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 Where possible the information omitted has been replaced by ranges of figures or a general description.

ALSO Holding AG
Meierhofstrasse 5
6032 Emmen
Switzerland

**Subject:** **Case M.11715 – ALSO / WESTCOAST UK IRELAND FRANCE**
**Commission decision pursuant to Article 6(1)(b) of Council Regulation No 139/2004[1] and Article 57 of the Agreement on the European Economic Area[2]**

Dear Sir or Madam,

(1) On 14 January 2025, the European Commission received notification of a proposed concentration pursuant to Article 4 of the Merger Regulation by which ALSO Holding AG (**'ALSO'** or **'Notifying Party'**, Switzerland), ultimately controlled by Droege Group AG ('**Droege Group**', Germany), will acquire sole control of Westcoast Holdco Limited (**'Westcoast Holdco'**, UK), and its subsidiaries Clarity Computer (Distribution) limited t/a Westcoast Ireland (Ireland), STL Holdco Limited (UK), Westcoast France SAS (France), Westcoast Limited (UK), and Spire Technology Limited (UK) (all together referred to as **'Westcoast Target'**), within the meaning of Article 3(1)(b) of the Merger Regulation (the **'Transaction'**). ALSO and Westcoast Target are designated hereinafter as the **'Parties'**.

[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').

## 1. THE PARTIES

(2) **ALSO** is active in the wholesale distribution of products in the fields of information and communication technology (**'ICT**'), consumer electronics (**'CE'**), printing consumables, and related services.[3] ALSO distributes approximately 255,000 products, which are produced by approximately 750 manufacturers, such as HP, Acer, Lenovo and Microsoft. It is also active, to a more limited extent, in the retail distribution of products in the fields of ICT, CE and printing consumables. ALSO operates predominantly in Europe.

(3) ALSO distributes a range of cloud services through its ALSO Cloud Marketplace. Its cloud offerings include infrastructure-as-a-service ('IaaS'), software-as-a-service ('SaaS'), and, to a limited extent, platform-as-a-service ('PaaS') solutions. ALSO sells cloud services of Microsoft, Adobe, Acronis, Veeam, Citrix, Cisco, Sophos and others through its channel partner network. ALSO provides value added services including support, solution design and architecture consulting, migrations and training.

(4) ALSO is listed on the Swiss stock exchange (SIX) and is ultimately controlled by the Droege Group.

(5) **Westcoast Target** is an international wholesale distributor of products in the ICT and CE fields, including hardware and software, printing consumables and related services (such as logistics and marketing services). Westcoast Target is not active in the retail distribution of such products. Westcoast Target operates predominantly in Europe, mainly in the UK, Ireland and France.

(6) Westcoast Target has minor activities in the wholesale distribution of cloud services in the EEA, limited to Ireland. Westcoast Target's IaaS sales are generated through the wholesale distribution of [IaaS products offered by Westcoast Target]. Westcoast Target's SaaS offerings allow users to connect to and use cloud-based apps over the Internet (e.g. email, calendar, office tools such as [IaaS products offered by Westcoast Target]).

(7) Westcoast Target is part of the Westcoast group,[4] which is owned by JH Topco Limited ('JH Topco', UK).[5]

## 2. THE OPERATION AND CONCENTRATION

(8) The Transaction consists in the acquisition of sole control by ALSO over Westcoast Target, pursuant to a Sale and Purchase Agreement dated 25 July 2024, according to which JH Topco will transfer 100% of the shares in Westcoast Target to ALSO. Upon closing of the Transaction, Westcoast Target will be wholly owned by ALSO. Closing is conditional on obtaining the necessary regulatory approvals.

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

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3 To a small extent, ALSO offers ancillary services related to its wholesale activities, such as network marketing services, customer service, training, and financial services.

4 For clarity, the Transaction does not relate to the entire Westcoast Group, it is limited to the UK, Irish and French companies identified above. The Westcoast Group will remain active through its other subsidiaries.

5 OJ C, C/2025/498, 21.1.2025.

## 3. UNION DIMENSION

(10) The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 000 million[6] (ALSO[7]: EUR […]; Westcoast Target: EUR […]). Each of them has a Union-wide turnover in excess of EUR 250 million (ALSO: EUR […]; Westcoast Target: […]) and they do not achieve more than two-thirds of their aggregate Union-wide turnover within one and the same Member State.

(11) Therefore, the notified operation has a Union dimension pursuant to Article 1(2) of the Merger Regulation.

## 4. RELEVANT MARKETS

### 4.1. Introduction

(12) ALSO and Westcoast Target are both active in the wholesale distribution of ICT, CE and printing consumables in the EEA.

(13) Their activities are largely complementary but give rise to **limited horizontal overlaps** resulting in three horizontally affected markets in the potential markets for the wholesale distribution of printing consumables in France (considering direct and indirect sales, on the one hand, and indirect sales only, on the other hand) and in the Netherlands (considering indirect sales only).[8] For the purposes of the present Decision, 'direct sales' are those made directly by manufacturers to retailers and end-customers, while 'indirect sales' are those made via wholesalers to retailers.

(14) The Transaction also results in horizontal overlaps and vertical relationships for a number of other markets. However, none of these overlaps or relationships give rise to affected markets within the meaning of recital 25(g) Annex I to Implementing Regulation (EU) 2023/914,[9] as they meet the conditions for review under point 5 of the Notice on a Simplified Treatment of certain Concentrations[10] or benefit from the flexibility clauses of point 8 of that Notice.[11] Therefore, these overlaps will not be further discussed in this Decision.

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6 Turnover calculated in accordance with Article 5 of the Merger Regulation.

7 The worldwide and EU turnover figures for ALSO include the turnover of the Droege Group.

8 For completeness, in the potential market for the wholesale distribution of printing consumables (including only indirect sales) in Norway, the Parties have a combined market share of [50-60]% but the increment is between [0-5]% and [0-5]% between 2021 and 2023, which is negligible. Further, if we were to consider a narrow sub-market for the wholesale distribution of PC monitors (including only indirect sales) in Denmark, the Parties would have a combined market share of [50-60]% but the increment would be in the range of [0-5]% to [0-5]% between 2021 and 2023, which is also negligible. Therefore, these markets will not be further discussed in this Decision.

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

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

11 The Parties' combined market shares also exceed 20%: (i) in the potential market for the wholesale distribution of printing consumables (considering only indirect sales) in the EEA (combined market share of [20-30]% in 2023); (ii) in the potential market for the wholesale distribution of printing consumables (considering direct and indirect sales) in the Netherlands (combined market share of [20-30]% in 2023), (iii) in the potential market for the wholesale distribution of printing consumables

(15) Lastly, the Transaction gives rise to **conglomerate relationships** between the Parties' activities in the wholesale distribution of printers and the potential market for the wholesale distribution of printing consumables in the Nordic region, Denmark, France, Sweden (considering only indirect sales) and Norway and Ireland (considering both direct and indirect sales, on the one hand, and indirect sales only, on the other hand).[12]

## 4.2. Market for the wholesale of printing consumables

### *4.2.1. Product market definition*

#### 4.2.1.1. Commission's precedents

(16) In previous decisions[13], the Commission defined a separate market for the wholesale distribution of printing consumables (such as ink cartridges, toner, etc.) but it left open a potential further segmentation by distribution channels (i.e. specialised wholesalers[14], wholesalers of ICT products or wholesalers of traditional office supplies).[15]

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(considering only indirect sales) in Croatia (combined market share of [20-30]% in 2023), and (iv) in the potential market for the wholesale distribution of printing consumables (considering only indirect sales in Germany (combined market share of [20-30]%). All these horizontal overlaps fall under the scope of paragraph 8(a) of the Simplified Notice as the Parties' combined market share is below 25%. The Transction also gives rise to horizontal overlaps that fall under the scope of paragraph 5(d)(i)(bb) of the Simplified Notice as the Parties' combined market shares are below 50% and the delta HHI is below 150 (*e.g.* in the potential market for the wholesale distribution of printing consumables in Ireland, the Parties have a combined market share of [30-40]% considering direct and indirect sales and [40-50]% considering only indirect sales). Further, the Parties' individual or combined market shares exceed 30% in the vertical relationship between the potential upstream market for the wholesale distribution of printing consumables (considering only indirect sales) in France (combined market share of [30-40]% in 2023) and the potential downstream market for the retail sale of printing consumables in France (where ALSO is active with approximately [0-5]% market share). This vertical relationship falls under the scope of paragraph 8(b)(ii) of the Simplified Notice.

