



EUROPEAN COMMISSION  
DG Competition

***Case M.10687 – D’IETEREN / PHE***

Only the English text is available and authentic.

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

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Decision on the implementation of the commitments -  
Purchaser approval  
Date: 29.03.2023



Brussels, 29.3.2023  
C(2023) 2325 final

**PUBLIC VERSION**

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus [...]. Where possible the information omitted has been replaced by ranges of figures or a general description.

D'Ieteren Group SA  
Rue du Mail 50  
1050 Ixelles  
Belgium

Dear Sir or Madam,

**Subject: Case M.10687 – D'IETEREN / PHE**  
**Approval of Siligom as purchaser of Glass Auto Service following your letter of 23 February 2023 and the Trustee's opinion of 28 February 2023**

**1. FACTS AND PROCEDURE**

- (1) By decision of 2 August 2022 (the 'Decision') based on Article 6(1)(b) in connection with Article 6(2) of Council Regulation No 139/2004, the Commission declared the operation by which D'Ieteren Group ('DIG' or the 'Notifying Party') acquires within the meaning of Article 3(1)(b) of the Merger Regulation sole control of the whole of Parts Holding Europe SAS ('PHE' or the 'Target'), together the 'Parties', through the acquisition of PHE's parent company, Dakar Holdings S.C.A., by way of purchase of shares compatible with the internal market, subject to conditions and obligations (the 'Commitments').
- (2) In order to maintain effective competition, DIG committed to divest, or procure the divestiture of the Mondial Pare-Brise business and the Glass Auto Service label<sup>1</sup> (the 'Divestment Business' and together, the 'Divestment Businesses'). Specifically, under Section B of the Commitments, the Notifying Party commits to divest:
  - a) all tangible and intangible assets (including intellectual property rights);

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<sup>1</sup> Capitalised terms not defined in this decision have the same meaning as in the Decision.

- b) all licences, permits and authorisations issued by any governmental organisation for the benefit of the Divestment Businesses;
- c) all contracts, leases, commitments and customer orders of the Divestment Businesses; all customer, credit and other records of the Divestment Businesses; and
- d) the Personnel.

(3) The present decision concerns only the approval of Siligom SAS as the purchaser of Glass Auto Service. MACIF was approved by the Commission as the purchaser of Mondial Pare Brise in a decision dated 9 February 2023.<sup>2</sup>

(4) By letter of 23 February 2023, DIG proposed Siligom SAS for approval by the Commission as purchaser of Glass Auto Service and submitted the proposed Asset Purchase Agreement (the ‘Proposed Agreement’). On 28 February 2023, Advolis, (the ‘Trustee’) submitted its Reasoned Opinion of Siligom SAS’s suitability as a purchaser. The Trustee indicated that Siligom SAS fulfils the criteria of the purchaser requirements in section D of the Commitments attached to the Decision. In this assessment, the Trustee also indicated that, on the basis of the Proposed Agreement, the Divestment Business would be sold in a manner consistent with the Commitments.

## **2. ASSESSMENT OF THE PROPOSED PURCHASER**

(5) Siligom SAS is a French company active in the automotive repair sector since 1998.<sup>3</sup> It operates two distinct national garages networks, providing labels and support services to independent workshops belonging to its two networks: Siligom and Siliglass. Siligom is a national network of independent garages specialised in (i) the replacement of tyres, (ii) the distribution of automotive spare parts, and (iii) vehicle repair and maintenance services. The network currently includes [200-300] independent workshops in France and achieved a turnover of approximately EUR [...]in 2022. Siliglass is a national network of independent garages specialized in vehicle glass repair and replacement services. Created in January 2020, the network currently includes [80-120] workshops (out of which [60-100] members are also members of Siligom) and achieved a turnover of approximately EUR [...]in 2022, corresponding to approx. [...] vehicle glass repair and replacement jobs.

(6) Siligom and Siliglass have a similar structure to Glass Auto Service, in that their members are independent workshops that have signed adhesion agreements (“contrats d’adhésion”) with Siligom SAS in order to use the Siligom and/or Siliglass label(s) and benefit from support services. In exchange for a fee payment, Siligom SAS provides support services such as technical, software and communication support, and centralised purchasing to both networks.

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<sup>2</sup> Case M.10687 – Approval of MACIF as purchaser of Mondial Pare-Brise, C(2023) 1071 final

<sup>3</sup> Siligom SAS is owned by the members of Siligom and some members of Siliglass. The members of Siligom [...] to join the network, while it is only an option for the members of Siliglass.

