



Commission approves acquisition of Juniper by HPE

Brussels, 1 August 2024

The European Commission has approved unconditionally, under the EU Merger Regulation, the proposed acquisition of Juniper Networks, Inc. ('**Juniper**') by Hewlett Packard Enterprise Company ('**HPE**'). The Commission concluded that the transaction would raise no competition concerns in the European Economic Area ('EEA').

HPE supplies IT infrastructure, related software, and cloud solutions. **Juniper** supplies networking, infrastructure and security solutions.

The Commission's investigation

The Commission investigated the impact of the transaction on the following markets: (i) the worldwide market for the supply of wireless local area network ('WLAN') equipment; (ii) the worldwide market for the supply of wireless access points ('WAPs'); (iii) the EEA-wide market for the supply of Ethernet campus switches; and (iv) the worldwide market for the supply of datacentre switches.

Based on its market investigation, the Commission found that the transaction, as notified, **would not significantly reduce competition** on such markets. In particular, concerning the **horizontal overlaps between the companies' activities in the market for WLAN equipment, WAPs and Ethernet campus switches**, the Commission found that in the EEA:

- The merged entity's market position would remain moderate.
- The merged entity would continue to face competition from a wide range of competitors, including strong and established players on each of the markets.
- HPE and Juniper are not each other's closest competitors.
- Customers have a certain level of countervailing buyer power, allowing them to react in case of price increases of WLAN equipment and Ethernet campus switches.

Concerning the **conglomerate links between Juniper's switches and HPE's activities in the global markets for the supply of high-performance computing ('HPC') systems and mid-range servers**, the Commission found that in the EEA the merged entity would not have the ability to engage in anticompetitive bundling or tying practices, given that:

- The merged entity would not have a significant degree of market power either on the market for the supply of mid-range servers or on the market for the supply of HPC systems.
- Customers purchasing cycles for each of the respective products are different and therefore not conducive to allow any anticompetitive tying or bundling strategy by the merged entity.
- The merged entity would not obtain a significant advantage by offering its datacentre switches as a bundle with either HPE's servers or HPE's HPC systems.
- Competitors could replicate and challenge any tied or bundled products.

The Commission therefore concluded that the proposed merger **would not raise competition concerns on any of the markets examined in the EEA** or on any substantial part of it. It therefore cleared the transaction unconditionally.

Companies and products

HPE, based in the US, is a company active in the development and marketing of business information technology for consumers in the EEA and globally. It offers infrastructure products to support the IT systems of customers and related software to automate and simplify IT operations, as well as cloud solutions. HPE's products include compute, storage, networking, high performance computing and artificial intelligence as well as software.

Juniper, based in the US, provides networking infrastructure, security, and other related solutions (hardware and software) to customers in multiple industries across the EEA and globally.

Merger control and procedure

The transaction was notified to the Commission on 27 June 2024.

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the [EU Merger Regulation](#)) and to prevent concentrations that would significantly impede effective competition in the EEA or any substantial part of it.

The vast majority of notified mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II).

More information will be available on the Commission's [competition website](#), in the Commission's [public case register](#) under the case number [M.11457](#).

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