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***Case No COMP/M.7032 - KONINKLIJKE REESINK/ PON  
EUROPEAN MATERIAL HANDLING BUSINESSES***

Only the English text is available and authentic.

**REGULATION (EC) No 139/2004  
MERGER PROCEDURE**

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Article 6(1)(b) NON-OPPOSITION  
Date: 02/10/2013

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## EUROPEAN COMMISSION

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 Where possible the information omitted has been replaced by ranges of figures or a general description.

Brussels, 02/10/2013  
C(2013) 6557

PUBLIC VERSION

MERGER PROCEDURE

### **To the notifying parties:**

Dear Madam; Dear Sirs

**Subject: Case No COMP/M.7032 - Koninklijke Reesink/ Pon European Material Handling Business  
Commission decision pursuant to Article 6(1)(b) of Council Regulation No 139/2004<sup>1</sup>**

(1) On 4 September 2013 the European Commission received notification of a proposed concentration pursuant to Article 4 of the Merger Regulation by which the undertaking Koninklijke Reesink N.V. (Netherlands) acquires within the meaning of Article 3(1)(b) of the Merger Regulation sole control of the undertakings Pon Material Handling Europe B.V. (Netherlands) and Motrac Hydraulik GmbH (Germany) and joint control of the undertaking Pelzer Fördertechnik GmbH (Germany) by way of purchase of shares.<sup>2</sup>

#### **1. THE PARTIES AND THE OPERATION**

- (2) Koninklijke Reesink N.V. (“Reesink”) distributes branded machinery and equipment, namely (i) machinery for agricultural, landscaping, construction and earth moving applications, (ii) professional cleaning machines, (iii) steel products and (iv) personal safety products, with a focus on the Netherlands and Belgium.
- (3) The proposed transaction consists of the acquisition by Reesink of all of the activities of Pon Holdings B.V. (“Pon”) in the field of material handling in Europe. Pon’s European material handling business consists of the three undertakings Pon Material Handling

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<sup>1</sup> 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.

<sup>2</sup> Publication in the Official Journal of the European Union No C 263, 12.09.2013, p. 12.

Europe B.V. ("PMHE"), Motrac Hydraulik GmbH ("Motrac") and Pelzer Fördertechnik GmbH ("Pelzer"). The business is mainly active in the distribution of (i) hydraulic components and systems for industrial, agricultural and shipping applications, (ii) internal transport equipment, (iii) professional cleaning machines, (iv) fast charging lithium ion battery solutions for the material handling market and (v) warehouse materials. PMHE, Motrac and Pelzer are jointly referred to as the "Target".

- (4) Under the terms of a Share Purchase Agreement signed on 1 July 2013, Reesink will acquire 100% of the shares in PMHE and Motrac respectively and 75.04% of the shares and 75% of the voting rights in Pelzer. The remaining 24.96% of the shares and 25% of the voting rights in Pelzer will continue to be held by Linde Material Handling GmbH ("Linde", together with Reesink and the Target jointly referred to as the "Parties"), part of the KION group.
- (5) Linde will continue to hold joint control over Pelzer together with Reesink pursuant to the terms of a Shareholders' Agreement between Reesink and Linde.<sup>3</sup> Decisions to [...] require Linde's prior consent.<sup>4</sup> Linde therefore has the possibility of exercising decisive influence over Pelzer by blocking actions which determine the strategic commercial behaviour of Pelzer.<sup>5</sup>
- (6) Pelzer constitutes a full-function joint venture. It has access to sufficient resources, including finance, staff and assets as well as management board dedicated to its day-to-day operation. Pelzer has its own independent market presence as a distributor of Linde's equipment but also of warehouse materials and professional cleaning machines of third parties. Thus its activities go beyond one specific function for its parents.
- (7) The proposed operation falls within the scope of paragraph 45 of the Commission's Jurisdictional Notice under Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings (hereinafter "the JN").
- (8) The acquisitions of sole control and joint control by Reesink as one same purchaser are interdependent from an economic point of view. The three transactions concern a single economic entity managed for a common commercial purpose, active on the same markets. Furthermore, the acquisitions are interdependent on a de jure basis as they are subject to the same Share and Purchase Agreement and one cannot take place without the other.
- (9) Therefore, the three transactions constitute one concentration in the form of the acquisition by Reesink of a single business within the meaning of Article 3 of the Merger Regulation.

## **2. EU DIMENSION**

- (10) The undertakings concerned have a combined aggregate world-wide turnover<sup>6</sup> of more than EUR 2 500 million<sup>7</sup>. In each of Belgium<sup>8</sup>, Germany<sup>9</sup> and the Netherlands<sup>10</sup> the

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<sup>3</sup> According to section 6.1.12 of the Share Purchase Agreement Reesink will accede to the Shareholders' Agreement previously concluded between Pon and Linde.

<sup>4</sup> Sections 4.2.1 and 6.1 of the Shareholders' Agreement, Annex 5 of the Form CO, pages 188ff.

<sup>5</sup> Paragraphs 65ff JN.