12 Commission Implementing Regulation (EU) 2023/914 of 20 April 2023 implementing Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings and repealing Commission Regulation (EC) No 802/2004, OJ L 119, 5.5.2023, section 6.3. The notified concentration may have a significant impact, for example, "*where any of the parties to the concentration is present in a product market, which is* a *neighbouring market closely related to a product market in which any other party to the concentration is engaged, and the individual or combined market shares of the parties in any one of these markets is 30% or more. Product markets are closely related neighbouring markets when the products are complementary to each other or when they belong to a range of products that is generally purchased by the same set of customers for the same end use."*

13 Commission decision of 20 December 2011 in Case M.6382 – *Unipapel/Spicers* p. 50-51, Commission decision of 22 May 2014 in case M. 7189 - *ALSO/Alpha International* p. 7 ff. and Commission decision of 12 June 2019 in case M. 9324 - *ALSO/ABC Data Group* p. 20 ff.

14 These are wholesalers that specialise in certain specific product categories while others supply a wide range of IT products.

15 These are wholesalers of products which are used in offices, *inter alia* commercial envelopes; office books and pads, such as memo and refill pads, hard backed manuscript books as well as analysis and duplicate books; cut office paper; writing and graphic supplies, such as pencils, fountain pens, ballpoints, roller-balls, highlighters, markers, fibre/plastic tips, erasers and correction aids; storage and filing products, such as manila and plastic filing, levers arch files, ring, binders and archival filing; electronic office supplies, such as laser and inkjet printer cartridges, desktop appliances, data storage media, fax rolls, transparencies, labels and computer accessories; office desk accessories, such as clear adhesive tapes, repositionable notes, staplers and punches. It also includes the wholesale distribution of some basic office furniture and small business machines, such as desk top printers, fax machines, calculators, beamers and overhead projectors.

4.2.1.2. The Notifying Party's views

(17) The Notifying Party considers that the relevant market is that of the wholesale distribution of ICT products, including printing consumables, and that a segmentation by distribution channels (between ICT wholesalers, wholesalers of traditional office supplies and specialised wholesalers) is not appropriate. The Parties submit that such a segmentation does not reflect market reality given that currently all printing consumables are sold at wholesale level via ICT wholesalers.[16]

(18) Further, the Notifying Party submits that a segmentation by type of sales (direct and indirect sales) is also inappropriate. In *Infinigate/Nuvias*, the Commission considered (but left open) such a segmentation, noting that respondents to the market investigation stated that resellers/retailers purchase ICT products indifferently either directly from manufacturers or indirectly from wholesalers. The Notifying Party considers this is also the case for printing consumables.[17]

(19) Notwithstanding, the Notifying Party considers that market definition can be left open as the Notifying Party considers that the Transaction does not give rise to competition concerns under any plausible product segmentation of the relevant markets.[18]

4.2.1.3. The Commission's assessment

(20) During the market investigation, a majority of respondents expressing an opinion considered it is appropriate to further segment the potential market for the wholesale distribution of printing consumables.[19] However, the majority of such respondents were not clear as to what would be the appropriate segmentation.[20]

(21) As regards a potential segmentation by distribution channel, the Commission considers that, in light of the evolution of the market for the wholesale distribution of printing consumables (i.e., currently all printing consumables are sold via ICT wholesalers), a segmentation by distribution channels (between ICT wholesalers, wholesalers of traditional office supplies and specialized wholesalers) is no longer plausible.

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16 Form CO, paragraphs 84-86.

17 Form CO, paragraph 87.

18 Form CO, paragraph 88.

19 Replies to Q1 – Questionnaire to competitors and customers of printing consumables in France, question C.A.A.1 and Q2 – Questionnaire to competitors and customers of printing consumables in the Netherlands, question C.A.A.1.

20 Replies to Q1 – Questionnaire to competitors and customers of printing consumables in France, question C.A.A.1.1 and Q2 – Questionnaire to competitors and customers of printing consumables in the Netherlands, question C.A.A.1.1.

(22) As regards a possible segmentation by type of sales, the majority of customers (resellers/retailers) expressing an opinion in response to the market investigation indicated that it is not indifferent to them whether to procure printing consumables from manufacturers (direct sales) or from wholesale distributors (indirect sales).[21] One respondent indicated that "*we don't have any direct purchases from manufacturers. Wholesalers are flexible on the logistic part: minimum of orders, delivery times, products availability*". Another respondent explained that "*leading printing consumables manufacturers (i.e. printer OEMs) will only sell via wholesale distributors such that it is not possible to purchase from them direct*".[22]

(23) The Commission considers that, for the purposes of this Decision, the question whether the market definition for the wholesale distribution of printing consumables should be segmented based on the type of sales (i.e. direct and/or indirect) can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market irrespective of the exact market definition.

*4.2.2. Geographic market definition*

4.2.2.1. Commission's precedents

(24) In previous decisions,[23] the Commission considered whether the market for the wholesale distribution of printing consumables could be EEA-wide, regional (e.g. the Baltic region) or national in scope, but ultimately left the precise geographic market definition open.

4.2.2.2. The Notifying Party's views

(25) The Notifying Party considers that the market for the wholesale distribution of printing consumables is at least EEA-wide because *inter alia* (i) the Parties and their main competitors are active in essentially all EEA Member States, (ii) vendors are increasingly asking wholesalers to source printing consumables centrally and to have one central warehouse for the whole territory of the EEA, (iii) vendors of printing consumables generally use a standardized price list for the EEA, and (iv) transport and logistics cost are insignificant in relation to the price of printing consumables.[24]

(26) Notwithstanding the foregoing, the Notifying Party considers that market definition can be left open as the Transaction does not give rise to competition concerns under any plausible geographic segmentation of the relevant markets.[25]

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21 Replies to Q1 – Questionnaire to competitors and customers of printing consumables in France, question C.A.A.2. and Q2 – Questionnaire to competitors and customers of printing consumables in the Netherlands, question C.A.A.2.

22 Replies to Q1 – Questionnaire to competitors and customers of printing consumables in France, question C.A.A.2.1. and Q2 – Questionnaire to competitors and customers of printing consumables in the Netherlands, question C.A.A.2.1.

23 Commission decision of 22 May 2014 in case M. 7189 - *ALSO/Alpha International* p. 16 ff. and Commission decision of 12 June 2019 in case M. 9324 - *ALSO/ABC Data Group* p.26 and 30.

24 Form CO, paragraph 94.

25 Form CO, paragraph 96.

4.2.2.3. The Commission's assessment

(27) The results of the market investigation provided indications that the geographic scope of the market for the wholesale distribution of printing consumables is national.

(28) The majority of respondents expressing an opinion considered that wholesale distributors negotiate contracts for the distribution of printing consumables on a national basis.[26]

(29) The majority of respondents expressing an opinion considered that, while manufacturers have price lists with an EEA-wide scope[27], wholesale distributors set prices for their customers on a national basis.[28]

(30) Further, the majority of respondents expressing an opinion considered that, for logistical reasons, a national presence is a key requirement for the distribution of printing consumables.[29] Respondents explained that organising logistics at national level reduces delivery time and improves the quality of service to customers.[30]

(31) The Commission considers that, for the purposes of this Decision, the exact geographic market definition with regard to the wholesale distribution of printing consumables can be left open, as the Transaction would not raise serious doubts as to its compatibility with the internal market irrespective thereof.

