[…]	[…]	[5-10]%	[…]	[10-20]%	[…]	[20-30]%
Ancillaries	Denmark	[…]	[…]	[0-5]%	[…]	[20-30]%	[…]	[20-30]%
Ancillaries	Hungary	[…]	[…]	[5-10]%	[…]	[10-20]%	[…]	[20-30]%
Injection Resins	Romania	[…]	[…]	[10-20]%	[…]	[5-10]%	[…]	[20-30]%
Impregnations	Slovakia	[…]	[…]	[10-20]%	[…]	[0-5]%	[…]	[20-30]%

Product Subsegment	Country	Market Size	Sika Net Sales	Sika Share	MBCC Net Sales	MBCC Share	Combined Sales	Combined Share
Impregnations	Spain	[…]	[…]	[20-30]%	[…]	[5-10]%	[…]	[20-30]%
Resin-Based Grouts	Spain	[…]	[…]	[20-30]%	[…]	[0-5]%	[…]	[20-30]%
Structural Reinforcing/ Strengthening	Spain	[…]	[…]	[10-20]%	[…]	[5-10]%	[…]	[20-30]%

Source: ***Form CO, Annex 7.2-A***

6.2.1. The Notifying Party's view

(653) The Notifying Party submits that the Transaction does not significantly impede effective competition in any affected concrete works segment, for the following reasons.

(654) **First**, the Notifying Party claims that the Parties' business activities are largely complementary. In the area of concrete works, usually only one of the Parties has an appreciable market position, whilst the increment is typically minor. **Second**, the Notifying Party considers that the Parties have low combined market shares, and mostly below 30%. **Third**, the Notifying Party considers that Post-Transaction, there will remain a significant number of strong (international and local) competitors with significant market shares in all concrete works segments. These competitors include large global players, such as Grace Applied Technologies (GCP), Mapei, Fosroc, and Saint-Gobain (Weber), but also smaller and more local players, such as MC-Bauchemie, Remmers, Isomat, Murexin, among numerous others. **Fourth**, switching suppliers is easy, in particular because concrete works products are highly standardized, e.g., due to European and national regulations and technical standards, and are applied similarly. **Fifth**, barriers to entry are low, in particular because setup and/or expansion of production and distribution requires only small investments, concrete works products are subject to European and national regulations and the know-how required for production is low.

6.2.2. The Commission's assessment

6.2.2.1. General

(655) The Commission notes that the results of its preliminary market investigation did not fully support the Notifying Party's arguments, in particular as regards the complementarity of the Parties' activities and the existence of low barriers to entry.

(656) Overall, customers consider Sika, Mapei and MBCC as the top three suppliers most able to supply their company with the required concrete works and the corresponding necessary services in each segment[432], which suggests that each of the Parties' has a large portfolio in concrete works and that their product offers are seen to be largely overlapping. A large majority of customers consider a wide product range to be important or very important in concrete works[433].

[432] Replies to Questionnaire Q5, question 22.
[433] Replies to Questionnaire Q5, question 32.

(657) As regards entry and expansion by competitors, feedback from the market investigation suggests that barriers are relatively high, notably due to a conservative attitude among customers, with a competitor commenting: *"The main barrier to enter this market is building an eco-system of knowledge, experience and personnel for this market. Brand recognition and experience is key to gain customers that are currently satisfactorily served by Sika and MBCC."*[434]

(658) On the other hand, a majority of customers state that they could easily switch to a different supplier of concrete works with no or limited costs or other obstacles and in limited time.[435] As an Austrian customer commented, *"If the supplier has all certificates which are necessary by national standards you can switch easily."*[436]

(659) In addition, in most of the concrete works sub-segments, respondents do not view Sika and MBCC as each other's closest competitors[437], notably because in some countries they focus on different sales channels (direct sales vs sales to distributors). This explains why there is very little overlap in the Parties' top five customers in any of the affected markets.

(660) Even if some of the Notifying Party's arguments have not been confirmed by the results of the market investigation in this case, for the reasons set out in paragraphs (658) to (659) as well as in the more detailed assessment presented in the sub-sections below, the Commission considers that the Transaction would not give rise to serious doubts as to its compatibility with the internal market as regards any of the affected markets for concrete works.

6.2.2.2. Assessment for individually affected markets

6.2.2.2.1. Austria – Impregnations

(661) Sika and MBCC had market shares of [10-20]% and [10-20]% respectively in the supply of impregnations in Austria in 2021, with a combined share of [30-40]%. Other strong competitors include in particular Murexin ([30-40]%) and Brillux ([20-30]%).

(662) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of impregnations in Austria, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons.

(663) **First**, the market investigation has confirmed that strong alternative suppliers will remain in the market after the Transaction. In addition to Sika and MBCC, customers that are located in Austria recognised Murexin, Brillux and Mapei among the Parties' competitors in impregnations in Austria.[438]

(664) **Second**, a majority of customers that are located in Austria confirmed that they can switch to alternative suppliers of concrete works including impregnations with no or limited costs or other obstacles and in limited time.[439]

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434 Replies to Questionnaire Q6, question 44.2.
435 Replies to Questionnaire Q5, question 48, Replies to Questionnaire Q6, question 19.
436 Replies to Questionnaire Q5, question 48.1.
437 Replies to Questionnaire Q5, question 44.
438 Replies to Questionnaire Q5, question 41 and 42.
439 Replies to Questionnaire Q5, question 48.1.

(665) **Third**, Sika and MBCC do not appear to be particularly close competitors: in Austria they do not have any overlap within their respective top 5 customers for impregnations, and customers that are located in Austria cite Mapei and Sopro as Sika's and MBCC's closest competitors.[440]

(666) **Fourth**, the responses from customers that are located in Austria and from competitors did not indicate that they expected any negative impacts from the Transaction on competition in the market for impregnations in Austria, particularly in terms of prices, quality and diversification of products and innovation.[441]

(667) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for impregnations in Austria.

6.2.2.2.2. Austria – Injection Resins

(668) Sika and MBCC had market shares of [5-10]% and [10-20]% respectively in the supply of injection resins in Austria in 2021, with a combined share of [20-30]%.

(669) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of injection resins in Austria, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons.

(670) **First**, the market investigation has confirmed that strong alternative suppliers will remain in the market after the Transaction. In addition to Sika and MBCC, Austrian customers recognised Murexin, MC Bauchemie and Mapei among the Parties' competitors in injections resins in Austria.[442]

(671) **Second**, a majority of customers that are located in Austria confirmed that they can switch to alternative suppliers of concrete works including injection resins with no or limited costs or other obstacles and in limited time.[443]

(672) **Third**, Sika and MBCC do not appear to be particularly close competitors: Austrian customers cite Mapei and Murexin as Sika's and MBCC's closest competitors.[444]

(673) **Fourth**, the responses from customers that are located in Austria and from competitors did not indicate that they expected any negative impacts from the Transaction on competition in the market for injection resins in Austria, particularly in terms of prices, quality and diversification of products and innovation.[445]

(674) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for injection resins in Austria.

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440 Replies to Questionnaire Q5, questions 44.1 and 44.2

441 Replies to Questionnaire Q5, question 55, Replies to Questionnaire Q6, question 51.

442 Replies to Questionnaire Q5, question 41 and 42.

443 Replies to Questionnaire Q5, question 48.1.

444 Replies to Questionnaire Q5, questions 44.1 and 44.2.

445 Replies to Questionnaire Q5, question 55, Replies to Questionnaire Q6, question 51.

6.2.2.2.3. Denmark – Ancillaries

(675) As regards the supply of ancillaries in Denmark in 2021, MBCC had a market share of [20-30]%, and Sika [0-5]%, with a combined share of [20-30]%. The increment from Sika is lower than the market share of other competitors, in particular Bencon Kemi ([30-40]%), Lanxess ([10-20]%), Mapei ([5-10]%) and Fosroc ([5-10]%).

(676) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of ancillaries in Denmark, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons.

(677) **First**, the market investigation has confirmed that strong alternative suppliers will remain in the market after the Transaction. In addition to Sika and MBCC, customers that are located in Austria recognised Mapei, Fosroc and Doka among the Parties' competitors in ancillaries in Denmark.[446]

(678) **Second**, a majority of Danish customers confirmed that they can switch to alternative suppliers of concrete works including ancilliaries with no or limited costs or other obstacles and in limited time.[447]

(679) **Third**, Sika and MBCC do not appear to be particularly close competitors: in Denmark they do not have any overlap within their respective top 5 customers for ancillaries.[448]

(680) **Fourth**, the responses from Danish customers and from competitors did not support serious concerns over negative impacts from the Transaction on competition in the market for ancillaries in Denmark, particularly in terms of prices, quality and diversification of products and innovation.[449]

(681) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for ancillaries in Denmark.

6.2.2.2.4. Hungary – Ancillaries

(682) As regards the supply of ancillaries in Hungary in 2021, MBCC had a market share of [10-20]%, and Sika [5-10]%, with a combined share of [20-30]%. The increment from Sika is lower than the market share of other competitors, in particular MC Bauchemie ([10-20]%), Mapei ([10-20]%) and Doka ([5-10]%).

(683) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of ancillaries in Hungary, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons.

(684) **First**, strong alternative suppliers of ancillary products will remain in the market in Hungary after the Transaction. In addition to MC Bauchemie, Mapei, Doka and

446 Replies to Questionnaire Q5, questions 41 and 42.
447 Replies to Questionnaire Q5, question 48.1.
448 Replies to Questionnaire Q5, questions 44.1 and 44.2.
449 Replies to Questionnaire Q5, question 55, Replies to Questionnaire Q6, question 51.

Murexin, several other competitors will continue to exert competitive pressure on the combined entity.

(685) **Second**, Sika and MBCC do not appear to be particularly close competitors: in Hungary they have only one overlap within their respective top 5 customers for ancillaries, and Hungarian customers also cite Mapei as Sika's and MBCC's closest competitor.[450]

(686) **Third**, the responses from customers that are located in Hungary and from competitors did not indicate that they expected any negative impacts from the Transaction on competition in the market for ancillaries in Hungary, particularly in terms of prices, quality and diversification of products and innovation.[451]

(687) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for ancillaries in Hungary.

6.2.2.2.5. Romania – Injection resins

(688) As regards the supply of injection resins in Romania in 2021, Sika had a market share of [10-20]%, and MBCC [5-10]%, with a combined share of [20-30]%. The increment from MBCC is lower than the market share of other competitors, in particular MC Bauchemie ([10-20]%), Kost ([10-20]%), Mapei ([10-20]%) and Isomat ([5-10]%).

(689) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of injection resins in Romania, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons.

(690) **First**, the market investigation has confirmed that strong alternative suppliers will remain in the market after the Transaction. In addition to Sika and MBCC, Romanian customers cited Mapei, Koster, Tradecc and TPH among the top five competitors in injection resins in Romania.[452]

(691) **Second**, feedback from customers that are located in Romania confirmed that they can switch to alternative suppliers of concrete works including injection resins with no or limited costs or other obstacles and in limited time.[453]

(692) **Third**, Sika and MBCC do not appear to be particularly close competitors: in Romania they do not have any overlap within their respective top 5 customers for injection resins, and customers that are located in Romania cite Mapei and MC Bauchemie as Sika's and MBCC's closest competitors.[454]

(693) **Fourth**, the responses from customers that are located in Romania and from competitors did not indicate that they expected any negative impacts from the

450 Replies to Questionnaire Q5, questions 44.1 and 44.2.
451 Replies to Questionnaire Q5, question 55, Replies to Questionnaire Q6, question 51.
452 Replies to Questionnaire Q5, question 41.
453 Replies to Questionnaire Q5, question 48.
454 Replies to Questionnaire Q5, questions 44.1 and 44.2.

Transaction on competition in the market for impregnations in Romania, particularly in terms of prices, quality and diversification of products and innovation.[455]

(694) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for injection resins in Romania.

6.2.2.2.6. Slovakia – Impregnations

(695) As regards the supply of impregnations in Slovakia in 2021, Sika had a market share of [10-20]%, and MBCC [0-5]%, with a combined share of [20-30]%. The increment from MBCC is lower than the market share of other competitors, in particular Mapei ([10-20]%), Remmers ([5-10]%), Murexin ([5-10]%) and MC Bauchemie ([5-10]%).

(696) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of impregnations in Slovakia, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons.

(697) **First**, the market investigation has confirmed that strong alternative suppliers will remain in the market post-Transaction.[456] In addition to Sika and MBCC, customers that are located in Slovakia cited Mapei and Den Braven, among the top five competitors in impregnations in Slovakia.[457]

(698) **Second**, feedback from customers that are located in Slovakia confirmed that they can switch to alternative suppliers of concrete works including impregnations with no or limited costs or other obstacles and in limited time.[458]

(699) **Third**, Sika and MBCC do not appear to be particularly close competitors: in Slovakia they do not have any overlap within their respective top 5 customers for impregnations. In the market investigation Slovakian customers cited Mapei, MC Bauchemie and Den Braven as Sika's and MBCC's closest competitors.[459]

(700) **Fourth**, the responses from customers that are located in Slovakia and from competitors did not support serious concerns over negative impacts from the Transaction on competition in the market for impregnations in Slovakia, particularly in terms of prices, quality and diversification of products and innovation.[460]

(701) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for impregnations in Slovakia.

455 Replies to Questionnaire Q5, question 55, Replies to Questionnaire Q6, question 51.
456 Replies to Questionnaire Q5, question 41.
457 Replies to Questionnaire Q5, question 42.
458 Replies to Questionnaire Q5, question 48.1.
459 Replies to Questionnaire Q5, questions 44.1 and 44.2.
460 Replies to Questionnaire Q5, question 55.

6.2.2.2.7. Spain – Impregnations

(702) As regards the supply of impregnations in Spain, in 2021, Sika had a market share of [20-30]%, and MBCC [5-10]%, with a combined share of [20-30]%. The increment from MBCC is lower than the market share of other competitors, in particular Rubson-Henkel ([20-30]%) and Mapei ([5-10]%).

(703) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of impregnations in Spain, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons.

(704) **First**, the market investigation has confirmed that strong alternative suppliers will remain in the market post-Transaction. In addition to Sika and MBCC, customers that are located in Spain cited Mapei, MC Bauchemie, Fosroc, Drizoro, Soprema and Weber among the top five competitors in impregnations in Spain in terms of prices, quality of product, brand recognition, customer services, logistics, breadth of portfolio and innovation capabilities.[461]

(705) **Second**, a majority of Spanish customers confirmed that they can switch to alternative suppliers of concrete works including impregnations with no or limited costs or other obstacles and in limited time.[462]

(706) **Third**, Sika and MBCC do not appear to be particularly close competitors: in Spain they do not have any overlap within their respective top 5 customers for impregnations. In the market investigation customers that are located in Spain also cited Mapei, Drizoro, Weber, Soprema and Rubson as Sika's and MBCC's closest competitors.[463]

(707) **Fourth**, the responses from customers that are located in Spain and from competitors were inconclusive on whether the transaction could have a negative impact on competition in the market for impregnations in Spain, particularly in terms of prices, quality and diversification of products, and innovation.[464]

(708) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for impregnations in Spain.

6.2.2.2.8. Spain – Structural reinforcing/strengthening

(709) As regards the supply of structural reinforcing/strengthening products in Spain in 2021, Sika had a market share of [10-20]%, and MBCC [5-10]%, with a combined share of [20-30]%. The increment from MBCC is lower than the market share of other competitors, in particular S&P ([20-30]%) and Mapei ([20-30]%).

(710) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of structural reinforcing/strengthening products

461 Replies to Questionnaire Q5, question 41.
462 Replies to Questionnaire Q5, question 48.1.
463 Replies to Questionnaire Q5, questions 44.1 and 44.2.
464 Replies to Questionnaire Q5, question 55, Replies to Questionnaire Q6, question 51.

in Spain, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons.

(711) **First**, the market investigation has confirmed that strong alternative suppliers will remain in the market post-Transaction. In addition to Sika and MBCC,customers that are located in Spain cited Mapei, MC Bauchemie, Fosroc, S&P and Drizoro among the top five competitors in structural reinforcing/strengthening products in Spain in terms of prices, quality of product, brand recognition, customer services, logistics, breadth of portfolio and innovation capabilities.[465]

(712) **Second**, a majority of customers that are located in Spain confirmed that they can switch to alternative suppliers of concrete works including structural reinforcing/strengthening products with no or limited costs or other obstacles and in limited time.[466]

(713) **Third**, Sika and MBCC do not appear to be particularly close competitors: in Spain they do not have any overlap within their respective top 5 customers for structural reinforcing/strengthening products. In the market investigation many Spanish customers cited Mapei, Fosroc, S&P and Drizoro as Sika's and MBCC's closest competitors.[467]

(714) **Fourth**, the responses from customers that are located in Spain and from competitors were inconclusive on whether the transaction could have a negative impact on competition in the market for structural reinforcing/strengthening in Spain, particularly in terms of prices, quality and diversification of products and innovation.[468]

(715) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for resin-based grouts in Spain.

6.2.2.2.9. Spain – Resin-based grouts

(716) As regards the supply of resin-based grouts in Spain in 2021, Sika had a market share of [20-30]% and MBCC [0-5]%, with a combined share of [20-30]%. The increment from MBCC is lower than the market share of other competitors, in particular Mapei ([5-10]%), Propamsa ([5-10]%), MC-Bauchemie ([5-10]%) and Fosroc ([5-10]%).

(717) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of resin-based grouts in Spain, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons.

(718) **First**, the market investigation has confirmed that alternative suppliers will remain in the market post-Transaction. In addition to Sika and MBCC, customers located in Spain cited Mapei, MC Bauchemie, Fosroc, Propamsa and Weber among the top five competitors in resin-based grouts in Spain in terms of prices, quality of product, brand

465 Replies to Questionnaire Q5, question 41.
466 Replies to Questionnaire Q5, question 48.1.
467 Replies to Questionnaire Q5, questions 44.1 and 44.2.
468 Replies to Questionnaire Q5, question 55.

recognition, customer services, logistics, breadth of portfolio and innovation capabilities.[469]

(719) **Second**, in the market investigation a majority of customers that are located in Spain confirmed that they can switch to alternative suppliers of concrete works including resin-based grouts with no or limited costs or other obstacles and in limited time.[470]

(720) **Third**, Sika and MBCC do not appear to be particularly close competitors: in Spain they do not have any overlap within their respective top 5 customers for resin-based grouts. In the market investigation Spanish customers also cited Mapei, Drizoro, MC Bauchemie, Propamsa as Sika's and MBCC's closest competitors.[471]

(721) **Fourth**, the responses from customers that are located in Spain were inconclusive on whether the transaction could have a negative impact on competition in the market for resin-based grouts in Spain, particularly in terms of prices, quality and diversification of products and innovation.[472]

(722) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for resin-based grouts in Spain.

6.3. Horizontal non-coordinated effects: Mortars

(723) Based on the market definition outlined above, the Transaction gives rise to the following affected markets for premix mortars at the national level.

Table 134 – Market shares for premix mortars at the national level (2021)

Country	Product market	Market shares (value)		
		Sika	MBCC	Combined
Belgium	Construction Dry	[10-20]%	[10-20]%	[20-30]%
France	Construction Dry	[20-30]%	[0-5]%	[20-30]%
France	Tile Dry	[20-30]%	[0-5]%	[20-30]%
Netherlands	Tile Dry	[10-20]%	[5-10]%	[20-30]%
Netherlands	Tile Paste	[10-20]%	[5-10]%	[20-30]%
Romania	Construction Dry	[20-30]%	[0-5]%	[20-30]%
Spain	Construction Dry	[20-30]%	[10-20]%	[30-40]%

Source: Form CO, Annex 7.2-A

(724) When assessing the markets based on catchment areas with radii of 120 Km, 300 Km, and 600 Km around the Parties' production plants, the Transaction gives rise to the following affected markets for premix mortars.

469 Replies to Questionnaire Q5, question 41.
470 Replies to Questionnaire Q5, question 48.
471 Replies to Questionnaire Q5, questions 44.1 and 44.2.
472 Replies to Questionnaire Q5, question 55.

Table 135 - Market shares for premix mortars according to catchment areas (2021)

Catchment area	Product market	Market shares (value)		
		Sika	MBCC	Combined
Ham (BE): 120km	Construction Dry	[10-20]%	[10-20]%	[20-30]%
Ham (BE): 300km	Construction Dry	[10-20]%	[5-10]%	[20-30]%
Ham (BE): 600km	Construction Dry	[10-20]%	[5-10]%	[20-30]%
Angerville (FR): 120km	Construction Dry	[20-30]%	[0-5]%	[20-30]%
Angerville (FR): 300km	Construction Dry	[20-30]%	[5-10]%	[20-30]%
Angerville (FR): 600km	Construction Dry	[10-20]%	[5-10]%	[20-30]%
Sorgues (FR): 120km	Construction Dry	[20-30]%	[0-5]%	[30-40]%
Sorgues (FR): 300km	Construction Dry	[20-30]%	[0-5]%	[20-30]%
Sorgues (FR): 120km	Tile[473]	[20-30]%	[0-5]%	[30-40]%
Sorgues (FR): 300km	Tile[473]	[20-30]%	[0-5]%	[20-30]%
Hamm (DE): 120km	Construction Dry	[10-20]%	[5-10]%	[20-30]%
Hamm (DE): 300km	Construction Dry	[10-20]%	[5-10]%	[20-30]%
Cabanillas Del Campo (ES): 120km	Construction Dry	[20-30]%	[5-10]%	[30-40]%
Cabanillas Del Campo (ES): 300km	Construction Dry	[20-30]%	[10-20]%	[30-40]%
Cabanillas Del Campo (ES): 600km	Construction Dry	[20-30]%	[5-10]%	[30-40]%

Source: Annex Q1 to response to RFI I-8

(725) The effects of the Transaction in these markets will be assessed in turn below. Since there are also two affected catchment areas around a German plant in Hamm as can be seen in Table 135, the analysis below will also cover Germany – dry construction mortars in addition to the affected national markets listed in the previous Table 134.

6.3.1. Belgium – Dry construction mortars

(726) Whether considering the entire national territory or the catchment areas around MBCC's local plant, the Parties combined market shares for dry construction mortars do not exceed 25% in Belgium. In view of this limited combined market share, the Transaction is not liable to impede effective competition and may be presumed to be compatible with the common market.[474]

(727) The Parties are not close competitors in the Belgian market of dry construction mortars. MBCC mostly focuses on mortars for concrete repairs and wind turbine grouts, which account for a small share of Sika's portfolio in the same market.

Table 136 Sales split of the Parties with regard to dry construction dry mortars (Belgium)

[…]

Source: Form CO

(728) The Parties also largely compete for different customers, because Sika sells the majority of its products to distributors while MBCC mostly sells directly to final customers.[475]

473 The Notifying Party was not able to provide disaggregated market share estimates for dry and paste mortars for tiles in the catchment areas around the Sorgues plant.

474 Horizontal merger guidelines, paragraph 18.

475 Form CO, paragraph 1769.

(729) Several well-established suppliers of dry construction mortars will continue to compete against the merged entity post-Transaction, including Grout Techniek (with a market share of [10-20]%), Mapei ([10-20]%), PTB ([10-20]%) and Weber ([5-10]%).

6.3.2. France – Dry construction mortars

(730) In the French market for dry construction mortars, the Parties' combined shares amount to [20-30]% (with a modest increment of less than [0-5]%), raising to [30-40]% (again with an increment of less than [0-5]%) in the narrowest catchment area (120 Km) around MBCC's plant in Sorgues.

(731) The Parties are not close competitors: while MBCC's portfolio is mostly limited to concrete repair mortars, these products account for only about one quarter of Sika's sales.

Table 137 Sales split of the Parties with regard to construction dry premix mortars (France)

[…]

(732) The Parties also largely compete for different customers, because Sika sells the majority of its products to distributors while MBCC mostly sells directly to final customers.[476]

(733) Several well-established suppliers of dry construction mortars will continue to compete against the merged entity post-Transaction, including the local player Weber (with a market share of [10-20]%), Mapei ([10-20]%), VPI ([10-20]%) and PRB ([5-10]%).

(734) During the market investigation, a large majority of customers confirmed that they expect the Transaction to have no impact (or even a positive impact) on competition in France for construction mortars, including dry construction mortars.[477] Also, customers almost unanimously stated that the merged entity will continue face sufficient competition from other credible suppliers of construction mortars in France post-Transaction.[478]

6.3.3. France – Dry tile mortars

(735) The Parties' combined market share in the French market for dry tile mortars does not exceed[20-30]%, with an increment of less than [0-5]%. In view of this limited combined market share, the Transaction is not liable to impede effective competition and may be presumed to be compatible with the common market.[479] When considering catchment areas for tile fixing mortars, the Parties' combined share raises up to [30-40]% (with a modest increment of [0-5]%) in the narrowest radium (120 Km) around MBCC's plant in Sorgues.

(736) Several well-established suppliers of dry tile mortars will continue to compete against the merged entity post-Transaction, including the local player Weber (with a market share of [20-30]%), Cernix ([20-30]%), Mapei ([10-20]%) and PRB ([5-10]%).

(737) During the market investigation, a large majority of customers confirmed that they expect the transaction to have no impact (or even a positive impact) on competition in

476 Form CO, paragraph 1790.
477 Replies to Questionnaire Q7, question 30.
478 Replies to Questionnaire Q7, question 19.
479 Horizontal merger guidelines, paragraph 18.

the French market of construction mortars, including dry tile mortars.[480] Also, customers unanimously stated that the merged entity will continue face sufficient competition from other credible suppliers of dry tile mortars in France post-Transaction.[481]

6.3.4. Germany – Dry construction mortars

(738) The hypothetical markets based on catchment areas with radii of 120 Km or 300 Km around MBCC's German plant in Hamm are only barely affected, as the Parties' combined market shares for dry construction markets would not exceed [20-30]%.

6.3.5. Netherlands – Dry tile mortars

(739) The Parties combined market share in the Dutch market for dry tile mortars does not exceed [20-30]%, with an increment of less than [5-10]%. In view of this limited combined market share, the Transaction is not liable to impede effective competition and may be presumed to be compatible with the common market.[482]

(740) Several well-established suppliers of dry tile mortars will continue to compete against the merged entity post-Transaction, including Eurocol (with a market share of [10-20]%), Coba ([10-20]%), Omnicol ([5-10]%) and Ardex ([0-5]%).

(741) During the market investigation, a majority of customers confirmed that they expect the transaction to have no impact on competition in the Dutch market of construction mortars, including dry tile mortars.[483] Also, customers unanimously stated that the merged entity will continue to face sufficient competition from other credible suppliers of dry tile mortars in the Netherlands post-Transaction.[484]

6.3.6. Netherlands – Paste tile mortars

(742) The Parties' combined market share in the Dutch market for paste tile mortars amounts to [20-30]%, with an increment of [5-10]%. This combined share is still smaller that the two largest competitors: Coba ([20-30]%) and Eurocol ([20-30]%). Omnicol also has a well-established position in this market ([10-20]%).

(743) During the market investigation, a majority of customers confirmed that they expect the transaction to have no impact on competition in the Dutch market of construction mortars, including paste tile mortars.[485] Also, customers unanimously stated that the merged entity will continue face sufficient competition from other credible suppliers of past tile mortars in the Netherlands post-Transaction.[486]

6.3.7. Romania – Dry construction mortars

(744) While the Romanian market of dry construction mortars is technically affected, Sika has a market share of [20-30]% while MBCC has a negligible presence of less than

480 Replies to Questionnaire Q7, question 30.
481 Replies to Questionnaire Q7, question 19.
482 Horizontal merger guidelines, paragraph 18.
483 Replies to Questionnaire Q7, question 30.
484 Replies to Questionnaire Q7, question 19.
485 Replies to Questionnaire Q7, question 30.
486 Replies to Questionnaire Q7, question 19.