## 2.1. The purchaser criteria

- (7) According to the Commitments attached to the Decision, in order to be approved by the Commission, the Purchaser of the Divestment Business must fulfil the following criteria<sup>4</sup>:
- (a) The Purchaser shall be independent of and unconnected to the Parties and their affiliated undertakings<sup>5</sup> (this being assessed having regard to the situation following the divestiture).
  - (b) The Purchaser shall have the financial resources, proven expertise and incentive to maintain and develop the Divestment Business as a viable and active competitive force in competition with the Parties and other competitors.
  - (c) The acquisition of the Divestment Business by the Purchaser must neither be likely to create, in light of the information available to the Commission, prima facie competition concerns nor give rise to a risk that the implementation of the Commitments will be delayed. In particular, the Purchaser(s) must reasonably be expected to obtain all necessary approvals from the relevant regulatory authorities for the acquisition of the Divestment Businesses.
  - (d) The Purchaser must be an operator already present in the automotive repair sector or in the supply of automotive parts.

### 2.1.1. Independence from the Parties

- (8) According to the information provided by the Notifying Party and the Trustee, there are no capitalistic links between the Parties and Siligom SAS. In particular, Siligom SAS does not have any shareholding in DIF, PHE, Glass Auto Service or in any joint venture. Neither DIF nor PHE hold any direct or indirect stake in Siligom SAS. There is also no direct commercial or contractual relationship between the Parties and Siligom SAS.
- (9) As noted by the Trustee, there will be a transitory commercial link between the Parties and Siligom SAS, [Details regarding transitional agreements]. The Trustee concludes that Siligom SAS is independent from the Parties and its affiliated undertakings.
- (10) In light of the absence of any structural links between Siligom SAS and the Parties and the existence of only limited contractual relations, the Commission concludes that Siligom SAS is independent of and unconnected to the Parties and its affiliated undertakings.

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<sup>4</sup> Paragraph 17 of the Commitments.

<sup>5</sup> Undertakings controlled by the Parties and/or by the ultimate parents of the Parties, whereby the notion of control shall be interpreted pursuant to Article 3 of the Merger Regulation and in light of the Commission Consolidated Jurisdictional Notice.

2.1.2. *Financial resources, proven expertise and incentive to maintain and develop the Divested Business as a viable and active competitor*

2.1.2.1. Financial resources

- (11) The Notifying Party submits that Siligom SAS has sufficient financial resources to acquire, maintain and develop the Divestment Business in an efficient and competitive manner. In particular, the Notifying Party notes that Siligom SAS already operates two national networks in the automotive repair sector with established brands and which achieve sound financial results. In 2022, Siligom SAS achieved a turnover of EUR [...], with a net result (before tax) of approximately EUR [...], and the independent members of Siligom and Siliglass achieved a turnover of approximately EUR [...] <sup>6</sup> and EUR [...] respectively. The financing of the proposed transaction is underwritten by a wholly-owned subsidiary of Siligom SAS and is fully equity-financed. The financing is achieved due to an excess cash balance which exceeds the purchase price of EUR [...].
- (12) According to the Trustee, Siligom SAS is a profitable company with a sound financial position. Its equity reached EUR [...] in 2021 and it has [...]. Further, the proposed transaction will be fully equity financed by Siligom SAS. The Trustee therefore concludes that Siligom's financial resources are sufficient to support and develop Glass Auto Service going forward.
- (13) In view of (i) Siligom SAS's financial resources and (ii) the favourable opinion of the Trustee, the Commission concludes that Siligom SAS has the financial resources to acquire, maintain and develop the Divestment Business as a viable and competitive force.

2.1.2.2. Proven expertise

- (14) The Notifying Party submits that Siligom SAS has the proven expertise to maintain and develop the Divestment Business as a viable and active competitor in the long term on the market for vehicle glass repair and replacement in France. First, Siligom SAS has a long-established experience of operating a network of independent garages specialised in tyre replacement and vehicle repair and maintenance, through its operation of Siligom. Siligom was launched in 1998, includes [200-300] independent workshops and covers the whole French territory. Second, Siligom is also active in vehicle glass repair and replacement. In 2020, Siligom SAS successfully developed a new national vehicle glass repair and replacement network, Siliglass. Through this, Siligom SAS has developed the knowledge and capacity to provide support services to its members including administrative support, IT support and Advanced Driver Assistance Systems ('ADAS') solutions for independent members that are not able to provide those interventions.<sup>7</sup> Siliglass currently comprises [80-120] workshops nationwide. In 2022, it performed approximately [...] vehicle glass repair and replacement jobs, with a turnover of approximately EUR [...].
- (15) In its Reasoned Opinion, the Trustee notes that Siligom SAS is a well-established player active in automotive repair (tyre replacement) through the operation of Siligom. Further, it has been active in the vehicle glass repair and replacement

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<sup>6</sup> This figure is an estimate of 2022 figures. The final data is communicated to Siligom SAS on 31 March 2023.