## 4.3. Market for the wholesale distribution of printers

### *4.3.1. Product market definition*

4.3.1.1. Commission's precedents

(32) In *Ricoh / Ikon*[31], the Commision defined a market for the wholesale distribution of printers, which was separate from the market for the wholesale distribution of photocopiers and fax machines.

(33) The Commission considered a potential segmentation of the market for the wholesale distribution of printers based on the following categories of printers: black and white cut-sheet printers, black and white continuous feed printers and colour printers. Further, each category may be subdivided according to printing

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26 Replies to Q1 – Questionnaire to competitors and customers of printing consumables in France, question C.A.B.1. and Q2 – Questionnaire to competitors and customers of printing consumables in the Netherlands, question C.A.B.1.

27 Replies to Q1 – Questionnaire to competitors and customers of printing consumables in France, question C.A.B.2. and Q2 – Questionnaire to competitors and customers of printing consumables in the Netherlands, question C.A.B.2.

28 Replies to Q1 – Questionnaire to competitors and customers of printing consumables in France, question C.A.B.3. and Q2 – Questionnaire to competitors and customers of printing consumables in the Netherlands, question C.A.B.3.

29 Replies to Q1 – Questionnaire to competitors and customers of printing consumables in France, question C.A.B.4. and Q2 – Questionnaire to competitors and customers of printing consumables in the Netherlands, question C.A.B.4.

30 Replies to Q1 – Questionnaire to competitors and customers of printing consumables in France, question C.A.B.4.1. and Q2 – Questionnaire to competitors and customers of printing consumables in the Netherlands, question C.A.B.4.1.

31 Commission decision of 24 October 2008 in Case M.5334 – *Ricoh/Ikon* p. 16.

capacity (measured as the number of printed pages per minute).[32] However, the Commission ultimately left open any further segmentation of the market for the wholesale distribution of printers.[33]

(34) In *ALSO / ABC Data Group*[34], the Commission considered one overall market including the wholesale distribution of ICT and CE products, as well as a separate market for the wholesale distribution of ICT products (which had been defined by the Commission in previous cases). In that decision, the Commission also considered a sub-segmention thereof by product category, such as printers, but ultimately left the precise market definition open.

4.3.1.2. The Notifying Party' views

(35) The Notifying Party submits that, to the best of its knowledge, the Commission has no precedent regarding the wholesale distribution of printers.[35]

(36) The Notifying Party submits that it is only aware of the Commission's precedent related to the manufacturing and supply of printers.[36] The Notifying Party submits that the Commission considered that the market for the manufacture and supply of printers could be further segmented into a segment for regular format printers which use A3 and A4 paper, on the one hand, and a segment for large format printers which function on A2 or larger paper and other supports, on the other hand. As regards large format printers, the Commission assessed a further sub-segmentation into (i) large format printers for graphic arts and (ii) large format printers for computer aided design applications, but ultimately left this question open. As regards regular format printers, the Commission considered a further sub-segmentation based on (i) functionality, (ii) monochrome (black and white) vs. colour printers, (iii) speed, and (iv) page format (A3 vs. A4).[37] The Notifying Party considers that these segmentations are not appropriate because, from a supply-side perspective, manufacturers of printers are able to switch production across the various segments and sub-segments. [38]

(37) The Notifying Party also submits that, at the wholesale level, such segmentation would be even less appropriate. This is because wholesalers of ICT products are expected to offer a broad range of ICT products to their customers. Therefore, the wholesale distribution of printers is part of a wider market which includes the wholesale distribution of all IT products or even all ICT products.[39]

(38) Notwithstanding the foregoing, the Notifying Party considers that market definition can be left open as the Transaction does not give rise to competition concerns under any plausible product segmentation of the relevant markets.[40]

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32 Commission decision of 24 October 2008 in Case M.5334 – *Ricoh/Ikon* p. 13.
33 Commission decision of 24 October 2008 in Case M.5334 – *Ricoh/Ikon* p. 18.
34 Commission decision of 12 June 2019 in Case M.9324 – *ALSO / ABC Data Group*, paras 12-19.
35 RFI 5 response, paragraph 2.
36 Commission decision of 22 December 2009 in Case M.5672 – Canon/Oce, Commission decision of 4 April 2017 in Case HP/Printer Business of Samsung Electronics, p. 14-16, 27 31, 36, 37 and 48, and Commission decision of 22 October 2018 in Case M.9060 – HP/Apogee, p.28.
37 RFI 5 response, paragraph 3 ff.
38 RFI 5 response, paragraph 7.
39 RFI 5 response, paragraph 8.
40 RFI 5 response, paragraph 9.

4.3.1.3. The Commission's assessment

(39) Nothing in the case file suggests it may be appropriate to depart from the product market definition considered in the Commission's precedents.

(40) The Commission considers that, for the purposes of this Decision, the question whether the market for the wholesale distribution of ICT products should be segmented by product category (such as printers) and the question whether the potential market for the wholesale distribution of printers should be segmented based on the category of printers or printing capacity can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market irrespective of the exact market definition.

*4.3.2. Geographic market definition*

4.3.2.1. Commission's precedents

(41) In *Ricoh / Ikon* [41], the Commission considered whether the market for the wholesale distribution of printers could be EEA-wide or national in scope, but ultimately left the precise geographic market definition open.

(42) In *ALSO / ABC Data Group*, the Commission considered whether the market for the wholesale distribution of ICT products (and any segment therof) was EEA-wide, regional (*e.g*. Baltic region) or national in scope but ultimately left the precise geographic market definition open.[42]

4.3.2.2. The Notifying Party' views

(43) The Notifying Party submits that, to the best of its knowledge, the Commission has no precedent regarding the geographic market for the wholesale distribution of printers.[43] The Notifying Party submits that the Commission considered that the market for the manufacturing and supply of printers may be wider than national or even EEA-wide in scope but ultimately left the precise geographic market definition open.[44]

(44) Further, the Notifying Party submits that the relevant geographic market for the wholesale distribution of ICT products and all segments thereof (including the wholesale distribution of printers) is at least EEA-wide as the conditions for competition in ICT products within the EEA are largely homogeneous and shipping costs insignificant.[45]

(45) Notwithstanding the foregoing, the Notifying Party considers that market definition can be left open as the Transaction does not give rise to competition concerns under any plausible geographic segmentation of the relevant markets.[46]

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41 Commission decision of 24 October 2008 in Case M.5334 – *Ricoh/Ikon* p. 20 and 21.
42 Commission decision of 12 June 2019 in Case M.9324 – *ALSO / ABC Data Group*, paragraphs 26-30.
43 RFI 5 response, paragraph 10.
44 RFI 5 response, paragraph 11.
45 RFI 5 response, paragraph 12.
46 RFI 5 response, paragraph 13.

4.3.2.3. The Commission's assessment

(46) Nothing in the case file suggests it may be appropriate to depart from the product market definition considered in the Commission's precedents.

(47) The Commission considers that, for the purposes of this Decision, the exact geographic market definition concerning the wholesale distribution of printers (i.e. EEA-wide, regional or national) can be left open, as the Transaction would not raise serious doubts as to its compatibility with the internal market irrespective thereof.

## 5. COMPETITIVE ASSESSMENT

### 5.1. Introduction

(48) The Transaction gives rise to a number of horizontally affected markets and conglomerate relationships between the Parties' activities as set out below.

(49) The Transaction gives rise to ***three horizontally affected markets***[47]:

i. the potential market for the wholesale distribution of printing consumables (considering both direct and indirect sales) in France,

ii. the potential market for the wholesale distribution of printing consumables (considering indirect sales only) in France, and

iii. the potential market for the wholesale distribution of printing consumables (considering indirect sales only) in the Netherlands.

