



EUROPEAN COMMISSION  
DG Competition

***Case M.8091 - SEB INTERNATIONALE / WMF GROUP***

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: 21/11/2016

***In electronic form on the EUR-Lex website under document  
number 32016M8091***



## EUROPEAN COMMISSION

Brussels, 21.11.2016  
C(2016) 7668 final

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 Where possible the information omitted has been replaced by ranges of figures or a general description.

PUBLIC VERSION

**To the notifying party**

**Subject: Case M.8091 – SEB INTERNATIONALE / WMF GROUP  
Commission decision pursuant to Article 6(1)(b) of Council  
Regulation No 139/2004<sup>1</sup> and Article 57 of the Agreement on the  
European Economic Area<sup>2</sup>**

- (1) On 14 October 2016, the European Commission received notification of a proposed concentration pursuant to Article 4 of the Merger Regulation by which the undertaking SEB SA ('SEB', France), through its wholly owned direct subsidiary SEB Internationale SAS ('SEB Internationale', France), acquires within the meaning of Article 3(1)(b) of the Merger Regulation sole control of the whole of WMF Group GmbH ('WMF', Germany), through its parent company Finedining Topco GmbH ('Finedining', Germany).<sup>3</sup> SEB and WMF are collectively referred to as the 'Parties'.

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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> OJ L 1, 3.1.1994, p. 3 (the 'EEA Agreement').

<sup>3</sup> Publication in the Official Journal of the European Union No C 391, 22.10.2016, p. 18.

## **1. THE PARTIES**

- (2) SEB is a French-based publicly listed global manufacturer of electric and non-electric kitchen appliances as well as of small electric appliances for home and personal care. Its activities in relation to small non-electric kitchen appliances cover the design, manufacture and distribution of cookware products, such as pots, pans and pressure cookers; bakeware products; cutlery sets and other kitchen devices for food preparation and food storage. These products are distributed under its brands Tefal, Lagostina, All-Clad and OBH Nordica.
- (3) WMF is a manufacturer and distributor of professional coffee machines and tableware for professional use. Its consumer division produces and distributes cookware products, bakeware, kitchen utensils and cutlery, and small electric kitchen appliances ('SEKAs'). WMF distributes its consumer products under its brands WMF, Silit and Kaiser.

## **2. THE OPERATION**

- (4) Pursuant to a share purchase agreement signed on 21 May 2016, SEB Internationale will acquire 100% of the shares in Finedining, the parent company of WMF (the "Transaction"). The Transaction constitutes a concentration within the meaning of Article 3(1)(b) of the Merger Regulation.

## **3. EU DIMENSION**

- (5) The undertakings concerned have a combined aggregate worldwide turnover of more than EUR 5 000 million [*SEB: EUR 4 770 million; WMF: EUR 1 061 million*]. Each of them has an EU-wide turnover in excess of EUR 250 million [*SEB: EUR [...]; WMF: EUR [...]*]. While WMF achieved more than two thirds of its EU-wide turnover in Germany, SEB did not. The notified operation therefore has an EU dimension.

## **4. RELEVANT MARKETS**

- (6) The activities of the Parties overlap and give rise to affected markets in the markets for cookware products and in several markets for SEKAs.

### **4.1. Cookware products**

#### *4.1.1. Product market definition*

##### *4.1.1.1. Notifying Party's view*

- (7) The Parties submit that there is one overall market for all cookware products at wholesale level. This product market would include all non-electric kitchen appliances made of materials that do not melt and that are primarily used for cooking purposes, such as pots, pans, pressure cookers and woks.<sup>4</sup>

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<sup>4</sup> Form CO, paragraph 96.

- (8) The Parties have considered a delineation of the markets for cookware products according to: (i) type of product (pots, pans, pressure cooker and woks); (ii) the distribution channel used; (iii) product material, (iv) quality/price range; and (v) between branded products and private label products. However they argue that none of these delineations is justified, as there is supply-side and demand-side substitutability between the products of these different categories.<sup>5</sup>
- (9) As regards the delineation by category of products (pots, pans, pressure cookers, woks), the Notifying Party argues first that consumers usually use these products indifferently.<sup>6</sup> Second, retailers procure from suppliers an assortment or range of different categories of cookware products. Third, suppliers generally offer a full range of cookware products and could easily switch production capacity among the different categories of cookware products.
- (10) As regards the delineation by distribution channel, the Notifying Party submits first that all distribution channels offer the full range of cookware products.<sup>7</sup> Second, consumers buy cookware products from all distribution channels and favour the one that can offer the product that they want at the best price. Third, suppliers have very limited ability to price discriminate between distribution channels.
- (11) As regards the delineation by quality/price range of product, the Notifying Party argues that the majority of consumers consider the products of different quality and price range as fully interchangeable.<sup>8</sup> Second, distinguishing between quality/price ranges of products would be inherently arbitrary. Third, suppliers are able to produce products of different quality/ price ranges.
- (12) As regards the inclusion of private label products in the market together with branded products, the Notifying Party argues that the former put considerable price pressure on the latter.<sup>9</sup>

#### 4.1.1.2. Commission's market investigation and assessment

##### *Results of the market investigation*

- (13) The Commission has not in the past defined the market(s) for cookware products.
- (14) During the market investigation, the Commission sought the views of suppliers and wholesale customers of cookware products on the potential delineation of the cookware products market according to the categories mentioned in paragraph (8) above.
- (15) The wide majority of customers consider that the market for cookware products should not be divided according to the different categories of products: pots, pans,

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<sup>5</sup> Form CO, paragraphs 96-99.

<sup>6</sup> Form CO, paragraph 98.

<sup>7</sup> Form CO, paragraph 98.

<sup>8</sup> Form CO, paragraph 98.

<sup>9</sup> Form CO, paragraph 98.

pressure cookers, woks.<sup>10</sup> Those who substantiated their view explain that most suppliers supply all categories of products and that distributors purchase all categories products.<sup>11</sup> The replies of suppliers are however inconclusive on this point. Some suppliers also support the view that different categories of cookware products should not be considered separately, while others suggest the opposite.<sup>12</sup>

- (16) The majority of wholesale customers also consider that cookware products of different quality/ price range should not be considered separately either.<sup>13</sup> However, a majority of suppliers supported the opposite view. They explain that products of different price/quality ranges are usually distributed through different distribution channels and that prices vary significantly depending on the quality of the product<sup>14</sup>.
- (17) As regards distribution channels, the majority of wholesale customers consider that distribution channels should not be used as a delineation criterion. However, the majority of suppliers argued the opposite.<sup>15</sup> They argue that the different distribution channels do not distribute cookware of the same price/quality range and distinguish between mass distribution channels and premium ones. The Commission notes in that regard that the differentiation may therefore rather be between quality/price ranges of products than between distribution channels.
- (18) Both the majority of customers and of suppliers consider that cookware products should not be considered separately according to the material of which they are made.<sup>16</sup> Respondents who substantiated their view pointed out that all cookware products of the same categories serve the same purposes, irrespective of the material of which they are made.<sup>17</sup> They also explained that the product's material is not an important factor in most consumers' choice of cookware products.
- (19) A majority of customers consider that private labels products and branded products are part of the same market. The replies of suppliers on this point are however inconclusive. Some suppliers also supported that view, while others considered that they belonged to different markets, as private labels cannot be found in all distribution channels.<sup>18</sup>

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<sup>10</sup> Questionnaire to customers in Germany and Austria, question 7.

<sup>11</sup> Questionnaire to customers in Germany and Austria, question 7.

<sup>12</sup> Questionnaire to competitors in Germany and Austria, question 6.

<sup>13</sup> Questionnaire to customers in Germany and Austria, question 9.

<sup>14</sup> Questionnaire to competitors in Germany and Austria, question 8.

<sup>15</sup> Questionnaire to customers in Germany and Austria, question 10; Questionnaire to competitors in Germany and Austria, question 9.

<sup>16</sup> Questionnaire to customers in Germany and Austria, question 8; Questionnaire to competitors in Germany and Austria, question 7.

<sup>17</sup> Questionnaire to competitors in Germany and Austria, question 7.

<sup>18</sup> Questionnaire to customers in Germany and Austria, question 11; Questionnaire to competitors in Germany and Austria, question 10.

### *Commission's assessment*

- (20) As regards the delineation of cookware markets according to distribution channels, the Commission notes first that consumers have access to and shop in every distribution channel. They usually compare the products and price across the different channels and buy from the one that offers the product they want at the best price. Second, the Commission notes that this categorisation is linked to the distinction based on quality/price of products and does not constitute a delineation of its own. As noted in paragraph (17) above, the market investigation revealed that the main reason for distinguishing between distribution channels was the fact that they focused on different price/quality segments; respondents distinguishing between mass distribution channels and premium channels. The Commission therefore considers that a delineation of the cookware market(s) according to this criterion is not justified.
- (21) As regards the delineation of the cookware market(s) according to the quality/price of products, the Commission notes first of all that the products of each category of cookware (pots, pans pressure cookers) serve the same purpose, whatever their quality or price. Second, the Commission notes that delineating the cookware market(s) according to price/ quality is a difficult exercise which involves a high degree of subjectivity. There is no established scale to measure quality and the limit between each price categories is very blurry. There are products at every price points and, whereas a product which cost say EUR 30 may not necessarily compete with a EUR 60 product, it will compete with a EUR 45 product which will in turn compete with the EUR 60 product. The Commission therefore considers that a delineation of the cookware market(s) according to quality/price is not justified. Rather the cookware product market(s) should be seen as overall markets but differentiated from a price/quality point of view.
- (22) As regards the delineation according to material, the Commission notes first that products belonging to each category of cookware (pots, pans, pressure cookers) serve the same purpose, whatever the material they are made of. Second the Commission notes that this delineation was clearly rejected by respondents to the market investigation, as noted above in paragraph (18). Third, the Commission notes that from an end consumer point of view, there is little difference between products made of different materials and that many customers do not know the specificities of each material. The Commission therefore considers that such delineation is not justified.
- (23) As regards the delineation between private labels and branded products, the Commission notes first that products belonging to each category of cookware (pots, pans, pressure cookers) all serve the same purpose, whether they are private labels or branded products. Second, the Commission notes that many consumers have both private label and branded cookware products at home and use them interchangeably. Third the Commission notes that some suppliers of branded products also manufacture products for private labels. Fourth, the Commission notes that private labels cookware products are available in many important

distribution channels.<sup>19</sup> The Commission therefore considers that such delineation is not justified.

- (24) Based on the above, the Commission considers that the results of the market investigation support a definition of the cookware market as one overall market with differentiation taking place by type of product, quality, price, material used and distribution channels used.
- (25) However, the Commission considers that it cannot be entirely excluded that different categories of cookware products belong to different product markets. In that regard, the Commission notes that, while for suppliers and wholesale customers different categories of cookware products might be interchangeable, from an end-consumer perspective different cookware products usually serve different purposes. While pans are used mostly for frying, pots are generally used for boiling and for cooking dishes in sauce. Moreover, the Commission notes that, as shown below in Table 4, the individual market shares of the Parties vary significantly per type of product, which may be an indication that they do not face the same competitive constraints for all type of products.
- (26) In any event, the Commission considers that for the purpose of the present case, the exact definition of the market for cookware products can be left open, since no serious doubts arise as to the compatibility of the Transaction with the internal market whether cookware products are segmented by different product categories or considered together.

#### *4.1.2. Geographic market*

##### *4.1.2.1. Notifying Party's view*

- (27) The Parties submit that the market for cookware products is EEA-wide or at least regional in scope. They argue that this is indicated by several convergence trends such as the fact that: (i) a large part of the production is done in China; (ii) the overall offer of cookware products is the same across countries; (iii) online distribution has increased significantly over the last 15 years; and (iv) sales conditions at wholesale level have become more harmonised.

##### *4.1.2.2. Commission's investigation and assessment*

- (28) The Commission notes from the outset that, while it has not in the past defined the geographic market(s) for cookware products, it has in many cases considered markets for branded consumer goods as national in scope<sup>20</sup>.
- (29) Moreover, the results of the market investigation support a definition of the geographic cookware products as national in scope. A wide majority of wholesale customers explained that they negotiate contracts for the supply of cookware products on a national basis and based on national price lists. Some suppliers explained that they negotiate contracts for the supply of their products on an EEA-wide basis, while others explained that negotiations take place on a national

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<sup>19</sup> Questionnaire to customers in Germany and Austria, question 6.

<sup>20</sup> See for example, decision of 11.11.2003, M.2621 SEB / Moulinex, recital 60.

basis.<sup>21</sup> Several respondents also explained that brand awareness and cooking preferences vary per country.<sup>22</sup>

- (30) The Commission therefore considers that the markets for cookware products are national in scope.