<sup>6</sup> Turnover calculated in accordance with Article 5(1) of the Merger Regulation and the JN.

combined aggregate turnover of the undertakings concerned is more than EUR 100 million and the aggregate turnover of at least two of the undertakings concerned is more than EUR 25 million. The aggregate EU-wide turnover of each of the undertakings concerned is more than EUR 100 million,<sup>11</sup> but they do not achieve more than two-thirds of their aggregate EU-wide turnover within one and the same Member State.

- (11) The notified operation therefore has an EU dimension within the meaning of Article 1(3) of the Merger Regulation.

### **3. COMPETITIVE ASSESSMENT**

- (12) The activities of Reesink and the Target overlap with respect to the sale of professional cleaning machinery in Belgium, Germany and the Netherlands. The proposed transaction does not create any other horizontal overlaps or any new vertical links<sup>12</sup> between the activities of the Parties.

#### **3.1. Relevant market**

##### *3.1.1. Relevant product market*

- (13) According to the Notifying Parties the relevant market should encompass all the various types of cleaning machines (such as: rider scrubbers; walk behind scrubbers; scrubber sweepers; rider sweepers; walk behind sweepers; burnishers and single disc machines; carpet extractors; vacuums; specialty cleaning equipment; outdoor and city cleaning machines), because virtually all sellers of professional cleaning machines offer a full range portfolio including all the types of machinery and equipment mentioned above.

- (14) Since the proposed transaction does not raise competitive concerns in view of the very limited overlaps and the marginal increment in market shares, the exact delineation of the relevant product market can be left open.

##### *3.1.2. Relevant geographic market*

- (15) According to the Notifying Parties the geographic scope of the relevant market should be considered as national, because the distribution of professional cleaning machinery has historically been organised at a national level with local sales offices and local presence of technical staff for product quality control as well as service and maintenance. The Notifying Parties also claim that customers generally prefer to purchase professional cleaning machines in their home countries due to a better availability of advice and support.

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<sup>7</sup> Reesink: EUR 185 million; Target: EUR [...] million; KION group: EUR 4 727 million.

<sup>8</sup> Reesink: EUR 36 million; Target: EUR [...] million; KION group: EUR [...] million.

<sup>9</sup> Reesink: EUR 8 million; Target: EUR [...] million; KION group: EUR 1 225 million.

<sup>10</sup> Reesink: EUR 141 million; Target: EUR [...] million; KION group: EUR [...] million.

<sup>11</sup> Reesink: EUR 185 million; Target: EUR [...] million; KION group: EUR [...] million.

<sup>12</sup> There is an existing vertical relation between Linde and Pelzer, since the latter is, among other activities, a distributor of Linde's transport equipment (e.g. forklifts).

(16) Since the proposed transaction does not raise competitive concerns in view of the very limited overlaps and the marginal increment in market shares, the exact scope of the relevant geographic market can be left open.

### 3.2. Assessment

(17) The activities of the Reesink and the Target overlap in the potential market for professional cleaning machines in Belgium, Germany and the Netherlands.<sup>13</sup>

(18) The market shares of the Parties and their competitors in the only affected market, i.e. the market for professional cleaning machines in Belgium, are presented in Table 1 below.<sup>14</sup> In Germany the combined market share of the Parties amounts to [0-5%] while in the Netherlands it amounts to [0-5%]. Should the relevant market be considered as EEA-wide, the combined market share of the Parties would necessarily be lower and not give rise to an affected market.

<b>Professional cleaning machines in Belgium in 2012</b>	
Target	[20-30%]
Reesink	[0-5%]
<b>Combined</b>	<b>[20-30%]</b>
Hako	[10-20%]
Nilfisk	[10-20%]
Taski	[10-20%]
Comac	[5-10%]
Other	[20-30%]
Total	100%

**Table 1 – Market shares in the potential market for professional cleaning machines in Belgium. Source: Form CO**

(19) As it results from Table 1, the increment in the market share in Belgium is minimal and amounts to [0-5%], resulting from Reesink's sales of [...] professional cleaning machines of a value of EUR [...] in 2012. There are a number of competitors active in the market. The remaining [20-30%] of the market is distributed among a number of smaller suppliers of professional cleaning machines.

(20) The Notifying Parties argue that the Parties are not specialized in any way and that they deliver a complete portfolio of cleaning machinery to various customer groups. They submit that the same is true for their competitors in Belgium. In addition the Parties' main competitors are active throughout the whole territory of Belgium and do not have a specific geographic focus.

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<sup>13</sup> The activities of the Parties do not overlap with respect to providing maintenance and service for professional cleaning machines, since Reesink only provides such services in the Netherlands where the Target is not active in such services.

<sup>14</sup> Market share data for 2012 resulting from the Notifying Parties' best estimates based on information received from their suppliers (i.e. manufacturers of professional cleaning machines). Sales data on which these estimates are based include also direct sales from manufacturers of cleaning machines to the customers.

(21) In view of the limited overlaps and marginal increment in market shares in the one affected market and the presence of a sufficient number of alternative suppliers, the proposed transaction does not change the competitive situation to an appreciable extent. The proposed transaction thus does not raise serious doubts as to its compatibility with the internal market.

#### **4. CONCLUSION**

(22) 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.

*For the Commission*  
*(signed)*  
*Joaquín ALMUNIA*  
*Vice-President*