[47] If the geographic scope of the market for the wholesale distribution of printing consumables were regional, the Transaction would give rise to three additional horizontally affected markets (considering indirect sales only), namely 1) North-Western Europe (covering Belgium, Germany, Ireland, Luxembourg and the Netherlands) including France ([20-30]% combined market share, [10-20]% increment), 2) North-Western Europe excluding France ([20-30]% combined market share, [5-10]% increment), and 3) South-Western Europe (Spain and Portugal), including France ([20-30]% combined market share, [10-20]% increment). The Commission will not address these further since in all three cases their categorization as affected markets is driven by the relatively higher market shares in France and the Netherlands. The reasons why the Commission has reached the finding that this Transaction would not lead to competitive concerns in France and the Netherlands would thus apply by analogy at regional level.

(50) The Transaction also gives rise to **conglomerate relationships** between the Parties' activities in the potential market for the wholesale distribution of printing consumables and the potential market for the wholesale distribution of printers.[48] The individual or combined market share of the Parties in these markets is above 30% in the following potential geographic segments:

i. The Nordic region[49] (indirect sales only),

ii. Norway (including direct and indirect sales, on the one hand, and indirect sales only, on the other hand),

iii. Denmark (indirect sales only),

iv. France (indirect sales only),

v. Ireland (including direct and indirect sales, on the one hand, and indirect sales only, on the other hand), and

vi. Sweden (indirect sales only).

(51) Section 5.2 presents the market shares in the relevant markets. Section 5.3 assesses horizontal relationships between the Parties' activities in the horizontally affected markets. Section 5.4. assesses conglomerate relationships between the Parties' activities and, in particular, whether the merged entity has, as a result of the Transaction, the ability to foreclose rivals by potentially bundling the wholesale distribution of printers and printing consumables.

## 5.2. Market shares

(52) According to the Guidelines on the assessment of horizontal mergers under the Council Regulation on the control of concentrations between undertakings ("**Horizontal Merger Guidelines**")[50] and the Guidelines on the assessment of non-horizontal mergers under the Council Regulation on the control of concentrations between undertakings ("**Non-Horizontal Merger Guidelines**")[51], in the assessment of the effects of a merger, market shares constitute a useful first indication of the structure of the markets at stake and of the competitive importance of the relevant market players.

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48 For the sake of completeness, the Notifying Party puts forward a number of potential conglomerate relationships between potential neighbouring segments in the markets for the wholesale distribution of ICT and CE products (in several regional and national markets). The Commission concluded that such potential conglomerate links are not relevant for the following reasons. First, it is not clear whether such products would be closely related. Second, the Parties are not manufacturers and the merged entity would have no technical ability to degrade the compatibility of these products. Third, all these potential conglomerate links are pre-existing and only ALSO already pre-Transaction holds a market share above 30%. Fourth, Westcoast Target only adds a very limited increment (between [0-5]%-[0-5]%). Therefore, these potential conglomerate relationships are not further assessed in the present Decision.

49 The "Nordic" region covers Denmark, Finland, Norway and Sweden.

50 Guidelines on the assessment of horizontal mergers under the Council Regulation on the control of concentrations between undertakings, OJ C 31, 05.02.2004, paragraph 14.

51 Guidelines on the assessment of non-horizontal mergers under the Council Regulation on the control of concentrations between undertakings, OJ C 265, 18.10.2008, paragraph 24

(53) In the following tables, the Commission presents the market shares of the Parties for the relevant markets described in paragraph (49) above.

*5.2.1. Wholesale distribution of printing consumables in France*

5.2.1.1. Wholesale distribution of printing consumables (considering direct and indirect sales) in France

(54) **Table 1** provides an overview of the Parties' market shares in the wholesale printing consumables (considering direct and indirect sales) in France for 2021, 2022 and 2023.

**Table 1: Wholesale distribution of printing consumables (direct and indirect sales) in France - market shares by revenue – 2021-2023**

| Competitor | 2021 | | 2022 | | 2023 | |
|---|---|---|---|---|---|---|
| | Rev (€m) | Share | Rev (€m) | Share | Rev (€m) | Share |
| ALSO | […] | [10-20]% | […] | [10-20]% | […] | [5-10]% |
| Westcoast | […] | [10-20]% | […] | [10-20]% | […] | [10-20]% |
| **Combined** | **[…]** | **[30-40]%** | **[…]** | **[20-30]%** | **[…]** | **[20-30]%** |
| Others | […] | [60-70]% | […] | [70-80]% | […] | [70-80]% |

*Source: Form CO, section 6.3.3.1*

(55) **Table 2** provides an overview of the Parties' and their main competitors' market shares in the wholesale distribution of printing consumables (considering direct and indirect sales) in France for 2023.

**Table 2: Wholesale distribution of printing consumables (direct and indirect sales) in France – 2023 market shares by revenue**

| Competitor | 2023 | |
|---|---|---|
| | Rev (€m) | Share |
| ALSO | […] | [5-10]% |
| Westcoast | […] | [10-20]% |
| **Combined** | **[…]** | **[20-30]%** |
| UFP | […] | [10-20]% |
| Dexxon | […] | [10-20]% |
| TD Synnex | […] | [5-10]% |
| Ingram Micro | […] | [5-10]% |
| Others | […] | [30-40]% |

*Source: Form CO, section 6.3.3.1*

(56) Based on 2023 data, the Parties' combined market share in the market for the wholesale distribution of printing consumables in France (considering direct and indirect sales) is [20-30]%.

5.2.1.2. Wholesale distribution of printing consumables (considering indirect sales only) in France

(57) **Table 3** provides an overview of the Parties' market shares in the wholesale printing consumables (considering indirect sales only) in France for 2021, 2022 and 2023.

**Table 3: Wholesale distribution of printing consumables (indirect sales only) in France - market shares by revenue – 2021-2023**

| Competitor | 2021 | | 2022 | | 2023 | |
|---|---|---|---|---|---|---|
| | Rev (€m) | Share | Rev (€m) | Share | Rev (€m) | Share |
| ALSO | […] | [10-20]% | […] | [10-20]% | […] | [10-20]% |
| Westcoast | […] | [20-30]% | […] | [20-30]% | […] | [20-30]% |
| **Combined** | **[…]** | **[40-50]%** | **[…]** | **[30-40]%** | **[…]** | **[30-40]%** |
| Others | […] | [50-60]% | […] | [60-70]% | […] | [60-70]% |

*Source: Form CO, section 6.3.3.1*

(58) **Table 4** provides an overview of the Parties' and their main competitors' market shares in the wholesale distribution of printing consumables (considering indirect sales only) in France for 2023.

**Table 4: Wholesale distribution of printing consumables (indirect sales only) in France – 2023 market shares by revenue**

| Competitor | 2023 | |
|---|---|---|
| | Rev (€m) | Share |
| ALSO | […] | [10-20]% |
| Westcoast | […] | [20-30]% |
| **Combined** | **[…]** | **[30-40]%** |
| UFP | […] | [20-30]% |
| Dexxon | […] | [10-20]% |
| TD Synnex | […] | [5-10]% |
| Ingram Micro | […] | [5-10]% |
| Others | […] | [5-10]% |

*Source: Form CO, section 6.3.3.1*

(59) Based on 2023 data, the Parties' combined market share in the market for the wholesale distribution of printing consumables in France (considering indirect sales only) is [30-40]%.

*5.2.2. Wholesale distribution of printing consumables (considering indirect sales only) in the Netherlands*

(60) **Table 5** provides an overview of the Parties' market shares in the wholesale distribution of printing consumables (considering indirect sales only) in the Netherlands for 2021, 2022 and 2023.

**Table 5: Wholesale distribution of printing consumables (indirect sales only) in the Netherlands - market shares by revenue – 2021-2023**

| Competitor | 2021 | | 2022 | | 2023 | |
|---|---|---|---|---|---|---|
| | Rev (€m) | Share | Rev (€m) | Share | Rev (€m) | Share |
| ALSO | […] | [20-30]% | […] | [20-30]% | […] | [20-30]% |
| Westcoast | […] | [5-10]% | […] | [5-10]% | […] | [5-10]% |
| **Combined** | **[…]** | **[30-40]%** | **[…]** | **[20-30]%** | **[…]** | **[20-30]%** |
| Others | […] | [60-70]% | […] | [70-80]% | […] | [70-80]% |

*Source: Form CO, section 6.3.3.1*

(61) **Table 6** provides an overview of the Parties' and their main competitors' market shares in the wholesale distribution of printing consumables (including direct and indirect sales) in the Netherlands for 2023.