## **4.2. Small electric kitchen appliances ("SEKAs")**

### *4.2.1. Product market definition*

- (31) The Commission has defined the markets for SEKAs in case M.2621 SEB / Moulinex per category of product according to these products' use and purpose.<sup>23</sup> In particular, the Commission considered that separate markets exist for each of:

- a. Toasters: the basic function of this appliance is to toast bread using electrical heating elements attached to each of its walls. Certain complementary functions may be added, such as defrosting, or heating baguettes, rolls and buns.
- b. Sandwich makers and waffle makers: this category includes all electrical appliances for cooking waffles and toasted sandwiches.
- c. Appliances for informal meals (stonegrill, party-wok, raclette, fondue, etc.): this category covers a large number of very diverse electrical appliances designed for preparing friendly meals based on a recipe of a regional or exotic nature.
- d. Water kettles: containers fitted with an integrated heating element for heating water.
- e. Electric barbecue and indoor grills: this segment comprises barbecues and indoor grills used for cooking, for example, meat, fish and brochettes.

- (32) The Commission considers that these market definitions can also be applied to the present case. Nothing in the Commission's market investigation suggests that the product market definition should be changed in the present case. Moreover these market definitions are also supported by the Notifying Party.

### *4.2.2. Geographic market*

- (33) The Parties submit that the markets for SEKAs are EEA-wide or at least regional in scope. They argue that the convergence trends listed in paragraph (27) are also present in these markets.
- (34) In its decision in SEB / Moulinex, the Commission defined the markets for SEKAs as national in scope, except for the UK and Ireland, which were considered to form a single geographic market.<sup>24</sup>

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<sup>21</sup> Questionnaire to customers in Germany and Austria, question 13.

<sup>22</sup> Questionnaire to customers in Germany and Austria, question 16.

<sup>23</sup> Decision of 11.11.2003, M.2621 SEB / Moulinex, recital 20.



- (35) Moreover, the Commission notes that as shown in **Table 18** to **Table 30** below, the market shares and competitors of the Parties tend to vary significantly per country, which may indicate that they do not face the same competitive constraints in all of them.
- (36) The Commission therefore considers that markets for SEKAs should also be considered as national in scope in the present case. Nothing in the Commission's market investigation suggests that the geographic market definition should be changed in the present case.

## 5. COMPETITIVE ASSESSMENT

### 5.1. Introduction

- (37) **WMF** designs, manufactures and distributes a wide range of premium cookware products which are distributed under its brands WMF and Silit. The company is also active in the production of kitchen utensils for food preparation<sup>25</sup> and food storage systems<sup>26</sup>. Under its brand Kaiser, WMF produces and sells bakeware products<sup>27</sup>. WMF also produces SEKAs such as mixers, smoothie makers, toasters and water kettles. Furthermore, WMF generates [30-40]%<sup>28</sup> of its turnover through the manufacture and distribution of professional coffee machines and tableware equipment, sectors in which SEB is not active.
- (38) WMF's geographical focus is centred on the DACH region, covering Germany, Austria and Switzerland. Its products are mainly present in department and furniture stores as well as specialist retailers, but the company also owns a network of around 200 retail stores located mostly in Germany and Austria, but also in France, Bulgaria, Switzerland and the Netherlands.
- (39) **SEB** produces and distributes a full range of cookware products, including pans, pots and pressure cookers of different sizes, volumes, forms and materials, such as aluminium, ceramic, enamel on steel, glass or stainless steel. In the EEA, SEB markets and sells its cookware products mainly under the Tefal brand, more high-end products also under Lagostina and All-Clad brands. In Scandinavia, SEB sells its cookware products also under the OBH Nordica brand.
- (40) SEB is also active in the production of bakeware products, under its Tefal brand, and kitchen utensils, food storage products and SEKAs under its brands Tefal, Rowenta, Moulinex, Krups, Calor and ONH Nordica. Additionally, SEB produces home and personal care equipment as well as garden equipment and accessories. WMF is not active in these product areas.

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<sup>24</sup> Decision of 11.11.2003, M.2621 SEB / Moulinex, recital 20.

<sup>25</sup> For example, kitchen knives of various kinds, knife sharpeners, meat forks, scissors, special cutters, smashers, slicers, graters, peelers, etc.

<sup>26</sup> For example, glass bowls and jars with sealable lids, metal or functional ceramic bowls with sealable lids, bread bins and butter dishes, etc.

<sup>27</sup> For example, baking pans, baking sheets, muffin pans, springform pans, loaf pans and baking utensils, etc.

<sup>28</sup> See Form CO Annex 5.4.01 Project Presentation, slide 11.

- (41) The Transaction gives rise to a number of horizontally affected markets at national level in relation to cookware and certain SEKAs. The assessment of the compatibility of the Transaction with the internal market will essentially focus on non-coordinated horizontal effects in the markets for cookware, and several SEKAs where the Parties' activities overlap. The Commission's market investigation and assessment put special emphasis in the European countries where WMF's presence is established and therefore the Transaction would potentially have greater impact. This concerns mainly Germany and Austria<sup>29</sup>.
- (42) There are no actual vertical relationships between the Parties. Furthermore, although WMF is active in the retail of cookware products through its own retail stores to end-customers in Germany, Austria, Bulgaria, France and the Netherlands, its market position at the retail level in any of these countries is below [20-30]%. Similarly, SEB only has very limited retail sales in a limited number of EEA-countries (including Austria, Germany, the Netherlands and France. The market share of SEB's own retail activities is below [5-10]% in each relevant country. The combined market share of the Parties' own retail stores in the EEA or any Member State would be below [20-30]%.
- (43) Combined market shares on the Parties in the upstream market, production/wholesale of cookware are above [30-40]% in Austria, Germany and France and also on the production/wholesale level in toasters and water kettles in France. Significant vertical anticompetitive effects deriving from the Transaction can be excluded. WMF's own retail activities in the aforementioned product categories merely represent a separate distribution channel, which serves the distribution and direct sales to end-customers of WMF's products. While WMF also sells some products of third-party suppliers in its own retail stores (such as ceramic products of Villeroy&Boch), all these third-party products are complementary to WMF's and SEB's product range. In particular, WMF does not sell any cookware or bakeware products, toasters or water kettles of its competitors in its retail stores. Therefore, WMF is not active as a "general retailer" for cookware products or SEKAs. There is thus not even a potential supply relationship between WMF's retail activities and SEB's activities on the upstream markets.
- (44) The Commission will carry out a general assessment of the unilateral horizontal effects of the Transaction in cookware markets concerned (Section 5.2), presenting a general analysis across the main countries affected (Section 5.2.1) before undertaking a more detailed assessment on a country per country basis.
- (45) The Commission will then assess the effects of the Transaction on the different markets for SEKAs concerned at EEA country level (Section 5.3).

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<sup>29</sup> While the Transaction leads to a number of national affected markets, including Belgium, Czech Republic, France, Latvia, The Netherlands and Slovenia, market share increments brought about by the Transaction are generally very limited and in most cases below [0-5]%. See Table 7.

## 5.2. Cookware markets

### 5.2.1. Elements common to the country-by-country assessment of cookware markets

(46) The Commission has considered several elements, which are relevant for the assessment of the effects of the Transaction across the national markets affected.

#### 5.2.1.1. Positioning of brands and closeness of competition

##### *Overview of competitors and brands*

(47) As regards SEB, Tefal is the main cookware brand concerned in the markets at hand. Tefal is described by the Parties as a “non-premium brand” targeting the mass distribution channel and the lower-to medium price/quality range. SEB's portfolio also includes Lagostina and All Clad which are premium brands with a different geographic focus (Lagostina on Italy<sup>30</sup> and All Clad on the US).

(48) WMF's brands, on the other hand, target the premium price/quality range. The WMF brand is the “general design, functionality and quality” brand whereas Silit focuses on addressing health aspects with its unique “Silargan” properties. Both the WMF and the Silit brands are managed by the same sales force, and negotiations with customers are conducted jointly for both brands.<sup>31</sup>

(49) While the WMF brand is focused on the high-end of the cookware market, the Silit brand for historic reasons covered both high-end products and a limited range of mid-level products. However, the Parties put forward that also the Silit brand has been reoriented towards the premium channel since 2014. Both brands are predominantly sold in WMF's own retail shops, department and furniture stores as well as specialised retailers. Only a limited range of Silit products (but not WMF products) are still available in the mass/hypermarket sales channel.

(50) The competitive landscape in the cookware markets is characterised by a high number of players. An overview of competitors and their brands in the Austrian and German cookware markets where the overlaps are the largest can be found in Table 1 below:

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<sup>30</sup> The Lagostina brand is specifically positioned around Italian cooking and lifestyle. Its marketing approach is “share the pleasure of Italian cooking” which is explained by specific cookware products related to the Italian kitchen (Pasta pots, Risotteria, Lasagne pans etc.). Lagostina's and WMF's brand positioning are different and rather complementary. In Europe, Lagostina is mainly active in Italy and in France where WMF's market position is weak. Lagostina is only rarely sold in Germany. Form CO, paragraph 375-376.

<sup>31</sup> Until 2015, the two brands were sold by separate sales teams each dedicated to one brand. In 2015, WMF changed its approach. Sales teams covering all brands (including the “Kaiser” brand for bakeware) were created. In addition, WMF introduced its new Terms & Conditions (T&C) system in Germany in 2015. The aim of the new T&Cs was to provide for incentives for department stores and specialised retailers to implement WMF's brand presentation, especially its “shop-in-shop” concept (which includes all three brands). See Form CO footnote 74.

**Table 1 - overview of main competitors and brands in the Austrian and German cookware markets.**

Parent Company	Brand	Origin	Founded	Market Positioning	Global Sales	Comments
<b>Fissler</b> <sup>32</sup>	Fissler	Germany	1845	Generalist / high end	250 M€	814 employees, of which abt. 500 are in Germany. Presence in more than 80 countries (73% of sales realized abroad in 2014)
<b>Schulte-Ufer</b>	Schulte-Ufer	Germany	1886	Generalist / high end	13 M€	Mostly in Germany
<b>Werhahn (Zwilling)</b>	Zwilling	Germany	1731	High-end	350 M€	1,650 employees of which 750 in Germany. 80% Sales outside Germany
<b>Elo</b>	Elo	Germany	1934	Generalist / mass	10 M€	Turnover, mostly in Germany
<b>Steuber GmbH</b>	Culinario	Germany	1986	Generalist / mass	30 M€	Turnover (including other cleaning market), presence in 7 countries (among which Germany, Slovenia, United-Kingdom and Czech republic)
<b>Woll</b>	Woll	Germany	1979	Cast aluminium / high end		Exports to 52 countries
<b>Rösle</b> <sup>33</sup>	Rösle	Germany	1888	Stainless steel/high end	78 M €	Approx. 200 employees (Cook- and Kitchenware, grill/BBQ). Presence in more than 50 countries; main markets: Germany (86% of sales) USA, UK, Austria, BeNeLux and France.

<sup>32</sup> Fissler is a German manufacturer of stainless steel pots, aluminium coated frying pans and pressure cookers mainly in the middle and upper market segment. Its annual turnover is EUR 250 million worldwide, EUR 45 million in Germany and EUR 20 million in other European countries. Some of its key markets are in Asian countries such as China and Korea. It sells its products through independent retailers, furniture stores, department stores, specialist outlets and online businesses. See minutes of conference call of 16 September 2016.

<sup>33</sup> Rösle is a medium-sized, family-owned manufacturer of high-quality non-electric kitchenware with a focus on Europe, and particularly Germany, as well as sales in the USA, Canada, Brazil and Asia. It produces cookware made from the highest grade 18/10 stainless steel. See letter of 26 September 2016.

Parent Company	Brand	Origin	Founded	Market Positioning	Global Sales	Comments
Le Creuset <sup>34</sup>	Le Creuset	France	1925	Cast iron / high end	250 M€	850 Employees, of which 100 in Germany. 25 own country subsidiaries.
Werhahn (Zwilling)	Ballarini	Italy	1889	Generalist / mass	60 M€	300 employees. Turnover mostly in Italy and Germany
Ikea	Ikea	Sweden	1943	Generalist / Low end	31 000 M€	328 stores in 28 countries
Mercator d.d.	Bialetti	Italy	9	Pro/Mass	172 M€ (2015) (Cookware 73 M€)	Europe = 94% of total turnover (mostly Italy = 71%, North America = 2%, Rest of the world = 4%) 968 employees

Source: Form CO table 6.