[0-5]%. By reason of the limited market share of the Parties, the Transaction is not liable to impede effective competition in this market.[487]

6.3.8. Spain – Dry construction mortars

(745) The Parties' combined market share in the Spanish market of dry construction mortars is [30-40]%, with an increment of [10-20]%. An assessment based on catchment areas around MBCC's local plant in Cabanillas Del Campo shows similar market share estimates (up to [30-40]% with and increment of [10-20]% in a 300 Km radius). However, these figures probably overestimate the Parties' market shares in this market. In fact, several suppliers – which were not included in the market share estimates provided by the Notifying Party – indicated in their responses to the market investigation that they generate sizeable sales in this market.

(746) The Parties have similar offerings in this market, with both portfolios focusing on concrete repair mortars, waterproofing mortars, and precision grouts.

Table 138 Sales split of the Parties with regard to construction dry premix mortars (Spain)

[…]

Source: Form CO

(747) Nonetheless, several well-established suppliers of dry construction mortars will continue to compete against the merged entity post-Transaction, including Mapei (with a market share of c. [20-30]%), the local player Propamsa ([10-20]%), as well as Kerakoll ([10-20]%) and Saint-Gobain ([10-20]%).

(748) Moreover, during the market investigation, a majority of Spanish customers and competitors confirmed that they expect the transaction to have no impact on competition in the market of construction mortars in Spain, including dry construction mortars.[488] Also, a large majority of Spanish customers and competitors stated that the merged entity will continue face sufficient competition from other credible suppliers of dry construction mortars post-Transaction.[489]

6.3.9. Conclusion

(749) In light of these considerations, the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the markets for premix mortars in the EEA.

6.4. Horizontal non-coordinated effects: Industrial Flooring

6.4.1. Market structure and market shares

(750) There are no affected markets with regard to industrial flooring at EEA-level. At national level, based on the plausible product markets as defined in Section 5.4.2.3 above, the following markets are affected in 2021:

487 Horizontal Merger Guidelines, paragraph 18.

488 Replies to Questionnaire Q7, question 30; Replies to Questionnaire Q8, question 26.

489 Replies to Questionnaire Q7, question 19; Replies to Questionnaire Q8, question 17.

Table 139 – Affected markets in industrial flooring[490]

Product market	Country	Sika Share	MBCC Share	Combined Share	HHI Delta <150
Industrial flooring overall	Austria	[10-20]%	[5-10%	[20-30]%	
Industrial flooring overall	Denmark	[10-20]%	[10-20]%	[30-40]%	
Industrial flooring overall	Portugal	[10-20]%	[5-10]%	[20-30]%	
Industrial flooring overall	Slovakia	[10-20]%	[10-20]%	[20-30]%	
Industrial flooring overall	Slovenia	[10-20]%	[10-20]%	[20-30]%	
Industrial flooring based on epoxy	Austria	[20-30]%	[10-20]%	[30-40]%	
Industrial flooring based on epoxy	Denmark	[10-20]%	[10-20]%	[20-30]%	
Industrial flooring based on epoxy	Ireland	[20-30]%	[0-5]%	[20-30]%	[…]
Industrial flooring based on epoxy	Portugal	[20-30]%	[0-5]%	[20-30]%	
Industrial flooring based on epoxy	Slovakia	[10-20]%	[10-20]%	[20-30]%	
Industrial flooring based on epoxy	Slovenia	[5-10%	[10-20]%	[20-30]%	
Industrial flooring based on PU	Belgium	[10-20]%	[5-10%	[20-30]%	
Industrial flooring based on PU	Denmark	[10-20]%	[10-20]%	[30-40]%	
Industrial flooring based on PU	France	[10-20]%	[10-20]%	[20-30]%	
Industrial flooring based on PU	Hungary	[10-20]%	[5-10%	[20-30]%	
Industrial flooring based on PU	Netherlands	[10-20]%	[5-10%	[20-30]%	
Industrial flooring based on PU	Portugal	[10-20]%	[10-20]%	[20-30]%	
Industrial flooring based on PU	Slovakia	[10-20]%	[10-20]%	[30-40]%	
Industrial flooring based on PU	Slovenia	[20-30]%	[10-20]%	[30-40]%	
Industrial flooring based on PU	Spain	[10-20]%	[10-20]%	[20-30]%	
Industrial flooring based on PU	Sweden	[10-20]%	[10-20]%	[20-30]%	
Cementitious flooring	Finland	[0-5]%	[30-40]%	[30-40]%	[…]
PU/Cementitious flooring	Portugal	[10-20]%	[10-20]%	[20-30]%	
PU/Cementitious flooring	Slovakia	[5-10]%	[10-20]%	[20-30]%	
PU/Cementitious flooring	Spain	[5-10]%	[10-20]%	[20-30]%	

6.4.2. The Notifying Party's arguments

(751) The Notifying Party submits that the Transaction will not significantly impede effective competition in relation to the industrial flooring markets in light of low combined market shares of the Parties, a significant number of other competitors, buyer power of customers, frequent switching of customers and low barriers to entry.[491]

6.4.3. The Commission's assessment

6.4.3.1. General

(752) The Commission notes that the results of its preliminary market investigation did generally support the Notifying Party's arguments that barriers to entry and switching are low.

(753) As regards entry and expansion by competitors, feedback from the market investigation suggests that several suppliers of industrial flooring have entered the space in the past

490 Form CO, Annex 7.2-A.

491 Form CO, paragraphs 1960 et seq.

five years, including ProMal in Denmark, Rinol in Austria, Eco Silicate Systems in Denmark, Ulfcar in Denmark, Laticrete in Portugal with a small range, Kansai Helios (Chromos) in Austria, Slovenia, Slovakia, Czechia, Bulgaria, Denmark, Romania and Croatia, Braven in Czechia, Remmers in Slovenia and Czechia. Further, market participants report several market entries by means of acquisitions of local suppliers in the past five years, namely Sherwin Williams in the UK and Netherlands and Saint Gobain in Spain. Likewise Ardex entered the Spanish market through acquiring Seire in 2016.[492]

(754) As regards switching, a vast majority of customers they could easily switch to a different supplier of industrial flooring with no or limited costs or other obstacles and in limited time.[493] A vast majority of competitors confirmed this, stating that in their experience, customers are able to easily switch to a different supplier of industrial flooring (for instance, in case of a price increase).[494] Likewise, a vast majority of competitors reported that customers had switched from another supplier of industrial flooring to their portfolio throughout the past five years.[495]

(755) For the reasons set out above as well as in the more detailed assessment presented in the sub-sections below, the Commission considers that the Transaction would not give rise to serious doubts as to its compatibility with the internal market as regards any of the affected markets for the supply of industrial flooring.

6.4.3.2. Assessment of individually affected markets

6.4.3.2.1. Austria – Industrial flooring overall

(756) The market for industrial flooring in Austria is affected since both Parties are active on this market and have a combined market share of [20-30]%.

(757) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of industrial flooring in Austria, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(758) **First,** according to Paragraph 18 of the Commission's Guidelines on the assessment of horizontal mergers ("Horizontal Merger Guidelines")[496], concentrations which, by reason of the limited market share of the undertakings concerned, are not liable to impede effective competition may be presumed to be compatible with the internal market. An indication to this effect exists, in particular, where the market share of the undertakings concerned does not exceed 25% either in the internal market or in a substantial part of it. The Transaction only lightly exceeds the threshold for this presumption by less than one percentage point in relation to the market in question. This is an indication that the Transaction is unlikely to impede effective competition.

492 Responses to Q3 – Questionnaire on industrial flooring to customers, question 30; responses to Q4 – Questionnaire on industrial flooring to competitors, question 28.

493 Responses to Q3 – Questionnaire on industrial flooring to customers, question 33.

494 Responses to Q4 – Questionnaire on industrial flooring to competitors, question 32.

495 Responses to Q4 – Questionnaire on industrial flooring to competitors, question 33.

496 Guidelines on the assessment of horizontal mergers under the Council Regulation on the control of concentrations between undertakings (2004/C31/03).

(759) **Second**, post-Transaction, several strong alternative suppliers of industrial flooring in Austria will continue to compete against the merged entity, including STO ([10-20]% in 2021), Viacor ([10-20]% in 2021), Avenarius-Agro ([10-20]% in 2021), KLB ([10-20]% in 2021) and Rinol ([10-20]% in 2021).[497]

(760) **Third**, a majority of customers that are located in Austria and took a view in the market investigation said that they can switch to alternative suppliers of industrial flooring with no or limited costs or other obstacles and in limited time.[498]

(761) **Fourth**, no substantive doubts were raised and no special circumstances identified during the Commission's market investigation in relation to industrial flooring overall in Austria. A vast majority of customers located in Austria that took a view in the Commission's preliminary market investigation indicated that they expect the Transaction to not have a negative impact on its company as regards the procurement of industrial flooring overall.[499] Moreover, a majority of competitors indicated that they expect the Transaction to not have a negative impact on competition in the market for industrial flooring in Austria in terms of prices, quality and diversification of products, innovation, etc.[500] Further, the Commission notes that, while two customers located in Austria indicated that they expect the Transaction to have a negative impact on competition in the market for industrial flooring in Austria in terms of prices, quality and diversification of products, innovation, etc., none of these customers further substantiated their concern.[501]

(762) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the plausible market for industrial flooring overall in Austria.

6.4.3.2.2. Austria – Industrial flooring based on epoxy

(763) The market for industrial flooring based on epoxy in Austria is affected since both Parties are active on this market and have a combined market share of [30-40]%.

(764) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of industrial flooring based on epoxy in Austria, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(765) **First**, post-Transaction, several strong alternative suppliers of epoxy-based industrial flooring in Austria will continue to compete against the merged entity, including STO ([20-30]% in 2021), Avenarius ([10-20]% in 2021), Rinol ([10-20]% in 2021), KLB ([5-10]% in 2021) and Viacor ([5-10]% in 2021).[502] Customers located in Austria

497 Form CO, Annex 7.2-A.

498 The only customers located in Slovenia that took a view in the Commission's preliminary market investigation indicated that it expects the Transaction to not have a negative impact on its company as regards the procurement of industrial flooring overall.

499 Responses to Q3 – Questionnaire on industrial flooring to customers, question 36.

500 Responses to Q4 – Questionnaire on industrial flooring to competitors, question 36.

501 Responses to Q3 – Questionnaire on industrial flooring to customers, question 38 and 38.1.

502 Form CO, Annex 7.2-A.

further identified Mapei, MC Bauchemie, Remmers and RPM as alternative suppliers of epoxy-based industrial flooring for their company.[503]

(766) **Second**, a majority of customers that are located in Austria and took a view in the market investigation said that they can switch to alternative suppliers of industrial flooring including epoxy-based flooring with no or limited costs or other obstacles and in limited time.[504]

(767) **Third,** the Parties appear to not be particularly close competitors in epoxy-based industrial flooring in Austria. Asked who the main suppliers of epoxy-based industrial flooring are, only a minority of customers located in Austria that took a view listed both Sika and MBCC among the main suppliers.[505]

(768) **Fourth**, no substantive doubts were raised and no special circumstances identified during the Commission's market investigation in relation to industrial flooring based on epoxy in Austria. All of the customers located in Austria that took a view in the Commission's market investigation indicated that they expect no negative impact of the Transaction on their company with regard to industrial flooring based on epoxy.[506]

(769) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the plausible market for industrial flooring based on epoxy in Austria.

6.4.3.2.3. Belgium – Industrial flooring based on PU

(770) The market for industrial flooring based on PU in Belgium is affected since both Parties are active on this market and have a combined market share of [20-30]%.

(771) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of industrial flooring based on PU in Belgium, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(772) **First,** according to Paragraph 18 of the Commission's Horizontal Merger Guidelines, since this combined market share of the Parties only exceeds 25% by 0.1/% the Transaction can be presumed to be compatible with the internal market as regards the market for industrial flooring based on PU in Belgium.

(773) **Second,** post-Transaction, several strong alternative suppliers will continue to compete against the merged entity, including Arturo ([10-20]% in 2021), Mapei ([10-20]% in 2021), Remmers ([10-20]% in 2021), and CPG ([5-10]% in 2021).[507]

(774) **Third**, no substantive doubts were raised and no special circumstances identified during the Commission's market investigation in relation to the industrial flooring based on PU in Belgium. While a customer that is located in Belgium that took a view in the Commission's market investigation indicated that it expects a negative impact of

503 Responses to Q3 – Questionnaire on industrial flooring to customers, question 12.
504 Responses to Q3 – Questionnaire on industrial flooring to customers, question 33.
505 Responses to Q3 – Questionnaire on industrial flooring to customers, question 28.
506 Responses to Q3 – Questionnaire on industrial flooring to customers, question 36.
507 Form CO, Annex 7.2-A, as supported by responses to Q3 – Questionnaire on industrial flooring to customers, question 12 and 28.

the Transaction on their company with regard to industrial flooring based on PU, this claim was not further substantiated.[508]

(775) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for industrial flooring based on PU in Belgium.

6.4.3.2.4. Denmark – Industrial flooring overall

(776) The market for industrial flooring based on epoxy in Denmark is affected since both Parties are active on this market and have a combined market share of [30-40]%.

(777) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of industrial flooring in Denmark, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(778) **First**, post-Transaction, several strong alternative suppliers of epoxy-based industrial flooring in Denmark will continue to compete against the merged entity, including Mapei ([10-20]% in 2021), Rockidan ([5-10]% in 2021), J.T.I Gulvenreprise ([5-10]% in 2021), Vesla Gulve ([5-10]% in 2021) and Neo Coating ([5-10]% in 2021).[509]

(779) **Second**, barriers to entry appear to be rather moderate, with market participants reporting at least four market entries in industrial flooring in Denmark in the past five years, namely ProMal, Eco Silicate Systems, Kansai Helios Coatings and Ulfcar.[510]

(780) **Third**, a majority of customers that are located in Denmark and took a view in the market investigation said that they can switch to alternative suppliers of industrial flooring with no or limited costs or other obstacles and in limited time.[511] The responses from competitors were inconclusive on whether the Transaction could have a negative impact on competition in the market for industrial flooring in Denmark, particularly in terms of prices, quality and diversification of products and innovation.[512]

(781) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the plausible market for industrial flooring overall in Denmark.

6.4.3.2.5. Denmark – Industrial flooring based on epoxy

(782) The market for industrial flooring based on epoxy in Denmark is affected since both Parties are active on this market and have a combined market share of [20-30]%.

(783) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of industrial flooring based on epoxy in

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508 Responses to Q3 – Questionnaire on industrial flooring to customers, question 36 and 36.1.

509 Form CO, Annex 7.2-A, as supported by responses to Q3 – Questionnaire on industrial flooring to customers, question 12 and 28.

510 Responses to Q3 – Questionnaire on industrial flooring to customers, question 30; responses to Q4 – Questionnaire on industrial flooring to competitors, question 28.

511 Responses to Q3 – Questionnaire on industrial flooring to customers, question 33.

512 Responses to Q4 – Questionnaire on industrial flooring to competitors, question 36.

Denmark, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(784) **First,** according to Paragraph 18 of the Commission's Guidelines on the assessment of horizontal mergers ("Horizontal Merger Guidelines")[513], concentrations which, by reason of the limited market share of the undertakings concerned, are not liable to impede effective competition may be presumed to be compatible with the internal market. An indication to this effect exists, in particular, where the market share of the undertakings concerned does not exceed 25% either in the internal market or in a substantial part of it. The Transaction only lightly exceeds the threshold for this presumption by roughly [0-5] percentage points in relation to the market in question. This indicates the Transaction is unlikely to impede effective competition.

(785) **Second**, post-Transaction, several strong alternative suppliers of epoxy-based industrial flooring in Denmark will continue to compete against the merged entity, including Mapei ([10-20]% in 2021), Vesla Gulve (10-20]% in 2021), J.T.I Gulvenreprise ([10-20]% in 2021), Rockidan ([10-20]% in 2021), Eradur ([5-10]% in 2021) and STO Danmark ([5-10]% in 2021).[514]

(786) **Third**, a majority of customers that are located in Denmark and took a view in the market investigation said that they can switch to alternative suppliers of industrial flooring including epoxy-based flooring with no or limited costs or other obstacles and in limited time.[515]

(787) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for industrial flooring based on epoxy in Denmark.

6.4.3.2.6. Denmark – Industrial flooring based on PU

(788) The market for industrial flooring based on PU in Denmark is affected since both Parties are active on this market and have a combined market share of [30-40]%.

(789) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of industrial flooring based on PU in Denmark, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(790) **First**, post-Transaction, several alternative suppliers of PU liquid industrial flooring will continue to compete against the merged entity in Denmark, including Mapei ([10-20]% in 2021), Neo Coating ([5-10]% in 2021), J.T.I Gulvenreprise ([5-10]% in 2021), Rockidan ([5-10]% in 2021) and Eradur ([0-5]% in 2021).[516]

(791) **Second**, a majority of customers that are located in Denmark and took a view in the market investigation said that they can switch to alternative suppliers of industrial

513 Guidelines on the assessment of horizontal mergers under the Council Regulation on the control of concentrations between undertakings (2004/C31/03).

514 Form CO, Annex 7.2-A, as supported by responses to Q3 – Questionnaire on industrial flooring to customers, question 12 and 28.

515 Responses to Q3 – Questionnaire on industrial flooring to customers, question 33.

516 Form CO, Annex 7.2-A, as supported by responses to Q3 – Questionnaire on industrial flooring to customers, question 12 and 28.

flooring including PU-based flooring with no or limited costs or other obstacles and in limited time.[517]

(792) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for industrial flooring based on PU in Denmark.

6.4.3.2.7. Finland – Cementitious flooring

(793) The market for cementitious industrial flooring in Finland is affected since both Parties are active on this market and have a combined market share of [30-40]%, with a low increment of 1.3%. The HHI delta resulting from the concentration is [50-100].

(794) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of cementitious flooring in Finland, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(795) **First,** according to paragraph 20 of the Commission's Horizontal Merger Guidelines, the Commission is unlikely to identify horizontal competition concerns in a merger with a post-merger HHI above 2000 and a delta below 150 in case of absence of other special circumstances. The Commission could not calculate the exact HHI in this case in absence of exact market shares for the Parties' competitors. However, the low increment of [50-100] at least indicates that horizontal competition concerns are rather unlikely in this case.

(796) **Second**, post-Transaction, several well-established competitors will continue to compete against the merged entity, including Bermanto ([10-20]% in 2021), Primekss ([10-20]% in 2021), Semtu ([10-20]% in 2021), Fescon ([5-10]% in 2021) and Mapei ([0-5]% in 2021).[518]

(797) **Third,** no substantive doubts were raised and no special circumstances identified during the Commission's market investigation in relation to the market for cementitious flooring in Finland.

(798) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for cementitious flooring in Finland.

6.4.3.2.8. France – Industrial flooring based on PU

(799) The market for industrial flooring based on PU in France is affected since both Parties are active on this market and have a combined market share of [20-30]%.

(800) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of industrial flooring based on PU in France, it

517 Responses to Q3 – Questionnaire on industrial flooring to customers, question 33.

518 Form CO, Annex 7.2-A, as supported by responses to Q4 – Questionnaire on industrial flooring to competitors, question 4 and 12.

seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(801) **First**, according to Paragraph 18 of the Commission's Horizontal Merger Guidelines, since this combined market share of the Parties does not exceed 25% the Transaction can be presumed to be compatible with the internal market as regards the market for industrial flooring based on PU in France.

(802) **Second**, post-Transaction, several well-established competitors will continue to compete against the merged entity, including Mapei ([10-20]% in 2021), Soprema ([5-10]% in 2021), CPG ([5-10]% in 2021), Interdesco ([5-10]% in 2021), Conica ([5-10]% in 2021) and Maestria ([5-10]% in 2021).[519]

(803) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for industrial flooring based on PU in France.

6.4.3.2.9. Hungary – Industrial flooring based on PU

(804) The market for industrial flooring based on PU in Hungary is affected since both Parties are active on this market and have a combined market share of [20-30]%.

(805) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of industrial flooring based on PU in Hungary, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(806) **First**, according to Paragraph 18 of the Commission's Horizontal Merger Guidelines, since this combined market share of the Parties does not exceed 25% the Transaction can be presumed to be compatible with the internal market as regards the market for industrial flooring based on PU in Hungary.

(807) **Second**, post-Transaction, several strong alternative suppliers of PU-based industrial flooring will continue to compete against the merged entity in Hungary, including Sto ([20-30]% in 2021), MC Bauchemie ([10-20]% in 2021), Mapei ([5-10]% in 2021) and Remmers ([5-10]% in 2021).[520]

(808) **Third**, all of the customers that are located in Hungary and took a view in the market investigation said that they can switch to alternative suppliers of industrial flooring including PU-based flooring with no or limited costs or other obstacles and in limited time.[521]

(809) **Fourth**, no substantive doubts were raised and no special circumstances identified during the Commission's market investigation in relation to the industrial flooring based on PU in Hungary. Not a single customer that is located in Hungary and responded to the Commission's market investigation indicated that it expects a negative

519 Form CO, Annex 7.2-A, as supported by responses to Q3 – Questionnaire on industrial flooring to customers, question 12 and 12.1

520 Form CO, Annex 7.2-A, as supported by responses to Q3 – Questionnaire on industrial flooring to customers, question 12.

521 Responses to Q3 – Questionnaire on industrial flooring to customers, question 33.

impact of the Transaction on their company with regard to industrial flooring based on PU.[522]

(810) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for industrial flooring based on PU in Hungary.

6.4.3.2.10. Ireland – Industrial flooring based on epoxy

(811) The market for epoxy-based industrial flooring in Ireland is affected since both Parties are active on this market and have a combined market share of [20-30]%, with a low increment of [0-5]%. The Hefendahl-Hirschman Index (HHI) delta resulting from the concentration is [50-100].

(812) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of industrial flooring based on epoxy in Ireland, the Transaction would not give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(813) **First**, according to paragraph 20 of the Commission's Horizontal Merger Guidelines, the Commission is unlikely to identify horizontal competition concerns in a merger with a post-merger HHI above 2000 and a delta below 150 in case of absence of other special circumstances. The Commission could not calculate the exact HHI in this case in absence of exact market shares for the Parties' competitors. However, the low increment of [50 – 100] at least indicates that horizontal competition concerns are rather unlikely in this case.

(814) **Second**, post-Transaction, several strong alternative suppliers will continue to compete against the merged entity in epoxy-based industrial flooring in Ireland, including CPG ([20-30]% in 2021), McDur ([10-20]% in 2021), Remmers ([10-20]% in 2021), and Stonhard ([10-20]% in 2021).[523]

(815) **Third**, all of the customers that are located in Ireland and took a view in the market investigation said that they can switch to alternative suppliers of industrial flooring including epoxy-based flooring with no or limited costs or other obstacles and in limited time.[524]

(816) **Fourth**, no substantive doubts were raised and no special circumstances identified during the Commission's market investigation in relation to the Irish market for industrial flooring based on epoxy. In particular, all of the customers located in Ireland that took a view in the Commission's market investigation indicated that they expect no negative impact of the Transaction on their company with regard to industrial flooring based on epoxy.[525]

(817) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its

522 Responses to Q3 – Questionnaire on industrial flooring to customers, question 36 and 36.1.

523 Form CO, Annex 7.2-A, as supported by responses to Q3 – Questionnaire on industrial flooring to customers, question 12 and 28.

524 Responses to Q3 – Questionnaire on industrial flooring to customers, question 33.

525 Responses to Q3 – Questionnaire on industrial flooring to customers, question 36 and 36.1.

compatibility with the internal market in relation to horizontal non-coordinated effects in the market for industrial flooring based on epoxy in Ireland.

6.4.3.2.11. Netherlands – Industrial flooring based on PU

(818) The market for industrial flooring based on PU in the Netherlands is affected since both Parties are active on this market and have a combined market share of [20-30]%.

(819) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of industrial flooring based on PU in the Netherlands, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(820) **First**, the combined market share of the Parties only exceeds the threshold for the presumption of compatibility with the internal market as laid down in Paragraph 18 of the Horizontal Merger Guidelines by less than one percentage point. This is an indication that the Transaction is not likely to impede competition in the internal market as regards industrial flooring based on epoxy in Portugal.

(821) **Second**, post-Transaction, several well-established competitors will continue to compete against the merged entity, including Uzin Utz ([10-20]% in 2021), Quartzline ([10-20]% in 2021), Eputan ([10-20]% in 2021) and Remmers ([5-10]% in 2021).[526]

(822) **Third**, all of the customers that are located in the Netherlands and took a view in the market investigation said that they can switch to alternative suppliers of industrial flooring including PU-based flooring with no or limited costs or other obstacles and in limited time.[527]

(823) **Fourth**, no substantive doubts were raised and no special circumstances identified during the Commission's market investigation in relation to industrial flooring based on PU in the Netherlands. In particular, all of the customers located in the Netherlands that took a view in the Commission's market investigation indicated that they expect no negative impact of the Transaction on their company with regard to industrial flooring based on PU.[528]

(824) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for industrial flooring based on PU in the Netherlands.

6.4.3.2.12. Portugal – Industrial flooring overall

(825) The market for industrial flooring based on epoxy in Portugal is affected since both Parties are active on this market and have a combined market share of [20-30]%.

(826) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of industrial flooring based on epoxy in Portugal, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

526 Form CO, Annex 7.2-A, as supported by responses to Q3 – Questionnaire on industrial flooring to customers, question 12.

527 Responses to Q3 – Questionnaire on industrial flooring to customers, question 33.

528 Responses to Q3 – Questionnaire on industrial flooring to customers, question 36.

(827) **First**, according to Paragraph 18 of the Commission's Horizontal Merger Guidelines, since this combined market share of the Parties does not exceed 25% the Transaction can be presumed to be compatible with the internal market as regards the market for industrial flooring overall in Portugal.

(828) **Second**, post-Transaction, several alternative suppliers will continue to compete against the merged entity, including CIN ([10-20]% in 2021), Mapei ([10-20]% in 2021), Weber ([10-20]% in 2021), Rinol ([5-10]% in 2021), Barbot ([0-5]% in 2021), Hepym ([0-5]% in 2021), Neuce ([0-5]% in 2021), CPG ([0-5]% in 2021), Terracolor ([0-5]% in 2021), Indulatex ([0-5]% in 2021), Ardex ([0-5]% in 2021) and Kerakoll ([0-5]% in 2021).[529]

(829) **Third**, a majority of competitors indicated that they expect the Transaction to not have a negative impact on competition in the market for industrial flooring in Portugal in terms of prices, quality and diversification of products, innovation, etc.[530] The Commission further notes that, while one customer located in Portugal indicated that it expects the Transaction to have a negative impact on competition in the market for industrial flooring in Portugal in terms of prices, quality and diversification of products, innovation, etc., this customer did not further substantiate its concern.[531] The responses from competitors were inconclusive on whether the Transaction could have a negative impact on competition in the market for industrial flooring in Portugal, particularly in terms of prices, quality and diversification of products and innovation.[532]

(830) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the plausible market for industrial flooring overall in Portugal.

6.4.3.2.13. Portugal – Industrial flooring based on epoxy

(831) The market for industrial flooring based on epoxy in Portugal is affected since both Parties are active on this market and have a combined market share of [20-30]%.

(832) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of industrial flooring based on epoxy in Portugal, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(833) **First**, according to Paragraph 18 of the Commission's Horizontal Merger Guidelines, since this combined market share of the Parties does not exceed 25% the Transaction can be presumed to be compatible with the internal market as regards the market for industrial flooring based on epoxy in Portugal.