**Table 6: Wholesale distribution of printing consumables (indirect sales only) in the Netherlands – 2023 market shares by revenue**

| Competitor | 2023 | |
|---|---|---|
| | Rev (€m) | Share |
| ALSO | […] | [20-30]% |
| Westcoast | […] | [5-10]% |
| **Combined** | **[…]** | **[20-30]%** |
| TD Synnex | […] | [20-30]% |
| Ingram Micro | […] | [20-30]% |
| UFP | […] | [10-20]% |
| Others | […] | [10-20]% |

*Source: Form CO, section 6.3.3.1*

(62) Based on 2023 data, the Parties' combined market share in the market for the wholesale distribution of printing consumables in the Netherlands (considering indirect sales only) is [20-30]%.

## 5.3. Horizontal effects

### *5.3.1. Legal framework*

(63) The Horizontal Merger Guidelines[52] describe two main ways in which horizontal mergers may significantly impede effective competition. In particular, the proposed concentration might be creating or strengthening a dominant position: (i) by eliminating important competitive constraints on one or more firms, which consequently would have increased market power, without resorting to coordinated behaviour (non-coordinated effects); or (ii) by changing the nature of competition in such a way that firms that previously were not coordinating their behaviour, are significantly more likely to coordinate and raise prices or otherwise harm effective competition (coordinated effects).

(64) A merger giving rise to horizontal non-coordinated effects might significantly impede effective competition by creating or strengthening the dominant position of a single firm, one which, typically, would have an appreciably larger market share than the next competitor post-merger. Moreover, also mergers that do not lead to the creation of or the strengthening of a single firm's dominant position may create competition concerns under the substantive test set out in Article 2(2) and Article 2(3) of the Merger Regulation. Regarding mergers in oligopolistic markets, the Merger Regulation clarifies that "*under certain circumstances, concentrations involving the elimination of important competitive constraints that the merging parties exerted upon each other, as well as a reduction of competitive pressure on the remaining competitors, may, even in the absence of a likelihood of coordination between the members of the oligopoly, result in a significant impediment to effective competition*".[53]

(65) The Horizontal Merger Guidelines list a number of factors which may influence whether or not significant horizontal non-coordinated effects are likely to result from a merger, such as the large market shares of the merging firms, the fact that the merging firms are close competitors, the limited possibilities for customers to switch suppliers, or the fact that the merger would eliminate an important competitive force. Not all those factors need to be present to make significant non-coordinated effects likely and it is not an exhaustive list.[54]

### *5.3.2. Horizontally affected markets*

(66) As previously mentioned, the Transaction gives rise to the following horizontally affected markets: (i) the potential market for the wholesale distribution of printing consumables (considering direct and indirect sales) in France (Section 5.3.3.1), (ii) the potential market for the wholesale distribution of printing consumables (considering indirect sales only) in France (Section 5.3.3.2), and (iii) the potential market for the wholesale distribution of printing consumables (considering indirect sales only) in the Netherlands (Section 5.3.4).

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52 Horizontal Merger Guidelines, paragraph 22.

53 Merger Regulation, recital 25. Similar wording is also found in paragraph 25 of the Horizontal Merger Guidelines.

54 Horizontal Merger Guidelines, paragraph 26.

*5.3.3. Wholesale distribution of printing consumables in France*

5.3.3.1. Wholesale distribution of printing consumables (considering direct and indirect sales) in France

5.3.3.1.1. The Notifying Party's views

(67) The Notifying Party submits that the Transaction will not give rise to competitive concerns in the horizontally affected market for the wholesale distribution of printing consumables (considering direct and indirect sales) in France for the following reasons.

(68) First, the Notifying Party submits that the Parties' combined market share remains relatively moderate, amounting to only approximately [20-30]% in the market for the wholesale distribution of printing consumables (considering direct and indirect sales) in France in 2023. The Notifying Party therefore considers that this combined market share only slightly exceeds the 25% threshold below which the Commission's Horizontal Guidelines provide for a presumption that a concentration does not impede effective competition.[55]

(69) Second, the Notifying Party submits that the merged entity will continue to face competition from large wholesalers such as UFP, Dexxon, TD Synnex and Ingram Micro and a multitude of smaller wholesalers, as well as direct sales by manufacturers in these hypothetical national segments.[56]

5.3.3.1.2. The Commission's assessment

(70) The Commission considers that the Transaction is unlikely to raise serious doubts as to its compatibility with the internal market as a result of horizontal effects in the market for the wholesale distribution of printing consumables (considering direct and indirect sales) in France for the following reasons.

(71) First, the Parties' combined market shares in the potential market for the wholesale distribution of printing consumables (considering direct and indirect sales) in France would remain moderate in 2023 (i.e. [20-30]%) and have been stable over time (with a slight downwards trend).

(72) Second, ALSO's offering in wholesale distribution of printing consumables (considering direct and indirect sales) in France will only increase modestly Westcoast's position in this market (i.e. by [5-10]%).

(73) Third, the merged entity will continue to compete with a large number of operators in the market for wholesale distribution of printing consumables (considering direct and indirect sales) in France. The Parties will continue to face competition in France from a number of established players such as UFP ([10-20]% market share in 2023), Dexxon ([10-20]%) and TD Synnex ([5-10]%).

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55 Form CO, paragraph 244.

56 Form Co, paragraph 245.

(74) During the market investigation, the vast majority of respondents expressing an opinion considered that several companies are alternatives to ALSO and Westcoast Target in the wholesale distribution of printing consumables (considering direct and indirect sales) in France, such as UFP, TD Synnex, Dexxon and Ingram Micro.[57]

(75) Fourth, even though the results of the market investigation indicate that the Parties compete closely[58], customers have several alternative wholesale distributors of printing consumables to switch to.

(76) The majority of respondents expressing an opinion considered that, in practice, customers switch between different wholesale distributors of printing consumables.[59] Some respondents pointed out that the customer's decision to switch may sometimes depend on several factors such as the discounts offered and the length of the termination notice period included in the contract with the wholesale distributor. A majority of the respondents indicated that switching from one wholesale distributor of printing consumables to another is easy and quick.[60] Respondents explained that "*it is easy for a customer to switch to different wholesale distributors of printing consumables, as the (…) wholesalers propose exactly the same products, so customers will buy from the wholesaler offering the best price, inventory, lead time*".[61]

(77) Fifth, the vast majority of market respondents expressing an opinion considered that the impact of the Transaction in the market for the wholesale distribution of printing consumables (considering direct and indirect sales) in France would be neutral.[62]

(78) For all the above reasons, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market as a result of horizontal effects in the market for the wholesale distribution of printing consumables (considering direct and indirect sales) in France.

5.3.3.2. Wholesale distribution of printing consumables (considering indirect sales only) in France

5.3.3.2.1. The Notifying Party's views

(79) The Notifying Party submits that the Transaction will not give rise to competitive concerns in the horizontally affected market for the wholesale distribution of printing consumables (considering indirect sales only) in France for the following reasons.

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57 Replies to Q1 – Questionnaire to competitors and customers of printing consumables in France, questions D.A.1. and D.A,2.