### *The Notifying Party's arguments*

- (51) The Notifying Party submits that SEB and WMF are not close competitors in the markets concerned<sup>35</sup>. The Parties acknowledge that their brands are well-established ones, but claim however that they do not compete closely with each other as they target different market segments, distribution channels and consumer types.
- (52) The lack of a close competitive relationship between the Parties is reflected in the price differences between the Parties' products. Prices for products distributed under WMF's brands are significantly higher than the products distributed under the Tefal brand.
- (53) The Notifying Party considers that SEB's and WMF's cookware brands WMF and Tefal are rather complementary. This would be true for all geographical cookware markets where WMF and Tefal cookware products are offered. Tefal does not include higher price products in its assortment whereas WMF offers products at a premium price level and is only present in channels which are consistent with its premium brand image. Department stores and specialty retailers who sell WMF products are required to present the brand in a "premium" way, which includes special store furniture, an attractive environment and consultative sales support.

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<sup>34</sup> Le Creuset is a family-owned business operating 45 subsidiaries worldwide. The company was established in 1925 and specialises in enamelled cast iron cookware, multi-ply stainless steel, toughened non-stick, and stoneware, along with its range of wine accessories. Cast iron cookware is the core business of the company, a market in which is considered a market leader worldwide. In the last 20 years, Le Creuset has expanded its portfolio of products to include other categories of cookware and houseware products. These include aluminium and stainless steel pans, a bakeware range and other accessories. Le Creuset is sold in more than 60 countries around the world including the US, UK, Japan and Australia. Its single production facility is located in Fresnoy-le-Grand, France. See minutes of conference call of 22 September 2016.

<sup>35</sup> Form CO, paragraphs 174 to 188.

(54) In particular, in relation to their distribution strategies the Parties explain that Tefal is a brand known for bringing a good price/value offer in the low- to medium price range. As a consequence, SEB's commercial strategy is to be – in priority – where shoppers look for an offer in this price range: in mass, on the internet, to a lesser extent in electro specialists. The Tefal brand has no permanent listing in place in department stores. Conversely, WMF is particularly focused on selective retail (i.e. department stores, furniture stores and specialist retailers) with its “shop-in-shop” model, and has very limited presence in the mass market channel. More specifically, WMF's general strategy of selling its range of products is as follows:

- “WMF” branded products are sold via selective channels, in particular to department stores, furniture stores, specialised retailers and via its own retail stores; and
- “Silit” products are mostly sold to the same selective channels as WMF whilst – for historic reasons – a limited promotional assortment and some sales are generated in mass channels, i.e. in particular hypermarkets.

*The Commission's market investigation and assessment*

- (55) The Commission considers that cookware markets are differentiated markets where product differentiation takes place in terms of quality, design, materials used, specifications and price.
- (56) The relevance of price is variable but it remains an important driver, together with brand status. Price appears to be the main driver particularly in the mass distribution channel, where price sensitivity of consumers is high; and brand status is of lesser importance. Conversely, in the premium market segment, brand status and loyalty play a very important role as do the engagement in quality, brand and design. Price sensitivity is lower in this segment than in other market segments.
- (57) At the wholesale level, retailers generally purchase cookware products from a number of different suppliers in order to ensure the presence of a range of different brands in their retail stores. Pricing and expected profitability of the products play a major role for retailers.
- (58) The Commission assessed the Parties' closeness of competition in the production of cookware products in the affected markets. In this analysis, brand awareness and positioning, price differences and distribution channels used were taken into consideration.
- (59) First, the Commission reviewed a series of brand barometers prepared by third parties and used by the Parties themselves in their activities to monitor their positioning<sup>36</sup>. An analysis of these documents reveals similar levels of very high brand awareness concerning the Tefal and WMF brands of the Parties in the DACH-region.

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<sup>36</sup> See Form CO annexes 5.4.-10 to 5.4.-17b.

- (60) In Austria, Tefal would enjoy a level of brand awareness of [80-90]%, closely followed by WMF at [80-90]%, and Fissler at [80-90]% while Silit reaches only [30-40]%<sup>37</sup>. Similarly, in Germany, WMF leads market presence with a level of brand awareness of [90-100]%, ahead of Tefal at [80-90]%, and followed by Fissler [70-80]% and Silit [70-80]%<sup>38</sup>.
- (61) Outside the DACH-region, however, the situation differs substantially. For instance in France, where Tefal enjoys very high brands awareness, WMF brands do not appear in the benchmarking, reflecting the very weak presence of WMF in the French market<sup>39</sup>.
- (62) While the brand barometers show very similar levels of brand awareness for WMF and Tefal in Germany and Austria, the Commission has also taken into account in its analysis of the closeness of competition between the Parties a number of other indicia, including the market segments and consumer groups targeted by the respective brands.
- (63) The brand barometers show that both WMF and Tefal are strong brands, but they have different identities. WMF is a premium brand with a strong attribution on all analysed key brand values (perceived as “top-of-the-range” by [70-80]% of the consumers), Tefal cookware has a lower attribution to those key brand values.
- (64) Furthermore, the internal documents provided by the Parties identify Fissler and Zwilling group<sup>40</sup> as WMF’s primary competitors<sup>41</sup> in the DACH-region.
- (65) Second, an analysis of the distribution channels mainly used by the Parties to distribute their cookware products shows important differences in the segments targeted by the Parties’ cookware brands in the countries concerned.
- (66) The table below indicates the proportion of the Parties’ turnover by channel in the main affected cookware markets 2015.

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<sup>37</sup> Annex 5.4.17a, slide 6.

<sup>38</sup> Annex 5.4.17b, slide 5.

<sup>39</sup> Annex 5.4.10, slide 8.

<sup>40</sup> While the Zwilling brand as such is mainly focused on knives and less on cookware, the owner of the Zwilling brand (the Werhahn group) also controls the well-known cookware brands Ballarini and Staub.

<sup>41</sup> Annex 5.4.-49, slides 18 and 43.

**Table 2 - Parties' turnover (m EUR) and proportion of the Parties' turnover (%) by channel in 2015**

		Dept. St./ Furn. St.	Specialist s	Hypers/ Food/ DiY	E-Com	Own Retail	Loyalty	B2B & Others	Total
<b>SEB</b>	Germany	[...]	[...]	[...]	[...]	[...] <sup>42</sup>	[...]	[...]	[...]
		[0-5]%	[5-10]%	[20-30]%	[10-20]%	[5-10]%	[40-50]%	[0-5]%	100 %
	Austria	[...]	[...]	[...]	[...]	[...] <sup>43</sup>	[...]	[...]	[...]
		[20-30]%	[5-10]%	[40-50]%	[0-5]%	[20-30]%	[0-5]%	[0-5]%	100 %
<b>WMF</b>	Germany	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
		[30-40]%	[10-20]%	[0-5]%	[10-20]%	[20-30]%	[0-5]%	[0-5]%	100 %
	Austria	[...]	[...]	[...]	[...]	[...]	[...]	[...]	[...]
		[30-40]%	[10-20]%	[10-20]%	[0-5]%	[10-20]%	[10-20]%	[5-10]%	100 %

Source: Form CO table 5.

- (67) Table 2 shows that Tefal is mostly sold through mass channel outlets. In Germany, SEB conducts most of its sales through hypermarkets and supermarkets ([60-70]%), and high percentages are shown also in Austria ([40-50]%). Sales in selective distribution like department stores and specialist retailers are limited to [5-10]% Germany, although they reach [30-40]% in Austria.
- (68) On the other hand, WMF distributes its cookware products in the countries concerned mainly through selective retail channels. In Germany, [70-80]% of its sales are done through department stores, specialists retailers and WMF's own network of retail shops. Only [5-10]% of WMF's sales are done through hypermarkets and supermarkets, whether by means of direct sales or in the context of loyalty programmes. Similarly in Austria, sales through premium retail amount to [60-70]%, with however a slightly higher percentage of sales conducted through mass retailers ([20-30]%) due in part higher participation in loyalty programmes (see section 5.2.1.2 on loyalty programmes).
- (69) Moreover, sales through online commerce are a relevant feature of the German cookware market, where SEB conducts [10-20]% of its sales and WMF [20-30]%.

<sup>42</sup> SEB does not have a country-wide, large network with own retail stores. In Germany, SEB is present with 10 of Krups GmbH's Home & Cook retail stores, mainly located in factory outlet centers (locations are Ahrensburg, Brehna, Neumünster, Offenbach, Solingen, Soltau, Stuhl, Wolfsburg, Wustermark and Zweibrücken). The concept of these stores is not limited to cookware. Instead, the stores carry a wider range of products of SEB under the brands Krups, Lagostina, Moulinex, Rowenta and Tefal. There are also two Home & Cook stores located in factory outlet centers in Austria (locations are Salzburg and Parndorf).

<sup>43</sup> Ibid.



- (70) The assessment is complemented by further information provided by the Parties on the basis of third party reports<sup>44</sup>. Indeed, market data gathered show the positioning of competing cookware brands across various channels in Germany. They show the positioning for the “top twenty references”, i.e. twenty most selling products, for the main dimensions of pots ([...] and [...] cm) and pans ([...] and [...] cm). Overall, these products represent about [50-60]% of the cookware sales in pots and [60-70]% of the cookware sales in pans.
- (71) For pots, the analysis shows that SEB’s brands have limited presence in this product type. SEB's products are not part of the top 20 references for one dimension ([...] cm) whereas for the [...] cm there are two references in mass distribution with the brand Tefal Jamie Oliver.
- (72) For pans, where Tefal's presence is substantial, the analysis underlines the distinct characteristics of each channel.
- (73) The presence of Tefal in mass distribution reflects its positioning in the entry to medium price segment (price range from EUR 8 to EUR 32) and having 5 or 4 references (depending on the size of the pan) among the first 20. WMF is only present in this distribution channel through its brand Silit, which has one reference in relation to one of the pans sizes and was part of a loyalty programme. In this distribution channel, Tefal is listed among the top 20 references together with other mass brands (Brozio, Culinario, TCM) but also with no name products and key retailers’ own brands. All competitors are positioned in this channel within a tight price range, from 38 to 10 euros and from 25 to 8 euros, depending on the size.
- (74) In the premium distribution channels, the presence of WMF through its two brands WMF and Silit is very strong (with 11 to 13 references in specialist retailers and 4 in department stores, among the top 20 references) whereas Tefal has one single reference, only in specialist retailers. Main competitors in this distribution channel appear to be Fissler with 6 or 7 references (depending on the size of the pan) among the first 20 but also Woll, Rösle, Schulte-Ufer and Ballarini. The price range for pans in this premium distribution is quite large with prices ranging from 149 euros to 51 euros in specialist retailers and from 117 euros to 24 euros in department stores.
- (75) Third, the results of the market investigation confirmed WMF’s position as the strongest brand in cookware in Germany and Austria. Customers responding to the market investigation indicated that “*WMF has a particular advantage in the brand awareness and positioning in retail*”<sup>45</sup>. A clear majority of customers responding to the market investigation consider Fissler as WMF's closest competitor<sup>46</sup>. Other brands that were pointed to as closely competing with WMF's brands were Spring, Le Creuset, Zwilling and Rösle.

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44 Annexes B1 and B2 for the Form CO.

45 See replies to Commission questionnaire to customers Q1, question 19.

46 See replies to Commission questionnaire to customers Q1, question 21.

- (76) In view of the elements exposed above, it appears that SEB and WMF are not particularly close competitors in cookware products and are clearly not each other's closest substitutes.

#### 5.2.1.2. Loyalty programmes

- (77) Presence in loyalty programmes is a special feature of cookware product markets. Loyalty programmes are run by retailers in order to drive traffic in their stores and strengthen shoppers' loyalty. Loyalty programmes consist in offering products (mainly cookware, but also small electric kitchen appliances) at heavily discounted prices subject to the presentation by consumers of a defined number of proofs of purchase ("stamps") at participating stores. They represent a marketing instrument for retailers - by running large promotions, retailers pursue the objective to increase consumer traffic and loyalty<sup>47</sup>.
- (78) A loyalty programme generally lasts 12 to 16 weeks during which consumers collect stamps with each of their purchases and then are entitled to purchase a defined list of consumer goods (usually below 15 items) from various product categories at lower prices. The relevant items are presented in specific displays (e.g. head of gondolas) with some advertising and marketing tools (leaflets, posters, catalogues). The product categories offered in loyalty programmes are various, cookware being just one category competing with small domestic appliances, DIY-tools, luggage, storage, etc.
- (79) Loyalty programmes are most relevant in the mass market channel. Most supermarkets and hypermarkets in Europe operate loyalty programmes (for example, Metro, Tesco, REWE, Edeka, Carrefour, Auchan, Spar and Ahold), with cookware being an important category of products covered.
- (80) The development of loyalty programmes is often done through well-known "unused" brands (e.g. Grundig, Brabantia, Thomas, etc) which are directly or indirectly licensed to the retailers, but most cookware producers e.g. Zwilling, WMF / Silit, Fissler, Tefal, Berndes, Schulte-Ufer, Roesle, Greenpan, Kitchenaid and local brands also participate in loyalty programme under their own brands. Premium brands such as WMF will typically participate in loyalty programmes with product lines which are specifically offered for the relevant loyalty programme and not listed in any premium distribution outlet.
- (81) The products for loyalty programmes are typically purchased by retailers from manufacturers through "spot" open bids. The contract is awarded for a defined volume of products, but, at the end of the promotion, unsold items are charged back to the supplier.
- (82) Loyalty programmes generate significant fluctuations in market shares due to the very important volumes of sales generated by them. Manufacturers winning the loyalty program issued by a particular retailer will normally experience a significant market share increase in the year in which the loyalty program takes place and conversely market share decrease in the year after, unless the same manufacturer wins a subsequent loyalty program issued by another retailer.