(834) **Second**, post-Transaction, several alternative suppliers will continue to compete against the merged entity, including CIN ([10-20]% in 2021), Rinol ([10-20]% in 2021),

529 Form CO, Annex 7.2-A, as supported by responses to Q3 – Questionnaire on industrial flooring to customers, question 12.

530 Responses to Q4 – Questionnaire on industrial flooring to competitors, question 36.

531 Responses to Q3 – Questionnaire on industrial flooring to customers, question 38 and 38.1.

532 Responses to Q4 – Questionnaire on industrial flooring to competitors, question 36 and 36.1.

Hepym ([5-10]% in 2021), CPG ([5-10]% in 2021), Terracolor ([5-10]% in 2021), Barbot ([0-5]% in 2021) as well as Ardex and Weber. [533]

(835) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for industrial flooring based on epoxy in Portugal.

6.4.3.2.14. Portugal – Industrial flooring based on PU

(836) The market for industrial flooring based on PU in Portugal is affected since both Parties are active on this market and have a combined market share of [20-30]%.

(837) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of industrial flooring based on PU in Portugal, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(838) **First**, according to Paragraph 18 of the Commission's Horizontal Merger Guidelines, since this combined market share of the Parties does not exceed 25% the Transaction can be presumed to be compatible with the internal market as regards the market for industrial flooring based on PU in Portugal.

(839) **Second**, post-Transaction, several strong alternative suppliers competitors continue to compete against the merged entity, including CIN ([20-30]% in 2021), Barbot ([5-10]% in 2021), Indulatex ([5-10]% in 2021) and Neuce ([5-10]% in 2021).[534]

(840) **Third**, no substantive doubts were raised and no special circumstances identified during the Commission's market investigation in relation to the industrial flooring based on PU in Portugal. Not a single customer that is located in Portugal and responded to the Commission's market investigation indicated that it expects a negative impact of the Transaction on their company with regard to industrial flooring based on PU.[535]

(841) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for industrial flooring based on PU in Portugal.

6.4.3.2.15. Portugal – Hybrid PU/Cementitious flooring

(842) The market for hybrid PU/Cementitious flooring in Portugal is affected since both Parties are active on this market and have a combined market share of [20-30]%.

(843) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of hybrid PU/cementitious flooring in Portugal, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

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533 Form CO, Annex 7.2-A, as supported by responses to Q3 – Questionnaire on industrial flooring to customers, question 12.

534 Form CO, Annex 7.2-A, as supported by responses to Q3 – Questionnaire on industrial flooring to customers, question 12.

535 Responses to Q3 – Questionnaire on industrial flooring to customers, question 36 and 36.1.

(844) **First,** the combined market share of the Parties only surpasses the threshold for the presumption of compatibility with the internal market as laid down in Paragraph 18 of the Horizontal Merger Guidelines by about [0-5]%. This is an indication that the Transaction is not likely to impede effective competition in the internal market as regards Hybrid PU/Cementitious flooring in Portugal.

(845) **Second**, the Commission finds that post-Transaction well-established competitors will continue to compete against the merged entity, including Rinol ([20-30]% in 2021), CPG ([10-20]% in 2021), Mapei ([0-5]% in 2021), Hepym ([0-5]% in 2021) and Jotun ([0-5]% in 2021).[536]

(846) **Third,** the Parties appear to not be particularly close competitors. Asked who the main suppliers of hybrid PU/cementitious flooring in Portugal are, all of the customers sourcing in Portugal that took a view didn't list Sika among the main suppliers.[537]

(847) **Fourth**, no substantive doubts were raised and no special circumstances identified during the Commission's market investigation in relation to the market for hybrid PU/cementitious flooring in Portugal

(848) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for hybrid PU/cementitious flooring in Portugal.

6.4.3.2.16. Slovakia – Industrial flooring overall

(849) The market for industrial flooring based on epoxy in Slovakia is affected since both Parties are active on this market and have a combined market share of [20-30]%.

(850) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of industrial flooring overall in Slovakia, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(851) **First**, post-Transaction, several strong alternative suppliers will continue to compete against the merged entity, including Remmers ([10-20]% in 2021), ROKO group ([5-10]% in 2021), Mapei ([5-10]% in 2021), MC-Bauchemie ([5-10]% in 2021) and Techfloor ([5-10]% in 2021).[538]

(852) **Second**, no customer that took a view in the Commission's market investigation indicated that they expect a negative impact of the Transaction on industrial flooring overall in Slovakia.[539] The responses from competitors were inconclusive on whether the Transaction could have a negative impact on competition in the market for industrial flooring in Slovakia, particularly in terms of prices, quality and diversification of products and innovation.[540]

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536 Form CO, Annex 7.2-A, as supported by responses to Q3 – Questionnaire on industrial flooring to customers, question 28.

537 Responses to Q3 – Questionnaire on industrial flooring to customers, question 28.

538 Form CO, Annex 7.2-A.

539 Responses to Q3 – Questionnaire on industrial flooring to customers, question 38.

540 Responses to Q4 – Questionnaire on industrial flooring to competitors, question 36 and 36.1.

(853) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the plausible market for industrial flooring overall in Slovakia.

6.4.3.2.17. Slovakia – Industrial flooring based on epoxy

(854) The market for industrial flooring based on epoxy in Slovakia is affected since both Parties are active on this market and have a combined market share of [20-30]%.

(855) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of industrial flooring based on epoxy in Slovakia, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(856) **First**, according to Paragraph 18 of the Commission's Horizontal Merger Guidelines, since this combined market share of the Parties does not exceed 25% the Transaction can be presumed to be compatible with the internal market as regards the market for industrial flooring based on epoxy in Slovakia.

(857) **Second**, post-Transaction, several strong alternative suppliers will continue to compete against the merged entity, including Remmers ([10-20]% in 2021), ROKO group ([10-20]% in 2021), Mapei ([5-10]% in 2021), Techfloor ([5-10]% in 2021) and MC Bauchemie ([5-10]% in 2021).[541]

(858) **Third**, no substantive doubts were raised and no special circumstances identified during the Commission's market investigation in relation to industrial flooring based on epoxy in Slovakia. All of the customers located in Slovakia that took a view in the Commission's market investigation indicated that they expect no negative impact of the Transaction on their company with regard to industrial flooring based on epoxy.[542]

(859) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for industrial flooring based on epoxy in Slovakia.

6.4.3.2.18. Slovakia – Industrial flooring based on PU

(860) The market for industrial flooring based on PU in Slovakia is affected since both Parties are active on this market and have a combined market share of [30-40]%.

(861) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of industrial flooring based on PU in Slovakia, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(862) **First**, post-Transaction, several well-established competitors will continue to compete against the merged entity, including Remmers ([10-20]% in 2021), Sto ([10-20]% and

541 Form CO, Annex 7.2-A.

542 Responses to Q3 – Questionnaire on industrial flooring to customers, question 36.

2021), ROKO group ([5-10]% in 2021), Mapei ([5-10]% in 2021) and MC Bauchemie ([5-10]% in 2021).[543]

(863) **Second**, no substantive doubts were raised and no special circumstances identified during the Commission's market investigation in relation to industrial flooring based on PU in Slovakia. In particular, all of the customers located in the Slovakia that took a view in the Commission's market investigation indicated that they expect no negative impact of the Transaction on their company with regard to industrial flooring based on PU.[544]

(864) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for industrial flooring based on PU in Slovakia.

6.4.3.2.19. Slovakia – Hybrid PU/Cementitious flooring

(865) The market for hybrid PU/Cementitious flooring in Slovakia is affected since both Parties are active on this market and have a combined market share of [20-30]%.

(866) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of hybrid PU/cementitious flooring in Slovakia, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(867) **First,** according to Paragraph 18 of the Commission's Horizontal Merger Guidelines, since this combined market share of the Parties does not exceed 25% the Transaction can be presumed to be compatible with the internal market as regards the market for Hybrid PU/Cementitious flooring in Slovakia.

(868) **Second**, post-Transaction, several well-established competitors will continue to compete against the merged entity, including Remmers ([20-30]% in 2021), Mapei ([10-20]% in 2021), MC Bauchemie ([10-20]% in 2021), Sto ([5-10]% in 2021) and CPG ([0-5]% in 2021).[545]

(869) **Third**, no substantive doubts were raised and no special circumstances identified during the Commission's market investigation in relation to the market for hybrid PU/cementitious flooring in Slovakia.

(870) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for hybrid PU/cementitious flooring in Slovakia.

6.4.3.2.20. Slovenia – Industrial flooring overall

(871) The market for industrial flooring based on epoxy in Slovenia is affected since both Parties are active on this market and have a combined market share of [20-30]%.

543 Form CO, Annex 7.2-A.

544 Responses to Q3 – Questionnaire on industrial flooring to customers, question 36.

545 Form CO, Annex 7.2-A, as supported by responses to Q4 – Questionnaire on industrial flooring to competitors, question 4 and 12.

(872) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of industrial flooring based on epoxy in Slovenia, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(873) **First**, post-Transaction, several well-established alterantive suppliers will continue to compete against the merged entity, including Hotenjka/KLB ([10-20]% in 2021), Sto ([5-10]% in 2021), Amal ([5-10]% in 2021), Mapei ([5-10]% in 2021) and Unihem ([5-10]% in 2021).[546]

(874) **Second**, all of the customers that are located in Slovenia and took a view in the market investigation said that they can switch to alternative suppliers of industrial flooring with no or limited costs or other obstacles and in limited time.[547]

(875) **Third**, no substantive doubts were raised and no special circumstances identified during the Commission's market investigation in relation to industrial flooring overall in Slovenia. The only customers located in Slovenia that took a view in the Commission's preliminary market investigation indicated that it expects the Transaction to not have a negative impact on its company as regards the procurement of industrial flooring overall.[548]

(876) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for industrial flooring overall in Slovenia.

6.4.3.2.21. Slovenia – Industrial flooring based on epoxy

(877) The market for industrial flooring based on epoxy in Slovenia is affected since both Parties are active on this market and have a combined market share of [20-30]%.

(878) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of industrial flooring based on epoxy in Slovenia, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(879) **First**, the Parties' combined market share exceeds the threshold for the presumption of compatibility with the internal market as lead down in Paragraph 18 of the Horizontal Merger Guidelines by a marginal [0-5] percentage points as regards the market for industrial flooring based on epoxy in Slovenia. This is an indication that the Transaction is not likely to be incompatible with the internal market in relation to this market.

(880) **Second**, post-Transaction, several well-established alterantive suppliers will continue to compete against the merged entity, including Hotenjka/KLB ([10-20]% in 2021), Sto ([10-20]% in 2021), Amal ([5-10]% in 2021) and Uzin Utz ([5-10]% in 2021).[549]

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546 Form CO, Annex 7.2-A, as supported by responses to Q3 – Questionnaire on industrial flooring to customers, question 12.

547 Responses to Q3 – Questionnaire on industrial flooring to customers, question 33.

548 Responses to Q3 – Questionnaire on industrial flooring to customers, question 36.

549 Form CO, Annex 7.2-A, as supported by responses to Q3 – Questionnaire on industrial flooring to customers, question 12.

(881) **Third**, all of the customers that are located in Slovenia and took a view in the market investigation said that they can switch to alternative suppliers of industrial flooring including epoxy-based flooring with no or limited costs or other obstacles and in limited time.[550]

(882) **Fourth**, no substantive doubts were raised and no special circumstances identified during the Commission's market investigation in relation to the industrial flooring based on epoxy in Slovenia. While a customer that is located in Slovenia that took a view in the Commission's market investigation indicated that it expects a negative impact of the Transaction on their company with regard to industrial flooring based on epoxy, this claim was not further substantiated.[551]

(883) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for industrial flooring based on epoxy in Slovenia.

6.4.3.2.22. Slovenia – Industrial flooring based on PU

(884) The market for industrial flooring based on PU in Slovenia is affected since both Parties are active on this market and have a combined market share of [30-40]%.

(885) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of industrial flooring based on PU in Slovenia, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(886) **First**, post-Transaction, several alternative suppliers will continue to compete against the merged entity, including Hotenjka/KLB ([5-10]% in 2021), Sto ([5-10]% in 2021).[552]

(887) **Second**, all of the customers that are located in Slovenia and took a view in the market investigation said that they can switch to alternative suppliers of industrial flooring including epoxy-based flooring with no or limited costs or other obstacles and in limited time.[553]

(888) **Third**, no substantive doubts were raised and no special circumstances identified during the Commission's market investigation in relation to the industrial flooring based on PU in Slovenia. While a customer that is located in Slovenia that took a view in the Commission's market investigation indicated that it expects a negative impact of the Transaction on their company with regard to industrial flooring based on PU, this claim was not further substantiated.[554]

(889) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for industrial flooring based on PU in Slovenia.

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550 Responses to Q3 – Questionnaire on industrial flooring to customers, question 33.
551 Responses to Q3 – Questionnaire on industrial flooring to customers, question 36 and 36.1.
552 Responses to Q3 – Questionnaire on industrial flooring to customers, question 12.
553 Responses to Q3 – Questionnaire on industrial flooring to customers, question 33.
554 Responses to Q3 – Questionnaire on industrial flooring to customers, question 36 and 36.1.

6.4.3.2.23. Spain – Industrial flooring based on PU

(890) The market for industrial flooring based on PU in Spain is affected since both Parties are active on this market and have a combined market share of [20-30]%.

(891) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of industrial flooring based on PU in Spain, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(892) **First**, according to Paragraph 18 of the Commission's Horizontal Merger Guidelines, since this combined market share of the Parties does not exceed 25% the Transaction can be presumed to be compatible with the internal market as regards the market for industrial flooring based on PU in Spain.

(893) **Second**, the Commission finds that post-Transaction, numerous including strong competitors will continue to compete against the merged entity, including CPG ([10-20]% in 2021), Ardex ([10-20]% in 2021), Mapei ([10-20]% in 2021), Weber/Paigum ([10-20]% in 2021), Euriqumica, Krypton, Kerakoll and MC Bauchemie.[555] Asked who the main suppliers of PU liquid industrial flooring in Spain are, some customers located in Spain that took a view listed neither Sika nor MBCC among the main suppliers.[556]

(894) **Third**, a majority of customers that are located in Spain and took a view in the market investigation said that they can switch to alternative suppliers of industrial flooring including PU-based flooring with no or limited costs or other obstacles and in limited time.[557]

(895) **Fourth,** the Parties appear to not be particularly close competitors in PU liquid industrial flooring in Spain. Asked who the main suppliers of hybrid PU liquid industrial flooring in Spain are, only a third of the customers located in Spain that took a view listed both Sika and MBCC among the main suppliers.[558]

(896) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for industrial flooring based on PU in Spain.

6.4.3.2.24. Spain – Hybrid PU/Cementitious flooring

(897) The market for hybrid PU/Cementitious flooring in Spain is affected since both Parties are active on this market and have a combined market share of [20-30]%

(898) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of hybrid PU/cementitious flooring in Slovakia, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

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555 Form CO, Annex 7.2-A, and further responses to Q3 – Questionnaire on industrial flooring to customers, question 12 and 28.

556 Responses to Q3 – Questionnaire on industrial flooring to customers, question 28.

557 Responses to Q3 – Questionnaire on industrial flooring to customers, question 33.

558 Responses to Q3 – Questionnaire on industrial flooring to customers, question 28.

(899) **First**, according to Paragraph 18 of the Commission's Horizontal Merger Guidelines, since this combined market share of the Parties does not exceed 25% the Transaction can be presumed to be compatible with the internal market as regards the market for Hybrid PU/Cementitious flooring in Spain.

(900) **Second**, the Commission finds that post-Transaction well-established competitors will continue to compete against the merged entity, including CPG ([20-30]% in 2021), Ardex ([5-10]% in 2021), Lotum Chemifloor ([5-10]% in 2021), Mapei ([5-10]% in 2021), Fosroc ([0-5]% in 2021).[559] Asked who the main suppliers of hybrid PU/cementitious flooring in Spain are, some customers located in Spain that took a view listed neither Sika nor MBCC among the main suppliers.[560]

(901) **Third**, a majority of customers that are located in Spain and took a view in the market investigation said that they can switch to alternative suppliers of industrial flooring including hybrid PU/cementitious flooring with no or limited costs or other obstacles and in limited time.[561]

(902) **Fourth,** the Parties appear to not be particularly close competitors in hybrid PU/Cementitious flooring in Spain. Asked who the main suppliers of hybrid PU/cementitious flooring in Spain are, only a third of the customers located in Spain that took a view listed both Sika and MBCC among the main suppliers.[562]

(903) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for hybrid PU/cementitious flooring in Spain.

6.4.3.2.25. Sweden – Industrial flooring based on PU

(904) The market for industrial flooring based on PU in Sweden is affected since both Parties are active on this market and have a combined market share of [20-30]%.

(905) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of industrial flooring based on PU in Sweden, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(906) **First**, the Commission finds that post-Transaction, strong competitors will continue to compete against the merged entity, including CPG ([20-30]% in 2021), Eradur ([5-10]% in 2021, but closer to 20% in the preceding years), Tikurilla ([5-10]% in 2021), STO ([10-20]% in 2020, no numbers for 2021), Mapei ([0-5]% in 2021, but above 5% in the preceding years). [563]

(907) **Second**, all of the customers that are located in Sweden and took a view in the market investigation said that they can switch to alternative suppliers of industrial flooring

559 Form CO, Annex 7.2-A, as supported by responses to Q3 – Questionnaire on industrial flooring to customers, question 12 and 28.

560 Responses to Q3 – Questionnaire on industrial flooring to customers, question 28; Responses to Q4 – Questionnaire on industrial flooring to competitors, question 4 and 12.

561 Responses to Q3 – Questionnaire on industrial flooring to customers, question 33.

562 Responses to Q3 – Questionnaire on industrial flooring to customers, question 28.

563 Form CO, Annex 7.2-A, as supported by responses to Q3 – Questionnaire on industrial flooring to customers, question 28.

including epoxy-based flooring with no or limited costs or other obstacles and in limited time.[564]

(908) **Third**, no substantive doubts were raised and no special circumstances identified during the Commission's market investigation in relation to the industrial flooring based on PU in Hungary. Not a single customer that is located in Hungary and responded to the Commission's market investigation indicated that it expects a negative impact of the Transaction on their company with regard to industrial flooring based on PU.[565]

(909) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for industrial flooring based on PU in Sweden.

6.4.3.3. Conclusion on the competitive assessment of the industrial flooring markets

(910) In conclusion, the Commission finds that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to all plausible markets for industrial flooring in the EEA.

6.5. Horizontal non-coordinated effects: Sealants

(911) Based on the market definition outlined above, the Transaction gives rise to the following affected markets for sealants.

Table 140 - Market shares for sealants (2021)

Country	Product market	Market shares (value)		
		Sika	MBCC	Combined
Denmark	Polyurethane sealant	[20-30]%	[0-5]%	[20-30]%
Finland	Acrylic sealants	[20-30]%	[0-5]%	[20-30]%
Finland	overall	[20-30]%	[0-5]%	[20-30]%
Finland	Construction	[20-30]%	[0-5]%	[20-30]%
Finland	Polyurethane sealant	[30-40]%	[0-5]%	[30-40]%
Portugal	Construction	[20-30]%	[5-10]%	[30-40]%
Portugal	Polyurethane sealant	[20-30]%	[0-5]%	[30-40]%
Sweden	overall	[20-30]%	[0-5]%	[20-30]%
Sweden	Construction	[20-30]%	[0-5]%	[20-30]%
Sweden	Silicone sealant	[20-30]%	[0-5]%	[20-30]%
Sweden	Silyl-Modified Polymers	[20-30]%	[0-5]%	[20-30]%

Source: Form CO, Annex 7.2-A

(912) In many of these affected markets, MBCC only generate negligible sales not exceeding 1% of the market. The Transaction therefore will not bring about an appreciable effect on competition in those markets. The affected markets in which MBCC has a more significant presence are assessed in turn below.

564 Responses to Q3 – Questionnaire on industrial flooring to customers, question 33; responses to Q4 – Questionnaire on industrial flooring to competitors, question 4 and 12.

565 Responses to Q3 – Questionnaire on industrial flooring to customers, question 36 and 36.1.

6.5.1. Portugal

(913) In Portugal, the Parties have a combined market share of [30-40]% (with a limited increment of [5-10]%) in the market of construction sealants and [30-40]% (with a limited increment of [0-5]%) in the market of polyurethane sealants.

(914) Post-Transaction, several well-established competitors will continue to compete against the merged entity, including Soudal (with market shares of [20-30]% in construction sealants, [20-30]% in polyurethane sealants), Den Braven/Bostik ([20-30]% in both segments), Wurth ([10-20]% in construction sealants, [10-20]% in polyurethane sealants) and Pecol ([5-10]% in construction sealants, [5-10]% in polyurethane sealants).

(915) A majority of customers that are located in Portugal having responded to the market investigation confirmed that the merged entity will face sufficient competition from other credible suppliers of sealants in Portugal post-Transaction.[566] A majority of them also expect the Transaction to have no impact (or even a positive impact) on competition in the relevant markets for sealants in Portugal.[567]

6.5.2. Sweden

(916) In Sweden, the Parties have a combined market share of [20-30]% (with a limited increment of [0-5]%) in the market of construction sealants and [20-30]% (with a limited increment of [0-5]%) in the market of silicone sealants. By reason of these limited combined market share, the Transaction is not liable to impede effective competition and may be presumed to be compatible with the common market.[568]

(917) Post-Transaction, several well-established competitors will continue to compete against the merged entity in Sweden, including Bostik (with market shares of [10-20]% in construction sealants, [5-10]% in silicone sealants), Dana Lim ([10-20]% in construction sealants, [10-20]% in silicone sealants), Essve Produkter ([10-20]% in construction sealants, [5-10]% in silicone sealants), Relekta ([10-20]% in construction sealants, [10-20]% in silicone sealants) and CGP ([10-20]% in construction sealants, [5-10]% in silicone sealants).

(918) A majority of customers that are located in Sweden having responded to the market investigation confirmed that the merged entity will face sufficient competition from other credible suppliers of sealants in Sweden post-Transaction.[569] They also unanimously indicated that the Transaction will not impact competition in the market of sealants in Sweden.[570]

6.5.3. Conclusion

(919) In light of these considerations, the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to all plausible markets for sealants in the EEA.

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566 Questionnare 11, question D.2.
567 Questionnare 11, question D.4.
568 Horizontal merger guidelines, paragraph 18.
569 Questionnare 11, question D.2.
570 Questionnare 11, question D.4.

6.6. Horizontal: Adhesives

(920) The Notifying Party estimates that MBCC's market shares for adhesives are below [0-5]% across the EEA, mostly even below [0-5]% (with the only exception of Germany, where MBCC's market share is estimated to be approximately [5-10]%).

(921) The Transaction therefore gives rise to affected markets only in a handful of plausible relevant markets for adhesives in the EEA, mostly in the Nordics. In these plausible markets, Sika's market share does not exceed [20-30]% and the Transaction will bring about a negligible increment of that share, in any case not exceeding 1%.

Table 141 Market shares for adhesives (2021)

Country	Product market	Market shares (value)		
		Sika	MBCC	Combined
Finland	Construction	[20-30]%	[0-5]%	[20-30]%
Finland	Overall	[20-30]%	[0-5]%	[20-30]%
Finland	Water-Based	[20-30]%	[0-5]%	[20-30]%
France	Reactive	[20-30]%	[0-5]%	[20-30]%
Norway	Reactive	[20-30]%	[0-5]%	[20-30]%
Norway	Overall	[20-30]%	[0-5]%	[20-30]%
Norway	Water-Based	[20-30]%	[0-5]%	[20-30]%
Norway	Construction	[20-30]%	[0-5]%	[20-30]%
Sweden	Water-Based	[20-30]%	[0-5]%	[20-30]%
Sweden	Overall	[20-30]%	[0-5]%	[20-30]%
Sweden	Reactive	[20-30]%	[0-5]%	[20-30]%
Sweden	Construction	[20-30]%	[0-5]%	[20-30]%

Source: Form CO, Annex 7.2-A

(922) Customers and suppliers having responded to the market investigation almost unanimously confirmed that the merged entity will continue to face sufficient competition from other credible suppliers of adhesives post-Transaction.[571] In particular, according to Sika's internal documents, Arkema, Dow, Henkel and Soudal all have stronger market positions than the Parties.[572]

(923) In light of these considerations, the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to adhesives.

6.7. Horizontal: Waterproofing

6.7.1. Market structure and market shares

(924) There are no affected markets with regard to waterproofing at EEA-level. At national level, based on the plausible product markets as defined in Section 5.7.2.35.4.2.3, the waterproofing markets listed in Table 142 below are affected based on the market shares that the Parties' submitted for 2021:

571 Replies to Replies to Questionnaire Q11, question E.4.
572 Form CO, Annex 5.4-B-51, page 20.

Table 142 – Affected markets in Waterproofing[573]

Product market	Country	Sika Share	MBCC Share	Combined Share	HHI Delta
Acrylic liquid membrane (under tiling)	France	[20-30]%	[0-5]%	[20-30]%	[…]
Epoxy liquid membrane	Finland	[20-30]%	[0-5]%	[20-30]%	[…]
Other non-liquid membranes (foils, tapes, etc.)	Austria	[20-30]%	[10-20]%	[30-40]%	[…]
Other non-liquid membranes (foils, tapes, etc.)	Croatia	[10-20]%	[0-5]%	[20-30]%	[…]
Other non-liquid membranes (foils, tapes, etc.)	Germany	[0-5]%	[10-20]%	[20-30]%	[…]
Polyurethane (PU) liquid membrane	Italy	[0-5]%	[20-30]%	[20-30]%	[…]
Polyurethane (PU) liquid membrane	Portugal	[10-20]%	[10-20]%	[20-30]%	[…]
Polyurethane (PU) liquid membrane	Spain	[0-5]%	[20-30]%	[20-30]%	[…]

(925) Table 142 shows, that in five of the eight affected waterproofing markets, the Parties' combined market share are below the threshold of 25% laid down in Paragraph 18 of the Commission's Horizontal Merger Guidelines, and, accordingly, can be presumed to be compatible with the internal.

6.7.2. The Notifying Parties' arguments

(926) The Notifying Party submits that the Transaction will not significantly impede effective competition in relation to the waterproofing markets in light of the Parties' moderate combined market shares, MBCC's generally limited activities in waterproofing, the Parties not being close competitors in waterproofing, numerous strong competitors in each segment, buyer power of customers, frequent switching of customers and generally low barriers to entry.[574]

6.7.3. The Commission's assessment

6.7.3.1. General

(927) The Commission notes that the results of its preliminary market investigation did not fully support the Notifying Party's arguments, in particular as regards the existence of low barriers to entry.