58 Replies to Q1 – Questionnaire to competitors and customers of printing consumables in France, question D.A.3.1.

59 Replies to Q1 – Questionnaire to competitors and customers of printing consumables in France, question D.A.6.1.

60 Replies to Q2 – Questionnaire to competitors and customers of printing consumables in France, question D.A.6.

61 Replies to Q1 – Questionnaire to competitors and customers of printing consumables in France, question D.A.6.

62 Replies to Q1 – Questionnaire to competitors and customers of printing consumables in France, question E.1.

(80) First, the Notifying Party submits that the Parties' combined market share remains relatively moderate, amounting to only approximately [30-40]% in the market for the wholesale distribution of printing consumables (including indirect sales only) in France in 2023. The Notifying Party therefore considers that this combined market share only slightly exceed the 25% threshold below which the Commission's Horizontal Guidelines provide for a presumption that a concentration does not impede effective competition.[63]

(81) Second, the Notifying Party submits that the merged entity will continue to face competition from large wholesalers, such as UFP, Dexxon and TD Synnex, as well as from a multitude of smaller wholesalers.[64]

5.3.3.2.2. The Commission's assessment

(82) The Commission considers that the Transaction is unlikely to raise serious doubts as to its compatibility with the internal market as a result of horizontal effects in the market for the wholesale distribution of printing consumables (considering indirect sales only) in France for the following reasons.

(83) First, the Parties' combined market shares in the potential market for the wholesale distribution of printing consumables (considering indirect sales only) in France would remain relatively modest in 2023 (i.e. [30-40]%).

(84) Second, ALSO's offering in the wholesale distribution of printing consumables (considering indirect sales only) in France will only increase relatively modestly Westcoast's position in this market (i.e. by [10-20]%).

(85) Third, the merged entity will continue to compete with a large number of other operators in the market for the wholesale distribution of printing consumables (considering indirect sales only) in France. The Parties will continue to face competition in France from a number of established players such as UFP ([20-30]% market share in 2023), Dexxon ([10-20]%) and TD Synnex ([5-10]%).

(86) During the market investigation, the vast majority of respondents expressing an opinion considered that several companies are alternatives to ALSO and Westcoast Target in the wholesale distribution of printing consumables (considering indirect sales only) in France, such as UFP, TD Synnex, Dexxon and Ingram Micro .[65]

(87) Fourth, even though the results of the market investigation indicate that the Parties compete closely,[66] customers have several alternative wholesale distributors of printing consumables.

(88) The majority of respondents expressing an opinion considered that, in practice, customers switch between different wholesale distributors of printing consumables.[67] Some respondents pointed out that the customer's decision to

63 Form CO, paragraph 244.
64 Form Co, paragraph 245.
65 Replies to Q1 – Questionnaire to competitors and customers of printing consumables in France, questions D.A.1. and D.A.2.
66 Replies to Q1 – Questionnaire to competitors and customers of printing consumables in France, question D.A.3.2.
67 Replies to Q1 – Questionnaire to competitors and customers of printing consumables in France, question D.A.6.3..

switch may depend on several factors, such as the discounts offered and the length of the termination notice period included in the contract with the wholesale distributor. A majority of the respondents indicated that switching from one wholesale distributor of printing consumables to another is easy and quick.[68] Respondents explained that "*it is easy for a customer to switch to different wholesale distributors of printing consumables, as the (…) wholesalers propose exactly the same products, so customers will buy from the wholesaler offering the best price, inventory, lead time*".[69]

(89) Fifth, the vast majority of market respondents expressing an opinion considered that the impact of the transaction in the market for the wholesale distribution of printing consumables (considering indirect sales only) in France would be neutral.[70]

(90) For all the above reasons, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market as a result of horizontal effects in the market for the wholesale distribution of printing consumables (considering indirect sales only) in France.

*5.3.4. Wholesale distribution of printing consumables (considering indirect sales only) in the Netherlands*

5.3.4.1. The Notifying Party's views

(91) The Notifying Party submits that the Transaction will not give rise to competitive concerns in the hypothetical market of the wholesale distribution of printing consumables (considering indirect sales only) in the Netherlands for the following reasons.[71]

(92) First, the Notifying Party submits that the Parties' combined market share in the market for the wholesale distribution of printing consumables (considering indirect sales only) in the Netherlands would amount to only [20-30]% in 2023. The Notifying Party therefore considers that this combined market share only slightly exceeds the 25% threshold below which the Commission's Horizontal Guidelines provide for a presumption that a concentration does not impede effective competition.[72]

(93) Second, the Notifying Party submits that the merged entity will continue to face competition from large wholesalers, such as TD Synnex, Ingram Micro, UPF, from a multitude of smaller wholesalers, as well as competition resulting from direct sales by manufacturers.[73]

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68 Replies to Q2 – Questionnaire to competitors and customers of printing consumables in France, question D.A.6.

69 Replies to Q1 – Questionnaire to competitors and customers of printing consumables in France, question D.A.6.

70 Replies to Q1 – Questionnaire to competitors and customers of printing consumables in France, question E.1.

71 Form CO, paragraph 354.

72 Form CO, paragraph 352.

73 Form Co, paragraph 353.

5.3.4.2. The Commission's assessment

(94) The Commission considers that the Transaction is unlikely to raise serious doubts as to its compatibility with the internal market as a result of horizontal effects in the market for the wholesale distribution of printing consumables (considering indirect sales only) in the Netherlands for the following reasons.

(95) First, the Parties' combined market shares in the potential market for the wholesale distribution of printing consumables (considering indirect sales only) in the Netherlands would remain moderate in 2023 (i.e. [20-30]%).

(96) Second, Westcoast Target's offering in the wholesale distribution of printing consumables (considering indirect sales only) in the Netherlands will only increase modestly ALSO's position in this market (i.e. by [5-10]%).

(97) Third, the merged entity will continue to compete with a considerable number of other operators in the market for the wholesale distribution of printing consumables (considerding indirect sales only) in the Netherlands. The Parties will continue to face competition in The Netherlands from a number of established players such as TD Synnex ([20-30]% market share in 2023), Ingram Micro ([20-30]%) and UFP ([10-20]%).

(98) During the market investigation, the vast majority of respondents considered that one or several companies are alternatives to ALSO and Westcoast Target in the wholesale distribution of printing consumables (considering indirect sales only) in the Netherlands, such as TD Synnex, Ingram Micro and UFP.[74]

(99) Fourth, even though the results of the market investigation indicate that the Parties compete closely[75], customers have several alternative wholesale distributors of printing consumables.

(100) All the respondents expressing an opinion considered that, in practice, customers switch between different wholesale distributors of printing consumables. Several respondents pointed out that the customer's decision to switch may depend on the prices offered.[76] The vast majority of respondents also considered that switching from one wholesale distributor of printing consumables to another is easy and quick. Respondents explained that "*technological developments in systems allow for quick and easy switching between providers with a small and simple action*" and indicated that "*it depends on customer's choice. Customers can open accounts with several different wholesale distributors and may chose at their discretion to purchase products from any of the wholesale distributors. Customers' choices are generally driven by the commercial terms offered by the distributors and availability of stock of different manufacturer' products portfolio*".[77]

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74 Replies to Q2 – Questionnaire to competitors and customers of printing consumables in the Netherlands, questions D.A.1 and D.A.2.

75 All respondents expressing an opinion considered that ALSO and Westcoast Target compete closely in the replies to Q2 – Questionnaire to competitors and customers of printing consumables in the Netherlands, question D.A.3.

76 Replies to Q2 – Questionnaire to competitors and customers of printing consumables in the Netherlands, question D.A.5.

77 Replies to Q2 – Questionnaire to competitors and customers of printing consumables in the Netherlands, question D.A.6.

(101) Fifth, even though a slight majority of market respondents expressing an opinion considered that the impact of the transaction in the market for the wholesale distribution of printing consumables (considering indirect sales only) in the Netherlands would be negative, such concerns are not well substantiated.

(102) One respondent's concerns are based on the assumption that the combined market shares of the Parties "*most likely will increase above 50-60%*" which would lead to price increases. However, as mentioned above, the Parties' combined market share amounted to [20-30]% in 2023. Another respondent merely stated that "*less competitors on the same market, normally means less market forces*".[78] Despite that, as mentioned above, there will remain sufficient alternative wholesale distributors in the market.

(103) For all the above reasons, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market as a result of horizontal effects in the market for the wholesale distribution of printing consumables (considering indirect sales only) in the Netherlands.