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<sup>47</sup> Form CO paragraphs 160 and following.

### *The Parties' arguments*

- (83) The Parties argue that market shares for cookware products give a distorted picture of the competitive dynamics in the markets concerned as they are strongly influenced by loyalty programs. They also claim that the Transaction will not have any effect on competition in the context of loyalty programs. In this regard, they put forward that these programs are at the initiative of major retailers which select cookware manufacturers through open bidding process and that cookware is only one of the many product categories that retailers use in their loyalty programs. In relation to loyalty programs, the Parties are thus competing not only with other cookware manufacturers, but also with suppliers of products belonging to totally different product categories. The competitive pressure is reinforced by the dynamics of the retailers' tender processes and the fact that the retailers perfectly understand the cost structure of cookware suppliers.
- (84) Given the large volume of a loyalty program and the opportunity to win substantial market share in case of winning this program, competition among suppliers of cookware and other products for these programs is very intense. In this context, a broader product range does not entail any advantage in competing for loyalty programs. Even though tenders for loyalty programs are not limited to a specific product category (and a diversified supplier could therefore participate in a tender with more than one product category offer), the selection process will ultimately select only one product category based on the most competitive offer. In this scenario, a supplier with a large diversified product range enjoys no advantages over a supplier with a more limited product range.

### *The Commission's market investigation and assessment*

- (85) The Commission has assessed whether the Transaction would have a significant effect on competition in the context of loyalty programmes.
- (86) First, the participation of the Parties in these programmes is unequally important, with SEB having a much greater presence given its positioning in mass distribution channels.
- (87) In Germany, SEB makes every year a very significant proportion of its cookware turnover through loyalty programmes: [...] % in 2014, [...] % in 2015 and [...] % in 2016. This is not the case for WMF, [...] <sup>48</sup>: [...] in 2016 <sup>49</sup>.
- (88) In Austria, loyalty programmes are a less important outlet for both Parties. WMF made [10-20] % of its cookware sales of 2015 through these programmes, while SEB did not participate in any <sup>50</sup>.

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<sup>48</sup> In recent years, WMF's participation in loyalty programs has focused on countries in which WMF is less present and wants to improve its brand awareness. In markets/countries in which WMF is already firmly established and enjoys a high brand awareness (such as in Germany and Austria), WMF has reduced its participation in loyalty programs in order to avoid a dilution of its premium brand image. Thus, WMF has adopted a policy of having only one loyalty program per year. See Form CO, footnote 69.

<sup>49</sup> See updated reply to question 13c submitted on 18 October 2016.

<sup>50</sup> See updated reply to question 13c submitted on 18 October 2016.

- (89) Second, loyalty programmes are normally organized at the initiative of and are piloted by the major retailers, and manufacturers are selected through a bidding process. While WMF won all of the tenders for loyalty programs in which it participated in the last three years, except for one, SEB lost a significant number of tenders to competitors<sup>51</sup>.
- (90) Third, cookware is just one of the several product categories that retailers may use to attract consumers and increase store traffic. In relation to loyalty programs, the Parties would thus be competing not only with other cookware manufacturers, but also with suppliers of products belonging to different product categories.
- (91) In view of the above elements, the Commission considers that the Transaction will not have a significant impact on this market feature of cookware markets. Moreover, the Commission has taken into account in its analysis potential variations in market shares due to the influence of loyalty programmes.

#### 5.2.1.3. Negotiations with retailers and access to shelf space

- (92) Access to distribution and visibility on retail shelves is an important driver of competition in cookware markets. As shelf space is limited, distributors must select the products to which they will award more and/or better shelf space.
- (93) Access to shelf space is important in all sales channels relying on brick and mortar stores. In mass market, shelf space is awarded mainly as a factor of productivity (sell-out per meter of shelf space), while in selective distribution, other additional factors are relevant as well, e.g. brand image fit with the store concept, differentiation and presentation. In department stores and at specialised retailers, shelf space is awarded in accordance with the specific business model run by the respective retailer. In such context, department stores want to attract a consumer group which is looking for a choice of premium products. These consumers mostly seek a variety of premium products and recommendations as well as consultations by a dedicated and knowledgeable sales staff.
- (94) Some suppliers of cookware products have raised concerns that post-Transaction their access to shelf space may be restricted.<sup>52</sup> The merged entity could force distributors to award increased and better shelf space to WMF and SEB cookware products, which would lead to a decrease in the shelf space available to competitors. This would be the case in particular for the premium channels (department stores, furniture stores, specialised cooking stores). A limited number of suppliers has also submitted that its leverage in commercial negotiations with the merged entity will be impacted by the Transaction.

#### *The Parties' arguments*

- (95) The Notifying Party argues that the merged entity will neither have the ability nor the incentive to foreclose its competitors from access to shelf space<sup>53</sup>.

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<sup>51</sup> See updated reply to question 13c submitted on 18 October 2016.

<sup>52</sup> Questionnaire to competitors in Germany and Austria, question 26.

<sup>53</sup> Form CO, paragraphs 199-207.

- (96) It is submitted first that, due to the different brand positioning of Tefal and WMF, the merged entity will not have the ability to force distributors to sell Tefal products by leveraging the WMF brand. As Tefal is a mass brand, it is distributed in mass channels whereas WMF is distributed through premium channels. Mass distribution channels and premium channels have different business models. In the mass market profitability builds on a high volumes /low margin logic with low to medium brand awareness. Premium retail channels' profitability relies on low volume/high margin logic with high brand awareness. Prices of cookware products in premium channels are therefore significantly higher than in mass channels.
- (97) As a consequence selling the same brand in both channels would work against any business rationale. Selling premium products in mass channels will result in brand dilution. Selling a mass product in premium channels will fail, as customers will not be willing to pay an extra premium only because the product is purchased in a premium channel.
- (98) Premium channels will therefore not have any interest in awarding shelf space to Tefal products to the detriment of premium cookware brands, as they will not be able to make apply high mark-ups on Tefal products. If the merged entity were to try to impose Tefal products on them, they would react by: delisting the merged entity's products, promoting other premium brands or by extending the offering of their own private label products. According to the Parties, distribution channels would have the ability to take these measures, as they control access to shelf space and they are not dependent on WMF products.
- (99) Second, the Notifying Party submits that the merged entity will have no incentive to force retailers to distribute Tefal products to the detriment of premium products. According to the Parties, this strategy would decrease the overall sales and profit of the merged entity. In the event that Tefal would get additional shelf space and sales volumes in premium distribution channels, this would have an adverse effect on all sales of premium products, including on the sales of WMF products.
- (100) Third, the Notifying Party submits that SEB has never tried to implement a strategy to foreclose its competitors from accessing shelf space by leveraging its premium brands. SEB acquired the premium brand All-Clad, which enjoys very high brand awareness in the USA and comparable brand status as WMF. Nevertheless, SEB did not leverage All-Clad in order to increase the sales of Tefal products in premium distribution channels in the USA.
- (101) Finally, the Notifying Party submits that the issue of limited shelf space only concerns brick and mortar distribution channels such as department stores, furniture stores and specialist retailers, but not online distribution, which have almost unlimited space. According to the Parties, online distribution of premium cookware products has increased significantly over the past years, while the importance of brick and mortar premium distribution channels is constantly declining. Under these circumstances, any attempt to foreclose competitors' access to shelf space would be unsuccessful, as competitors would still have access to online distribution channels.
- (102) The Parties argue that the bargaining position of manufacturers vis-à-vis retailers is weak in light of the broad array of competitive brands available to retailers. They put forward that the Parties' customers are generally larger companies, such

as Kaufland, REWE, Carrefour or E.Leclerc. In this regard, they put forward that the Transaction will not reinforce the bargaining power of the merged entity.<sup>54</sup>

- (103) According to the Parties, in the course of negotiations, retailers can therefore threaten suppliers with reducing the shelf space made available to them in case no mutually acceptable solution can be found. Retailers may also boost competitors by awarding them special promotion slots.
- (104) Furthermore, as shelf presence and space are negotiated annually, retailers take into account productivity (sell-out and margin per meter of shelf space) as well as their overall strategy and balance between categories and brands. In the course of the year, exceptional delisting decisions can be taken on the sole basis of unmet productivity targets. The Parties indicated in this regard that they have experienced such delistings or a threat of delistings.

*The Commission's market investigation and assessment*

- (105) The Commission notes from the outset that an attempt to foreclose competitor's access to shelf space would only be successful if it was countenanced by distributors.
- (106) The results of the market investigation indicate however that a wide majority of wholesale customers consider that the merged entity would not have the ability to force them to buy WMF and SEB products together.<sup>55</sup> Several respondents explained that they have the power to decide which products they want to distribute. If a supplier were to try to impose on them a product or brand which they do not want or need, they would simply stop cooperation with that supplier. These respondents included important large retail distributors but also smaller specialist retailers. Only a few respondents consider that the merged entity would have the ability to force them to buy WMF and SEB products together.<sup>56</sup> Some of them explain that the merged entity could make some rebates conditional upon the purchase of both Tefal and WMF products (mixed bundling).
- (107) The Commission considers, however, that it would not be commercially rational for premium distribution channels to tie themselves to the merged entity even in light of additional discounts were the effect to be that other premium brands would be delisted. First, as explained by the Parties, Tefal is not a premium brand and retailers can therefore not make the same margins on Tefal's products than on premium products. Second, were premium retailers to support this strategy, they would, in the longer-term, make themselves dependent on a large supplier and weaken their own negotiating position going forward. Third, by decreasing their product offering, distribution channels risk losing customers to online distribution channels which can offer a wide portfolio of products and brands.

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<sup>54</sup> Form CO, paragraphs 189 to 198.

<sup>55</sup> Questionnaire to customers in Germany and Austria, question 43.

<sup>56</sup> Questionnaire to customers in Germany and Austria, question 43.

- (108) The majority of the respondents to the market investigation also consider that the merged entity would not have the incentive to force distributors to buy SEB and WMF products together.<sup>57</sup>
- (109) Based on the above, the Commission considers that it is unlikely that the merged entity will have the ability or incentive to foreclose competitors from access to shelves space.
- (110) Customers responding to the market investigation indicated that the choice of cookware brands and suppliers and their proportion of overall supply depend indeed on a number of factors, including customer demand and brand awareness, overall sourcing strategy and productivity<sup>58</sup>. While regular monitoring is done frequently, a large majority of the retailers reviews in-depth its cookware product offering at least once or twice a year<sup>59</sup>. In this regard a customer noted that "*a big revision of product lines is conducted annually after the relevant trade fair; permanent revision [is conducted] for new products and trends and depending on the season*", while another one indicated that "*The products are checked every 6 month on average. Additionally there can be adjustments because of trade fairs.*"
- (111) It was also confirmed that retailers of cookware products do delist certain brands following a review of their portfolio<sup>60</sup>. Productivity, quality problems and import difficulties are some of the reasons indicated by retailers for delisting cookware brands. Delisted brands in the past included generally brands with lesser presence like Berndes, GreenPan, Kukn Rikon Cookware, AMT, Römertopf, but also Ballarini and Bialetti. To a much lesser extent, reference to delisting of the Parties products was made, which seem to concern exclusively large retailers. Nonetheless, the majority of the respondents considered that the negotiating power of the merged entity will not be improved following the Transaction<sup>61</sup>.
- (112) As regards online retail, one online retailer raised concerns concerning the Transaction. He explained that post-transaction, the merged entity may increase its bargaining power and gain the ability and the incentive to raise prices, which online retailers would have to pass-on to consumers.<sup>62</sup>
- (113) In that regard, the Commission notes first that the main online retailer of SEB and WMF products is by far [...],<sup>63</sup> which did not express any concerns regarding the Transaction. Second, the Commission notes that online retailers may offer many more brands to their customers than brick and mortar shops, as they have no shelf space constraints. They are therefore less likely to be dependent on one supplier, even if that supplier has strong brands in its portfolio. Third, the Commission notes that online sales of cookware products are increasing steadily and that

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<sup>57</sup> Questionnaire to customers in Germany and Austria, question 44.