<sup>7</sup> For the importance of ADAS in vehicle glass repair services, see paragraph 113 of the Decision.

market for the last three years, through the establishment and operation of the Siliglass network. While the Trustee notes that the Glass Auto Service network is larger than the networks operated by Siligom SAS<sup>8</sup>, the Trustee considers that Siligom SAS has a long-standing experience of managing a network of independent garages. It has been able to assure the stability of the membership and significantly grow the network. In 2021, the independent garages of Siligom and Siliglass achieved a turnover of EUR [...] and EUR [...] respectively. The Trustee considers that this experience is key in integrating the Glass Auto Service network. The Trustee concludes therefore that Siligom SAS has the proven expertise to maintain and develop the Divestment Business. Further, through this expertise, Siligom SAS meets the additional purchaser criteria which requires the purchaser to be an operator already present in the automotive repair sector or in the supply of automotive parts.

- (16) In view of (i) Siligom SAS's expertise in operating its networks active in automotive repair and vehicle glass repair and replacement, and (ii) the favourable opinion of the Trustee, the Commission concludes that Siligom SAS has the necessary expertise to maintain and develop the Divestment Business. The Commission further concludes that Siligom SAS meets the purchaser criteria that requires the purchaser to be an operator already present in the automotive repair sector or in the supply of automotive parts.

#### 2.1.2.3. Incentive

- (17) The Notifying Party submits that Siligom SAS has the incentive and ability to maintain and develop the Divestment Business as a viable and active competitor in the long term on the market of vehicle glass repair and replacement services in France. Siligom SAS will reinforce the Glass Auto Service label and its network by integrating Siliglass' workshops into the Glass Auto Service label, in order to increase the national coverage of the network, to over 400 garages. Siligom SAS will also maintain the existing framework agreements concluded between Glass Auto Service and insurance companies. Independent garages belonging to Siliglass will also benefit from these agreements, reinforcing the overall network. Siligom SAS will also take over all of Glass Auto Service's employees.<sup>9</sup> Siligom SAS will provide all of the technical, administrative, commercial, communication and IT support services currently provided to Siliglass, to Glass Auto Service, thereby ensuring that Glass Auto Service benefits from a broad range of support services.
- (18) The Trustee considers that the proposed transaction is an opportunity for Siligom SAS to accelerate its development in the vehicle glass repair and replacement market where it has been active since 2020. It will enable Siliglass to benefit from framework agreements with insurers that currently work with Glass Auto Service. In addition, the Trustee notes that Glass Auto Service's network can be seen as complementary to that of Siliglass and will therefore enable Siligom SAS to reinforce its geographic footprint in vehicle glass repair. Through the combination of the two networks, Siligom SAS can strengthen its position in this glass repair market and increase its bargaining power with its suppliers. The Trustee therefore concludes that Siligom SAS has the incentive to maintain and develop Glass Auto Service.

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<sup>8</sup> As described in paragraph (5), Siligom's network comprises of [200-300] independent garages, whereas Siliglass comprises of [80-120] independent garages, of which [60-100] are also members of Siligom. By contrast, Glass Auto Service comprises of [300-400] independent garages.

<sup>9</sup> Section 3 of the Proposed Agreement.

#### 2.1.2.4. Conclusion on financial resources, proven expertise and incentive

- (19) On the basis of the above, the Commission concludes that Siligom SAS has sufficient financial resources, proven expertise, is an operator already present in the automotive repair sector and has the incentives to maintain and develop the Divestment Business as a viable and active competitor in competition with Carglass<sup>10</sup> and other players in the market.

#### 2.1.3. *Absence of prima facie competition problems*

- (20) The Notifying Party submits that the acquisition of the Divestment Business by Siligom SAS does not give rise to any competition concern. In France, Siliglass and Glass Auto Service are both active in vehicle glass repair and replacement, and Siligom and Glass Auto Service are also active in general vehicle repair and maintenance, through the operation of networks of independent garages offering those services. On the vehicle glass repair and replacement market, they would each have very limited market shares based on volume, with Siliglass accounting for approximately [...] jobs in 2021 in France ([0-5]%) and Glass Auto Service accounting for approximately [...] jobs in 2021 in France ([0-5]). The combined market share would therefore remain low at approximately [0-5]%, in particular when compared to the market leaders. Siliglass and Glass Auto Service will continue to face competition from a large range of competitors and in particular from the three larger vehicle glass repair specialists i.e. Carglass ([30-40]%), Mondial Pare Brise ([10-20]%) and France Pare Brise ([10-20]%). In general vehicle repair and maintenance services, market shares are also low with a combined market share of approximately [0-5]%, with Siligom accounting for a market share of approximately [0-5]% in France and Glass Auto Service accounting for a market share of approximately [0-5]% in France<sup>11</sup>. Siligom and Glass Auto Service will continue to face competition from a large range of competitors including small independent garages and larger national chains such as Speedy, Midas, Norauto and Feu Vert.
- (21) The proposed transaction does not give rise to vertical links<sup>12</sup> and does not raise concerns based on conglomerate links (due to Siligom's activity in the retail distribution of new replacement tyres) due to the very low market shares of Siligom and Glass Auto Service in the related and complementary markets.
- (22) The Notifying Party further submits that there is no reason for the implementation of the proposed transaction to be delayed. It submits that the only condition precedent in the Proposed Agreement is the approval of the Commission's purchaser approval. The proposed transaction is not subject to any merger control proceedings, due to the limited turnover of Glass Auto Service (approximately EUR [...]). The Divestment Business includes the entire perimeter of Glass Auto Service and does not therefore require any carve out or internal restructuring.
- (23) The Trustee notes in its Reasoned Opinion that while Siligom SAS and Glass Auto Service are both active in vehicle glass repair and replacement, their combined market shares are very limited (around [0-5]%). The Trustee takes note of the