(928) Entry barriers appear to be high in relation to various factors. A competitor detailed various barriers to entry to the waterproofing markets: "*The current industry trend is moving toward developing application-specific synthetic waterproofing membranes, which can comply with environmental regulations in various regions. This requires further capital investments and technological experience. The capital required to develop a new production facility is high, with many foreign and local companies*

573 Form CO, paragraph 1578, Table 170.
574 Form CO, paragraphs 1588 et seq.

already having a strong foothold in the market. A strong brand image, economies of scale, and a good distribution channel of globally established players are the three other factors that can limit the entry of new players in the market."[575] Another competitor smiliarly stated: "*Potential obstacles to enter the market include securing: - Supply chain, which is one of the key element to ensure good services. - Obtaining approvals and certifications meeting local and regional requirements. - Experienced technical and sales staffs to build up certified contractors network that will submit product and application (installation) guarantee to the building owners. - Experienced technical and sales staffs to support building owners, architects and designers with specification activities and transmit the prescriptions to their own contractors network.*"[576] Another competitor similarly reported: "*Build trust, easier on repair jobs (injection or bitumen waterproofing) before brand is aware to deliver (no one tampers with waterproofing on a building). Thus, one needs to build up a business slowly by educating applicators, hope for early chances to build a reference base, and this will then over the years build the brand*."[577] Another competitor listed: "*Technology, manufacturing, distribution, sales and technical support, certification, business relations and network. All expensive and takes time to acquire, install or establish*."[578]

(929) Likewise, one customer explained in this regard: "*The current market power of existing companies makes the barriers to entry for new suppliers so difficult that investments in this segment are not to be expected. In addition, suppliers from the Far East face high barriers to entry, rising transport costs and significant hurdles in terms of sustainability features. The market presence and reputation of existing suppliers, sustainability rewuirements as well as high European standards are difficult to overcome*."[579]

(930) Accordingly, market participants only reported very limited entries into the waterproofing markets in the past five years.[580] Further, market participants to not expect market entries in the waterproofing markets in the EEA in the following five years.[581]

(931) On the other hand, as regards switching, a clear majority of customers state that they could easily switch to a different supplier of waterproofing with no or limited costs or other obstacles and in limited time.[582]

(932) Even if some of the Notifying Party's arguments have not been confirmed by the results of the market investigation in this case, for the reasons set out above as well as in the more detailed assessment presented in the sub-sections below, the Commission considers that the Transaction would not give rise to serious doubts as to its compatibility with the internal market as regards any of the affected markets for the supply of waterproofing.

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575 Response to Q10 – Questionnaire on waterproofing to competitors, question 29.

576 Response to Q10 – Questionnaire on waterproofing to competitors, question 29.

577 Response to Q10 – Questionnaire on waterproofing to competitors, question 29.

578 Response to Q10 – Questionnaire on waterproofing to competitors, question 29.

579 Response to Q9 – Questionnaire on waterproofing to customers, question 27.

580 Responses to Q9 – Questionnaire on waterproofing to customers, question 25; responses to Q10 – Questionnaire on waterproofing to competitors, question 27.

581 Responses to Q9 – Questionnaire on waterproofing to customers, question 26; responses to Q10 – Questionnaire on waterproofing to competitors, question 28.

582 Responses to Q9 – Questionnaire on waterproofing to customers, question 28.

6.7.3.2. Assessment of individually affected markets

6.7.3.2.1. Austria – Other non-liquid membranes (foils, tapes, etc.)

(933) The market for Other non-liquid membranes (foils, tapes, etc.) in Austria is affected since both Parties are active on this market and have a combined market share of [30-40]% with an increment of [10-20]%.

(934) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of other non-liquid membranes (foils, tapes, etc.) in Austria, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(935) **First**, the Commission finds that post-Transaction, several well-established competitors will continue to compete against the merged entity, including Avenarius-Agro ([10-20]% in 2021), STO ([10-20]% in 2021), Soprema ([10-20]% in 2021) and Mapei ([10-20]% in 2021).[583] In addition, customers also listed Dural, Lugato, Murexin, Sopro and Bostik as alternative suppliers of other non-liquid membranes (foils, tapes, etc.) in Austria.[584]

(936) **Second**, a majority of customers that responded to the market investigation said that the Transaction would not have a negative impact on this market in Austria.[585]

(937) **Third**, a majority of customers that are located in Austria and took a view in the market investigation said that they can switch to alternative suppliers of impregnations with no or limited costs or other obstacles and in limited time.[586]

(938) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for other non-liquid membranes (foils, tapes, etc.) in Austria.

6.7.3.2.2. Croatia – Other non-liquid membranes (foils, tapes, etc.)

(939) The market for other non-liquid membranes (foils, tapes, etc.) in Croatia is affected since both Parties are active on this market and have a combined market share of [20-30]%, with a low increment of [0-5]%. The HHI delta resulting from the concentration is [100 – 150].

(940) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of other non-liquid membranes (foils, tapes, etc.) in Croatia, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(941) **First**, according to Paragraph 18 of the Commission's Horizontal Merger Guidelines, since this combined market share of the Parties does not exceed 25% the Transaction can be presumed to be compatible with the internal market as regards the market for other non-liquid membranes (foils, tapes, etc.) in Croatia.

583 See evidence provided in Form CO, paragraph 1597 and Annex 7.2-A to the Form CO.
584 Responses to Q9 – Questionnaire on waterproofing to customers, question 22.
585 Responses to Q9 – Questionnaire on waterproofing to customers, question 35.
586 Responses to Q9 – Questionnaire on waterproofing to customers, question 28.

(942) **Second**, according to paragraph 20 of the Commission's Horizontal Merger Guidelines, the Commission is unlikely to identify horizontal competition concerns in a merger with a post-merger HHI above 2000 and a delta below 150 in case of absence of other special circumstances. The Commission could not calculate the exact HHI in this case in absence of exact market shares for the Parties' competitors. However, the low increment of [100 – 150] at least indicates that horizontal competition concerns are rather unlikely in this case.

(943) **Third**, the Commission finds that post-Transaction, several well-established competitors will continue to compete against the merged entity in Croatia, including Fugaplast ([20-30]% in 2021), Draco ([10-20]% in 2021), Mapei ([10-20]% in 2021), Frank ([10-20]% in 2021) and Besaplast ([5-10]% in 2021).[587] In addition, a customer that is located in Croatia also listed Katran and Fragmat as alternative suppliers of other non-liquid membranes (foils, tapes, etc.) in Croatia. [588]

(944) **Fourth**, no substantive doubts were raised and no special circumstances identified during the Commission's market investigation in relation to the market for other non-liquid membranes in Croatia. In particular, all of the customers that are located in Croatia that responded to the Commission's market investigation said that the Transaction would not have a negative impact on this market in Croatia.[589]

(945) This finding is supported by the Commission's finding that the market investigation there were no concerns raised in relation to the waterproofing markets overall in Croatia.[590] For instance, a majority of customers including all customers that are located in Croatia that took a view said that they did not expect that the Transaction would have a negative impact on competition in the Croatian markets for waterproofing in Croatia overall, particularly in terms of prices, quality, diversification of products and innovation.[591] One Croatian customer explained in relation to the Croatian waterproofing markets: "we do not expect the acquisition to have a negative impact, there are enough alternative suppliers".[592]

(946) **Fifth**, all of the customers that are located in Croatia and took a view in the market investigation said that they can switch to alternative suppliers of impregnations with no or limited costs or other obstacles and in limited time.[593]

(947) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for other non-liquid membranes (foils, tapes, etc.) in Croatia.

6.7.3.2.3. Finland – Epoxy-based liquid membranes

(948) The market for epoxy-based liquid membranes in Finland is affected since both Parties are active on this market and they have a combined market share of [20-30]%, with a low increment of [0-5]%. The HHI delta resulting from the concentration is [50 – 100].

587 See evidence provided in Form CO, paragraph 1597 and Annex 7.2-A to the Form CO.
588 Responses to Q9 – Questionnaire on waterproofing to customers, question 23.
589 Responses to Q9 – Questionnaire on waterproofing to customers, question 35.
590 See responses to Q9 – Questionnaire on waterproofing to customers, questions 32, 33 and 34.
591 Responses to Q9 – Questionnaire on waterproofing to customers, question 34.
592 Response to Q9 – Questionnaire on waterproofing to customers, question 32.1.
593 Responses to Q9 – Questionnaire on waterproofing to customers, question 28.

(949) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of epoxy-based liquid membranes in Finland, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(950) **First**, according to Paragraph 18 of the Commission's Horizontal Merger Guidelines, since this combined market share of the Parties does not exceed 25% the Transaction can be presumed to be compatible with the internal market as regards the market for Epoxy-based liquid membranes in Finland.

(951) **Second,** according to paragraph 20 of the Commission's Horizontal Merger Guidelines, the Commission is unlikely to identify horizontal competition concerns in a merger with a post-merger HHI above 2000 and a delta below 150 in case of absence of other special circumstances. The Commission could not calculate the exact HHI in this case in absence of exact market shares for the Parties' competitors. However, the low increment of [50 – 100] at least indicates that horizontal competition concerns are rather unlikely in this case.

(952) **Third**, the Commission finds that post-Transaction, several well-established competitors will continue to compete against the merged entity, including Weber ([20-30]% in 2021), Kiilto ([20-30]% in 2021), Fescon ([10-20]% in 2021) and Ardex ([5-10]% in 2021).[594] In addition, customers located in Finland also listed Casco, Ceresit and GVC as alternative suppliers of epoxy-based liquid membranes in Finland.[595]

(953) **Fourth**, no substantive doubts were raised and no special circumstances identified during the Commission's market investigation in relation to the Finnish market for epoxy-based liquid membranes. A majority of EEA customers responding the Commission's market investigation and all of the customers that are located in Finland that responded to the Commission's market investigation said that the Transaction would not have a negative impact on this market in Finland.[596] One of the customers located in Finland substantiated its response as follows: "*MBCC is a minor player in our markets and therefore we do not see any impact.*"[597] While half of the competitors who took a view either expect the Transaction to have a negative impact or selected "it depends", no substantiated explanations were provided that would support there being any concern given the limited market position that MBCC occupies in Finland.

(954) This finding is supported by the Commission's preliminary market investigation finding that there were no concerns raised in relation to the Finnish waterproofing markets overall.[598] For instance, a vast majority of customers including all customers that are located in Finland that took a view said that they did not expect that the Transaction would have a negative impact on competition in the markets for waterproofing overall in Finland, particularly in terms of prices, quality, diversification of products and innovation.[599] A Finnish customer commented: "*MBCC is a minor player in our markets and therefore we do not see any impact. There are alternatives to Sika in the market.*"[600]

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594 See evidence provided in Form CO, paragraph 1597 and Annex 7.2-A to the Form CO.
595 Responses to Q9 – Questionnaire on waterproofing to customers, question 22 and 23.
596 Responses to Q9 – Questionnaire on waterproofing to customers, question 35.
597 Response to Q9 – Questionnaire on waterproofing to customers, question 35.1.
598 See responses to Q9 – Questionnaire on waterproofing to customers, questions 32, 33 and 34.
599 Responses to Q9 – Questionnaire on waterproofing to customers, question 34 and 32.
600 Response to Q9 – Questionnaire on waterproofing to customers, question 32.1.

(955) **Fifth**, all of the customers that are located in Finland and took a view in the market investigation said that they can switch to alternative suppliers of impregnations with no or limited costs or other obstacles and in limited time.[601]

(956) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for epoxy-based liquid membranes in Finland.

6.7.3.2.4. France – Acrylic liquid membranes (under tiling)

(957) The market for Acrylic liquid membrane (under tiling) in France is affected since both Parties are active on this market and they have a combined market share of [20-30]%, with a low increment of [0-5]%. The HHI delta resulting from the concentration is [50 – 100].

(958) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of acrylic liquid membranes (under tiling) in France, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(959) **First,** according to paragraph 20 of the Commission's Horizontal Merger Guidelines, the Commission is unlikely to identify horizontal competition concerns in a merger with a post-merger HHI above 2000 and a delta below 150 in case of absence of other special circumstances. The Commission could not calculate the exact HHI in this case in absence of exact market shares for the Parties' competitors. However, the low increment of [50 – 100] at least indicates that horizontal competition concerns are rather unlikely in this case.

(960) **Second,** the Commission finds that post-Transaction, several well-established competitors will continue to compete against the merged entity, including Cermix ([20-30]% in 2021), Weber ([20-30]% in 2021), Mapei ([10-20]% in 2021) and PRB ([5-10]% in 2021).[602]

(961) **Third**, no substantive doubts were raised and no special circumstances identified during the Commission's market investigation in relation to the market for acrylic liquid membranes (unter tiling) in France.[603] For instance, a clear majority of competitors does not expect the Transaction to have a negative impact on the market for acrylic liquid membranes (under tiling) in France.[604] Further, no customer located in France indicated in the Commission's market investigation that they expected a negative impact of the Transaction on competition in acrylic liquid membranes (under tiling) in France.[605]

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601 Responses to Q9 – Questionnaire on waterproofing to customers, question 28.

602 See evidence provided in Form CO, paragraph 1597 and Annex 7.2-A to the Form CO; supported by responses to Q9 – Questionnaire on waterproofing to customers, question 23.

603 See for instance responses in relation to acrylic liquid membranes by EEA customers overall and by French customers specifically in relation to Q9 – Questionnaire on waterproofing to customers, question 32.

604 Responses to Q10 – Questionnaire on waterproofing to competitors, question 36.

605 See, in particular, responses to Q9 – Questionnaire on waterproofing to customers, question 35.

(962) This finding is further supported by the fact, that a vast majority of customers that took a view does not expect the Transaction to have a negative impact on competition in acrylic liquid applied membranes (under tiling) in the EEA overall.[606]

(963) **Fifth**, all of the customers that are located in France and took a view in the market investigation said that they can switch to alternative suppliers of impregnations with no or limited costs or other obstacles and in limited time.[607]

(964) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for acrylic liquid membrane (under tiling) in France.

6.7.3.2.5. Germany – Other non-liquid membranes (foils, tapes, etc.)

(965) The market for other non-liquid membranes (foils, tapes, etc.) in Germany is affected since both Parties are active on this market and have a combined market share of [20-30]%, with an increment of [5-10]%.

(966) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of other non-liquid membranes (foils, tapes, etc.) in Croatia, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons

(967) **First**, according to Paragraph 18 of the Commission's Horizontal Merger Guidelines, since this combined market share of the Parties does not exceed 25% the Transaction can be presumed to be compatible with the internal market as regards the market for other non-liquid membranes (foils, tapes, etc.) in Germany.

(968) **Second**, the Commission finds that post-Transaction, several well-established competitors will continue to compete against the merged entity in Germany, including Gebrüder Jäger ([20-30]% in 2021), Max Frank ([10-20]% in 2021), Besaplast ([10-20]% in 2021), Extrutec ([5-10]% in 2021), Meister ([5-10]% in 2021).[608] In addition, customers also listed Illbruck, Schlüter, Köster, Wedi, Otto, BAS, PreProof, Bosig, Dural, Lugato, Murexin and Bostik as alternative suppliers of other non-liquid membranes (foils, tapes, etc.) in Germany.[609]

(969) **Third,** the presumption of compatibility with the internal market is supported by the results of the Commission's market investigation. An overwhelming majority of the customers that are located in Germany that responded to the Commission's market investigation said that the Transaction would not have a negative impact on this market in Germany.[610] One of these customers substantiated its response as follows: "*Broad*

606 Responses to Q9 – Questionnaire on waterproofing to customers, question 33.
607 Responses to Q9 – Questionnaire on waterproofing to customers, question 28.
608 See evidence provided in Form CO, paragraph 1597 and Annex 7.2-A to the Form CO; Responses to Q9 – Questionnaire on waterproofing to customers, question 22 and 23.
609 Responses to Q9 – Questionnaire on waterproofing to customers, question 22 and 23.
610 Responses to Q9 – Questionnaire on waterproofing to customers, question 35.

range of offers on the market!"[611] Another customer argued: "*No, the number of suppliers for the product groups that are relevant to us is sufficiently high*."[612]

(970) **Fourth**, in the Commission's preliminary market investigation there were no concerns raised in relation to the waterproofing markets overall in Germany.[613] For instance, an overwhelming majority of customers that are located in Germany that took a view said that they did not expect that the Transaction would have a negative impact on competition in the markets for waterproofing overall in Germany, particularly in terms of prices, quality, diversification of products and innovation.[614] One of these customers noted in relation to waterproofing markets overall in Germany: "*There are enough alternative suppliers such as Lugato, Baumit, Ardex, Mapei, Weber, Knauf*."[615] Another customer commented: "*The market offers enough alternative suppliers.*"[616] Likewise a customer said: "*I think that there are enough other suppliers for the products we purchase available*."[617] Another customer explained: "*There are a sufficient number of alternative suppliers present in the DIY needs sector. We do not expect any negative effects from this*."[618]

(971) **Fifth**, a clear majority of customers that are located in Germany and took a view in the market investigation said that they can switch to alternative suppliers of impregnations with no or limited costs or other obstacles and in limited time.[619]

(972) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for other non-liquid membranes (foils, tapes, etc.) in Germany.

6.7.3.2.6. Italy – Polyurethane (PU) liquid membranes

(973) The market for PU liquid membranes in Italy is affected since both Parties are active on this market and have a combined market share of [20-30]%, with a low increment of [0-5]%. The HHI delta resulting from the concentration is [50 – 100].

(974) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of PU liquid membranes in Italy, it seems

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611 Response to Q9 – Questionnaire on waterproofing to customers, question 35.1. Courtesy translation from German: "*Umfangreiches Angebot am Markt*!"

612 Response to Q9 – Questionnaire on waterproofing to customers, question 35.1. Courtesy translation from German: "*Nein, die Anzahl der Lieferanten für die für uns relevanten Produktgruppen ist ausreichend groß.*"

613 See responses to Q9 – Questionnaire on waterproofing to customers, questions 32, 33 and 34.

614 Responses to Q9 – Questionnaire on waterproofing to customers, question 34.

615 Response to Q9 – Questionnaire on waterproofing to customers, question 32.1. Courtesy translation from German: "*Es gibt genügend alternative Lieferanten am Markt wie z. B. Lugato, Baumit, Ardex, Mapei, Weber, Knauf.*"

616 Response to Q9 – Questionnaire on waterproofing to customers, question 32.1. Courtesy translation from German: "*Der Markt bietet genügend alternative Lieferanten.*."

617 Response to Q9 – Questionnaire on waterproofing to customers, question 32.1. Courtesy translation from German: " *Ich denke, dass für die Produkte, welche wir beziehen ausreichend andere Anbieter vorhanden sind.*

618 Response to Q9 – Questionnaire on waterproofing to customers, question 32.1. Courtesy translation from German: " *Im DIY-Bedarfs-Sektor ist eine ausreichende Anzahl alternativer Lieferanten vorhanden. Negative Auswirkungen erwarten wir dafür nicht.*

619 Responses to Q9 – Questionnaire on waterproofing to customers, question 28.

unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(975) **First,** according to Paragraph 18 of the Commission's Horizontal Merger Guidelines, since this combined market share of the Parties does not exceed 25% the Transaction can be presumed to be compatible with the internal market as regards the market for PU liquid membranes in Italy.

(976) **Second,** according to paragraph 20 of the Commission's Horizontal Merger Guidelines, the Commission is unlikely to identify horizontal competition concerns in a merger with a post-merger HHI above 2000 and a delta below 150 in case of absence of other special circumstances. The Commission could not calculate the exact HHI in this case in absence of exact market shares for the Parties' competitors. However, the low increment of [50 – 100] at least indicates that horizontal competition concerns are rather unlikely in this case.

(977) **Third,** the Commission finds that post-Transaction, several well-established competitors will continue to compete against the merged entity, including Italchimia ([20-30]% in 2021), Mapei ([10-20]% in 2021), Unitec ([10-20]% in 2021), CPG ([5-10]% in 2021) and MPM ([5-10]% in 2021).[620] Further, customers also identified Krypton, Saint Gobain, Futura Europe, Plixexent, Kemper, Colorificio Zetagi and Azichem as alternative suppliers of PU liquid membranes in Italy.[621]

(978) **Fourth**, no substantive doubts were raised and no special circumstances identified during the Commission's market investigation in relation to the market for PU liquid membranes in Italy. While one customer located in Italy indicated, that it expected a negative impact of the Transaction on the competition in PU liquid membranes in Italy and another customer located in Italy indicated "it depends" in response to this question, neither customer further substantiated their concern.[622]

(979) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for PU liquid membranes in Italy.

6.7.3.2.7. Portugal – Polyurethane (PU) liquid membranes

(980) The market for industrial flooring based on PU liquid membranes in Portugal is affected since both Parties are active on this market and have a combined market share of [20-30]%, with an increment of [10-20]%.

(981) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of PU liquid membranes in Portugal, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(982) **First,** the combined market share of the Parties surpasses the threshold for the presumption of compatibility with the internal market as laid down in Paragraph 18 of the Horizontal Merger Guidelines by only [0-5] percentage points. This is an indication

620 See evidence provided in Form CO, paragraph 1597 and Annex 7.2-A to the Form CO.

621 Responses to Q9 – Questionnaire on waterproofing to customers, question 22.

622 Responses to Q9 – Questionnaire on waterproofing to customers, question 35 and 35.1.

that the Transaction is not likely to impede effective competition in the internal market as regards industrial flooring based on PU in Portugal.

(983) **Second,** the Commission finds that post-Transaction, several well-established competitors will continue to compete against the merged entity in Portugal, including Danosa ([20-30]% in 2021), Soprema ([20-30]% in 2021), Krypton ([10-20]% in 2021) and Enke ([5-10]% in 2021).[623] Further, a customer also listed Soudal and Lda as alternative suppliers of PU liquid membranes in Portugal.[624]

(984) **Third,** no substantive doubts were raised and no special circumstances identified during the Commission's market investigation in relation to the market for PU liquid membranes in Portugal. In particular, no customer located in Portugal indicated in the Commission's market investigation that they expected a negative impact of the Transaction on competition in PU liquid menbranes in Portugal.[625]

(985) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for PU liquid membranes in Portugal

6.7.3.2.8. Spain – Polyurethane (PU) liquid membranes

(986) The market for PU liquid membranes in Spain is affected since both Parties are active on this market and have a combined market share of [20-30]%, with a low increment of [0-5]%. The HHI delta resulting from the concentration is [50 – 100].

(987) The Commission considers that, while the combined market share of the Parties gives rise to an affected market in the supply of PU liquid membranes in Spain, it seems unlikely that the Transaction would give rise to anticompetitive horizontal non-coordinated effects for the following reasons:

(988) **First**, according to Paragraph 18 of the Commission's Horizontal Merger Guidelines, since this combined market share of the Parties does not exceed 25% the Transaction can be presumed to be compatible with the internal market as regards the market for PU liquid membranes in Spain.

(989) **Second,** according to paragraph 20 of the Commission's Horizontal Merger Guidelines, the Commission is unlikely to identify horizontal competition concerns in a merger with a post-merger HHI above 2000 and a delta below 150 in case of absence of other special circumstances. The Commission could not calculate the exact HHI in this case in absence of exact market shares for the Parties' competitors. However, the low increment of [50 – 100] at least indicates that horizontal competition concerns are rather unlikely in this case.

(990) **Third,** the Commission finds that post-Transaction, several well-established competitors will continue to compete against the merged entity in Spain, including Mapei ([20-30]% in 2021), Krypton ([20-30]% in 2021), Danosa ([5-10]% in 2021) and

623 See evidence provided in Form CO, paragraph 1597 and Annex 7.2-A to the Form CO.

624 Responses to Q9 – Questionnaire on waterproofing to customers, question 23.

625 See, in particular, responses to Q9 – Questionnaire on waterproofing to customers, question 35.

ACE Coatings ([5-10]% in 2021).[626] In addition, customers also listed Soprema, Maris Polymers, Tecnopol, Alchibesa, Weber, Revetón, MC Bauchemie, Chova, Drizoro, Cetco, Siplast and Souplethane as alternative suppliers of PU liquid membranes in Spain. [627]

(991) **Fourth**, while three customers that are located in Spain that responded to the Commission's market investigation said that the Transaction would have a negative impact on this market in Spain, none of the customers further substantiated their concern with regard to the supply of PU liquid membranes in Spain. All of the customers only brought forward generic complaints in relation to waterproofing in Spain.[628] Another customer located in Spain indicated to expect no negative impact and substantiated its response as follows: "*It will not be a determining factor. The competition will continue to do its job technical-commercial and I don't think it has too much impact between them.*"[629]

(992) In light of the results of the market investigation and of all the evidence available to it, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to horizontal non-coordinated effects in the market for PU liquid membranes in Spain.

6.7.3.3. Conclusions on competitive assessment of Waterproofing markets

(993) In conclusion, the Commission finds that the Transaction does not raise serious doubts as to its compatibility with the internal market as regards the markets for waterproofing in the EEA.

6.8. Vertical: polymers (upstream) and chemical admixtures and other construction materials (downstream)

(994) Sika and MBCC manufacture their own PCE polymers, which they both use captively for the production of chemical admixtures and to a very limited extent in dry mortars. They also sell PCE polymers to third-party customers. Both Parties also produce MSF polymers, although MBCC's MSF polymer sales in the EEA and globally are minimal and Sika only produces very small volumes in Thailand for internal use.[630] Neither Sika nor MBCC produce or sell LSF or NSF polymers. The combined market shares of the Parties upstream are low, so that there are no horizontally affected markets with regard to the supply of polymers under any plausible market definition.. However, given the Parties' market shares at the downstream level (see Sections 6.1 to 6.7), the Transaction gives rise to the following vertically affected markets:

(a) The supply of polymers, including plausible sub-segments for PCE and MSF polymers respectively, in the EEA and globally (upstream) and the manufacture and supply of chemical admixtures at national level (downstream).

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626 See evidence provided in Form CO, paragraph 1597 and Annex 7.2-A to the Form CO; as supported by responses to Q9 – Questionnaire on waterproofing to customers, question 22 and 23.

627 Responses to Q9 – Questionnaire on waterproofing to customers, question 22 and 23.

628 Responses to Q9 – Questionnaire on waterproofing to customers, question 35 and 35.1.

629 Response to Q9 – Questionnaire on waterproofing to customers, question 35.1. Courtesy translation from Spanish: "*No va a ser un factor determinante. La competencia seguirá haciendo su trabajo técnico-comercial y no creo que tenga demasiado impacto entre ellos.*"

630 Form CO, paragraph 2231.

(b) The supply of polymers, including plausible sub-segments for PCE and MSF polymers respectively, in the EEA and globally (upstream) and the supply of other construction materials at national level (downstream),

6.8.1. Notifying Party's view

(995) The Notifying Party submits that no competition concerns can arise from the vertical link between the Parties' activities regarding the supply of polymers (upstream) and the manufacture and supply of chemical admixtures (downstream) under any plausible market definition.

(996) According to the Notifying Party, the merged entity would not have the ability to engage in input foreclosure in relation to the supply of polymers under any plausible market definition as it does not have a significant degree of market power. There would be a sufficient number of alternative suppliers and less than 1% of polymers used by the Parties' competitors in construction materials is sourced from the Parties. The Notifying Party further submits that the merged entity would not have the incentive to engage in input foreclosure in relation to the supply of polymers as this would not give it a competitive advantage due to the fact that most other chemical admixture suppliers are vertically integrated and they are already manufacturing polymers mainly for captive use at present.[631]

(997) According to the Notifying Party, the merged entity would not have the ability to engage in customer foreclosure both in relation to chemical admixtures as well as other construction materials since neither Party is an important customer of polymers from any third party. There would also be a large number of other customers and switching would be easy. It would further not have the incentive to engage in customer foreclosure since both Parties mainly produce for captive use.[632]

(998) The Notifying Party submits that, in any event, pursuant to the Commitments dated 27 January 2023, Sika has offered to divest the Divestment Business, which includes MBCC's polymer business in the EEA, so that no competition concerns can arise as regards polymers as a result of the Transaction.

6.8.2. The Commission's assessment

(999) The Commission investigated potential input and customer foreclosure concerns in relation to these vertical links.