<sup>58</sup> See replies to Commission questionnaire to customers Q1 question 26.

<sup>59</sup> See replies to Commission questionnaire to customers Q1 question 27.

<sup>60</sup> See replies to Commission questionnaire to customers Q1, question 29.

<sup>61</sup> See replies to Commission questionnaire to customers Q1, question 34.

<sup>62</sup> See replies to Questionnaire to customers in Germany and Austria, question 43-50.

<sup>63</sup> See the Notifying Party's reply to question 1 to the RFI of 28/10/2016.

online retailers such as [...] have become very important partners with bargaining power. Fourth, the Commission notes that it might not make sense for the merged entity to impose price increases to smaller retailers which it could not impose on [...]. This would reinforce [...]’s position as a supplier of WMF and SEB products and therefore its bargaining power vis à vis the merged entity, which may be detrimental to the merged entity in the long term.

- (114) Based on the above, the Commission considers that it is unlikely that the transaction will hinder retailers’ negotiating position to a significant extent.

### 5.2.2. Germany

- (115) Table 3 below shows the market shares of the Parties and their competitors in the affected market for the supply of cookware products in Germany based on the Notifying Party’s estimates.

**Table 3 - revenue sales and market share in the cookware market in Germany in 2015<sup>64</sup>**

Cookware Germany		
	Sales (mn EUR) in 2015	Market Share (%) in 2015
WMF	[...]	[20-30]%
SEB	[...]	[5-10]%
Combined	[...]	[30-40]%
Fissler	[...]	[5-10]%
Le Creuset	[...]	[5-10]%
ELO-Stahlwaren	[...]	[0-5]%
Schulte Ufer	[...]	[0-5]%
Woll	[...]	[0-5]%
Others	[...]	[40-50]%
<b>Total Market Sales Value</b>	[400.000-500.000]	100%

*Source: Notifying Party’s estimates based on third parties reports*

- (116) The concentration levels do not change substantially when considering separately a sub-segmentation between pots and pressure cookers and pans. Estimated market shares on the basis of this distinction are provided in Table 4 below.

<sup>64</sup> The Parties provided also market shares at retail level which do not materially differ from the one presented in the above table which shows data at wholesale level. In 2014, WMF: [20-30]%, SEB: [5-10]%, combined: [30-40]%. In 2013, WMF: [20-30]%, SEB: [5-10]%, combined: [30-40]%.



**Table 4 - revenue sales and market share in the cookware markets per product category in Germany in 2015<sup>65</sup>**

Cookware – product subcategories			
Germany			
Product		Sales (mn EUR) in 2015	Market Share (%) in 2015
Pots & Pressure Cookers	WMF	[...]	[30-40]%
	SEB	[...]	[0-5]%
	Combined	[...]	[30-40]%
	Total Market Sales Value	[200.000-300.000]	100%
Pans	WMF	[...]	[10-20]%
	SEB	[...]	[10-20]%
	Combined	[...]	[20-30]%
	Total Market Sales Value	[100.000-200.000]	100%

Source: Notifying Party's estimates based on third parties reports and based estimates

- (117) First, while the combined market shares of the Parties are significantly higher than the ones of their main competitors, they remain at a maximum level of [30-40]% with limited increments of [5-10]% at most.
- (118) Second, post-transaction, the merged entity will still face an important number of competitors active in the production of cookware. These include Fissler, Le Creuset, Elo, Schulte Ufer, Woll, Rösle and also Ikea.
- (119) Third, the Parties' products are not particularly close competitors and clearly not each other's closest substitutes given their different positioning. As explained in section 5.2.1.1, the Parties are active in different segments in the cookware market as their product offerings target different consumer preferences in terms of design, image, quality, functionality and price. Whilst WMF operates in the premium segment which caters for consumers looking for premium products in terms of design, image, functionality and quality, SEB targets consumers focusing less on those aspects but more on price, still with a good price-quality ratio.
- (120) SEB, in particular via the Tefal brand, is predominantly present in the entry and medium price segment and competes against more than thirty other mass brands (Culinario, GSW, Passat, Berndes etc.) and against private labels. WMF and Silit have solid positions in the premium segment and target consumers looking for higher quality, brand status and premium design. WMF and Silit compete closely with Fissler, and brands like Schulte-Ufer, Le Creuset and Woll, mostly sold in selective retail outlets (e.g. department stores, specialist stores).
- (121) Fourth, potential foreclosure of competitors (through limiting access to shelf space) is unlikely and would only be successful if it was countenanced by distributors. A wide majority of wholesale customers consider that the merged entity would not have the ability or the incentive to force them to buy WMF and SEB products together in Germany.

<sup>65</sup> The market shares in the table above are calculated based on retail sales data since the Parties were not able to provide market shares based on wholesale sales data.

- (122) Finally, the vast majority of customers responding to the market investigation consider that the Transaction will not have a significant impact on their activities<sup>66</sup> and neither on the German cookware markets more generally<sup>67</sup>.
- (123) Based on the above, the Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market on the market for the supply of cookware products in Germany, whether considered in whole or segmented by category.

### 5.2.3. Austria

- (124) Table 5 below shows the market shares of the Parties and their competitors in the affected market for the supply of cookware products in Austria based on the Notifying Party's estimates.

**Table 5 - revenue sales and market share in the cookware market in Austria in 2015<sup>68, 69</sup>**

Cookware		
Austria		
	Sales (mn EUR) in 2015	Market Share (%) in 2015
WMF	[...]	[20-30]%
SEB	[...]	[0-5]%
Combined	[...]	[30-40]%
Kelomat/Riess	[...]	[10-20]%
Fissler	[...]	[10-20]%
Le Creuset	[...]	[5-10]%
Schulte Ufer	[...]	[0-5]%
Others	[...]	[30-40]%
<b>Total Market Sales Value</b>	[40.000-50.000]	100%

*Source: Notifying Party's estimates based on third parties reports*

- (125) First, while the combined market shares of the Parties are higher than the ones of their main competitors, they remain at a maximum level of [30-40]% with a limited increment of [0-5]%.
- (126) Second, the merged entity will still face an important number of relevant competitors which include local manufacturer Kelomat/Riess as well as Fissler, Le Creuset and Schulte Ufer among others. The Commission notes that in particular Kelomat/Riess and Fissler each have a market share of around [10-20]% which in itself is not insignificant given the fragmented nature of the market.
- (127) Third, as explained in section 5.2.1.1 and similarly to Germany, SEB and WMF cookware products are not particularly close competitors and clearly not each other'

<sup>66</sup> See replies to Commission questionnaire to customers Q1, question 45.

<sup>67</sup> See replies to Commission questionnaire to customers Q1, question 46.

<sup>68</sup> The Parties provided also market shares at retail level which do not materially differ from the one presented in the above table which shows data at wholesale level.

<sup>69</sup> In 2014, WMF: [20-30]%, SEB: [5-10]%, combined: [30-40]%. In 2013, WMF: [20-30]%, SEB: [5-10]%, combined: [20-30]%.

closest substitutes in the Austrian market due to their different positioning and distribution. This is despite their similar level of brand awareness.

- (128) Fourth, WMF and SEB have complementary portfolios. As shown in Table 6 below, SEB is mainly focused on the supply of pans and WMF on pots. In particular, in the market segment for pots and pressure cookers, SEB has only a minor presence and the increment brought by the Transaction would be below [0-5]%.

**Table 6 – revenue market share in the pans and pots & pressure cookers market segments in Austria in 2015<sup>70</sup>**

Market Shares (%) in 2015			
	SEB	WMF	Combined
Pans	[5-10]%	[10-20]%	[20-30]%
Pots & Pressure Cookers	[0-5]%	[40-50]%	[40-50]%

*Source: Notifying Party's estimates based on third parties reports*

- (129) Moreover, the vast majority of customers responding to the market investigation consider that the Transaction will not have a significant impact on their activities<sup>71</sup> and neither on the Austrian cookware markets more generally<sup>72</sup>.
- (130) Based on the above, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market on the market for the supply of cookware products in Austria whether considered in whole or segmented by category.

#### 5.2.4. Other cookware markets

- (131) Table 7 below shows the market shares of the Parties in the affected markets in the EEA in relation to cookware based on the Notifying Party's estimates.

**Table 7 – Market shares and HHI increment in affected markets in the EEA concerning cookware. (Figures relate to 2015)**

Country	SEB	WMF	Combined	HHI increment
<b>Belgium</b>	[10-20]%	[0-5]%	[20-30]%	[40-50]
<b>Czech Republic</b>	[20-30]%	[0-5]%	[20-30]%	[50-60]
<b>France</b>	[40-50]%	[0-5]%	[40-50]%	[10-20]
<b>Latvia</b>	[20-30]%	[0-5]%	[20-30]%	[80-90]
<b>The Netherlands</b>	[20-30]%	[0-5]%	[20-30]%	[80-90]
<b>Slovenia</b>	[20-30]%	[5-10]%	[30-40]%	[400-500]

*Source: Notifying Party's estimates based on third parties reports*

<sup>70</sup> The market shares in the table above are calculated based on retail sales data since the Parties were not able to provide market shares based on wholesale sales data.

<sup>71</sup> See replies to Commission questionnaire to customers Q1, question 45.

<sup>72</sup> See replies to Commission questionnaire to customers Q1, question 47.

#### 5.2.4.1. Cookware in Belgium

(132) Table 8 below shows the market shares of the Parties and their competitors in the supply of cookware products in Belgium based on the Notifying Party's estimates.

**Table 8 – revenue sales and market share in the cookware market in Belgium in 2015<sup>73</sup>**

Cookware Belgium		
	Sales (mn EUR) in 2015	Market Share (%) in 2015
WMF	[...]	[0-5]%
SEB	[...]	[10-20]%
Combined	[...]	[20-30]%
PL	[...]	[30-40]%
Brabantia	[...]	[5-10]%
Greenpan	[...]	[0-5]%
Demeyere	[...]	[0-5]%
Others	[...]	[30-40]%
<b>Total Market Sales Value</b>	[60.000-70.000]	100%

*Source: Notifying Party's estimates based on third parties reports*

- (133) First, while the overlaps between the Parties give rise to an affected market in relation to cookware in Belgium, the market share increment brought by the Transaction is less than [0-5]% and the HHI increment is limited.
- (134) Second, a large number of competitors would remain active in this market, including Brabantia and private labels with market shares of respectively [5-10]% and [30-40]%.
- (135) In relation to a potential segmentation of the cookware market by product category, in pots/pressure cookers on the one hand and pans on the other hand, the Parties were not able to provide market shares. The Parties submit that the overall competitive assessment would not change since the Parties' activities are rather complementary with WMF mainly focused on the supply of pots/pressure cookers and SEB on the supply of pans also in other Member States.<sup>74</sup> The Commission considers that the complementarity of the Parties' portfolio is confirmed by the market shares data provided by the Parties in Germany, Austria, France, Slovenia. In any case, since the increment brought by the Transaction is limited, even if it would have occurred in only one product category, it would not have changed the competitive assessment of the Transaction.
- (136) Furthermore, Most of the respondents to the market investigation have a neutral view on whether the Transaction would have any impact on the market for cookware in Belgium. Some respondents noted that the Transaction may facilitate

<sup>73</sup> In 2014, WMF: [0-5]%, SEB: [10-20]%, combined: [10-20]%. In 2013, WMF: [0-5]%, SEB: [10-20]%, combined: [10-20]%. [...].

<sup>74</sup> See Parties' email "M.8091 SEB/WMF - Subsegmentation of cookware" of 9 November 2016.

the delivery of WMF brands in the market which at the moment is a small player.<sup>75</sup>

- (137) Based on the above, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market on the market for the supply of cookware products in Belgium whether considered in whole or segmented by category.

#### 5.2.4.2. Cookware in the Czech Republic

- (138) Table 9 below shows the market shares of the Parties and their competitors in the supply of cookware products in the Czech Republic based on the Notifying Party's estimates.

**Table 9 – revenue sales and market share in the cookware market in Czech Republic in 2015<sup>76</sup>**

Cookware		
Czech Republic		
	Sales (mn EUR) in 2015	Market Share (%) in 2015
WMF	[...]	[0-5]%
SEB	[...]	[20-30]%
Combined	[...]	[20-30]%
Delimano	[...]	[10-20]%
Tesco PL	[...]	[10-20]%
Lamart	[...]	[5-10]%
Bergner	[...]	[0-5]%
Tesco PL	[...]	[0-5]%
Others	[...]	[30-40]%
<b>Total Market Sales Value</b>	[20.000-30.000]	100%

*Source: Notifying Party's estimates based on third parties reports*

- (139) First, while the overlaps between the Parties give rise to an affected market in relation to cookware in Czech Republic, the market share increment brought by the Transaction is less than [0-5]% and the HHI increment is limited.
- (140) Second, a large number of competitors would remain active in this market, including Delimano and Tescoma with market shares of respectively [10-20]% and [10-20]%. Moreover, the Parties' market shares were below 20% in both 2013 and 2014 (respectively [10-20]% and [10-20]%), the reason for the [...].
- (141) In relation to a potential segmentation of the cookware market by product category, in pots/pressure cookers on the one hand and pans on the other hand, the Parties were not able to provide market shares. The Parties submit that the overall competitive assessment would not change since the Parties' activities are rather complementary with WMF mainly focused on the supply of pots/pressure cookers and SEB on the supply of pans also in other Member States.<sup>77</sup> The Commission

<sup>75</sup> See replies to Commission questionnaire to customers and competitors in other markets Q3 of 17 October 2016, question A.2.