*5.3.5. Conclusion*

(104) In light of the above, the Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market as a result of any horizontal overlaps between the Parties' activities in the market for the wholesale distribution of printing consumables in France (considering direct and indirect sales, on the one hand, and considering indirect sales only, on the other hand) and the Netherlands (considering indirect sales only).

## 5.4. Conglomerate effects

*5.4.1. Legal framework*

(105) According to the Non-Horizontal Guidelines, in the majority of circumstances, conglomerate mergers will not lead to any competition problems.[79]

(106) However, foreclosure effects may arise when the combination of products in related markets may confer on the merged entity the ability and incentive to leverage a strong market position from one market to another closely related market by means of tying or bundling or other exclusionary practices. While tying and bundling have often no anticompetitive consequences, in certain circumstances such practices may lead to a reduction in actual or potential competitors' ability or incentive to compete. This may reduce the competitive pressure on the merged entity allowing it to increase prices.[80]

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78 Replies to Q2 – Questionnaire to competitors and customers of printing consumables in the Netherlands, question E.2.

79 Non-Horizontal Guidelines, paragraph 92.

80 Non-Horizontal Guidelines, paragraphs 91 and 93.

(107) In assessing the likelihood of such a scenario, the Commission examines, first, whether the merged firm would have the ability to foreclose its competitors,[81] second, whether it would have the economic incentive to do so,[82] and, third, whether a foreclosure strategy would have a significant detrimental effect on competition, thus causing harm to consumers.[83] These factors are cumulative and often examined together as they are closely intertwined.

(108) In order to be able to foreclose competitors, the merged entity must have a significant degree of market power, which does not necessarily amount to dominance, in one of the markets concerned. The effects of bundling or tying can only be expected to be substantial when at least one of the merging parties' products is viewed by many customers as particularly important and there are few relevant alternatives for that product.[84] Further, for foreclosure to be a potential concern, it must be the case that there is a large common pool of customers, which is more likely to be the case when the products are complementary.[85] Finally, bundling is less likely to lead to foreclosure if rival firms are able to deploy effective and timely counter-strategies, such as single-product companies combining their offers.[86]

(109) The incentive to foreclose competitors through bundling or tying depends on the degree to which this strategy is profitable.[87] Bundling and tying may entail losses or foregone revenues for the merged entity.[88] However, they may also allow the merged entity to increase profits by gaining market power in the tied goods market, protecting market power in the tying good market, or a combination of the two.[89]

(110) It is only when a sufficiently large fraction of market output is affected by foreclosure resulting from the concentration that the concentration may significantly impede effective competition. If there remain effective single-product players in either market, competition is unlikely to deteriorate following a conglomerate concentration.[90] The effect on competition needs to be assessed in light of countervailing factors such as the presence of countervailing buyer power or the likelihood that entry would maintain effective competition in the upstream or downstream markets.[91]

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81 Non-Horizontal Guidelines, paragraphs 95-104.
82 Non-Horizontal Guidelines, paragraphs 105-110.
83 Non-Horizontal Guidelines, paragraphs 111-118.
84 Non-Horizontal Guidelines, paragraph 99.
85 Non-Horizontal Guidelines, paragraph 100.
86 Non-Horizontal Guidelines, paragraph 103.
87 Non-Horizontal Guidelines, paragraph 105.
88 Non-Horizontal Guidelines, paragraph 106.
89 Non-Horizontal Guidelines, paragraph 108.
90 Non-Horizontal Guidelines, paragraph 113.
91 Non-Horizontal Guidelines, paragraph 114.

*5.4.2. Conglomerate relationships*

(111) In relation to the potential market for the wholesale distribution of printers, the individual and combined market shares of the Parties is below 30% in all plausible market definitions.[92] In the potential segments of the market for the wholesale distribution of printing consumables, the Parties' individual or combined market shares exceed 30% as set out below:

[92] The Notifying Party submits that, according to the IDC (International Data Corporation, a global market intelligence firm) product category definitions, the category 'hardcopy peripherals' includes printers, multifunctional peripherals (i.e., devices that can print and perform at least one additional function such as copying, faxing or scanning) and single function digital copiers (devices that scan and digitalize documents before reproducing them). All of these products qualify as 'printers' in a wide sense and thus require printing consumables. Therefore, the Notifying Party considers that the Parties' estimated shares in the segment for the wholesale distribution of hardcopy peripherals (within the meaning of the IDC product category 'hardcopy peripherals') are a reasonable and good proxy of their estimated shares in a segment for the wholesale distribution of printers. Even if we considered the Parties's market shares in the wholesale distribution of printers only (not including multifunctional peripherals or simple function digital copiers), the Parties' market shares would not materially change.

**Table 7: Overview of segments of the market for the wholesale distribution of printing consumables with an individual or combined market share above 30% in 2023 (Revenue, 2023)**

| Competitor | 2021 | | 2022 | | 2023 | |
|---|---|---|---|---|---|---|
| | Rev (€m) | Share | Rev (€m) | Share | Rev (€m) | Share |
| ***Nordic Region (indirect sales only)*** | | | | | | |
| ALSO | […] | [40-50]% | […] | [30-40]% | […] | [30-40]% |
| Westcoast | […] | [0-5]% | […] | [0-5]% | […] | [0-5]% |
| **Combined** | **[…]** | **[40-50]%** | **[…]** | **[30-40]%** | **[…]** | **[30-40]%** |
| ***Denmark (indirect sales only)*** | | | | | | |
| ALSO | […] | [50-60]% | […] | [30-40]% | […] | [30-40]% |
| Westcoast | […] | [0-5]% | […] | [0-5]% | […] | [0-5]% |
| **Combined** | **[…]** | **[50-60]%** | **[…]** | **[40-50]%** | **[…]** | **[30-40]%** |
| ***France (indirect sales only)*** | | | | | | |
| ALSO | […] | [10-20]% | […] | [10-20]% | […] | [10-20]% |
| Westcoast | […] | [20-30]% | […] | [20-30]% | […] | [20-30]% |
| **Combined** | **[…]** | **[40-50]%** | **[…]** | **[30-40]%** | **[…]** | **[30-40]%** |
| ***Ireland (direct and indirect sales)*** | | | | | | |
| ALSO | […] | [0-5]% | […] | [0-5]% | […] | [0-5]% |
| Westcoast | […] | [20-30]% | […] | [30-40]% | […] | [30-40]% |
| **Combined** | **[…]** | **[20-30]%** | **[…]** | **[30-40]%** | **[…]** | **[30-40]%** |
| ***Ireland (indirect sales only)*** | | | | | | |
| ALSO | […] | [0-5]% | […] | [0-5]% | […] | [0-5]% |
| Westcoast | […] | [30-40]% | […] | [40-50]% | […] | [40-50]% |
| **Combined** | **[…]** | **[30-40]%** | **[…]** | **[40-50]%** | **[…]** | **[40-50]%** |
| ***Norway (direct and indirect sales)*** | | | | | | |
| ALSO | […] | [40-50]% | […] | [40-50]% | […] | [40-50]% |
| Westcoast | […] | [0-5]% | […] | [0-5]% | […] | [0-5]% |
| **Combined** | **[…]** | **[40-50]%** | **[…]** | **[40-50]%** | **[…]** | **[40-50]%** |
| ***Norway (indirect sales only)*** | | | | | | |
| ALSO | […] | [50-60]% | […] | [50-60]% | […] | [50-60]% |
| Westcoast | […] | [0-5]% | […] | [0-5]% | […] | [0-5]% |
| **Combined** | **[…]** | **[50-60]%** | **[…]** | **[50-60]%** | **[…]** | **[50-60]%** |
| ***Sweden (indirect sales only)*** | | | | | | |
| ALSO | […] | [40-50]% | […] | [30-40]% | […] | [30-40]% |
| Westcoast | […] | [0-5]% | […] | [0-5]% | […] | [0-5]% |
| **Combined** | **[…]** | **[40-50]%** | **[…]** | **[30-40]%** | **[…]** | **[30-40]%** |

*Source: Form CO, section 6.3.3.1 and Parties' RFI 4 response, Table RFI 4-Q1.i.*

(112) This Decision assesses whether the merged entity could engage in the foreclosure of rivals in the market for the wholesale distribution of printers by bundling the wholesale distribution of printers and printing consumables.