(1000) The Commission's Guidelines on the assessment of non-horizontal mergers ('Non-Horizontal Merger Guidelines')[633] distinguish between two forms of foreclosure: (i) input foreclosure, when access of downstream rivals to supplies is hampered;[634] and (ii) customer foreclosure, when access of upstream rivals to a sufficient customer base is hampered.[635]

(1001) In assessing both types of foreclosure, the Commission assesses whether the merged entity (i) would have the ability to engage in foreclosure, (ii) whether it would have the

631 Form CO, paragraphs 2255 et seq.

632 Notifying Party's response to RFI I-6, question 5.

633 Guidelines on the assessment of non-horizontal mergers under the Council Regulation on the control of concentrations between undertakings (2008/C265/6).

634 Non-Horizontal Merger Guidelines, paragraph 31.

635 Non-Horizontal Merger Guidelines, paragraph 58.

incentive to do so, and (iii) what would be the overall impact on effective competition in the affected markets.

(1002) On balance, the Transaction does not give rise to serious doubts due to any input or customer foreclosure stemming from the vertical links between the Parties' activities in the production and supply of polymers, including PCE and MSF, both globally and in the EEA (upstream) and their activities in the production and supply of chemical admixtures and the manufacture and supply of other construction materials in the EEA countries (both downstream).

6.8.2.1. Upstream market(s): supply of polymers including PCE and MSF/Downstream market: chemical admixtures

(1003) The Commission investigated the vertical link between the supply of polymers, including plausible sub-segments for PCE as well as MSF polymers (upstream) and the manufacture and supply of chemical admixtures (downstream) both in relation to potential input foreclosure as well as customer foreclosure.

6.8.2.1.1. Input foreclosure

(1004) The Commission assessed potential input foreclosure concerns by assessing whether the merged entity would have the ability and the incentive to foreclose the input of polymers to other suppliers of chemical admixtures as well as the effects of such foreclosure.

(1005) For the ability assessment, it is particularly relevant to consider whether(i) the input concerned is important for a downstream product, i.e. if it represents a significant cost factor or switching involves significant costs, (ii) the merged entity would have a significant degree of market power in the upstream market, (iii) the merged entity would have the ability to foreclose downstream competitors if, by reducing access to its own upstream products or services, it could negatively affect the overall availability of inputs for the downstream market in terms of price or quality.

(1006) The Commission finds that the merged entity would not have the ability to foreclose its downstream competitors by restricting their access to polymers, used as an input for the production of chemical admixtures.

(1007) **First,** the merged entity would not have the ability to foreclose because it lacks a significant degree of market power on the plausible markets for the supply of polymers. The Parties' combined market shares in 2021 with regard to the supply of polymers is below 5% under any plausible product or geographic market definition considered in previous Commission decisions and irrespective of whether captive sales are taken into account or not. In fact, the combined market shares are below 1%, with the sole exception of a plausible EEA-wide market for MSF (combined market share of [0-5]% in value and [0-5]% in volume) and a plausible EEA-wide market for PCE polymers (combined market share [0-5]% in value and [0-5]% in volume). PCE polymers are primarily used in chemical admixtures. Even if there were to be a market for PCE polymers for chemical admixtures only, the Parties would still have a combined market share below 5% in the EEA or globally. Taking into account only merchant sales, the market position of the Parties is even more limited. Sika's third party sales of PCE polymers for use in chemical admixtures in the EEA in 2021 were limited to individual spot sales to single customers in Germany and Austria amounting to [0-5]% of its overall

production of polymers (value EUR […] in 2021) and had no sales of MSF polymers to third parties at all.[636] With respect to MBCC, only [10-20]% of its polymers were sold to external customers in the EEA.[637]

(1008) **Second**, the merged entity would not have the ability to foreclose because there remain a number of credible alternative suppliers of polymers with sufficient capacity that could supply customers in case of an attempted input foreclosure by the merged entity. The main suppliers of PCE polymers in the EEA are BASF, Coatex, Cromogenia and Silk Road. Globally, there are further large PCE polymer suppliers such as Sboute New Material, Kzj New Materials, Guangdong Redwall New Materials and Nippon Shokubai. As regards MSF polymers, there are several large EEA suppliers such as Melamin d.d. Kocevje, Bi-Qem SA, Chromogenia Units and Desmepol. In addition, globally there are Botai and Sure Chemical Co. Ltd.[638] These alternative suppliers do not face capacity constraints..

(1009) Further, the Commission finds that the merged entity would not have an incentive to foreclose input of polymers to other chemical admixture manufacturers since (i) the Parties are already today producing PCE and MSF polymers predominantly for captive use and (ii) it would not provide them with a competitive advantage since almost all of the other chemical admixture suppliers are vertically integrated (such as Chryso, Mapei, and MC Bauchemie) or procure polymers from other suppliers.

(1010) As regards **overall effects**, the Commission finds that the overall effects of input foreclosure in relation to the supply of polymers would be very limited in light of the sufficient number of credible competitors constraining the merged entity and the limited sales of polymers to other chemical admixture manufacturers that – even if redirected to captive use of the merged entity – would not have an appreciable effect on the market for polymers overall and for chemical admixture production specifically.

(1011) **Finally,** any potential input foreclosure concern in relation to the plausible affected chemical admixture markets downstream is sufficiently addressed by the Commitments dated 27 January 2023, which include the divestiture of MBCC's polymer business in the EEA as well as MBCC's chemical admixture business in the EEA and therefore completely remove the change in market structure as a result of the Transaction with regard to this vertical link both upstream and downstream.

(1012) **In conclusion**, the Commission finds that the vertical link between the supply of polymers, including plausible sub-segments for PCE as well as MSF polymers (upstream) and the manufacture and supply of chemical admixtures (downstream) is unlikely to lead to input foreclosure.

6.8.2.1.2. Customer foreclosure

(1013) The Commission preliminarily finds that the merged entity will not have the **ability** to foreclose other suppliers of polymers by increasing costs to access downstream customers nor by restricting access to a significant customer based downstream in the markets for chemical admixtures even if it did decide to source all of its polymers captively and stop purchasing from its upstream competitors.

636 Form CO, paragraphs 2203 and 2231.
637 See above, paragraph (239).
638 Notifying Party's response to RFI I6, question 3.

(1014) **First,** the merged entity would not have the ability to foreclose its upstream competitors' access to downstream customers since neither Party is an important customer of polymers in general and of polymers for use in chemical admixtures from any third party.

(1015) **Second**, even when focusing on the market for chemical admixtures, there would still be a large number of significant customers for polymers throughout the EEA such as Mapei, Chryso, MC Bauchemie, GCP, Ha-Be, Cemex and numerous others. Thus, in case the merged entity decided to only source polymers under any plausible market definition in-house only, upstream rivals would continue being able to offer their polymers to the many competitors of the merged entity in the EEA.

(1016) Moreover, the Commission finds that the merged entity would not have the **incentive** to foreclose its upstream rivals' access to customers as a result of the Transaction. The merged entity would have no incentive to change its current sourcing strategy as both Parties are vertically integrated already prior to the Transaction and manufacturing polymers mainly for captive use. As such, the incentive of the merged entity to change this strategy would not change as a result of the Transaction.

(1017) As regards **overall effects** it is only when a sufficiently large fraction of upstream output is affected by the revenue decreases in sales to the downstream market which result from the vertical merger that the merger may significantly impede effective competition on the upstream market. If there remain a number of upstream competitors that are not affected, competition from those firms may be sufficient to prevent prices from rising in the upstream market and, consequently, in the downstream market.[639] The Commission preliminarily finds that the Transaction, therefore, cannot significantly impede competition as the Parties' themselves only account for a minor share of the upstream output. There will remain a vast number of upstream competitors, including, but not limited to a large number of Chinese and other international suppliers which are not affected and thus prices would not rise in the upstream market.

(1018) **Finally**, any potential customer foreclosure concern in relation to the link between the supply of polymers (upstream) and the manufacture and supply of chemical admixtures (downstream) is sufficiently addressed by the Commitments dated 27 January 2023, which include the divestiture of MBCC's polymer business in the EEA as well as MBCC's chemical admixture business in the EEA and there remove the complete overlap both upstream and downstream.

(1019) **In conclusion**, the Commission finds that the vertical link between the supply of polymers, including plausible sub-segments for PCE as well as MSF polymers (upstream) and the manufacture and supply of chemical admixtures (downstream) is unlikely to lead to customer foreclosure.

6.8.2.2. Upstream market(s): supply of polymers including PCE and MSF / Downstream market: other construction chemicals

(1020) The Commission investigated the vertical link between the supply of polymers, including plausible sub-segments for PCE as well as MSF polymers (upstream) and the manufacture and supply of other construction materials (downstream) both in relation to potential input foreclosure as well as customer foreclosure.

639 Non-horizontal Merger Guidelines, paragraph 50.

6.8.2.2.1. Input foreclosure

(1021) The Commission assessed potential input foreclosure concerns by assessing whether the merged entity would have the ability and the incentive to foreclose the input of polymers, including PCE and MSF polymers, to rival suppliers of construction materials as well as the effects of such foreclosure.

(1022) The Commission preliminarily finds that the merged entity would not have the ability to foreclose other manufacturers of other construction materials such as dry mixed mortars by restricting their access to polymers under any plausible market definition, used as an input for the production of construction materials.

(1023) **First,** the merged entity would not have the ability to foreclose because it lacks a significant degree of market power on the plausible markets for the supply of polymers under any plausible market definition. The Parties' combined market shares of the Parties in 2021 with regard to the supply of polymers is below 5% under any plausible product or geographic market definition considered in previous Commission decisions, irrespective of whether captive sales are taken into account or not. In fact, the combined market shares are below 1%, with the sole exception of a plausible EEA-wide market for MSF (combined market share of [0-5]% in value and [0-5]% in volume) and a plausible EEA-wide market for PCE polymers (combined market share [0-5]in value and [0-5]% in volume). Even if there were to be a market for PCE and/or MSF polymers for other construction materials only, the Parties would still have a combined market share below 5% both in the EEA and globally.[640] There is only a marginal vertical link between the supply of polymers (upstream) and the manufacture and supply of construction chemicals (downstream). Polymers only play a marginal role as input material in this segment. For instance, Sika uses PCE polymers in its dry mortars only to a very limited extent (ca. […] tonnes in 2021). In addition, Sika sells PCE polymers for use in dry premix mortars to third parties (in 2021 EEA-wide amounting only to approximately EUR […] million in sales and only approximately […] tonnes in volume).[641]

(1024) **Second**, the merged entity would not have the ability to foreclose because there remain a number of credible alternative suppliers of polymers with sufficient capacity that could supply customers in case of an attempted input foreclosure by the merged entity. The main suppliers of PCE polymers in the EEA are BASF, Coatex, Cromogenia and Silk Road. Globally, there are further large PCE polymer suppliers such as Sboute New Material, Kzj New Materials, Guangdong Redwall New Materials and Nippon Shokubai. As regards MSF polymers, there are several large EEA suppliers such as Melamin d.d. Kocevje, Bi-Qem SA, Chromogenia Units and Desmepol. In addition, globally there are Botai and Sure Chemical Co. Ltd.[642] These alternative suppliers do not face capacity constraints.

(1025) Further, the Commission finds that the merged entity would not have an incentive to foreclose input of polymers to other manufacturers of other construction materials since, (i) the Parties are already today producing PCE and MSF polymers predominantly for captive use and, (ii) it would not provide them with a competitive advantage since almost all of the other suppliers of other construction materials are vertically integrated in this regard. For instance, Chryso, Draco, Mapei, MC Bauchemie and TeknaChem are vertically integrated.

640 Response of the Notifying Party to RFI I-6.
641 Notifying Party's response to RFI I-6, question 6.
642 Notifying Party's response to RFI I-6, question 3.

(1026) As regards overall **effects**, the Commission finds, that the overall effects of input foreclosure in relation to the supply of polymers would be very limited in light of sufficient number of credible competitors constraining the merged entity and the limited sales of polymers to other manufacturers of other construction materials that – even if redirected to captive used of the merged entity – would not have an appreciable effect on the market for polymers overall and on a hypothetical market for polymers for the production of other construction materials specifically.

(1027) **Finally,** any potential input foreclosure concern in relation to the plausible affected downstream markets for other construction material is partially addressed by the Commitments dated 27 January 2023, which include MBCC's polymer business in the EEA and therefore removes the change in the upstream markets for the supply of polymers resulting from the Transaction.

(1028) **In conclusion**, the Commission finds that the vertical link between the supply of polymers, including plausible sub-segments for PCE as well as MSF polymers (upstream) and the manufacture and supply of other construction materials (downstream) is unlikely to lead to input foreclosure.

6.8.2.2.2. Customer foreclosure

(1029) The Commission finds that the merged entity will not have the **ability** to foreclose other suppliers of polymers by increasing costs to access downstream customers nor by restricting access to a significant customer base downstream in the markets for construction materials even if it did decide to source all of its polymers captively and stop purchasing from its upstream competitors.

(1030) **First,** there is only a marginal vertical link between the supply of polymers (upstream) and the manufacture and supply of construction chemicals (downstream). Polymers only play a marginal role as input material in this segment. For instance, Sika uses PCE polymers in its dry mortars only to a very limited extent (ca. […] tonnes in 2021). In addition, Sika sells PCE polymers for use in dry premix mortars to third parties (in 2021 EEA-wide amounting only to approximately EUR […] million in sales and only approximately […] tonnes in volume).

(1031) **Second,** the merged entity would not have the ability to foreclose its upstream competitors' access to downstream customers since neither Party is an important customer of polymers in general and of polymers for use in other construction materials from any third party. The merged entity will not have the ability to foreclose access to the downstream market even limited to the area of (other) construction chemicals, such as dry premix mortars. There is only a limited number of construction chemicals products for which polymers form an input material. In case of the Parties, this would be dry premix mortars. The Parties combined market shares at the national level are clearly below 40%, mostly even below 30% (the only exception being Spain). Moreover, polymers suppliers generally sell their products at the EEA or even global level, and the Parties together account for less than [10-20]% of the EEA sales of dry premix mortars.

(1032) **Third,** in addition, post-Transaction, there will remain a significant number of strong (international and local) downstream players with significant market shares to competing polymer manufacturers can supply their products, such as Mapei, Weber, VPI, PRB, Cermix, and Propamsa as well as Grout Techniek, Cloquette, Eurocol, Omnicol and numerous others.

(1033) Moreover, the Commission finds that the merged entity would not have the **incentive** to foreclose its upstream rivals' access to customers as a result of the Transaction. The merged entity would have no incentive to change its current sourcing strategy as both Parties are vertically integrated already prior to the Transaction and manufacturing polymers mainly for captive use. As such, the merged entity would not benefit from possibly higher price levels resulting from foreclosure of upstream rivals. Therefore, the relatively limited market position of Sika and MBCC upstream would not allow them to benefit from higher price levels upstream following the foreclosure strategy.

(1034) As regards the **overall effect**, the Commission finds that the Transaction cannot significantly impede competition in this regard as the Parties' sales – even if limited to polymers for use only in other construction materials - only account for less than 5% of the upstream output in the EEA. There will remain a vast number of upstream competitors.

(1035) **Finally**, any potential customer foreclosure concern in relation in relation to the link between the supply of polymers (upstream) and the manufacture and supply of other construction materials (downstream) is partially addressed by the Commitments dated 27 January 2023, which include MBCC's polymer business in the EEA and therefore removes the change in the upstream markets for the supply of polymers resulting from the Transaction.

(1036) **In conclusion**, the Commission finds that the vertical link between the supply of polymers, including plausible sub-segments for PCE as well as MSF polymers (upstream) and the manufacture and supply of other construction materials (downstream) is unlikely to lead to customer foreclosure.

6.8.3. Conclusions on the competitive assessment of the vertical links

(1037) In conclusion, the Commission preliminarily finds that the Transaction does not raise serious doubts as to its compatibility with the internal market as regards the vertical links between the supply of polymers upstream and the supply of chemical admixtures and or other concrete works downstream.

6.9. Conclusion on the competitive assessment

(1038) Overall, the Commission preliminarily finds that the Transaction raises serious doubts as to its compatibility with the internal market in relation to the markets for chemical admixtures and for concrete admixtures specifically in Austria, Belgium, Croatia, Czechia, Denmark, Finland, France, Germany, Hungary, Iceland, Ireland, Italy, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain and Sweden.

7. COMMITMENTS

7.1. Introduction

(1039) In order to render the Transaction compatible with the internal market, the Notifying Party submitted commitments on 14 December 2022 (the "Initial Commitments"), pursuant to Article 6(2) of the Merger Regulation.

(1040) The Commission launched a market test of the Initial Commitments on 15 December 2022, seeking responses from competitors, customers and potential remedy takers.

(1041) Following the feedback received from market participants in the market test and the Commission's initial assessment, the Notifying Party submitted a revised set of Commitments on 18 January 2023 (the "Improved Commitments"). The Commission provided feedback on the Improved Commitments on 23 January 2023 and the Parties subsequently submitted further improved Commitments on 27 January 2023 (the "Final Commitments").

7.2. Analytical framework

(1042) The following principles from the Merger Regulation and the Commission's Notice on Remedies acceptable under Council Regulation (EC) No 139/2004 and under Commission Regulation (EC) No 802/2004 ('Remedies Notice')[643] apply where parties to a concentration offer commitments with a view of rendering a concentration compatible with the internal market.

(1043) Where, as in this case, a notified concentration raises serious doubts as to its compatibility with the internal market or the functioning of the EEA agreement, the parties may modify the notified concentration so as to remove the grounds for the serious doubts identified by the Commission with a view to having it declared compatible with the internal market pursuant to Article 6(1)(b) in conjunction with Article 6(2) of the Merger Regulation.

(1044) As set out in the Commission Notice on Remedies,[644] commitments have to eliminate the Commission's competition concerns entirely and they have to be comprehensive and effective from all points of view. In Phase I, commitments offered by the parties can only be accepted where the competition problem is readily identifiable and can easily be remedied. The competition problem therefore needs to be so straightforward and the remedies so clear-cut that it is not necessary to enter into an in-depth investigation and that the commitments are sufficient to clearly rule out serious doubts within the meaning of Article 6(1)(c) of the Merger Regulation.

(1045) In assessing whether or not the commitments proposed by the parties would restore effective competition, the Commission considers all relevant factors, including *inter alia* the type, scale and scope of the proposed commitments, judged by reference to the structure and particular characteristics of the market in which the Commission has identified serious doubts as to the compatibility of the notified concentration with the internal market, including the position of the Parties and other participants on the market.[645]

(1046) In order for the commitments to comply with those principles, they must be capable of being implemented effectively within a short period of time. The Commission must be able to determine with the requisite degree of certainty, at the time of its decision, that they will be fully implemented and that they are likely to ensure maintenance of effective competition in the market.

(1047) As regards the type of acceptable commitments, the Merger Regulation leaves discretion to the Commission as long as the commitments meet the requisite standard.

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643 OJ C 267, 22.10.2008, p. 1.

644 Commission Notice on remedies acceptable under Council Regulation (EC) No 139/2004 and under Commission Regulation (EC) No 802/2004 (2008/C 267/01), (the "Commission Notice on Remedies"), paragraph 9.

645 Commission Notice on Remedies, paragraph 12.

Divestiture commitments are often the most effective way to eliminate competition concerns.

(1048) The intended effect of the divestiture will only be achieved if and once the business is transferred to a suitable purchaser in whose hands it will become an active competitive force in the market. The potential of a business to attract a suitable purchaser is an important element of the Commission's assessment of the appropriateness of the proposed commitments.[646]

(1049) There are cases where only the proposal of an up-front buyer will allow the Commission to conclude with the requisite degree of certainty that the business will be effectively divested to a suitable purchaser. In such case, the Parties have to undertake in the commitments that they are not going to complete the notified operation before having entered into a binding agreement with a purchaser for the divested business, approved by the Commission.[647] This concerns cases where there are considerable obstacles for a divestiture, such as third party rights, or uncertainties as to finding a suitable purchaser[648] as well as cases, which cause considerable risks of preserving the competitiveness and saleability of the divestment business in the interim period until divestiture.[649]

7.3. The Initial Commitments

7.3.1. Description of the Initial Commitments

(1050) The Initial Commitments consist of the divestiture of the worldwide chemical admixture business of MBCC ("EBA") as well as the EBC business of MBCC in Australia and New Zealand to an independent purchaser subject to approval by the Commission (the "Divestment Business").

(1051) Specifically, the Divestment Business would include the following:[650]

(a) All shares in all legal entities (including Construction Research & Technology GmbH);

(b) All production sites;

(c) All warehouses;

(d) All offices;

(e) All R&D facilities (including the Treviso (Italy) and Trostberg (Germany) R&D sites) such as laboratories, laboratory devices, measuring and testing equipment, computer hardware and software;

(f) all (other) tangible assets, such as production and packaging machinery, storage tanks, mixing tanks, tools and equipment, health and safety equipment, electronic hardware, and on-site vehicles;

(g) all licences, permits and authorisations;

646 Remedies Notice, paragraph 47.
647 Remedies Notice, paragraph 53.
648 Remedies Notice, paragraph 54.
649 Remedies Notice, paragraph 55.
650 As described in Schedule A of the Initial Commitments.

(h) all contracts, agreements, leases, commitments and understandings, such as customer contracts and cooperation agreements, raw material supply contracts, power contracts, building and office leases;

(i) all customer, credit and other records related to the customer base;

(j) all (other) intangible assets, such as all patent families, trademarks, knowhow, pipeline products, BoMs, and internet domains;

(k) all personnel, including but not limited to global R&D and IP personnel, sales and marketing, procurement, operations and global support functions;

(l) all Key Personnel, as listed in Schedule B of the Initial Commitments;

(m) the arrangements for the supply with the following products or services by Sika or Affiliated Undertakings at cost (i.e. applying current MBCC intracompany pricing policies) for a transitional period of up to […]months (as specified below) after the closing of the sale of the Divestment Business :

- Finance;
- HR;
- IT;
- selected underground construction ("UGC") products;
- selected EBC powder and powder intermediate products;
- miscellaneous MVA[651] and EBC products, including Ucrete, MSeal, MFlow, MEmaco NAX, MTop.

(1052) According to the Initial Commitments, the Divestment Business would not include the following assets (or employees):

(a) the shares in the legal entities in Belgium, Czechia and Slovakia (from which EBA assets and personnel will be separated for the benefit of the Divestment Business);

(b) all shares in all legal entities (and where relevant branches) exclusively operated and domiciled outside of the EEA, Switzerland, UK, USA, Canada, Australia, and New Zealand and exclusively related to the operations of MBCC outside of those territories. A list of the legal entities that will not be divested is contained in Annex 1.2(a) to the Initial Commitments;

(c) all production sites, warehouses, offices and R&D facilities exclusively operated and located outside of the EEA, Switzerland, UK, USA, Canada, Australia, and New Zealand and exclusively related to the operations of MBCC outside of those territories;

(d) the Building Z03 located at Trostberg into which certain R&D facilities belonging exclusively to the EBC business will move;

(e) all (other) tangible assets exclusively operated and located outside of the EEA, Switzerland, UK, USA, Canada, Australia, and New Zealand and exclusively related to the operations of MBCC outside of those territories;

(f) all licences, permits and authorisations, contracts, agreements, leases, commitments and understandings, customer, credit and other records, know-how

651 MVA products are polymers used in the production of chemical admixtures.

and BOMs exclusively relating to operations outside of the EEA, Switzerland, UK, USA, Canada, Australia, and New Zealand and exclusively related to the operations of MBCC outside of those territories;

(g) the "*Master Builders Pozzolith*" brand and the "*MasterPozzolith*" trademark in Japan, and the EBA patents, which are owned or co-owned by Pozzolith Solutions Ltd., and which are exclusively related to Japanese Pozzolith products;

(h) the shared IT systems between Retained Business and the Divestment Business (as a fully independent IT platform will be created for the Divestment Business and the purchaser complemented with a transitional supply agreement);

(i) all personnel employed exclusively outside of the EEA, Switzerland, UK, USA, Canada, Australia, and New Zealand and exclusively related to the operations of MBCC outside of those territories, and selected personnel.[652]

(1053) According to the Initial Commitments, Sika would exit all shared sites, offices or buildings between the Divestment Business and the Retained Business.

(1054) Sika would also obtain the following licenses from the Purchaser and/or the Divestment Business:

(a) In relation to EBA products, Sika will obtain a sole licence from the Purchaser to use any MBCC EBA patent until […] for the Retained Business outside of the EEA, Switzerland, UK, USA, Canada, Australia, and New Zealand.

(b) In relation to EBA products, Sika will obtain exclusive royalty-free licences to use the (i) "*Master Builders Solution*" brand and (ii) MBCC product trademarks for the benefit of the Retained Business (i.e. outside of the EEA, Switzerland, UK, USA, Canada, Australia, and New Zealand) for a period of […]. As an exception: in Japan only, Sika will own the "*Master Builders Pozzolith*" umbrella trademark (only used in Japan, and applicable to both EBA and EBC) and the "*MasterPozzolith*" product trademark (applicable only to EBA products, also registered in other countries). Sika will drop the "*Master*" prefix from Pozzolith products in Japan after […].

(c) In relation to EBC products, Sika will obtain exclusive royalty-free licences to use the "*Master Builders Solution*" brand for a period of […] in the EEA, Switzerland and the UK, for a period of […] in North America, and for a period of […] years in relation to other countries. Sika will also obtain a sole licence to use the "*MasterKure*" trademark in relation to EBC-related products for a period of […] in North America. Sika will discontinue the use of the word "Master" prefix in product names after […]in the EEA, Switzerland and the UK, after […] in North America, and after […] in the rest of the world.

7.3.2. The Notifying Party's Arguments

(1055) **First**, as regard scope, the Notifying Party submits that the sale of the Divestment Business eliminates the entire overlap between the Parties in chemical admixtures in the EEA, Switzerland and the UK and therefore comprehensively resolves the Commission's competition concerns.[653]

652 As described in Annex I.2.(c) of the Initial Commitments.

653 Form RM for the Initial Commitments, paragraphs 22-24.

(1056) The Notifying Party further contends that the addition of the Divestment Business in North America, Australia and New Zealand creates a strong chemical admixtures business with scale and capability to continue to be an effective competitor to Sika in the EEA, Switzerland and the United Kingdom (as well as in North America, Australia and New Zealand). [654]

(1057) The Notifying Party also considers that the Divestment Business will have full R&D capability at both the polymer and the chemical admixtures level, so that there can be no concerns about any impact on competition in innovation.[655]

(1058) **Second**, the Notifying Party submits that the Divestment Business is a viable and standalone business capable to attract interested buyers.

(1059) In particular, the Notifying Party submits that following the separation, the Divestment Business will have all tangible and intangible assets to compete effectively and on a standalone basis. This includes all the patents, R&D staff and R&D facilities to bring to market improved chemical admixtures that have a more sustainable profile and characteristics.[656]

(1060) The Notifying Party also submits that the Divestment Business represents a comprehensive, attractive, standalone and effectively competitive business as it will be (i) sold to a single purchaser,[657] (ii) operationally independent from the Parties,[658] (iii) with no dependency on the retained business,[659] (iv) structured as a reverse carve-out *i.e.* without separation risk[660] and (iv) with sufficient financial resilience.[661]

7.3.3. Results of the market test

(1061) The results of the market test were overall positive as regards the scope and viability and attractiveness of the Initial Commitments, with the exception of the duration of the rebranding period described in paragraph (1054)(b) and (1054)(c) above.