<sup>76</sup> In 2014, WMF: [0-5]%, SEB: [10-20]%, combined: [10-20]%. In 2013, WMF: [0-5]%, SEB: [10-20]%, combined: [10-20]%. The reason for the [...].

<sup>77</sup> See Parties' email "M.8091 SEB/WMF - Subsegmentation of cookware" of 9 November 2016.

considers that the complementarity of the Parties' portfolio is confirmed by the market shares data provided by the Parties in Germany, Austria, France, Slovenia. In any case, since the increment brought by the Transaction is limited, even if it would have occurred in only one product category, it would not have changed the competitive assessment of the Transaction.

- (142) Furthermore, most of the respondents to the market investigation have a neutral view on whether the Transaction would have any impact on the market for the supply of cookware in Czech Republic.<sup>78</sup>
- (143) Based on the above, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market on the market for the supply of cookware products in the Czech Republic whether considered in whole or segmented by category.

#### 5.2.4.3. Cookware in France

- (144) Table 10 below shows the market shares of the Parties and their competitors in the supply of cookware products in France based on the Notifying Party's estimates.

**Table 10 – revenue sales and market share in the cookware market in France in 2015<sup>79, 80</sup>**

Cookware		
France		
	Sales (mn EUR) in 2015	Market Share (%) in 2015
WMF	[...]	[0-5]%
SEB	[...]	[40-50]%
Combined	[...]	[40-50]%
Ikea France SAS	[...]	[5-10]%
Sitram	[...]	[0-5]%
Le Creuset	[...]	[0-5]%
Cristel	[...]	[0-5]%
Baumalu	[...]	[0-5]%
Others	[...]	[30-40]%
<b>Total Market Sales Value</b>	[300.000-400.000]	100%

*Source: Notifying Party's estimates based on third parties reports*

- (145) First, while the overlaps between the Parties give rise to an affected market in relation to cookware in France, the market share increment brought by the Transaction is [0-5]% and the HHI increment, presented in Table 7 above, is limited.
- (146) Second, a large number of competitors would remain active in this market, including Ikea France and Sitram with market shares of respectively [5-10]%

<sup>78</sup> See replies to Commission questionnaire to customers and competitors in other markets Q3 of 17 October 2016, question B.2.

<sup>79</sup> The Parties provided also market shares at retail level which do not materially differ from the one presented in the above table which shows data at wholesale level.

<sup>80</sup> In 2014, WMF: [0-5]%, SEB: [40-50]%, combined: [40-50]%. In 2013, WMF: [0-5]%, SEB: [40-50]%, combined: [40-50]%

and [0-5]%. Moreover, private labels, included in the category “others”, have a market share of over [10-20]%.  
 (147) Third, in case the relevant markets were to be defined as pots/pressure cookers on the one hand and pans on the other hand, the overall competitive assessment would not change since, as shown in Table 11 below, WMF's position in the each market segments is limited. Moreover, the market shares data indicate that WMF, as already presented in Table 4 and Table 6 on the German and Austrian cookware markets presented, has a stronger position on the market segment for the supply of pots and pressure cookers.

**Table 11 – revenue market share in the pans and pots & pressure cookers market segments in France in 2015**

Market Shares (%) in 2015			
	SEB	WMF	Combined
Pans	[50-60]%	[0-5]%	[50-60]%
Pots & Pressure Cookers	[40-50]%	[0-5]%	[40-50]%

*Source: Notifying Party's estimates based on third parties reports*

- (148) Furthermore, most of the respondents to the market investigation have a neutral or positive view on whether the Transaction would have any impact on the market for the supply of cookware in France. While some respondents consider that the Transaction may increase SEB's negotiating power towards retailers, other respondents note that the Transaction would be positive since it would enable retailers to increase their product offering to include WMF's stainless steel products, thus, bringing more opportunities and choice to customers.<sup>81</sup>
- (149) Based on the above, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market on the market for the supply of cookware products in France whether considered in whole or segmented by category.

#### 5.2.4.4. Cookware in Latvia

- (150) Table 12 below shows the market shares of the Parties and their competitors in the supply of cookware products in Latvia based on the Notifying Party's estimates.

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<sup>81</sup> See replies to Commission questionnaire to customers and competitors in other markets Q3 of 17 October 2016, question C.4.

**Table 12 – revenue sales and market share in the cookware market in Latvia in 2015<sup>82</sup>**

Cookware		
Latvia		
	Sales (mn EUR) in 2015	Market Share (%) in 2015
WMF	[...]	[0-5]%
SEB	[...]	[20-30]%
Combined	[...]	[20-30]%
Ballarini	[...]	[20-30]%
ICA PL	[...]	[10-20]%
Rimi	[...]	[10-20]%
Others	[...]	[20-30]%
<b>Total Market Sales Value</b>	[3.000-4.000]	100%

*Source: Notifying Party's estimates based on third parties reports*

- (151) First, while the overlaps between the Parties give rise to an affected market in relation to cookware in Latvia, the market share increment brought by the Transaction is of less than [0-5]% and the HHI increment, presented in Table 7 above, is limited.
- (152) Second, a large number of competitors would remain active in this market, including Ballarini with a market share of [20-30]% and private labels such as ICA PL and Rimi with market shares of [10-20]% and [10-20]% respectively.
- (153) In relation to a potential segmentation of the cookware market by product category, in pots/pressure cookers on the one hand and pans on the other hand, the Parties were not able to provide market shares. The Parties submit that the overall competitive assessment would not change since the Parties' activities are rather complementary with WMF mainly focused on the supply of pots/pressure cookers and SEB on the supply of pans also in other Member States.<sup>83</sup> The Commission considers that the complementarity of the Parties' portfolio is confirmed by the market shares data provided by the Parties in Germany, Austria, France, Slovenia. In any case, since the increment brought by the Transaction is limited, even if it would have occurred in only one product category, it would not have changed the competitive assessment of the Transaction.
- (154) Furthermore, most of the respondents do not consider WMF as an important supplier<sup>84</sup>, and do not consider that the Transaction would have any impact in the cookware market in Latvia.<sup>85</sup>
- (155) Based on the above, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market on the market

<sup>82</sup> In 2014, WMF: [0-5]%, SEB: [10-20]%, combined: [10-20]%. In 2013, WMF: [0-5]%, SEB: [5-10]%, combined: [10-20]%

<sup>83</sup> See Parties' email "M.8091 SEB/WMF - Subsegmentation of cookware" of 9 November 2016.

<sup>84</sup> See replies to Commission questionnaire to customers and competitors in other markets Q3 of 17 October 2016, question D.1.

<sup>85</sup> See replies to Commission questionnaire to customers and competitors in other markets Q3 of 17 October 2016, question D.2.



for the supply of cookware products in Latvia whether considered in whole or segmented by category.

#### 5.2.4.5. Cookware in the Netherlands

(156) Table 13 below shows the market shares of the Parties and their competitors in the supply of cookware products in the Netherlands based on the Notifying Party's estimates.

**Table 13 – revenue sales and market share in the cookware market in the Netherlands in 2015<sup>86</sup>**

Cookware		
The Netherlands		
	Sales (mn EUR) in 2015	Market Share (%) in 2015
WMF	[...]	[0-5]%
SEB	[...]	[20-30]%
Combined	[...]	[20-30]%
BK Cookware BV	[...]	[20-30]%
Ikea	[...]	[10-20]%
Le Creuset	[...]	[5-10]%
Others	[...]	[30-40]%
<b>Total Market Sales Value</b>	[60.000-70.000]	100%

*Source: Notifying Party's estimates based on third parties reports*

- (157) First, while the overlaps between the Parties give rise to an affected market in relation to cookware in the Netherlands, the market share increment brought by the Transaction is of almost [0-5]% and the HHI increment, presented in Table 7 above, is limited.
- (158) Second, a large number of competitors would remain active in this market, including BK Cookware, Ikea and Le Creuset with market shares of respectively [20-30]%, [10-20]% and [5-10]%.
- (159) In relation to a potential segmentation of the cookware market by product category, in pots/pressure cookers on the one hand and pans on the other hand, the Parties were not able to provide market shares. The Parties submit that the overall competitive assessment would not change since the Parties' activities are rather complementary with WMF mainly focused on the supply of pots/pressure cookers and SEB on the supply of pans also in other Member States.<sup>87</sup> The Commission considers that the complementarity of the Parties' portfolio is confirmed by the market shares data provided by the Parties in Germany, Austria, France, Slovenia. In any case, since the increment brought by the Transaction is limited, even if it would have occurred in only one product category, it would not have changed the competitive assessment of the Transaction.

<sup>86</sup> In 2014, WMF: [0-5]%, SEB: [10-20]%, combined: [10-20]%. In 2013, WMF: [10-20]%, SEB: [10-20]%, combined: [20-30]%. The reason for the [...].

<sup>87</sup> See Parties' email "M.8091 SEB/WMF - Subsegmentation of cookware" of 9 November 2016.

- (160) Furthermore, most of the respondents do not consider that the Transaction would have any impact in the cookware market in the Netherlands. Even if the Transaction increases SEB's market share, alternative providers will remain active in the market. In addition, WMF and Tefal have complementary portfolios focusing on different product segments (respectively, high-end for WMF and low-end for Tefal).<sup>88</sup>
- (161) Based on the above, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market on the market for the supply of cookware products in the Netherlands whether considered in whole or segmented by category.

#### 5.2.4.6. Cookware in Slovenia

- (162) Table 14 below shows the market shares of the Parties and their competitors in the supply of cookware products in Slovenia based on the Notifying Party's estimates.

**Table 14 – revenue sales and market share in the cookware market in Slovenia in 2015<sup>89,90</sup>**

Cookware Slovenia		
	Sales (mn EUR) in 2015	Market Share (%) in 2015
WMF	[...]	[5-10]%
SEB	[...]	[20-30]%
Combined	[...]	[30-40]%
Delimano	[...]	[20-30]%
Rosmarino	[...]	[10-20]%
Bialetti	[...]	[5-10]%
Gorenje	[...]	[5-10]%
Others	[...]	[5-10]%
<b>Total Market Sales Value</b>	[5.000-6.000]	100%

*Source: Notifying Party's estimates based on third parties reports*

- (163) First, while the overlaps between the Parties give rise to an affected market in relation to cookware in Slovenia, the combined market share remains below [30-40]%.
- (164) Second, several large competitors would remain active in this market, including Delimano with a market share of [20-30]%, and Rosmarino with market share of [10-20]%.
- (165) Third, WMF and SEB have complementary portfolios with SEB which is mainly focused on the supply of pans and WMF on pots. In particular, as shown in

<sup>88</sup> See replies to Commission questionnaire to customers and competitors in other markets Q3 of 17 October 2016, question F.5.

<sup>89</sup> The Parties provided also market shares at retail level which do not materially differ from the one presented in the above table which shows data at wholesale level.

<sup>90</sup> In 2014, WMF: [5-10]%, SEB: [20-30]%, combined: [30-40]%. In 2013, WMF: [5-10]%, SEB: [5-10]%, combined: [10-20]%.

Table 15 below, in the market segment for pans, WMF has only a minor presence and the increment brought by the Transaction would be below [0-5]%.

**Table 15 – revenue market share in the pans and pots & pressure cookers market segments in Slovenia in 2015<sup>91</sup>**

Market Shares (%) in 2015			
	SEB	WMF	Combined
Pans	[30-40]%	[0-5]%	[30-40]%
Pots & Pressure Cookers	[20-30]%	[10-20]%	[30-40]%

*Source: Notifying Party's estimates based on third parties reports*

- (166) Fourth, WMF and SEB have complementary portfolios focusing on different distribution channels. SEB is active in the mass distribution channel and most of its revenue are through loyalty programmes ([70-80]% of sales are done through loyalty programmes and [10-20]% in supermarkets or hypermarkets) while WMF's sales are mainly generated at specialist retailers and in the department/furniture store channel and it does not have sales from loyalty programmes ([60-70]% sales conducted through department and furniture stores and specialists).