*5.4.3. Foreclosure of rivals in the market for the wholesale of printers by bundling the wholesale distribution of printing consumables and printers*

5.4.3.1. The Notifying Party's views

(113) The Notifying Party submits that the merged entity would not have the ability or the incentive to foreclose rivals in the market for the wholesale distribution of printers in the Nordic region, Denmark, France, Sweden (considering indirect sales only in those potential geographic markets), Norway or Ireland (considering direct and indirect sales, on the one hand, and indirect sales only, on the other hand) for the reasons set out below.

(114) First, the Notifying Party submits that the merged entity would not have a significant degree of market power to engage in a foreclosure strategy. This is because the market for the wholesale distribution of printing consumables should include both direct and indirect sales, where the Parties' estimated combined market share would be only [20-30]% in the Nordic region, [20-30]% in Denmark, [20-30]% in France, [20-30]% in Sweden, [40-50]% in Norway and [30-40]% in Ireland in 2023. The Notifying Party underlines that direct sales by manufacturers exert a significant competitive constraint on wholesalers.[93]

(115) Second, the Notifying Party submits that the Parties' products are not particularly important for customers. All brands of printing consumables sold by the Parties can be sourced from a variety of competing wholesalers, as well as from the respective manufacturers. The merged entity will continue to face substantial competition from competitors such as TD Synnex, Ingram Micro, Dustin, Dexxon, UFP, VOW and ATEA.[94]

(116) Third, the Notifying Party submits that the Parties' customers are price sensitive and they usually purchase both printers and printing consumables from several wholesalers or even directly from manufacturers. Thus they prefer to remain free to purchase both printers and printing consumables from a number of different suppliers.[95]

(117) Fourth, the Notifying Party submits that ALSO and Westcoast Target do not currently engage in bundling practices with regard to printers and printing consumables in the Nordic region, Norway, Denmark, France, Sweden or Ireland. This suggests that they lack the ability and/or the incentive to engage in a conglomerate foreclosure strategy.[96]

(118) Fifth, the Notifying Party submits that the Transaction will not alter the merged entity's ability or incentive to engage in a conglomerate foreclosure strategy post-

93 RFI 4 response, paragraphs 9, 14, 19, 25 and 30; RFI 6 response, paragraph 5(ii).
94 RFI 4 response, paragraphs 10, 15, 20, 26 and 31; RFI 6 response, paragraph 5(iii).
95 RFI 4 response, paragraphs 11, 16, 21, 27 and 32; RFI 6 response, paragraph 5(iv).
96 RFI 4 response, paragraphs 11, 16, 21, 27 and 32; RFI 6 response, paragraph 5(v).

closing as, depending on the segment, either Westcoast Target or ALSO's market shares are negligible.[97]

(119) Finally, Notifying Party submits that the Parties' main competitors also offer printers and printing consumables.[98]

5.4.3.2. The Commission's assessment

(120) For the reasons set out below, the Commission considers that the merged entity would not have either the ability or the incentive to foreclose rivals in the market for the wholesale distribution of printers by bundling the wholesale distribution of printers and printing consumables. Therefore, given that the conditions under the Non-Horizontal Guidelines are cumulative[99], the Commission does not need to take a position of whether the third other condition is satisfied.

5.4.3.2.1. Ability to foreclose

(121) First, pre-Transaction ALSO is already active in both the market for the wholesale distribution of printers and the wholesale distribution of printing consumables in the Nordic region, Norway, Denmark, France and Sweden, whereas, in Ireland, Westcoast Target is already active in both markets pre-Transaction. Therefore, the Transaction does not create any new conglomerate relationship.

(122) Second, for the purposes of this Decision, the Commission considers that the merged entity would not have a significant degree of market power in the wholesale distribution of printing consumables in the Nordic region, Denmark, France and Sweden (considering indirect sales only in those potential geographic markets).

(123) As set out above in Section 5.3.3.2., the Commisison considers that the Parties do not have significant market power in the market for the wholesale distribution of printing consumables (considering indirect sales only) in France.

(124) Further, as set out above in Table 7, in 2023, the Parties's combined market shares in the market for the wholesale distribution of printing consumables remain

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97 RFI 4 response, paragraphs 11, 16, 21, 27 and 32 RFI 6 response, paragraph 5(vi). In this regard, the Notifying Party submits the following: (i) Nordics: Westcoast Target's market share in the distribution of printing consumables, indirect sales only is [0-5]% with an HHI delta of approx. […], and in the segment for the wholesale distribution of printers, indirect sales only approx. [0-5]% with an HHI delta of approx.[…]; (ii) Norway: Westcoast Target's market share in the distribution of printing consumables is [0-5]% in the segment for direct and indirect sales and [0-5]% in the sub-segment for indirect sales only; (iii) Denmark: Westcoast Target's market share in the distribution of printing consumables, indirect sales only is [0-5]% with an HHI delta of approx. […], and in the segment for the wholesale distribution of printers, indirect sales only approx. [0-5]% with an HHI delta of approx. […]; (iv) France: Westcoast Target's market share in the segment for the wholesale distribution of printers, indirect sales only is approx. [0-5]% with an HHI delta of approx. […]; (v) Ireland: ALSO's estimated market share in the segment for the wholesale distribution of printing consumables is approx. [0-5]% with an HHI delta of approx.. […] in the segment for direct and indirect sales and approx. [0-5]% with an HHI delta of approx. […] in the sub-segment for indirect sales only. ALSO is not active in the segment for the wholesale distribution of printers in Ireland; and (vi) Sweden: Westcoast Target's market share in the segment for distribution of printing consumables, indirect sales only is approx. [0-5]% with an HHI delta of approx. […]. Westcoast Target is not active in the segment for the wholesale distribution of printers in Sweden.

98 RFI 4 response, paragraphs 11, 16, 21.

99 Non-Horizontal Guidelines, paragraphs 93-118.

relatively modest in the Nordic region, Denmark and Sweden (considering indirect sales only in those potential geographic markets) (between [30-40]% and [30-40]%).

(125) For all the above reasons, the Commission concludes that the merged entity would not have the ability to foreclose rivals in the market for the wholesale distribution of printers by bundling the wholesale distribution of printers and printing consumables in the Nordic region, Denmark, France and Sweden (considering indirect sales only).

5.4.3.2.2. Incentive to foreclose

(126) As regards the potential bundling of the wholesale distribution of printers and printing consumables in Norway or Ireland (considering direct and indirect sales, on the one hand, and indirect sales only, on the other hand), even if the Parties were considered to have the ability to foreclose rivals (quod non), they would not have the incentive to engage in such a foreclosure strategy.

(127) This is because the increments in the market for the wholesale distribution of printing consumables in Norway or Ireland (considering direct and indirect sales, on the one hand, and indirect sales only, on the other hand) are minimal (between [0-5]%-[0-5]% and the delta of the HHI is below 150).

(128) For the sake of completeness, the increments in the market for the wholesale distribution of printing consumables in the Nordic region, Denmark, Sweden (considering indirect sales only in those potential geographic markets) are also minimal (between [0-5]%-[0-5]% and the delta of the HHI is below 150). With regards to France (considering indirect sales only), as set out above in Section 5.3.3.2, the increment of [10-20]% is relatively modest and there are several alternative wholesale distributors of printing consumables.

(129) Therefore, the Transaction does not significantly alter the merged entitity's incentives in these pre-existing conglomerate relationships.

*5.4.4. Conclusion*

(130) In view of the above considerations and in light of the results of the market investigation and the evidence and information available to it, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market as a result of conglomerate effects, notably by bundling the wholesale distribution of printers and printing consumables, considering that the merged entity would not have the ability and/or the incentive to foreclose its rivals.

## 6. CONCLUSION

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

*For the Commission*

*(Signed)*
*Teresa RIBERA*
*Executive Vice-President*