7.3.3.1. Scope of the Divestment Business

(1062) A large majority of market participants consider the Initial Commitments to be, in principle, suitable and adequate to effectively remove the preliminary competition concerns identified by the Commission regarding the production and supply of chemical admixtures in the EEA in its entirety.[662]

(1063) Market participants note in particular that the scope of the Divestment Business is sufficient to ensure that the Transaction would not create competition issues as it would enable to maintain the status quo: "*The sales of MBCC's EBA units within the EEA would prevent the creation of a single market player with an unreasonable market*

654 Form RM for the Initial Commitments, paragraph 25.
655 Form RM for the Initial Commitments, paragraphs 26-28.
656 Form RM or the Initial Commitments, paragraph 35.
657 Form RM for the Initial Commitments, paragraph 40.
658 Form RM for the Initial Commitments, paragraph 51.
659 Form RM for the Initial Commitments, paragraphs 42-43.
660 Form RM for the Initial Commitments, paragraphs 44-46.
661 Form RM for the Initial Commitments, paragraph 51.
662 Replies to question B.1 of the market test.

share", "*with this commitment they state that they will sell this part of business forward and market situation stays as it is now in our market area*".[663]

7.3.3.2. Viability and attractiveness of the Divestment Business

(1064) A large majority of market participants consider that the Divestment Business as described in the Initial Commitments represent an independent viable business that can compete effectively on the market on a lasting basis,[664] and do not identify any elements in the Initial Commitments that could raise uncertainties, difficulties, risks and/or delays associated with the transfer of the Divestment Business, for a suitable purchaser to establish itself as a competitive force in the market.[665]

(1065) In particular, a majority of market participants consider that:

(a) the separation of the shared EBA/EBC production sites will not affect the viability and competitiveness of the Divestment Business, in particular as regards previously shared costs;[666]

(b) The Divestment Business includes all R&D facilities necessary to ensure its viability and competitiveness;

(c) The Divestment Business includes all the necessary intangible assets;[667]

(d) The envisaged TSAs are sufficient in terms of scope, time and contractual arrangements;[668]

(e) the number and functions of the Key Personnel are sufficient to ensure the viability and competitiveness of the Divestment Business.[669]

(1066) While the results of the market test were overall positive, some market participants pointed to certain elements where the Initial Commitments should be improved with a view to ensuring the full viability and competitiveness of the Divestment Business.

(1067) In particular, although respondents did not consider the rebranding periods described in paragraph (1054)(b) and (1054)(c) above to be necessarily problematic,[670] they have pointed out that they were longer than what is usual in the industry. In particular:

(a) As regards rebranding periods for EBA-related products described in paragraph (1054)(b) above, respondents with experience with rebranding EBA indicated an average typical timeframe required for rebranding such products of 13 months, instead of the […] envisaged in Schedule B of the Initial Commitments.[671] Respondents with experience with expanding EBA products into new geographies indicated an average timeframe of 25 months.[672]

(b) As regards rebranding periods for EBC-related products described in paragraph (1054)(c) above, respondents with experience with rebranding EBC

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663 Replies to question B.2 of the market test.
664 Replies to question C.1 of the market test.
665 Replies to question C.2 of the market test.
666 Replies to questions D.1 and D.2 of the market test.
667 Replies to question F.1 of the market test.
668 Replies to question G.1 of the market test.
669 Replies to question H.1 of the market test.
670 Replies to questions F.4, F.6, F.10 and F.13 of the market test.
671 Replies to question F.8 of the market test.
672 Replies to question F.9 of the market test.

products indicated an average typical timeframe for rebranding such products of 7 months.[673]

7.3.3.3. Purchaser criteria

(1068) A majority of respondents to the market test consider that the purchaser of the Divestment Business should have particular characteristics to run the Divestment Business efficiently as a viable and competitive force on a lasting basis,[674] in particular, it should have knowledge of the industry: "*We consider that a purchaser with previous experience in construction chemicals business would be the best candidate to run the Divestment Business efficiently as a viable and competitive force*" and "*knowledge of the industry would usually be an advantage*".[675]

(1069) A large majority of respondents also consider that a private equity firm could be a suitable purchaser of the Divestment business.[676]

(1070) Most respondents also consider that the acquisition of the Divestment Business by a producer of concrete or cement would not sufficiently restore competition as cement and concrete producers would not have the incentives to supply chemical admixtures products to other competing producers of concrete or cement:[677] "*Concrete admixtures are one of the key components of the performance of Concretes. We consider there will be not much incentive for Cement/Concrete producers to supply their key technology to other competitors*" and "*As is already the case of major concrete/ cement suppliers who can manufacture their own admixtures, they do not sell them to the open market as they will want to maintain any competitive edge from their use in specific products*".[678] A small majority of respondents also consider that a producer of cement or concrete will not have the incentive to develop innovative chemical admixtures products for other competing producers of concrete or cement.[679]

7.3.4. The Commission's assessment of the Initial Commitments

(1071) The Commission assessed whether the Initial Commitments would be suitable to remove its serious doubts in relation to the chemical admixture markets in the EEA in respect of which it identified serious doubts, subject to certain improvements also in light of the market test feedback.

7.3.4.1. Scope of the Divestment Business and suitability of the Initial Commitments to remove competition concerns

(1072) The Initial Commitments consist of the divestiture of MBCC's global EBA Business as well as the EBC business of MBCC in Australia and New Zealand.

(1073) The Divestment Business is larger in scope than the markets for which the Commission raises serious doubts as set out in Section 6 above (*i.e.* supply of chemical admixtures in Austria, Belgium, Croatia, Czechia, Denmark, Finland, France, Germany, Hungary, Iceland, Ireland, Italy, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal,

673 Replies to question F.15 of the market test.
674 Replies to question I.1 of the market test.
675 Replies to question I.2 of the market test.
676 Replies to question I.9 of the market test.
677 Replies to question I.3 of the market test.
678 Replies to question I.4 of the market test.
679 Replies to question I.5 of the market test.

Romania, Slovakia, Spain and Sweden). The Initial Commitments therefore remove the entire horizontal overlap between the Parties' activities in all relevant national markets for the supply of chemical admixtures in the EEA for which the Commission raises serious doubts as to the compatibility of the Transaction with the internal market. Following the divestment, the merged entity would be active in chemical admixtures in markets in the EEA only through the existing global business of Sika, therefore fully restoring the status quo ante with no reduction in the number of competitors in the market.

(1074) The Commission therefore considers that the Initial Commitments are sufficient in scope to entirely remove its serious doubts.

7.3.4.2. Viability and attractiveness of the Divestment Business

(1075) The Commission considers that, based on the evidence on file, and the results of the market test, the Initial Commitments are in general suitable to lead to the divestment of a viable and competitive business, which can compete effectively with the merged entity on a lasting basis.

(1076) MBCC's EBA business in the EEA already pre-Transaction operates as a largely stand-alone business within MBCC, with limited links with the Retained Business regarding a limited number of shared sites, global R&D and Branding/IP.

(1077) The Divestment Business comprises all tangible and intangible assets, as well as personnel, which are necessary both for production and innovation and for ensuring the viability and competitiveness of the business. The Commission finds that the solutions offered with regard to shared sites R&D and intangible assets680 will ensure that the Divestment Business is able to establish itself as a new competitive force and a stand-alone business on the markets for chemical admixture in the EEA.

(1078) In particular:

(a) As regards shared sites, the Commission finds that the Initial Commitments entirely eliminate any significant risks associated with the separation of sites and reverse carve-out of MBCC's retained EBC business from sites shared between MBCC's EBA and EBC businesses. In the EEA, the three sites that are shared will be vacated by the Parties with contract manufacturing agreements put in place for a short period after closing.[681]

(b) As regards R&D, the Commission considers that any significant risks and uncertainties in relation to R&D capabilities of the Divestment Business are sufficiently resolved in light of the inclusion of the global R&D of MBCC's EBA business, in particular the Trostberg and Treviso plants including its staff and all related IP/Know-how.

(c) As regards intangible assets, the Commission considers that the divestment of all EBA-related patents in the geographies covered by the initial Commitments will enable a purchaser to operate the Divestment Business as a viable competitive force on the market on a lasting basis. The Divestment Business is, in fact, equipped to expand beyond its current geographic perimeter, as the purchaser will retain global ownership of all registered patents and trademarks relating to the

680 As further described in paragraphs (1022) and (1020) above.

681 Form RM of the Initial Commitments, paragraph 41.

EBA business. They allow the Purchaser to expand the Divestment Business geographically.

(1079) However, the Commission considered that certain adjustments to the Initial Commitments were necessary for a purchaser to operate the Divestment Business as a viable competitive force on a lasting basis. In particular:

(a) The transitional back-licensing agreements relating to branding and trademarks for EBA products are not in line with industry standards, as further explained in paragraphs (1067)(a) and (1067)(b) above. Considering the need for the Divestment Business to be able to expand geographically in the future, the Commission considers that such rebranding periods should be shortened at least for branding and trademarks related to EBA products.

(b) Additional R&D- and EHSQ (Environment, Health, Safety and Quality)-related personnel should be part of Key Personnel, such as the Head of intellectual property, the head of admixture development or the Head of Concrete Tech & Material innovation. Considering the R&D-intensive nature of the chemical admixture industry, these functions are necessary for the Divestment Business to be operated as a viable competitive force on a lasting basis in the EEA.

7.3.4.3. Purchaser criteria

(1080) The Commission finds that the inclusion of an upfront buyer requirement removes all concerns regarding the likelihood of finding a suitable purchaser for the Divestment Business to remove the concerns raised by the Transaction.

(1081) However, the Commission considered, taking into account the feedback of the market test as set out in paragraph (1067) above, that the Initial Commitments do not sufficiently reflect that:

(a) The purchaser of the Divestment Business should have know-how and expertise in chemical admixtures and a proven track record of viably operating businesses over the long-term and a proven incentive to continue investing in the R&D activities of the Divestment Business; and

(b) The purchaser of the Divestment Business should not be active in downstream industries into which chemical admixtures are supplied, and in particular, must not be active downstream in the production and supply of cement and/or concrete.

7.4. The Improved Commitments

7.4.1. Description of the Improved Commitments

(1082) Following the results of the market test, and its own assessment of the Initial Commitments, the Commission provided feedback to the Parties on 11 January 2023. The Notifying Party subsequently submitted the Improved Commitments.

(1083) The Improved Commitments modified the Initial Commitments by:

(a) Reducing the rebranding periods for EBA-related products from […] to […];

(b) Adding 10 R&D and EHSQ personnel as Key Personnel, including the Head of intellectual property, the head of admixture development, the Head of Concrete Tech & Material innovation and the Regional EHSQ Europe Management Systems.

7.4.2. The Commission's assessment of the Improved Commitments

(1084) The Commission considers that the Improved Commitments adequately address the short-comings of the Initial Commitments described in paragraphs (1081) above as regards the duration of the rebranding periods.

(1085) In particular, the Commission notes that the Improved Commitments reduce the rebranding period for EBA products from […] to […], therefore enabling the purchaser of the Divestment Business to have the ability to expand geographically beyond the countries where it is currently active in a timely manner, while sufficiently reducing brand confusion risks.

(1086) The Commission also considers that the Improved Commitments adequately address the shortcomings of the Initial Commitments as regards the list of Key Personnel, which was sufficiently supplemented by adding 11 key functions, including 4 related to R&D.

(1087) However, the Commission considered that the Improved Commitments did not sufficiently address the shortcomings of the Initial Commitments as regards the purchaser criteria, which remain unchanged.

7.5. The Final Commitments

(1088) The Commission provided feedback to the Parties on the Improved Commitments. The Notifying Party subsequently submitted the Final Commitments.

(1089) The Final Commitments modify the Improved Commitments by stating that:

(a) The purchaser of the Divestment Business should have a proven track record of viably operating businesses over the long-term and a proven incentive to continue investing in the R&D activities of the Divestment Business globally; and

(b) The purchaser of the Divestment Business should not be active in downstream industries into which chemical admixtures are supplied, and in particular, must not be active downstream in the production and supply of cement and/or concrete.

(1090) The Commission considers that the Final Commitments adequately address the remaining shortcoming of the Improved Commitments by ensuring that the purchaser of the Divestment Business will have financial resources, proven expertise and incentive to develop the Divestment Business as a viable and active competitor, including by continuing to invest in the R&D activities of the Divestment Business.

7.6. Conclusion on the Final Commitments

(1091) Based on the results of the market test and the assessment of the Initial Commitments, Improved Commitments and Final Commitments, the Commission considers that the Final Commitments entirely remove the Commission's serious doubts as to the compatibility of the Transaction with the internal market.

8. CONDITIONS AND OBLIGATIONS

(1092) Pursuant to the second subparagraph of Article 6(2) of the Merger Regulation, the Commission may attach to its decision conditions and obligations intended to ensure that the undertakings concerned comply with the commitments they have entered into

vis-à-vis the Commission with a view to rendering the concentration compatible with the internal market.

(1093) The fulfilment of the measure that gives rise to the structural change of the market is a condition, whereas the implementing steps which are necessary to achieve this result are generally obligations on the Parties. Where a condition is not fulfilled, the Commission's decision declaring the concentration compatible with the internal market is no longer applicable. Where the undertakings concerned commit a breach of an obligation, the Commission may revoke the clearance decision in accordance with Article 6(3)(b) of the Merger Regulation. The undertakings concerned may also be subject to fines and periodic penalty payments under Articles 14(2) and 15(1) of the Merger Regulation.

(1094) In accordance with the basic distinction described in Paragraph (1093) as regards conditions and obligations, this Decision should be made conditional, on the one hand, on the full compliance by the Notifying Party with Section B of the Final Commitments[682] (including Schedules A and B and annexes I.1(a)-I.2(c) to these Schedules) submitted by the Notifying Party on 27 January 2023. All other Sections of the Commitments should be obligations within the meaning of Article 6(2) of the Merger Regulation. The full text of the Commitments is attached as Annex II to this Decision and forms an integral part thereof.

9. CONCLUSION

(1095) For the above reasons, the Commission has decided not to oppose the notified operation as modified by the Final Commitments and to declare it compatible with the internal market and with the functioning of the EEA Agreement, subject to full compliance with the conditions in Section B of the Final Commitments annexed to the present decision and with the obligations contained in the other sections of the Final Commitments. This decision is adopted in application of Article 6(1)(b) in conjunction with Article 6(2) of the Merger Regulation and Article 57 of the EEA Agreement.

For the Commission

(Signed)
Margrethe VESTAGER
Executive Vice-President

[682] Attached to this decision as Annex II.

Case M.10560 - SIKA AG / MBCC GROUP

FURTHER IMPROVED COMMITMENTS TO THE EUROPEAN COMMISSION

Pursuant to Article 6(2) of Council Regulation (EC) No 139/2004 (the "***Merger Regulation***"), Sika AG (the "***Notifying Party***") and LSF11 Skyscraper Holdco S.à.r.l. hereby enter into the following Commitments (the "***Commitments***") vis-à-vis the European Commission (the "***Commission***") with a view to rendering Sika's acquisition of MBCC Group (the "***Concentration***") compatible with the internal market and the functioning of the EEA Agreement.

This text shall be interpreted in light of the Commission's decision pursuant to Article 6(1)(b) of the Merger Regulation to declare the Concentration compatible with the internal market and the functioning of the EEA Agreement (the "***Decision***"), in the general framework of European Union law, in particular in light of the Merger Regulation, and by reference to the Commission Notice on remedies acceptable under Council Regulation (EC) No 139/2004 and under Commission Regulation (EC) No 802/2004 (the "***Remedies Notice***").

Section A. Definitions

1. For the purpose of the Commitments, the following terms shall have the following meaning:

   Affiliated Undertakings: undertakings controlled by the Parties (as defined below), whereby the notion of control shall be interpreted pursuant to Article 3 of the Merger Regulation and in light of the Commission Consolidated Jurisdictional Notice under Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings (the "***Consolidated Jurisdictional Notice***").

   Assets: the assets that contribute to the current operation or are necessary to ensure the viability and competitiveness of the Divestment Business as indicated in Section B and Schedule A.

   Closing: the transfer of the legal title to the Divestment Business to the Purchaser.

   Closing Period: the period of 3 months from the approval of the Purchaser and the terms of sale by the Commission.

   Confidential Information: any business secrets, know-how, commercial information, or any other information of a proprietary nature that is not in the public domain.

   Conflict of Interest: any conflict of interest that impairs the Trustee's objectivity and independence in discharging its duties under the Commitments.

   Divestment Business: the business as defined in Section B and in Schedule A, which the Notifying Party commits to divest.

Divestiture Trustee: one or more natural or legal person(s) who is/are approved by the Commission and appointed by Sika and who has/have received from Sika the exclusive Trustee Mandate to sell the Divestment Business to a Purchaser at no minimum price.

EBA: the "Admixtures Systems" division of MBCC Group, which comprises the chemical admixtures, fibres, underground construction, auxiliaries and polymers businesses of MBCC Group.

EBC: the "Construction Systems" division of MBCC Group, which comprises the concrete works, adhesives, mortars, roofing, industrial flooring, sealants, waterproofing and ETICS businesses of MBCC Group.

EEA: European Economic Area.

Effective Date: the date of adoption of the Decision.

First Divestiture Period: the period of [...] months from the Effective Date.

Hold Separate Manager: the person appointed jointly by Sika and LSF11 Skyscraper Holdco S.à.r.l. for the Divestment Business to manage the day-to-day business under the supervision of the Monitoring Trustee.

Key Personnel: all personnel necessary to maintain the viability and competitiveness of the Divestment Business, as listed in Schedule B, including the Hold Separate Manager.

MBCC Group: LSF11 Skyscraper HoldCo S.à.r.l. and each of its subsidiaries.

Monitoring Trustee: one or more natural or legal person(s) approved by the Commission and appointed by Sika, and who has/have the duty to monitor the Parties' compliance with the conditions and obligations attached to the Decision.

Parties: Sika and LSF11 Skyscraper Holdco S.à.r.l.

Personnel: all staff currently employed by the Divestment Business, including staff seconded to the Divestment Business, shared personnel, as well as the Key Personnel listed in Schedule B.

Purchaser: the entity approved by the Commission as acquirer of the Divestment Business in accordance with the criteria set out in Section D.

Purchaser Criteria: the criteria laid down in paragraph 17 of these Commitments that the Purchaser must fulfil in order to be approved by the Commission.

Retained Business: the assets (including personnel) listed in Schedule A paragraph 2.

Sika: Sika AG and all its subsidiaries.

Trustee(s): the Monitoring Trustee and/or the Divestiture Trustee as the case may be.

Trustee Divestiture Period: the period of [...] months from the end of the First Divestiture Period.

Section B. The commitment to divest and the Divestment Business

I. Commitment to divest

2. In order to maintain effective competition, Sika commits to divest, or procure the divestiture of the worldwide EBA business of MBCC Group, with the exception of the assets (including personnel) listed in paragraph 2 of Schedule A, as well as the EBC business of MBCC Group in Australia and New Zealand, by the end of the Trustee Divestiture Period as a going concern to a purchaser and on terms of sale approved by the Commission in accordance with the procedure described in paragraph 19 of these Commitments. To carry out the divestiture, Sika commits to find a purchaser and to enter into a final binding sale and purchase agreement for the sale of the Divestment Business within the First Divestiture Period. If Sika has not entered into such an agreement at the end of the First Divestiture Period, Sika shall grant the Divestiture Trustee an exclusive mandate to sell the Divestment Business in accordance with the procedure described in paragraph 32 in the Trustee Divestiture Period.

3. The proposed Concentration shall not be implemented before Sika and/or LSF11 Skyscraper Holdco S.à.r.l. (as the case may be) or the Divestiture Trustee has entered into a final binding sale and purchase agreement for the sale of the Divestment Business and the Commission has approved the Purchaser and the terms of sale in accordance with paragraph 19.

4. Sika shall be deemed to have complied with this commitment if:

   (a) by the end of the Trustee Divestiture Period, Sika, MBCC Group or the Divestiture Trustee has entered into final binding sale and purchase agreement and the Commission approves the proposed purchaser and the terms of sale as being consistent with the Commitments in accordance with the procedure described in paragraph 19;

   (b) the Closing of the sale of the Divestment Business to the Purchaser takes place within the Closing Period.

5. In order to maintain the structural effect of the Commitments, Sika shall, for a period of 10 years after Closing, not acquire, whether directly or indirectly, the possibility of exercising influence (as defined in paragraph 43 of the Remedies Notice, footnote 3) over the whole or part of the Divestment Business, unless, following the submission of a reasoned request from Sika showing good cause and accompanied by a report from the Monitoring Trustee (as provided in paragraph 46 of these Commitments), the Commission finds that the structure of the market has changed to such an extent that the absence of influence over the Divestment Business is no longer necessary to render the proposed concentration compatible with the internal market.

II. Structure and definition of the Divestment Business

6. The Divestment Business consists of the worldwide EBA business of MBCC Group, with the exception of the assets (including personnel) as listed in paragraph 2 of Schedule A, as well as the EBC business of MBCC Group in Australia and New Zealand. The Divestment Business,

described in more detail in Schedule A, includes all assets and staff that contribute to the current operation of the Divestment Business or are necessary to ensure the viability and competitiveness of the Divestment Business, in particular:

(a) all tangible and intangible assets (including intellectual property rights);

(b) all licences, permits and authorisations issued by any governmental organisation for the benefit of the Divestment Business;

(c) all contracts, leases, commitments and customer orders of the Divestment Business;

(d) all customer, credit and other records of the Divestment Business; and

(e) the Personnel.

7. In addition, the Divestment Business includes the benefit, for a transitional period of up to 12 or 24 months after Closing and on terms and conditions equivalent to those at present afforded to the Divestment Business, of all current arrangements under which MBCC Group supplies products or services to the Divestment Business, as specified in Schedule A, unless otherwise agreed with the Purchaser. Strict firewall procedures will be adopted so as to ensure that any competitively sensitive information related to, or arising from such supply arrangements (for example, product roadmaps) will not be shared with, or passed on to, anyone outside the business units providing such products or services.

Section C. Related commitments

I. Preservation of viability, marketability and competitiveness

8. From the Effective Date until Closing, the Parties shall preserve or procure the preservation of the economic viability, marketability and competitiveness of the Divestment Business, in accordance with good business practice, and shall minimise as far as possible any risk of loss of competitive potential of the Divestment Business. In particular, the Parties each undertake:

(a) not to carry out any action that might have a significant adverse impact on the value, management or competitiveness of the Divestment Business or that might alter the nature and scope of activity, or the industrial or commercial strategy or the investment policy of the Divestment Business;

(b) to make available, or procure to make available, sufficient resources for the development of the Divestment Business, on the basis and continuation of the existing business plans;

(c) to take all reasonable steps, or procure that all reasonable steps are being taken, including appropriate incentive schemes (based on industry practice), to encourage all Key Personnel to remain with the Divestment Business, and not to solicit or move any Personnel to the remaining businesses of the Parties. Where, nevertheless, individual members of the Key Personnel exceptionally leave the Divestment Business, the Parties as the case may be shall provide a reasoned proposal to replace the person or persons concerned to the Commission and the Monitoring Trustee. The Parties as the

case may be must be able to demonstrate to the Commission that the replacement is well suited to carry out the functions exercised by those individual members of the Key Personnel. The replacement shall take place under the supervision of the Monitoring Trustee, who shall report to the Commission.

II. Hold-separate obligations

9. The Parties commit, from the Effective Date until Closing, to procure that the Divestment Business is kept separate from the business(es) that the Notifying Party will be retaining and, after closing of the notified transaction to keep the Divestment Business separate from the business that the Notifying Party is retaining and to ensure that unless explicitly permitted under these Commitments: (i) management and staff of the businesses retained by the Parties have no involvement in the Divestment Business; (ii) the Key Personnel and Personnel of the Divestment Business have no involvement in any business retained by the Parties and do not report to any individual outside the Divestment Business.

10. Until Closing, the Parties shall assist the Monitoring Trustee in ensuring that the Divestment Business is managed as a distinct and saleable entity separate from the businesses which the Parties are retaining. Immediately after the Effective Date, MBCC Group shall appoint a Hold Separate Manager. The Hold Separate Manager, who shall be part of the Key Personnel, shall manage the Divestment Business independently and in the best interest of the business with a view to ensuring its continued economic viability, marketability and competitiveness and its independence from the businesses retained by the Parties. The Hold Separate Manager shall closely cooperate with and report to the Monitoring Trustee and, if applicable, the Divestiture Trustee. Any replacement of the Hold Separate Manager shall be subject to the procedure laid down in paragraph 8(c) of these Commitments. The Commission may, after having heard the Parties, require the Parties to replace the Hold Separate Manager.

11. To ensure that the Divestment Business is held and managed as a separate entity the Monitoring Trustee shall exercise MBCC Group's rights as a shareholder in any legal entity that constitutes the Divestment Business (except for its rights in respect of dividends that are due before Closing), with the aim of acting in the best interest of the business, which shall be determined on a stand-alone basis, as an independent financial investor, and with a view to fulfilling the Parties' obligations under the Commitments. Furthermore, the Monitoring Trustee shall have the power to replace members of the supervisory board or non-executive directors of the board of directors, who have been appointed on behalf of MBCC Group. Upon request of the Monitoring Trustee, MBCC Group shall resign as a member of the boards or shall cause such members of the boards to resign.

III. Ring-fencing

12. The Parties shall implement, or procure to implement, all necessary measures to ensure that it does not, after the Effective Date, obtain any Confidential Information relating to the Divestment Business and that any such Confidential Information obtained by the Parties before the Effective Date will be eliminated and not be used by the Parties. This includes measures vis-à-vis MBCC Group’s appointees on the supervisory board and on the board of directors of the Divestment Business. In particular, the participation of the Divestment Business in any central information technology network shall be severed to the extent possible, without compromising the viability of the Divestment Business. The Parties may obtain or keep information relating to the Divestment

Business which is reasonably necessary for the divestiture of the Divestment Business or the disclosure of which to the Parties are required by law.

IV. Non-solicitation clause

13. The Parties undertake, subject to customary limitations, not to solicit, and to procure that Affiliated Undertakings do not solicit, the Key Personnel transferred with the Divestment Business for a period of […] after Closing.

V. Due diligence

14. In order to enable potential purchasers to carry out a reasonable due diligence of the Divestment Business, the Parties shall, subject to customary confidentiality assurances and dependent on the stage of the divestiture process:

    (a) provide to potential purchasers sufficient information as regards the Divestment Business;

    (b) provide to potential purchasers sufficient information relating to the Personnel and allow them reasonable access to the Personnel.

VI. Reporting

15. Sika shall submit written reports in English on potential purchasers of the Divestment Business and developments in the negotiations with such potential purchasers to the Commission and the Monitoring Trustee no later than 10 days after the end of every month following the Effective Date (or otherwise at the Commission's request). Sika shall submit a list of all potential purchasers having expressed interest in acquiring the Divestment Business to the Commission at each and every stage of the divestiture process, as well as a copy of all the offers made by potential purchasers within five days of their receipt.

16. Sika shall inform the Commission and the Monitoring Trustee on the preparation of the data room documentation and the due diligence procedure and shall submit a copy of any information memorandum to the Commission and the Monitoring Trustee before sending the memorandum out to potential purchasers.

Section D. The Purchaser

17. In order to be approved by the Commission, the Purchaser must fulfil the following criteria:

    a) The Purchaser shall be independent of and unconnected to Sika and its Affiliated Undertakings (this being assessed having regard to the situation following the divestiture);

    b) The Purchaser shall have the financial resources, proven expertise and incentive to maintain and develop the Divestment Business as a viable and active competitive force in competition with the Parties and other competitors;

c) The Purchaser must not be active in downstream industries into which chemical admixtures are supplied, and in particular, must not be active downstream in the production and supply of cement and/or concrete;

d) The Purchaser shall have a proven track record of viably operating businesses over the long-term and a proven incentive to continue investing in the R&D activities of the Divestment Business globally;

e) The acquisition of the Divestment Business by the Purchaser must neither be likely to create, in light of the information available to the Commission, *prima facie* competition concerns nor give rise to a risk that the implementation of the Commitments will be delayed. In particular, the Purchaser must reasonably be expected to obtain all necessary approvals from the relevant regulatory authorities for the acquisition of the Divestment Business.