**Table 16 – WMF and SEB cookware loyalty programs in Slovenia**

Number of Cookware Loyalty Programs			
	2014	2015	2016
WMF	[...]	[...]	[...]
SEB	[...]	[...]	[...]

*Source: Notifying Party*

- (167) Furthermore, most of the respondents consider that the Transaction would have a neutral or positive impact on the cookware market in Slovenia. Even if the Transaction increases SEB's market share, most respondents consider that there will still be a sufficient number of different suppliers active in the market.<sup>92</sup> In particular, one respondent highlights that while WMF is a well-recognised brand, it is only sold in a small number of shops.<sup>93</sup>
- (168) Based on the above, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market on the market

<sup>91</sup> The market shares in the table above are calculated based on retail sales data since the Parties were not able to provide market shares based on wholesale sales data.

<sup>92</sup> See replies to Commission questionnaire to customers and competitors in other markets Q3 of 17 October 2016, question G.2.

<sup>93</sup> See replies to Commission questionnaire to customers and competitors in other markets Q3 of 17 October 2016, question G.1.

for the supply of cookware products in Slovenia whether considered in whole or segmented by category.

### 5.3. Small electric kitchen appliances ("SEKAs")

#### 5.3.1. Water Kettles

(169) Table 17 below shows the market shares of the Parties in the affected markets in the EEA in relation to water kettles based on the Notifying Party's estimates.

**Table 17 – Market shares and HHI increment in affected markets in the EEA concerning water kettles. (Figures relate to 2015)**

Country	SEB	WMF	Combined	HHI increment
France	[30-40]%	[0-5]%	[30-40]%	[20-30]
Germany	[10-20]%	[10-20]%	[20-30]%	[300-400]
The Netherlands	[20-30]%	[0-5]%	[20-30]%	[70-80]
Lithuania	[10-20]%	[0-5]%	[20-30]%	[100-200]

*Source: Notifying Party's estimates based on third parties reports*

#### 5.3.1.1. Water Kettles in France

(170) Table 18 below shows the market shares of the Parties and their competitors in the supply of water kettles in France based on the Notifying Party's estimates.

**Table 18 – revenue sales and market share in the water kettles market in France in 2015**

Water Kettles		
France		
	Sales (mn EUR) in 2015	Market Share (%) in 2015
WMF	[...]	[0-5]%
SEB	[...]	[30-40]%
Combined	[...]	[30-40]%
Philips	[...]	[5-10]%
Russell Hobbs	[...]	[0-5]%
Electrolux	[...]	[0-5]%
Kenwood	[...]	[0-5]%
Riviera & Bar	[...]	[0-5]%
Others	[...]	[40-50]%
Total Market Sales Value	[20.000-30.000]	100%

*Source: Notifying Party's estimates based on third parties reports*

(171) First, while the overlaps between the Parties give rise to an affected market in relation to water kettles in France, the market share increment brought by the Transaction is less than [0-5]% and the HHI increment, presented in Table 17 above, is limited.

(172) Second, a large number of competitors would remain active in this market, including international groups as Russell Hobbs and Philips with market shares of respectively [0-5]% and [5-10]%.

(173) Third, the distribution of SEKAs is organised through an open and multi-faced retail distribution network including traditional retailers, mass retailers (e.g. cash & carry), department stores, specialist retailers and online platforms. Retailers in the

mass distribution channel have strong buyer power and are able to exert significant pressures on prices of SEKAs in the above markets in the EEA, including France.

- (174) Fourth, the market has seen a number of new entrants in the past years including SMEG, a provider of large kitchen appliances, who launched a full range of SEKAs and Russell Hobbs who extended its market coverage from the UK to other countries in the EEA, including France.
- (175) Furthermore, most of the respondents to the market investigation have a neutral or positive view on whether the Transaction would have an impact on the market for the supply of water kettles in France. While some respondents consider that the Transaction would strengthen SEB's position in the market, most respondents argue that there would be no impact on the market due to WMF's limited position. One large retailer, in particular, considers that the impact would be positive since an enlarged offer will bring more opportunities of choice to customers.<sup>94</sup>
- (176) Based on the above, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market on the market for the supply of water kettles in France.

#### 5.3.1.2. Water Kettles in Germany

- (177) Table 19 below shows the market shares of the Parties and their competitors in the supply of water kettles in Germany based on the Notifying Party's estimates.

**Table 19 – revenue sales and market share in the water kettles market in Germany in 2015**

Water Kettles		
Germany		
	Sales (mn EUR) in 2015	Market Share (%) in 2015
WMF	[...]	[10-20]%
SEB	[...]	[10-20]%
Combined	[...]	[20-30]%
Severin	[...]	[5-10]%
Philips	[...]	[5-10]%
Unhold	[...]	[0-5]%
Russell Hobbs	[...]	[0-5]%
Kenwood	[...]	[0-5]%
Others	[...]	[40-50]%
<b>Total Market Sales Value</b>	[60.000-70.000]	100%

*Source: Notifying Party's estimates based on third parties reports*

- (178) First, while the overlaps between the Parties give rise to an affected market in relation to water kettles in Germany, and would create the undisputed market leader, the combined market share nevertheless remains at [20-30]%.
- (179) Second, a large number of competitors would remain active in this market, including Severin with a market share of [5-10]% and international brands such as Philips and Russell Hobbs with market shares of [5-10]% and [0-5]% respectively.

<sup>94</sup> See replies to Commission questionnaire to customers and competitors in other markets Q3 of 17 October 2016, question C.2.

- (180) Third, as described in paragraphs (173), SEB and WMF are mainly focused on different distribution channels.
- (181) Fourth, the market has seen a number of new entrants in the past years including SMEG, a provider of large kitchen appliances, who launched a full range of SEKAs and Russell Hobbs who extended its market coverage from the UK to other countries in the EEA, including Germany.
- (182) Furthermore, most of the customers note that the Transaction would not have an impact on the market for the supply of SEKAs, including water kettles, in Germany. Respondents highlighted that several suppliers would remain active in the market and that there is sufficient competition in the market.<sup>95</sup> Competitors have a mixed view on whether the Transaction would have an impact, on one side two competitors consider that SEB's position will become much stronger, on the other side three competitors do not consider that the Transaction would have an impact on the market.<sup>96</sup>
- (183) Based on the above, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market on the market for the supply of water kettles in Germany.

#### 5.3.1.3. Water Kettles in the Netherlands

- (184) Table 20 below shows the market shares of the Parties and their competitors in the supply of water kettles in the Netherlands based on the Notifying Party's estimates.

**Table 20 – revenue sales and market share in the water kettles market in the Netherlands in 2015**

Water Kettles The Netherlands		
	Sales (mn EUR) in 2015	Market Share (%) in 2015
WMF	[...]	[0-5]%
SEB	[...]	[20-30]%
Combined	[...]	[20-30]%
Philips	[...]	[10-20]%
Russell Hobbs	[...]	[5-10]%
De Longhi	[...]	[5-10]%
Bestron	[...]	[5-10]%
Kenwood	[...]	[0-5]%
Others	[...]	[30-40]%
<b>Total Market Sales Value</b>	[11.000-12.000]	100%

*Source: Notifying Party's estimates based on third parties reports*

- (185) First, while the overlaps between the Parties give rise to an affected market in relation to water kettles in the Netherlands, the market share increment brought by the Transaction is less than [0-5]% and the HHI increment, presented in Table 17 above, is limited.

<sup>95</sup> See replies to Commission questionnaire to customers in Germany and Austria Q1 of 17 October 2016, question 49.

<sup>96</sup> See replies to Commission questionnaire to competitors in Germany and Austria Q2 of 17 October 2016, question 31.

- (186) Second, a large number of competitors would remain active in this market, including international groups such as Philips and Russell Hobbs with market shares of [10-20]% and [5-10]% respectively.
- (187) Third, as described in paragraphs (173), SEB and WMF are mainly focused on different distribution channels.
- (188) Fourth, the market has seen a number of new entrants in the past years including SMEG, a provider of large kitchen appliances, who launched a full range of SEKAs and Russell Hobbs who extended its market coverage from the UK to other countries in the EEA, including the Netherlands.
- (189) Furthermore, most of the respondents do not consider that the Transaction would have an impact on the market for water kettles in the Netherlands since WMF and SEB combined market share is low and there are alternatives in the market.<sup>97</sup>
- (190) Based on the above, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market on the market for the supply of water kettles in the Netherlands.

#### 5.3.1.4. Water Kettles in Lithuania

- (191) Table 21 below shows the market shares of the Parties and their competitors in the supply of water kettles in Lithuania based on the Notifying Party's estimates.

**Table 21 – revenue sales and market share in the water kettles market in the Netherlands in 2015**

Water Kettles		
Lithuania		
	Sales (mn EUR) in 2015	Market Share (%) in 2015
WMF	[...]	[0-5]%
SEB	[...]	[10-20]%
Combined	[...]	[20-30]%
Philips	[...]	[20-30]%
Bosch/Zelmer	[...]	[10-20]%
Sencor	[...]	[10-20]%
MPM	[...]	[10-20]%
Others	[...]	[0-5]%
<b>Total Market Sales Value</b>	[1.000-2.000]	100%

*Source: Notifying Party's estimates based on third parties reports*

- (192) First, while the overlaps between the Parties give rise to an affected market in relation to water kettles in Lithuania, the market share increment brought by the Transaction is less than [0-5]% and the HHI increment, presented in Table 17 above, is limited.
- (193) Second, a large number of competitors would remain active in this market, including international groups as Philips and Bosch with market shares of [20-30]% and [10-20]% respectively.

<sup>97</sup> See replies to Commission questionnaire to customers and competitors in other markets Q3 of 17 October 2016, question F.2.

- (194) Third, as described in paragraphs (173), SEB and WMF are mainly focused on different distribution channels.
- (195) Fourth, the market has seen a number of new entrants in the past years including SMEG, a provider of large kitchen appliances, who launched a full range of SEKAs and Russell Hobbs who extended its market coverage from the UK to other countries in the EEA, including Lithuania.
- (196) Furthermore, most of the respondents do not consider WMF as an important supplier in Lithuania<sup>98</sup>, and do not consider that the Transaction would have an impact on the market for water kettles.<sup>99</sup>
- (197) Based on the above, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market on the market for the supply of water kettles in Lithuania.

### 5.3.2. Toasters

- (198) Table 22 below shows the market shares of the Parties in the affected markets in the EEA in relation to toasters based on the Notifying Party's estimates.

**Table 22 – Market shares and HHI increment in affected markets in the EEA toasters. (Figures relate to 2015)**

Country	SEB	WMF	Combined	HHI increment
France	[40-50]%	[0-5]%	[40-50]%	[5-10]
Germany	[10-20]%	[5-10]%	[20-30]%	[100-200]
The Netherlands	[20-30]%	[0-5]%	[20-30]%	[50-60]
Spain	[20-30]%	[0-5]%	[20-30]%	[5-10]

*Source: Notifying Party's estimates based on third parties reports*

#### 5.3.2.1. Toasters in France

- (199) Table 23 below shows the market shares of the Parties and their competitors in the supply of toasters in France based on the Notifying Party's estimates.

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<sup>98</sup> See replies to Commission questionnaire to customers and competitors in other markets Q3 of 17 October 2016, question E.1.

<sup>99</sup> See replies to Commission questionnaire to customers and competitors in other markets Q3 of 17 October 2016, question D.2.



**Table 23 – revenue sales and market share in the market for toasters in France in 2015**

Toaster France		
	Sales (mn EUR) in 2015	Market Share (%) in 2015
WMF	[...]	[0-5]%
SEB	[...]	[40-50]%
Combined	[...]	[40-50]%
Russell Hobbs	[...]	[10-20]%
Philips	[...]	[5-10]%
Kenwood	[...]	[0-5]%
Bosch	[...]	[0-5]%
Magimix	[...]	[0-5]%
Others	[...]	[20-30]%
<b>Total Market Sales Value</b>	[20.000-30.000]	100%

*Source: Notifying Party's estimates based on third parties reports*

- (200) First, while the overlap between the Parties gives rise to an affected market in relation to water kettles in France, the market share increment brought by the Transaction is less than [0-5]% and the HHI increment, presented in Table 22 above, is limited.
- (201) Second, a large number of competitors would remain active in this market, including international groups such as Philips and Russell Hobbs with market shares of [5-10]% and [5-10]% respectively.
- (202) Third, as described in paragraphs (173), SEB and WMF are mainly focused on different distribution channels.
- (203) Fourth, the market has seen a number of new entrants in the past years including SMEG, a provider of large kitchen appliances, who launched a full range of SEKAs and Russell Hobbs who extended its market coverage from the UK to other countries in the EEA, including France.
- (204) Furthermore, most of the respondents to the market investigation have a neutral or positive view on whether the Transaction would have an impact on the market for the supply of toasters in France. While some respondents consider that the Transaction would strengthen SEB's position in the market, most respondents argue that there would be no impact on the market due to WMF's limited position. One large retailer, in particular, considers that the impact would be positive since an enlarged offer will bring more opportunities of choice to customers.<sup>100</sup>
- (205) Based on the above, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market on the market for the supply of toasters in France.