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<sup>10</sup> See the Decision. Carglass is controlled by the Notifying Party.

<sup>11</sup> Based on the number of garages adhering to the respective labels. It is recalled that Siligom has [200-300] garages in its network and Glass Auto Service has [300-400] garages in its network.

<sup>12</sup> While Siligom SAS is active in the distribution of automotive spare parts, the product portfolio does not include the parts needed for vehicle glass repair.

Notifying Party's submission and observes that any horizontal overlap in general vehicle repair and maintenance would be very low. There are no vertical links and conglomerate concerns can also be ruled out due to the Siligom SAS's and Glass Auto Service's very limited market shares on markets that could be considered complementary i.e. the retail distribution of new replacement tyres and vehicle glass repair and replacement services. The Trustee therefore concludes that the acquisition of the Divestment Business by Siligom SAS does not create any prima facie competition concerns.

- (24) The Trustee notes that the closing of the proposed transaction is subject to the Commission's purchaser approval and also two administrative actions to be completed by Siligom SAS and Glass Auto Service by 30 April 2023 at the latest. The Trustee therefore concludes that it does not anticipate any delay to the planned acquisition of the Divestment Business.
- (25) The Commission concludes that in light of (i) the very limited horizontal overlap between Siligom, Siliglass and Glass Auto Service, (ii) the lack of vertical relationships and very limited shares in potentially complementary markets which is very unlikely to give rise to any conglomerate concerns, and (iii) the Reasoned Opinion of the Trustee, the acquisition of the Divestment Business by Siligom SAS is not likely to create, in light of the information available to the Commission, prima facie competition concerns nor give rise to a risk that the implementation of the Commitments will be delayed.

## **2.2. Assessment of the Divestment Business being sold in a manner consistent with the Commitments**

- (26) The Notifying Party submits that the Divestment Business is transferred in a manner consistent with the Commitments and provides a comparison of the provisions of the Commitments and the corresponding provisions in the Proposed Agreement. The Proposed Agreement was signed on 22 February 2023.
- (27) The Trustee considers that the terms and conditions of the Proposed Agreement, comply with the Commitments. The Trustee notes that while the sale of the Divestment Business [...] all of Glass Auto Service's assets will be transferred to Siligom SAS: including the Glass Auto Service member agreements with garages and framework agreements with insurers, customer records, and all personnel and all intangible assets<sup>13</sup>. As noted above in paragraph (9), there will also be [Details regarding transitional agreements].
- (28) Pursuant to the Schedule to the Commitments, the Commission notes that the Divestment Business consists of all commercial assets and staff that contribute to the current operation or are necessary to ensure its viability and competitiveness, it being specified that Glass Auto Service, as a label, does not have tangible assets and is administratively tied to Autodistribution, a subsidiary of PHE.
- (29) The Commission has reviewed the Proposed Agreement and has taken into account the Trustee's Reasoned Opinion. On the basis of the information in its possession and, in particular that, as set out above, all of Glass Auto Service's assets are being transferred under the Proposed Agreement and in line with the provisions of the Commitments. Therefore, the Commission concludes that the Divestment Business is being sold in a manner consistent with the Commitments.

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<sup>13</sup> [...]



**3. CONCLUSION**

- (30) On the basis of the above assessment, the Commission approves Siligom SAS as a suitable purchaser of the Divestment Business.
- (31) On the basis of the Proposed Agreement, the Commission further concludes that the Divestment Business is being sold in a manner consistent with the Commitments.
- (32) This decision only constitutes approval of the proposed purchaser identified herein and of the Proposed Agreement. This decision does not constitute a confirmation that DIG has complied with its Commitments.
- (33) This decision is based on paragraphs 18 and 19 of the Commitments attached to the Commission Decision of 2 August 2022.

*For the Commission*

*(Signed)*  
*Olivier GUERSENT*  
*Director-General*