18. The final binding sale and purchase agreement (as well as ancillary agreements) relating to the divestment of the Divestment Business shall be conditional on the Commission's approval. When Sika has reached an agreement with a purchaser, it shall submit a fully documented and reasoned proposal, including a copy of the final agreement(s), within one week to the Commission and the Monitoring Trustee.

19. Sika must be able to demonstrate to the Commission that the purchaser fulfils the Purchaser Criteria and that the Divestment Business is being sold in a manner consistent with the Commission's Decision and the Commitments. For the approval, the Commission shall verify that the purchaser fulfils the Purchaser Criteria and that the Divestment Business is being sold in a manner consistent with the Commitments including their objective to bring about a lasting structural change in the market. The Commission may approve the sale of the Divestment Business without one or more Assets or parts of the Personnel, or by substituting one or more Assets or parts of the Personnel with one or more different assets or different personnel, if this does not affect the viability and competitiveness of the Divestment Business after the sale, taking account of the proposed purchaser.

Section E. Trustee

I. Appointment procedure

20. Sika shall appoint a Monitoring Trustee to carry out the functions specified in these Commitments for a Monitoring Trustee. Sika commits not to close the Concentration before the appointment of a Monitoring Trustee.

21. If Sika has not entered into a binding sale and purchase agreement regarding the Divestment Business one month before the end of the First Divestiture Period or if the Commission has rejected a Purchaser proposed by Sika at that time or thereafter, Sika shall appoint a Divestiture Trustee. The appointment of the Divestiture Trustee shall take effect upon the commencement of the Trustee Divestiture Period.

22. The Trustee shall:

1. at the time of appointment, be independent of Sika and its Affiliated Undertakings;

2. possess the necessary qualifications to carry out its mandate, for example have sufficient relevant experience as an investment banker or consultant or auditor; and

3. neither have nor become exposed to a Conflict of Interest, including in relation to prospective purchasers.

23. The Trustee shall be remunerated by Sika in a way that does not impede the independent and effective fulfilment of its mandate. In particular, where the remuneration package of a Divestiture Trustee includes a success premium linked to the final sale value of the Divestment Business, such success premium may only be earned if the divestiture takes place within the Trustee Divestiture Period.

Proposal by Sika

24. No later than two (2) weeks after the Effective Date, Sika shall submit the name or names of three natural or legal persons whom Sika proposes to appoint as the Monitoring Trustee to the Commission for approval.

25. No later than one month before the end of the First Divestiture Period, or on request by the Commission, Sika shall submit a list of three persons whom Sika proposes to appoint as Divestiture Trustee to the Commission for approval. The proposal shall contain sufficient information for the Commission to verify that the person or persons proposed as Trustee fulfil the requirements set out in paragraph 22 and shall include:

(a) the full terms of the proposed mandate, which shall include all provisions necessary to enable the Trustee to fulfil its duties under these Commitments;

(b) the outline of a work plan which describes how the Trustee intends to carry out its assigned tasks;

(c) an indication whether the proposed Trustee is to act as both Monitoring Trustee and Divestiture Trustee or whether different trustees are proposed for the two functions.

Approval or rejection by the Commission

26. The Commission shall have the discretion to approve or reject the proposed Trustee(s) and to approve the proposed mandate subject to any modifications it deems necessary for the Trustee to fulfil its obligations. If only one name is approved, Sika shall appoint or cause to be appointed the person or persons concerned as Trustee, in accordance with the mandate approved by the Commission. If more than one name is approved, Sika shall be free to choose the Trustee to be appointed from among the names approved. The Trustee shall be appointed within one week of the Commission's approval, in accordance with the mandate approved by the Commission.

New proposal by Sika

27. If all the proposed Trustees are rejected, Sika shall submit the names of at least two more natural or legal persons within one week of being informed of the rejection, in accordance with paragraphs 24 and 26 of these Commitments.

Trustee nominated by the Commission

28. If all further proposed Trustees are rejected by the Commission, the Commission shall nominate a Trustee, whom Sika shall appoint, or cause to be appointed, in accordance with a trustee mandate approved by the Commission.

II. Functions of the Trustee

29. The Trustee shall assume its specified duties and obligations in order to ensure compliance with the Commitments. The Commission may, on its own initiative or at the request of the Trustee or Sika, give any orders or instructions to the Trustee in order to ensure compliance with the conditions and obligations attached to the Decision.

Duties and obligations of the Monitoring Trustee

30. The Monitoring Trustee shall:

(i) propose in its first report to the Commission a detailed work plan describing how it intends to monitor compliance with the obligations and conditions attached to the Decision.

(ii) oversee, in close co-operation with the Hold Separate Manager, the on-going management of the Divestment Business with a view to ensuring its continued economic viability, marketability and competitiveness and monitor compliance by the Parties with the conditions and obligations attached to the Decision. To that end the Monitoring Trustee shall:

(a) monitor the preservation of the economic viability, marketability and competitiveness of the Divestment Business and the keeping separate of the Divestment Business from the business retained by the Parties, in accordance with paragraphs 8 and 9 of these Commitments;

(b) supervise the management of the Divestment Business as a distinct and saleable entity, in accordance with paragraph 10 of these Commitments;

(c) with respect to Confidential Information:

- determine all necessary measures to ensure that the Parties do not after the Effective Date obtain any Confidential Information relating to the Divestment Business,

- in particular strive for the severing of the Divestment Business' participation in a central information technology network to the extent possible, without compromising the viability of the Divestment Business,

- make sure that any Confidential Information relating to the Divestment Business obtained by the Parties before the Effective Date is eliminated and will not be used by the Parties, and

- decide whether such information may be disclosed to or kept by the Parties as the disclosure is reasonably necessary to allow the Parties to carry out the divestiture or as the disclosure is required by law;

(d) monitor the splitting of assets and the allocation of Personnel between the Divestment Business and Sika or Affiliated Undertakings;

(iii) propose to the Parties such measures as the Monitoring Trustee considers necessary to ensure their compliance with the conditions and obligations attached to the Decision, in particular the maintenance of the full economic viability, marketability or competitiveness of the Divestment Business, the holding separate of the Divestment Business and the non-disclosure of competitively sensitive information;

(iv) review and assess potential purchasers as well as the progress of the divestiture process and verify that, dependent on the stage of the divestiture process:

(a) potential purchasers receive sufficient and correct information relating to the Divestment Business and the Personnel in particular by reviewing, if available, the data room documentation, the information memorandum and the due diligence process, notably by ensuring that potential purchasers are provided with a full copy of these commitments as soon as possible; and

(b) potential purchasers are granted reasonable access to the Personnel;

(v) act as a contact point for any requests by third parties, in particular potential purchasers, in relation to the Commitments;

(vi) provide to the Commission, sending Sika a non-confidential copy at the same time, a written report within 15 days after the end of every month that shall cover the operation and management of the Divestment Business, as well as the splitting of assets and the allocation of Personnel so that the Commission can assess whether the business is held in a manner consistent with the Commitments and the progress of the divestiture process as well as potential purchasers;

(vii) promptly report in writing to the Commission, sending Sika a non-confidential copy at the same time, if it concludes on reasonable grounds that the Parties are failing to comply with these Commitments;

(viii) within one week after receipt of the documented proposal referred to in paragraph 18 of these Commitments, submit to the Commission, sending Sika a non-confidential copy at

the same time, a reasoned opinion as to the suitability and independence of the proposed purchaser and the viability of the Divestment Business after the sale and as to whether the Divestment Business is sold in a manner consistent with the conditions and obligations attached to the Decision, in particular, if relevant, whether the sale of the Divestment Business without one or more Assets or not all of the Personnel affects the viability of the Divestment Business after the sale, taking account of the proposed purchaser;

(ix) assume the other functions assigned to the Monitoring Trustee under the conditions and obligations attached to the Decision.

31. If the Monitoring and Divestiture Trustee are not the same legal or natural persons, the Monitoring Trustee and the Divestiture Trustee shall cooperate closely with each other during and for the purpose of the preparation of the Trustee Divestiture Period in order to facilitate each other's tasks.

Duties and obligations of the Divestiture Trustee

32. Within the Divestiture Trustee Period, the Divestiture Trustee shall sell at no minimum price the Divestment Business to a Purchaser, provided that the Commission has approved both the Purchaser and the final binding sale and purchase agreement(s) (and ancillary agreements) as in line with the Commission's Decision and the Commitments in accordance with paragraphs 17-19 of these Commitments. The Divestiture Trustee shall include in the sale and purchase agreement (as well as in any ancillary agreements) such terms and conditions as it considers appropriate for an expedient sale in the Trustee Divestiture Period. In particular, the Divestiture Trustee may include in the sale and purchase agreement such customary representations and warranties and indemnities as are reasonably required to effect the sale. The Divestiture Trustee shall protect the legitimate financial interests of Sika, subject to Sika’s unconditional obligation to divest at no minimum price in the Trustee Divestiture Period.

33. In the Trustee Divestiture Period (or otherwise at the Commission’s request), the Divestiture Trustee shall provide the Commission with a comprehensive monthly report written in English on the progress of the divestiture process. Such reports shall be submitted within 15 days after the end of every month with a simultaneous copy to the Monitoring Trustee and a non-confidential copy to Sika.

III. Duties and obligations of the Parties

34. The Parties shall provide and shall cause its advisors to provide the Trustee with all such co-operation, assistance and information as the Trustee may reasonably require to perform its tasks. The Trustee shall have full and complete access to any of the Parties' or the Divestment Business’ books, records, documents, management or other personnel, facilities, sites and technical information necessary for fulfilling its duties under the Commitments and Sika, MBCC Group and the Divestment Business shall provide the Trustee upon request with copies of any document. Sika, MBCC Group and the Divestment Business shall make available to the Trustee one or more offices on their premises and shall be available for meetings in order to provide the Trustee with all information necessary for the performance of its tasks.

35. The Parties shall provide the Monitoring Trustee with all managerial and administrative support that it may reasonably request on behalf of the management of the Divestment Business. This shall

include all administrative support functions relating to the Divestment Business which are currently carried out at headquarters level. The Parties shall:

a) provide and shall cause its advisors to provide the Monitoring Trustee, on request, with the information submitted to potential purchasers, in particular give the Monitoring Trustee access to the data room documentation and all other information granted to potential purchasers in the due diligence procedure, which must include a full copy of these commitments; and

b) inform the Monitoring Trustee on possible purchasers, submit lists of potential purchasers at each stage of the selection process, including the offers made by potential purchasers at those stages, and keep the Monitoring Trustee informed of all developments in the divestiture process.

36. The Parties shall grant or procure their Affiliated Undertakings to grant comprehensive powers of attorney, duly executed, to the Divestiture Trustee to effect the sale (including ancillary agreements), the Closing and all actions and declarations which the Divestiture Trustee considers necessary or appropriate to achieve the sale and the Closing, including the appointment of advisors to assist with the sale process. Upon request of the Divestiture Trustee, Sika and MBCC Group shall cause the documents required for effecting the sale and the Closing to be duly executed.

37. The Parties shall indemnify the Trustee and its employees and agents (each an "***Indemnified Party***") and hold each Indemnified Party harmless against, and hereby agrees that an Indemnified Party shall have no liability to Sika or MBCC Group for, any liabilities arising out of the performance of the Trustee's duties under the Commitments, except to the extent that such liabilities result from the wilful default, recklessness, gross negligence or bad faith of the Trustee, its employees, agents or advisors.

38. At the expense of Sika, the Trustee may appoint advisors (in particular for corporate finance or legal advice), subject to Sika's approval (this approval not to be unreasonably withheld or delayed) if the Trustee considers the appointment of such advisors necessary or appropriate for the performance of its duties and obligations under the Mandate, provided that any fees and other expenses incurred by the Trustee are reasonable. Should Sika refuse to approve the advisors proposed by the Trustee the Commission may approve the appointment of such advisors instead, after having heard Sika. Only the Trustee shall be entitled to issue instructions to the advisors. Paragraph 37 of these Commitments shall apply *mutatis mutandis*. In the Trustee Divestiture Period, the Divestiture Trustee may use advisors who served Sika during the Divestiture Period if the Divestiture Trustee considers this in the best interest of an expedient sale.

39. The Parties agree that the Commission may share Confidential Information proprietary to each of Sika or MBCC Group with the Trustee. The Trustee shall not disclose such information and the principles contained in Article 17 (1) and (2) of the Merger Regulation apply *mutatis mutandis*.

40. Sika agrees that the contact details of the Monitoring Trustee are published on the website of the Commission's Directorate-General for Competition and they shall inform interested third parties, in particular any potential purchasers, of the identity and the tasks of the Monitoring Trustee.

41. For a period of 10 years from the Effective Date the Commission may request all information from the Parties that is reasonably necessary to monitor the effective implementation of these Commitments.

IV. Replacement, discharge and reappointment of the Trustee

42. If the Trustee ceases to perform its functions under the Commitments or for any other good cause, including the exposure of the Trustee to a Conflict of Interest:

(a) the Commission may, after hearing the Trustee and Sika, require Sika to replace the Trustee; or

(b) Sika may, with the prior approval of the Commission, replace the Trustee.

43. If the Trustee is removed according to paragraph 42 of these Commitments, the Trustee may be required to continue in its function until a new Trustee is in place to whom the Trustee has effected a full hand over of all relevant information. The new Trustee shall be appointed in accordance with the procedure referred to in paragraphs 20-28 of these Commitments.

44. Unless removed according to paragraph 42 of these Commitments, the Trustee shall cease to act as Trustee only after the Commission has discharged it from its duties after all the Commitments with which the Trustee has been entrusted have been implemented. However, the Commission may at any time require the reappointment of the Monitoring Trustee if it subsequently appears that the relevant remedies might not have been fully and properly implemented.

Section F. The review clause

45. The Commission may extend the time periods foreseen in the Commitments in response to a request from Sika or, in appropriate cases, on its own initiative. Where Sika requests an extension of a time period, it shall submit a reasoned request to the Commission no later than one month before the expiry of that period, showing good cause. This request shall be accompanied by a report from the Monitoring Trustee, who shall, at the same time send a non-confidential copy of the report to Sika. Only in exceptional circumstances shall Sika be entitled to request an extension within the last month of any period.

46. The Commission may further, in response to a reasoned request from Sika showing good cause waive, modify or substitute, in exceptional circumstances, one or more of the undertakings in these Commitments. This request shall be accompanied by a report from the Monitoring Trustee, who shall, at the same time send a non-confidential copy of the report to Sika. The request shall not have the effect of suspending the application of the undertaking and, in particular, of suspending the expiry of any time period in which the undertaking has to be complied with.

Section G. Entry into force

47. The Commitments shall take effect upon the date of adoption of the Decision.

……
duly authorised for and on behalf of Sika

……
duly authorised for and on behalf of MBCC Group

SCHEDULE A
DIVESTMENT BUSINESS

1. In accordance with paragraph 6 of these Commitments, the Divestment Business comprises the worldwide EBA business of MBCC Group (with the exception of assets (including personnel) listed in paragraph 2 of this Schedule A), as well as the EBC business of MBCC Group in Australia and New Zealand, as operated to date, including but not limited to:

   (a) all shares in all legal entities (including Construction Research & Technology GmbH), and an illustrative list of the legal entities operating the Divestment Business is contained in Annex I.1(a);

   (b) all production sites, and an illustrative list of the production sites of the Divestment Business is contained in Annex I.1(b);

   (c) all warehouses;

   (d) all offices;

   (e) all R&D facilities (including the Treviso and Trostberg R&D sites) such as laboratories, laboratory devices, measuring and testing equipment, computer hardware and software;

   (f) all (other) tangible assets, such as production and packaging machinery, storage tanks, mixing tanks, tools and equipment, health and safety equipment, electronic hardware, and on-site vehicles;

   (g) all licences, permits and authorisations;

   (h) all contracts, agreements, leases, commitments and understandings, such as customer contracts and cooperation agreements, raw material supply contracts, power contracts, building and office leases;

   (i) all customer, credit and other records related to the customer base;

   (j) all (other) intangible assets, such as all patent families, trademarks, knowhow, pipeline products, BoMs, and internet domains;

   (k) all personnel, including but not limited to global R&D and IP personnel, sales and marketing, procurement, operations, and global support functions;

   (l) all Key Personnel, as listed in Schedule B; and

   (m) the arrangements for the supply with the following products or services by Sika or Affiliated Undertakings at cost (i.e. applying current MBCC Group intracompany pricing policies) for a transitional period of up to 12 or 24 months (as specified below) after Closing:

      a. Finance: the Divestment Business will continue to access [...] business process outsourcing (BPO) services, which comprise certain financing and accounting processes, i.e., record to report (RTR), procure to pay (PTP), and order to cash (OTC), and will receive global process ownership support. The Retained Business will allow the Divestment Business to access these services for a period of 12 months or until the Divestment Business has established its own financing and accounting system or has migrated to the purchaser's accounting system;

b. HR: the Divestment Business will continue to access [...] BPO HR services, which comprise human capital management solutions (benefit administration, recruitment, and analysis, etc.), workforce management, payroll processing, and modulus integration, and will receive payroll support. The Retained Business will allow the Divestment Business to access these services for a period of 12 months or until the Divestment Business has established its own HR system or has migrated to the purchaser's HR system;

c. IT: the Retained Business will provide the Divestment Business with application maintenance and support services, IT infrastructure services, network security, end-user support services, and ad-hoc IT subject matter expert support, for up to 12 months or until the Divestment Business has established a standalone IT system or has migrated to the purchaser's IT system;

d. The supply of selected underground construction ("UGC") products: the Retained Business will continue to supply a certain volume of injection resins, and TBM to the Divestment Business for a period of up to 24 months, unless the Purchaser elects to extend the period for a fixed duration of one year;

e. The supply of selected EBC powder and powder auxiliaries products: the Retained Business will continue to supply a certain volume of these products to the Divestment Business for a period of up to 24 months, unless the Purchaser elects to extend the period for a fixed duration of one year;

f. The supply of miscellaneous MVA and EBC products: the Retained Business will continue to supply a certain volume of these products, including [Confidential Product Names], to the Divestment Business for a period of up to 24 months, unless the Purchaser elects to extend the period for a fixed duration of one year.

2. The Divestment Business shall not include the following assets (or employees) (the Retained Business):

(a) the shares in the legal entities in Belgium, Czechia and Slovakia (from which EBA assets and personnel will be separated for the benefit of the Divestment Business);

(b) all shares in all legal entities (and where relevant branches) exclusively operated and domiciled outside of the EEA, Switzerland, UK, USA, Canada, Australia, and New Zealand and exclusively related to the operations of MBCC Group outside of those territories. A list of the legal entities that will not be divested is contained in Annex I.2(a);

(c) all production sites exclusively operated and located outside of the EEA, Switzerland, UK, USA, Canada, Australia, and New Zealand and exclusively related to the operations of MBCC Group outside of those territories. A list of the production sites that will not be divested is contained in Annex I.2(b);

(d) all warehouses exclusively operated and located outside of the EEA, Switzerland, UK, USA, Canada, Australia, and New Zealand and exclusively related to the operations of MBCC Group outside of those territories;

(e) all offices exclusively operated and located outside of the EEA, Switzerland, UK, USA, Canada, Australia, and New Zealand and exclusively related to the operations of MBCC Group outside of those territories;

(f) all R&D facilities exclusively operated and located outside of the EEA, Switzerland, UK, USA, Canada, Australia, and New Zealand and exclusively related to the operations of MBCC Group outside of those territories;

(g) the Building Z03 located at Trostberg into which certain R&D facilities belonging exclusively to the EBC business will move;

(h) all (other) tangible assets exclusively operated and located outside of the EEA, Switzerland, UK, USA, Canada, Australia, and New Zealand and exclusively related to the operations of MBCC Group outside of those territories;

(i) all licences, permits and authorisations exclusively relating to operations outside of the EEA, Switzerland, UK, USA, Canada, Australia, and New Zealand and exclusively related to the operations of MBCC Group outside of those territories;

(j) all contracts, agreements, leases, commitments and understandings exclusively relating to operations outside of the EEA, Switzerland, UK, USA, Canada, Australia, and New Zealand and exclusively related to the operations of MBCC Group outside of those territories;

(k) all customer, credit and other records exclusively outside of the EEA, Switzerland, UK, USA, Canada, Australia, and New Zealand and exclusively related to the operations of MBCC Group outside of those territories;

(l) all knowhow and BOMs related to operations exclusively outside of the EEA, Switzerland, UK, USA, Canada, Australia, and New Zealand and exclusively related to the operations of MBCC Group outside of those territories;

(m) the "*Master Builders Pozzolith*" brand and the "*MasterPozzolith*" trademark in Japan, and the EBA patents, which are owned or co-owned by Pozzolith Solutions Ltd., and which are exclusively related to Japanese Pozzolith products;

(n) the shared IT systems between Retained Business and the Divestment Business (as a fully independent IT platform will be created for the Divestment Business and the Purchaser complemented with a transitional supply agreement as noted in paragraph 1(m)(c) above);

(o) all personnel employed exclusively outside of the EEA, Switzerland, UK, USA, Canada, Australia, and New Zealand and exclusively related to the operations of MBCC Group outside of those territories, and selected personnel as identified in Annex I.2(c).

3. Sika will exit all shared sites, offices or buildings between the Divestment Business and the Retained Business.

4. Any costs incurred by the Divestment Business arising from or out of the separation of any EBA assets and personnel from MBCC Group, including costs related to the transitional toll manufacturing agreement for the benefit of Sika related to EBC activities on three currently shared sites (Latina, Sorgues and Treviso) and the costs related to exiting of all shared sites, will be borne by Sika.

5. Sika will obtain the following licenses from the Purchaser and/or the Divestment Business:

(a) In relation to EBA products, Sika will obtain a sole licence from the Purchaser to use any MBCC Group EBA patent until the end of its life for the Retained Business outside of the EEA, Switzerland, UK, USA, Canada, Australia, and New Zealand.

(b) In relation to EBA products, Sika will obtain exclusive royalty-free licences to use the (i) "*Master Builders Solution*" brand and (ii) MBCC Group product trademarks used outside of the EEA, Switzerland, UK, USA, Canada, Australia, and New Zealand for a

period of 18 months. Exception: In Japan only, Sika will own the "*Master Builders Pozzolith*" umbrella trademark (only used in Japan, and applicable to both EBA and EBC) and the "*MasterPozzolith*" product trademark (applicable only to EBA products, also registered in other countries). Sika will drop the "*Master*" prefix from Pozzolith products in Japan after 18 months.

(c) In relation to EBC products, Sika will obtain exclusive royalty-free licences to use the "*Master Builders Solution*" brand for a period of 18 months in the EEA, Switzerland and the UK, for a period of two (2) years in North America, and for a period of five (5) years in relation to other countries. Sika will also obtain a sole licence to use the "*MasterKure*" trademark in relation to EBC-related products for a period of two (2) years in North America. Sika will discontinue the use of the word "*Master*" prefix in product names after 18 months in the EEA, Switzerland and the UK, after 24 months in North America, and after five (5) years in the rest of the world. Sika will discontinue the use of the word "*Kure*" in product names after 24 months in North America.

6. If there is any asset or personnel which is not be covered by this Schedule A or Schedule B, but which is both used (exclusively or not) in the Divestment Business and necessary for the continued viability and competitiveness of the Divestment Business, that asset or adequate substitute will be offered to potential purchasers.

SCHEDULE B
LIST OF KEY PERSONNEL

Business Area	Name	Function	Country
General Management	[...]	Chief Executive Officer (CEO)	Germany
General Management	[...]	Chief Financial Officer	Germany
General Management	[...]	Chief Transformation Officer	Germany
Corporate Development	[...]	Group Vice President Mergers & Acquisitions	Germany
HR, Management and Administration	[...]	Head of Global HR	Germany
Sales & Marketing	[...]	Group Vice President Marketing & Strategy Admixtures	Germany
Sales & Marketing	[...]	Group Vice President Underground Construction	Switzerland
Corporate Development	[...]	Director Global Brand Management	Germany
Finance	[...]	Global Head of Tax	Germany
Finance, Management and Administration	[...]	Senior Vice President Regional CFO Europe	Germany
Legal	[...]	Global Head of Legal, Compliance & Insurance	Germany
Operations & Capex	[...]	Group Head of Operations and EHS	HQ/UK
Procurement, Management and Administration	[...]	Global Head Direct Materials – Global Procurement	Germany
Marketing, Management and Administration	[...]	VP AS Marketing	Germany
Marketing, Management and Administration	[...]	Head of UGC Europe	Italy
Information Technology	[...]	Group Head of IT	HQ/US
R&D & IP and Innovation	[...]	Head of Global Development	Germany
R&D, Management and Administration	[...]	Head of Research and Development	Italy
Procurement, Management and Administration	[...]	Regional SCM Head Europe	Germany
R&D & IP and Innovation	[...]	Manager Chemical Research	Germany
R&D & IP and Innovation	[...]	Group Leader Admixture Development	Germany
Management and Administration	[...]	President Europe	DE/ UAE
Sales, Management and Administration	[...]	MD Iberia	Spain
Sales, Management and Administration	[...]	MD UKI	UKI
Sales, Management and Administration	[...]	MD France	France
Sales, Management and Administration	[...]	MD Benelux	Benelux
Sales, Management and Administration	[...]	MD Italy	Italy
Sales, Management and Administration	[...]	MD Nordics	Sweden
Sales, Management and Administration	[...]	MD Romania	Romania
Sales, Management and Administration	[...]	MD Poland	Poland
Sales, Management and Administration	[...]	MD CZ & SK	CZ & SK
Sales, Management and Administration	[...]	MD CH	CH
Sales, Management and Administration	[...]	MD DE & AT	DE & AT
Sales, Management and Administration	[...]	AGM Poland	Poland
Sales, Management and Administration	[...]	AGM Italy	Italy
Sales, Management and Administration	[...]	AGM Romania	Romania
Sales, Management and Administration	[...]	AGM AT & CH	AT & CH
Sales, Management and Administration	[...]	AGM France	France
Sales, Management and Administration	[...]	AGM DE	DE
Sales, Management and Administration	[...]	AGM Nordics	Sweden
Sales, Management and Administration	[...]	AGM UKI	UKI
Sales, Management and Administration	[...]	AGM Benelux	Benelux
Sales, Management and Administration	[...]	AGM CZ & SK	CZ & SK
Sales, Management and Administration	[...]	AGM Iberia	Spain
Sales & Marketing	[...]	Head of Sales and Technic	DACH
Sales & Marketing	[...]	General Sales Manager DK	Nordic
Sales & Marketing	[...]	Sales Area Manager North-East	Italy