#### 5.3.2.2. Toasters in Germany

- (206) Table 24 below shows the market shares of the Parties and their competitors in the supply of toasters in Germany based on the Notifying Party's estimates.

<sup>100</sup> See replies to Commission questionnaire to customers and competitors in other markets Q3 of 17 October 2016, question C.3.

**Table 24 – revenue sales and market share in the market for toasters in Germany in 2015**

Toaster Germany		
	Sales (mn EUR) in 2015	Market Share (%) in 2015
WMF	[...]	[10-20]%
SEB	[...]	[5-10]%
Combined	[...]	[20-30]%
Severin	[...]	[10-20]%
Braun	[...]	[5-10]%
Cloer	[...]	[5-10]%
Philips	[...]	[5-10]%
Russell Hobbs	[...]	[0-5]%
Others	[...]	[40-50]%
<b>Total Market Sales Value</b>	[30.000-40.000]	100%

*Source: Notifying Party's estimates based on third parties reports*

- (207) First, while the overlap between the Parties gives rise to an affected market in relation to toasters in Germany, the Parties' combined market share just reaches [20-30]%.
- (208) Second, a large number of competitors would remain active in this market, including Severin, Braun and Cloer with market shares of [10-20]%, [5-10]% and [5-10]% respectively.
- (209) Third, as described in paragraphs (173), SEB and WMF are mainly focused on different distribution channels.
- (210) Fourth, the market has seen a number of new entrants in the past years including SMEG, a provider of large kitchen appliances, who launched a full range of SEKAs and Russell Hobbs who extended its market coverage from the UK to other countries in the EEA, including Germany.
- (211) Furthermore, as described in paragraph (182) above, most of the respondents to the market investigation consider that the Transaction would not have an impact on the market for the supply of SEKAs, including toasters in Germany.<sup>101</sup>
- (212) Based on the above, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market on the market for the supply of toasters in Germany.

#### 5.3.2.3. Toasters in the Netherlands

- (213) Table 25 below shows the market shares of the Parties and their competitors in the supply of toasters in the Netherlands based on the Notifying Party's estimates.

<sup>101</sup> See replies to Commission questionnaire to customers in Germany and Austria Q1 of 17 October 2016, question 49.

**Table 25 – revenue sales and market share in the market for toasters in the Netherlands in 2015**

Toaster		
The Netherlands		
	Sales (mn EUR) in 2015	Market Share (%) in 2015
WMF	[...]	[0-5]%
SEB	[...]	[20-30]%
Combined	[...]	[20-30]%
Philips	[...]	[20-30]%
Princess	[...]	[10-20]%
Delonghi	[...]	[5-10]%
Severin	[...]	[5-10]%
Tristar	[...]	[5-10]%
Others	[...]	[20-30]%
<b>Total Market Sales Value</b>	[2.000-3.000]	100%

*Source: Notifying Party's estimates based on third parties reports*

- (214) First, while the overlap between the Parties gives rise to an affected market in relation to water kettles in the Netherlands, the market share increment brought by the Transaction is less than [0-5]% and the HHI increment, presented in Table 22 above, is limited.
- (215) Second, a large number of competitors would remain active in this market, including international groups such as Philips and Princess with market shares of [20-30]% and [10-20]% respectively.
- (216) Third, as described in paragraphs (173), SEB and WMF are mainly focused on different distribution channels.
- (217) Fourth, the market has seen a number of new entrants in the past years including SMEG, a provider of large kitchen appliances, who launched a full range of SEKAs and Russell Hobbs who extended its market coverage from the UK to other countries in the EEA, including the Germany.
- (218) Furthermore, most of the respondents do not consider that the Transaction would not have any impact in the market for toasters in the Netherlands since WMF and SEB combined market share is low and there are alternatives in the market.<sup>102</sup>
- (219) Based on the above, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market on the market for the supply of toasters in the Netherlands.

#### 5.3.2.4. Toasters in Spain

- (220) Table 26 below shows the market shares of the Parties and their competitors in the supply of toasters in Spain based on the Notifying Party's estimates.

<sup>102</sup> See replies to Commission questionnaire to customers and competitors in other markets Q3 of 17 October 2016, question F.3.

**Table 26 – revenue sales and market share in the market for toasters in Spain in 2015**

Toaster Spain		
	Sales (mn EUR) in 2015	Market Share (%) in 2015
WMF	[...]	[0-5]%
SEB	[...]	[20-30]%
Combined	[...]	[20-30]%
Russell Hobbs	[...]	[10-20]%
Philips	[...]	[10-20]%
Kenwood	[...]	[10-20]%
Bosch	[...]	[5-10]%
Magimix	[...]	[0-5]%
Others	[...]	[40-50]%
<b>Total Market Sales Value</b>	[10.000-20.000]	100%

*Source: Notifying Party's estimates based on third parties reports*

- (221) First, while the overlap between the Parties gives rise to an affected market in relation to toasters in Spain, the market share increment brought by the Transaction is less than [0-5]% and the HHI increment, presented in Table 22 above, is limited.
- (222) Second, a large number of competitors would remain active in this market, including Taurus and Ufesa with market shares of [10-20]% each.
- (223) Third, as described in paragraphs (173), SEB and WMF are mainly focused on different distribution channels.
- (224) Fourth, the market has seen a number of new entrants in the past years including SMEG, a provider of large kitchen appliances, who launched a full range of SEKAs and Russell Hobbs who extended its market coverage from the UK to other countries in the EEA, including Spain.
- (225) Furthermore, most of the respondents do not consider that the Transaction would have any impact in the market for toasters in Spain. Even if the Transaction would lead to a reduction in the number of independent providers, WMF market share in the market is extremely low.<sup>103</sup>
- (226) Based on the above, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market on the market for the supply of toasters in Spain.

### 5.3.3. Other markets for small electronic kitchen appliances

- (227) Table 27 below shows the market shares of the Parties in the affected markets in the EEA in relation to other SEKA products based on the Notifying Party's estimates.

<sup>103</sup> See replies to Commission questionnaire to customers and competitors in other markets Q3 of 17 October 2016, question H.2.

**Table 27 – Market shares and HHI increment in affected markets in the EEA concerning other small electric kitchen appliances. (Figures relate to 2015)**

Country	Product Market	SEB	WMF	Combined	HHI increment
Germany	Waffle makers/sandwich makers	[20-30]%	[0-5]%	[20-30]%	[60-70]
Germany	Informal meals / Funcooking	[10-20]%	[5-10]%	[20-30]%	[200-300]
The Netherlands	Barbecue and indoor grills	[20-30]%	[0-5]%	[20-30]%	[10-20]

*Source: Notifying Party's estimates based on third parties reports*

#### 5.3.3.1. Waffle makers and sandwich makers in Germany

(228) Table 28 below shows the market shares of the Parties and their competitors in the supply of waffle makers and sandwich makers in Germany based on the Notifying Party's estimates.

**Table 28 – revenue sales and market share in the market for waffle makers and sandwich makers in Germany in 2015**

Waffle Makers/Sandwich Makers		
Germany		
	Sales (mn EUR) in 2015	Market Share (%) in 2015
WMF	[...]	[0-5]%
SEB	[...]	[20-30]%
Combined	[...]	[20-30]%
Cloer	[...]	[10-20]%
Severin	[...]	[10-20]%
Clatronic	[...]	[10-20]%
Unhold	[...]	[5-10]%
Graef	[...]	[0-5]%
Others	[...]	[10-20]%
Total Market Sales Value	[20.000-30.000]	100%

*Source: Notifying Party's estimates based on third parties reports*

- (229) First, while the overlap between the Parties gives rise to an affected market in relation to waffle makers/sandwich makers, the market share increment brought by the Transaction is less than [0-5]% and the HHI increment, presented in Table 27 above, is limited.
- (230) Second, a large number of competitors would remain active in this market, including Cloer and Severin with market shares of [10-20]% and [10-20]% respectively.
- (231) Third, as described in paragraphs (173), SEB and WMF are mainly focused on different distribution channels.
- (232) Fourth, the market has seen a number of new entrants in the past years including Russell Hobbs who extended its market coverage from the UK to other countries in the EEA, including Germany.
- (233) Furthermore, as described in paragraph (182) above, most of the respondents to the market investigation confirmed that the Transaction would not have any impact on

the market for the supply of SEKAs, including waffle makers/sandwich makers in Germany.

- (234) Based on the above, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market on the market for the supply of waffle makers/sandwich in Germany.

#### 5.3.3.2. Informal meal/Funcooking in Germany

- (235) Table 29 below shows the market shares of the Parties and their competitors in the supply of informal meal/funcooking appliances in Germany based on the Notifying Party's estimates.

**Table 29 – revenue sales and market share in the market for informal meals and funcooking in Germany in 2015**

Appliances for Informal Meals/Funcooking		
Germany		
	Sales (mn EUR) in 2015	Market Share (%) in 2015
WMF	[...]	[5-10]%
SEB	[...]	[10-20]%
Combined	[...]	[20-30]%
Severin	[...]	[10-20]%
Tristar	[...]	[10-20]%
Clatronic	[...]	[0-5]%
Others	[...]	[40-50]%
<b>Total Market Sales Value</b>	[20.000-30.000]	100%

*Source: Notifying Party's estimates based on third parties reports*

- (236) First, while the overlap between the Parties gives rise to an affected market in relation to informal meals and funcooking in Germany, the combined share of the Parties would remain moderate at just under [20-30]%.
- (237) Second, a large number of competitors would remain active in this market, including Severin and Tristar with market shares of [10-20]% and [10-20]% respectively.
- (238) Third, as described in paragraphs (173), SEB and WMF are mainly focused on different distribution channels.
- (239) Fourth, the market has seen a number of new entrants in the past years including Russell Hobbs who extended its market coverage from the UK to other countries in the EEA, including Germany.
- (240) Furthermore, as described in paragraph (182) above, most of the respondents to the market investigation confirmed that the Transaction would not have any impact on the market for the supply of SEKAs, including informal meal/funcooking appliances in Germany.
- (241) Based on the above, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market on the market for the supply of informal meal/funcooking appliances in Germany.

### 5.3.3.3. Barbecue and indoor grills in the Netherlands

(242) Table 30 below shows the market shares of the Parties and their competitors in the supply of barbecue and indoor grills in the Netherlands based on the Notifying Party's estimates.

**Table 30 – revenue sales and market share in the market for barbecue and indoor grills in the Netherlands in 2015**

Barbecues and Indoor Grills		
The Netherlands		
	Sales (mn EUR) in 2015	Market Share (%) in 2015
WMF	[...]	[0-5]%
SEB	[...]	[20-30]%
Combined	[...]	[20-30]%
Princess	[...]	[10-20]%
Tristar	[...]	[5-10]%
Breston	[...]	[5-10]%
Domo	[...]	[0-5]%
Philips	[...]	[0-5]%
Others	[...]	[30-40]%
<b>Total Market Sales Value</b>	[10.000-20.000]	100%

*Source: Notifying Party's estimates based on third parties reports*

- (243) First, while the overlap between the Parties gives rise to an affected market in relation to barbecue and indoor grills in the Netherlands, the market share increment brought by the Transaction is less than [0-5]% and the HHI increment, presented in Table 27 above, is limited.
- (244) Second, a large number of competitors would remain active in this market, including Princess, Tristar and Breston with market shares of [10-20]%, [5-10]% and [5-10]% respectively.
- (245) Third, as described in paragraphs (173), SEB and WMF are mainly focused on different distribution channels.
- (246) Fourth, the market has seen a number of new entrants in the past years including Russell Hobbs who extended its market coverage from the UK to other countries in the EEA, including the Netherlands.
- (247) Furthermore, most of the respondents to the market investigation considered that the Transaction would have no impact on the market for the supply of barbecue and indoor grills in the Netherlands since WMF and SEB combined market share is low and there are alternatives in the market. Only one respondent notes that the Transaction may strengthen SEB's leading position to the detriment of competitors.<sup>104</sup>
- (248) Based on the above, the Commission concludes that the Transaction would not raise serious doubts as to its compatibility with the internal market on the market for the supply of barbecue and indoor grills in the Netherlands.

<sup>104</sup> See replies to Commission questionnaire to customers and competitors in other markets Q3 of 17 October 2016, question F.4.

**6. CONCLUSION**

(249) 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)*

*Margrethe VESTAGER  
Member of the Commission*