Business Area	Name	Function	Country
Sales & Marketing	[...]	Sales Area Manager North-West & Malta	Italy
Sales & Marketing	[...]	Sales Manager EBA Iberia	Iberia
Sales & Marketing	[...]	General Sales Manager Norway	Nordic
Sales & Marketing	[...]	Head of Sales AS Germany	DACH
Sales & Marketing	[...]	General Sales Manager Sweden	Nordic
Sales & Marketing	[...]	Technical & Marketing Manager EB-E	Iberia
Sales & Marketing	[...]	Technical Manager Denmark	Nordic
Sales & Marketing	[...]	Innovation & Fiber Manager CH	DACH
Sales & Marketing	[...]	Technical Manager	Nordic
Sales & Marketing	[...]	Technikleitung AS DACH	DACH
Sales & Marketing	[...]	Directeur Technique Adjuvants France	France
Sales & Marketing	[...]	Directeur Commercial AS/UGC	France
Sales & Marketing	[...]	Product Manager AS	BENE
Sales & Marketing	[...]	Admixtures Development Specialist	Italy
Sales & Marketing	[...]	Teamleader Technic and Development	DACH
Operations, Management and Administration	[...]	VP Operations & EHS	Italy
General Management	[...]	President, Americas Region	United States
General Management	[...]	Head of Sales	United States
Sales & Marketing	[...]	Head of Marketing	United States
Local R&D	[...]	Head of R&D	United States
Finance	[...]	Chief Financial Officer, Americas	United States
Legal & Compliance	[...]	Head of Legal	United States
Human Resources	[...]	Head of HR	United States
Operations & CapEx	[...]	Head of Operations	United States
General Management	[...]	Head of Fabro	United States
General Management	[...]	Head of Procurement & SC	United States
Sales & Marketing	[...]	Head Sales South	United States
Sales & Marketing	[...]	Head Sales North	United States
Sales & Marketing	[...]	Head Sales West	United States
Sales & Marketing	[...]	UGS Head	United States
Corporate Development	[...]	CEO ANZ	Germany/ANZ
General Management	[...]	Senior Vice President Oceania, Managing Director of Australia & NZ	Australia
Human Resources	[...]	HR Manager	Australia
Operations & CapEx	[...]	Operations Manager	Australia
General Management	[...]	Manager Business Segment Management & Technology	Australia
Finance	[...]	Interim NZ Country Manager	Australia
General Management	[...]	Chief Financial Officer	Australia
Procurement, Management and Administration	[...]	Global Head of Procurement	Germany
Sales & Marketing	[...]	Head of Sales Poland	Poland
Procurement, Management and Administration	[...]	SCM Value Chain Manager EBA	Germany
R&D & IP and Innovation	[...]	Manager Patents / Trademarks	Germany
R&D & IP and Innovation	[...]	Manager Chemical Research	Germany

Business Area	Name	Function	Country
R&D & IP and Innovation	[...]	Admixtures Development Manager	Italy
R&D & IP and Innovation	[...]	Concrete Technology & Materials Innovation Manager	Italy
Procurement, Management and Administration	[...]	Gruppenleiter techn. Einkauf	Germany
EHSQ	[...]	UM/QM EB, EHSQ Europe	Austria
EHSQ	[...]	Regulatory & Product Compliance Expert	Germany
Sales & Marketing	[...]	Sales Head ANZ	Australia

Annex I.1(a)

An illustrative list of the legal entities included in the Divestment Business

No	Name	Country
1.	MB Solutions Australia Pty. Ltd.	Australia
2.	Bluey Technologies Pty. Ltd.	Australia
3.	Master Builders Solutions GmbH	Austria
4.	Master Builders Solutions Admixtures Systems Belgium B.V.	Belgium
5.	Master Builders Solutions Romania SRL – Bulgaria Branch	Bulgaria
6.	Master Builders Solutions Canada Inc.	Canada
7.	Master Builders Solutions GmbH Podruznica Zagreb za trgovinu	Croatia
8.	MBS CZ-SK s.r.o.	Czech Republic
9.	Master Builders Solutions Denmark A/S	Denmark
10.	Master Builders Solutions Finland Oy	Finland
11.	LSF11 Skyscraper France BidCo SAS	France
12.	Master Builders Solutions France S.A.S	France
13.	Master Builders Solutions Deutschland GmbH	Germany
14.	Construction Research & Technology GmbH	Germany
15.	Master Builders Solutions UK Ltd. Ireland Branch	Ireland
16.	Master Builders Solutions Italia S.p.A.	Italy
17.	MBS Polska Sp. z o.o – nuolatinė buveinė	Lithuania
18.	MBS Nederland B.V.	Netherlands
19.	MB Solutions New Zealand Limited	New Zealand
20.	Master Builders Solutions Norway AS	Norway
21.	MBS Polska Sp. z o.o	Poland
22.	Master Builders Solutions España S.L. Sucursal EM Portugal	Portugal
23.	Master Builders Solutions QFC Branch Qatar (in liq)	Qatar
24.	Master Builders Solutions Romania SRL	Romania
25.	Master Builders Solutions GmbH, organizačná zložka Slovensko	Slovakia
26.	Master Builders Solutions GmbH Podruznica Ljubljana	Slovenia
27.	Master Builders Solutions España S.L.	Spain
28.	MBS Sverige AB	Sweden
29.	PCI Bauprodukte AG	Switzerland
30.	Master Builders Solutions UK Ltd. Sharjah Branch (in liq)	UAE
31.	Master Builders Solutions UK Ltd.	UK
32.	MBS AS Holding US, Inc.	USA
33.	Master Builders Solutions Admixtures US, LLC	USA
34.	Great Lakes Polymer Technologies, LLC.	USA

Annex I.1(b)

An illustrative list of the production sites included in the Divestment Business

No	Name	Country
1.	Clayton South, Melbourne	Australia
2.	Pooraka, Adelaide	Australia
3.	Eagle Farm, Brisbane	Australia
4.	Kwinana, Western Australia	Australia
5.	Seven Hills, Sydney	Australia
6.	Krieglach	Austria
7.	Brampton, Ontario	Canada
8.	Nisku, Alberta	Canada
9.	St. Leonard, Quebec	Canada
10.	Prague	Czech Republic
11.	Rodekro	Denmark
12.	Riihimäki	Finland
13.	Evry	France
14.	Sorgues	France
15.	Staßfurt	Germany
16.	Treviso	Italy
17.	Latina	Italy
18.	Oosterhout	Netherlands
19.	Albany, Auckland	New Zealand
20.	Sagstua	Norway
21.	Myslenice	Poland
22.	Ploiesti	Romania
23.	Mejorada	Spain
24.	Rosersberg	Sweden
25.	Kaisten	Switzerland
26.	Swinton	UK
27.	Allentown, Pennsylvania	USA
28.	Denver, Colorado	USA
29.	Gurnee, Illinois	USA
30.	Kent, Washington	USA
31.	Lancaster, Texas	USA
32.	Phoenix, Arizona	USA
33.	Rancho Cucamonga, California	USA
34.	Reynolds, Georgia	USA
35.	Tipp City, Ohio	USA
36.	Kingman, Kansas	USA

Annex I.2(a)

The legal entities that will not be divested and are excluded from the Divestment Business

No	Name	Country
1.	Master Builders Solutions Algeria SARL.	Algeria
2.	Master Builders Solutions Azerbaijan LLC	Azerbaijan
3.	MB Solutions Bangladesh Limited	Bangladesh
4.	Master Builders Solutions Belgium N.V.	Belgium
5.	MBS Brasil Indústria e Comércio de Químicos para Construção Ltda.	Brazil
6.	MBSCS Canada Inc.	Canada
7.	Master Builders Solutions Chile Limitada	Chile
8.	MB Solutions (China) Co., Ltd.	China
9.	MB Solutions Construction Systems (Huzhou) Co., Ltd.	China
10.	BASF HOCK Mining Chemical (China) Co. Ltd.	China
11.	Shanghai MBT & SCG Co. Ltd.	China
12.	Master Builders Solutions Colombia S.A.S.	Colombia
13.	Master Builders Solutions CZ s r.o.	Czech Republic
14.	Master Builders Solutions Ecuador S.A.	Ecuador
15.	MBS Construction Chemicals Egypt (SAE)	Egypt
16.	MBS Construction Chemicals Trading (SAE)	Egypt
17.	MBCC France	France
18.	MBCC Holdings GmbH	Germany
19.	MBCC Investments GmbH	Germany
20.	MBS Oldenburger Grundbesitz GmbH	Germany
21.	Master Builders Solutions Hongkong Limited	Hong Kong
22.	Master Builders Solutions Hongkong Limited, Taiwan Branch	Hong Kong
23.	MBCC Hong Kong Limited	Hong Kong
24.	MBCC Hong Kong Establishment Limited	Hong Kong
25.	Master Builders Solutions India Private Limited	India
26.	PT Master Builders Solutions Indonesia	Indonesia
27.	PT Master Builders Solutions Distribution Indonesia	Indonesia
28.	Pozzolith Solutions Ltd.	Japan
29.	Jordanian Swiss Company For Manufacturing and Marketing Construction Chemicals Ltd.	Jordan
30.	Master Builders Solutions Central Asia LLP	Kazakhstan
31.	MB Solutions Kenya Ltd.	Kenya
32.	LSF11 Skyscraper HoldCo S.à r.l.	Luxembourg
33.	LSF11 Skyscraper US Holdings S.à r.l.	Luxembourg
34.	LSF11 Skyscraper US Investments S.à r.l.	Luxembourg
35.	MB Solutions Investments S.à r.l.	Luxembourg
36.	Master Builders Solutions Malaysia Sdn. Bhd.	Malaysia
37.	Master B Solutions Mexicana S.A. de C.V.	Mexico
38.	Master Builders Solutions Maroc S.A.R.L.	Morocco
39.	Master Builders Solutions Myanmar Ltd.	Myanmar
40.	MB Construction Chemicals Solutions Nigeria Ltd.	Nigeria
41.	Master Builders Solutions LLC (Oman);	Oman
42.	Master Builders Solutions Pakistan (Private) Limited	Pakistan
43.	Master Builders Solutions Panamá, S.A.	Panama
44.	Master Builders Solutions Peru S.A.	Peru
45.	Master Builders Solutions Philippines Inc.	Philippines
46.	Master Builders Solutions Puerto Rico Corporation	Puerto Rico
47.	MBS Building Systems LLC	Russia
48.	Master Builders Solutions Saudi Arabia For Manufacturing LLC	Saudi Arabia
49.	Master Builders Solutions Serbia d.o.o.	Serbia
50.	MB Solutions Singapore Pte. Ltd.	Singapore
51.	Master Builders Solutions Slovakia spol s r.o.	Slovakia
52.	MB Construction Chemicals Solutions South Africa (Pty) Ltd.	South Africa
53.	MBCC Spain, S.L.	Spain
54.	MB Construction Chemicals Solutions Tanzania Ltd.	Tanzania
55.	Master Builders Solutions (Thailand) Ltd.	Thailand
56.	Master Builders Solutions Yapı Kimyasalları Sanayi ve Ticaret Limited Şirketi	Turkey
57.	Master Builders Solutions Construction Chemicals LLC	UAE

No	Name	Country
58.	Master Builders Solutions Construction Chemicals LLC – Branch Dubai Science Park	UAE
59.	Master Builders Solutions Construction Chemicals LLC – Branch Abu Dhabi	UAE
60.	Master Builders Solutions Construction Chemicals FZE	UAE
61.	MBCC UK Limited	UK
62.	Rep. Office Ukraine	Ukraine
63.	CB Holding, Inc.	USA
64.	LSF11 Skyscraper US Bidco 2 LLC Series 2	USA
65.	LSF11 Skyscraper US Bidco 2 LLC Series 3	USA
66.	LSF11 Skyscraper US Bidco 2 LLC Series 4	USA
67.	MBS CS Holding US, Inc	USA
68.	WBA Holding, Inc.	USA
69.	Master Builders Solutions CC	Uzbekistan
70.	Master Builders Solutions Vietnam Co. Ltd.	Vietnam

Annex I.2(b)

The production sites that will not be divested and are excluded from the Divestment Business

No	Name	Country
1.	Sidi mousa	Algeria
2.	Sumgait	Azerbaijan
3.	Dhaka	Bangladesh
4.	Ham	Belgium
5.	São paulo (eb), rua costa barros, vila prudente	Brazil
6.	Santiago, pudahuel	Chile
7.	Jining	China
8.	Minhang	China
9.	Sccc	China
10.	Sccc (off site)	China
11.	La calera, bogotá colombia	Colombia
12.	Chrudim	Czech republic
13.	Sadat	Egypt
14.	Angerville	France
15.	Augsburg	Germany
16.	Hamm	Germany
17.	Illertissen	Germany
18.	Norderstedt	Germany
19.	Oldenburg	Germany
20.	Sinzheim	Germany
21.	Wittenberg	Germany
22.	Mangalore	India
23.	Nalagarh	India
24.	Nellore	India
25.	Kharagpur	India
26.	Turbhe	India
27.	Cikarang	Indonesia
28.	Fukuoka	Japan
29.	Hiroshima	Japan
30.	Itako	Japan
31.	Kagoshima	Japan
32.	Kanonji	Japan
33.	Kawaguchi	Japan
34.	Kitakanto	Japan
35.	Kurashiki	Japan
36.	Morioka	Japan
37.	Naganuma	Japan
38.	Nagaoka	Japan
39.	Nagoya	Japan
40.	Sakai	Japan
41.	Sendai	Japan
42.	Shizuoka	Japan
43.	Takaoka	Japan
44.	Ammam	Jordan
45.	Almaty (production)	Kazakhstan
46.	Astana (nur-sultan)	Kazakhstan
47.	Atyrau, azattyk 116a	Kazakhstan
48.	Nairobi	Kenya
49.	Bukit raja	Malaysia
50.	Barrientos	Mexico
51.	Cienega de flores	Mexico
52.	Ain sebaa	Morocco
53.	Yangon	Myanmar
54.	Lagos	Nigeria
55.	Misfah	Oman
56.	Karachi	Pakistan
57.	Panama	Panama
58.	Cercado	Peru

No	Name	Country
59.	Which	Philippines
60.	Caguas	Puerto Rico
61.	Kazan, himgrad, admixture plant	Russia
62.	Krasnodar (admixture plant)	Russia
63.	Podolsk	Russia
64.	St. Petersburg, gorskoye sh.	Russia
65.	Dammam	Saudi Arabia
66.	Rabigh	Saudi Arabia
67.	Westonaria	South Africa
68.	Cabanillas	Spain
69.	Bangpoo	Thailand
70.	Adana, haci sabanci sanayi sitesi	Turkey
71.	Arsin, trabzon	Turkey
72.	Gebze (eb)	Turkey
73.	Dubai	UAE
74.	Redditch	UK
75.	Acworth, Georgia	USA
76.	Ames, Iowa	USA
77.	Amherst, New York	USA
78.	Brighton, Colorado	USA
79.	Houston, Texas	USA
80.	Lancaster, Texas	USA
81.	Mattawan, MI	USA
82.	Newark, California	USA
83.	Streetsboro, Ohio	USA
84.	Teshkant	Uzbekistan
85.	Hanoi	Vietnam
86.	Ho chi minh	Vietnam

Annex I.2(c)

Selected personnel

Country	Full name	Business area	Position
Belgium	[...]	EHSQ	EHSQ Officer
Belgium	[...]	EHSQ	Quality Assurance Officer
Belgium	[...]	Finance	Financial Controller
Belgium	[...]	Human Resources	HR Business Partner
Belgium	[...]	Information Technology	IT Manager BE, NL / Regional Process Owner eCommerce
Belgium	[...]	Operations & CapEx	Head of Production BNL / Site Mgr Ham
Belgium	[...]	Procurement & SCM	Country Buyer Raw Mat., Pack.& Mer.Goods
Belgium	[...]	Procurement & SCM	Supply Chain Manager BeNeLux
Czech Republic	[...]	EHSQ	EHS Manager
Czech Republic	[...]	Finance	Accountant
Czech Republic	[...]	Finance	Chief Accountant
Czech Republic	[...]	Human Resources	HR Manager for Czech and Slovak
Czech Republic	[...]	Information Technology	IT Manager CZ, PL, SK
Czech Republic	[...]	Operations & CapEx	Site Manager & Head of Global Operational Excellence & Engineering.
Czech Republic	[...]	Procurement & SCM	Teamleader SCM Administrative services
Czech Republic	[...]	Procurement & SCM	Expedition Officer
Czech Republic	[...]	Procurement & SCM	Procurement operation
Czech Republic	[...]	Sales & Marketing	Marketing specialist
Denmark	[...]	Information Technology	IT Manager DK, UK, IR
France	[...]	Information Technology	Global Process Owner
Germany	[...]	EHSQ	Manager EHSQ
Germany	[...]	EHSQ	Senior Specialist Gl. Mat, Master Data
Germany	[...]	EHSQ	Officer EHSQ
Germany	[...]	EHSQ	Officer Trade Control
Germany	[...]	EHSQ	Officer Admin & Office Support
Germany	[...]	EHSQ	Officer Product Safety
Germany	[...]	EHSQ	Global Export a Trade Control Manager
Germany	[...]	EHSQ	Specialist EHS / Material Masterdata
Germany	[...]	EHSQ	Specialist Product Safety
Germany	[...]	EHSQ	Manager Product Safety
Germany	[...]	EHSQ	Junior EHSQ Data Analyst
Germany	[...]	Finance	Global Process Expert O2C Finance
Germany	[...]	Finance	Senior Specialist Treasury
Germany	[...]	Finance	Global Tax Manager
Germany	[...]	Finance	Manager Functional and Service Controlling
Germany	[...]	Finance	Business Expert B2R
Germany	[...]	Finance	Manager Finance and Controlling IT/P2P
Germany	[...]	Finance	Senior Specialist Operational Controlling
Germany	[...]	Finance	Junior Global Tax Manager
Germany	[...]	Finance	Senior Specialist Business Controlling
Germany	[...]	Finance	Specialist Consolidation & Reporting
Germany	[...]	General Management	Data Transformation Specialist im Master Kick Projekt

Country	Full name	Business area	Position
Germany	[...]	General Management	Senior Specialist Business Process Management
Germany	[...]	General Management	Chief Operating Officer (COO)
Germany	[...]	General Management	Group VP BPO/Insourcing
Germany	[...]	General Management	Pricing Excellence Manager
Germany	[...]	Human Resources	Senior HRIS & Process Manager
Germany	[...]	Human Resources	Specialist Benefits
Germany	[...]	Human Resources	HR Manager Europe
Germany	[...]	Information Technology	Product Owner Non ERP
Germany	[...]	Information Technology	Regional Process Owner Master Data, SAP B1
Germany	[...]	Information Technology	Process Owner EHS
Germany	[...]	Information Technology	Global Security Manager
Germany	[...]	Information Technology	Specialist Turnkey Service Management
Germany	[...]	Information Technology	Manager Turnkey Provider Steering
Germany	[...]	Information Technology	Group Vice President IT
Germany	[...]	Information Technology	Specialist IS Serv Develop - Improve
Germany	[...]	Information Technology	Application Manager ERP
Germany	[...]	Information Technology	Product Owner ERP Market to order
Germany	[...]	Information Technology	Specialist Turnkey Service Management
Germany	[...]	Information Technology	Specialist IT Controlling
Germany	[...]	Information Technology	Head of IT Management EU East
Germany	[...]	Information Technology	Application Manager Non-ERP
Germany	[...]	Information Technology	Officer Admin & Office Support
Germany	[...]	Information Technology	Sen. Specialist Processes and Solutions
Germany	[...]	Information Technology	Global Infrastructure Manager
Germany	[...]	Legal & Compliance	Global Compliance Officer
Germany	[...]	Legal & Compliance	Para Legal
Germany	[...]	Legal & Compliance	Senior Manager General Counsel Europe
Germany	[...]	Operations & CapEx	Specialist Building Management
Germany	[...]	Operations & CapEx	Specialist Building Management
Germany	[...]	Procurement & SCM	Head of Supply Chain Excellence
Germany	[...]	Procurement & SCM	Global Value Chain Manager
Germany	[...]	Procurement & SCM	Head of Global Logistics Procurement
Germany	[...]	Procurement & SCM	Global Category Manager Services
Germany	[...]	Procurement & SCM	Specialist Customs and Foreign Trade
Germany	[...]	Procurement & SCM	Officer Customs & Foreign Trade
Germany	[...]	Procurement & SCM	Global Category Manager IT
Germany	[...]	Procurement & SCM	Global and Regional (Europe) Buyer Logistics Services & Business Analyst
Germany	[...]	Sales & Marketing	Specialist Building Information Modelling
Germany	[...]	Sales & Marketing	Head of NBD Non-Flamable Foams
Italy	[...]	Information Technology	Global Process SAP PTM
Spain	[...]	Finance	Controlling ICTP Teamleader
Spain	[...]	Finance	Intercompany Service Charging Documentation Officer
Spain	[...]	Information Technology	Global IT Security Manager
Spain	[...]	Information Technology	Global Process Owner P2P
Spain	[...]	Information Technology	Junior Global IT Infrastructure Manager
Spain	[...]	Information Technology	Global Process Owner SAP Security & Authorisation
Spain	[...]	Information Technology	Global IT Project Manager
Switzerland	[...]	EHSQ	Manager Occupa Safety & Enviro
Switzerland	[...]	Finance	Administrative General Manager
United Kingdom	[...]	Information Technology	Director, IT Europe (temp cover)

Country	Full name	Business area	Position
United States	[...]	EHSQ	EHS Specialist lll
United States	[...]	EHSQ	Specialist Product Safety
United States	[...]	EHSQ	EHS Manager
United States	[...]	Finance	Senior Auditor Global Audit
United States	[...]	General Management	Director, Business Strategy
United States	[...]	Information Technology	IT Vendor Management
United States	[...]	Information Technology	Telecommunications Service and Support
United States	[...]	Information Technology	MasterData Management LATAM
United States	[...]	Information Technology	IT Asset Life Cycle Specialist
United States	[...]	Information Technology	Material Master Data Coordinator
United States	[...]	Legal & Compliance	Assistant General Counsel, HR and Litigation
United States	[...]	Operations & CapEx	NCM Manager
United States	[...]	Operations & CapEx	Program Manager, Master Black Bet
United States	[...]	Operations & CapEx	Six Sigma Development Manager
United States	[...]	Operations & CapEx	Engineer III
United States	[...]	Operations & CapEx	Manager Quality / Continuous Improvement
United States	[...]	Procurement & SCM	Indirect Procurement Manager
United States	[...]	Procurement & SCM	Customs and Foreign Trade Manager
United States	[...]	Procurement & SCM	Business Optimization and Special Project Manager
United States	[...]	Procurement & SCM	Category Manager, CapEx
United States	[...]	Procurement & SCM	Global Category Buyer
United States	[...]	Sales & Marketing	Market Development Manager
United States	[...]	Sales & Marketing	Digital Marketing Communications Spec.
United States	[...]	Sales & Marketing	Market Development Manager
United States	[...]	Sales & Marketing	Market Development Manager
United States	[...]	Sales & Marketing	Specialist Strat Marketing
United States	[...]	Sales & Marketing	Technical and Marketing Mangager LA
United States	[...]	Sales & Marketing	Employee Communications & Events Manager
United States	[...]	Sales & Marketing	Manager, Strategic Projects
United States	[...]	Sales & Marketing	Global Consultant, Sustainable Constr
Denmark	[...]	Finance	Business Partner Controlling & Finance
Denmark	[...]	Procurement & SCM	Demand Planner
Denmark	[...]	Procurement & SCM	Customer Service Assistant
Denmark	[...]	Sales & Marketing	Sales Support Assistant Nordic
Finland	[...]	Operations & CapEx	Warehouse and Production Operator
Finland	[...]	Procurement & SCM	Sales Assistant
Finland	[...]	Procurement & SCM	Demand Planner
Finland	[...]	Sales & Marketing	General Sales Manager
France	[...]	Finance	Responsable Comptable et Financier
France	[...]	Human Resources	Responsable Paie/Admin et SIRH
France	[...]	Operations & CapEx	Forklift driver
France	[...]	Operations & CapEx	Deputy Team Leader Warehouse
France	[...]	Operations & CapEx	Machine Operator
France	[...]	Procurement & SCM	Acheteur Indirect et Technique
France	[...]	Sales & Marketing	Team Leader ADV & Credit
Germany	[...]	EHSQ	Global Head of EHS and Global Product Safety
Germany	[...]	Finance	Senior Accountant AP and Digitalization
Germany	[...]	Finance	Mitarbeiter:in Fuhrparkmanagement und Travelmanagement
Germany	[...]	Finance	Specialist Finance & Controlling
Germany	[...]	Finance	Buchhalter/-in
Germany	[...]	Finance	Senior Specialist Controlling

Country	Full name	Business area	Position
Germany	[...]	Finance	Head of Global Controlling
Germany	[...]	Finance	Head of Finance & Accounting MBSD
Germany	[...]	Finance	Specialist Insurance
Germany	[...]	Finance	Officer Admin & Office Support
Germany	[...]	Finance	Site Manager Mannheim
Germany	[...]	General Management	Head of Market Management DACH
Germany	[...]	General Management	Officer Admin & Office Support
Germany	[...]	General Management	Data Quality Specialist
Germany	[...]	Global R&D	Specialist Patents / Trademarks
Germany	[...]	Global R&D	Specialist Global Trademark & Prod. Nami
Germany	[...]	Human Resources	Officer HR Business Partnerring
Germany	[...]	Human Resources	HR-Business Partner
Germany	[...]	Human Resources	Officer HR Business Partnering
Germany	[...]	Human Resources	Senior HR Business Partner/in
Germany	[...]	Procurement & SCM	VP SCM
Germany	[...]	Procurement & SCM	Sachbearbeiter techn. Einkauf
Germany	[...]	Procurement & SCM	Specialist Procurement Excellence
Germany	[...]	Procurement & SCM	Einkäufer Verpackungen
Germany	[...]	Procurement & SCM	Spezialist Einkaufsprozesse
Germany	[...]	Procurement & SCM	Einkäufer Handelswaren
Germany	[...]	Procurement & SCM	Technischer Einkäufer/-in
Germany	[...]	Procurement & SCM	Einkäufer Verpackungen
Germany	[...]	Procurement & SCM	Technischer Einkäufer/-in
Germany	[...]	Sales & Marketing	Head of Marketing DACH
Italy	[...]	EHSQ	Senior Specialist Explosion Protection
Italy	[...]	EHSQ	HSE Officer
Italy	[...]	Finance	Credit Officer
Italy	[...]	Finance	Finance & Reporting Manager
Italy	[...]	Human Resources	HR Support & Recruiting
Italy	[...]	Procurement & SCM	Customer Service Officer
Italy	[...]	Procurement & SCM	Customer Service Officer
Italy	[...]	Procurement & SCM	Pricing Processing Officer
Italy	[...]	Sales & Marketing	Specifications Engineer
Italy	[...]	Sales & Marketing	Internal Sales Officer
Italy	[...]	Sales & Marketing	Internal Sales Officer
Italy	[...]	Sales & Marketing	Sales Area Manager Centre-Tyrrhenian
Netherlands	[...]	Finance	Business Controller EBE Benelux
Poland	[...]	Finance	Kontroler Finansowy
Poland	[...]	Finance	Specjalista ds. Księgowości
Spain	[...]	Human Resources	HR Business Partnering Specialist
Spain	[...]	Operations & CapEx	Logistics Services Worker
Spain	[...]	Procurement & SCM	Procurement Officer
Spain	[...]	Procurement & SCM	Transport Management Officer
Spain	[...]	Procurement & SCM	Customer Service Officer
Sweden	[...]	Finance	Finance & Facility Assistant
Sweden	[...]	Human Resources	Human Resources Business Partner
Sweden	[...]	Sales & Marketing	Marketing Coordinator
United Kingdom	[...]	EHSQ	EHS Coordinator
United Kingdom	[...]	Finance	Credit Controller
United Kingdom	[...]	Procurement & SCM	Procurement Manager
United Kingdom	[...]	Procurement & SCM	P2P Officer

Country	Full name	Business area	Position
United States	[...]	Sales & Marketing	Architectural Marketing Manager
Dubai	[...]	Sales & Marketing	Global Technical Manager
Germany	[...]	Finance,Controlling,Insurance	Officer Finance & Accounting
Germany	[...]	Finance	Geschäftsführung BCSG
Germany	[...]	EHSQ	Dangerous Goods Expert Global & Europe
Germany	[...]	Finance	Business Expert Financial Reporting

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