



EUROPEAN COMMISSION  
DG Competition

***Case M.9569 - ESSILORLUXOTTICA / GRANDVISION***

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: 18/2/2022



EUROPEAN COMMISSION

Brussels, 18.2.2022  
C(2022) 1154 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 Where possible the information omitted has been replaced by ranges of figures or a general description.

EssilorLuxottica S.A.  
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94220 Charenton-le-Pont  
France

Dear Sir or Madam,

**Subject: Case M.9569 - EssilorLuxottica/GrandVision  
Approval of Vision Group as purchaser of the IT Business following your  
letter of 23 December 2021 and the Trustee's opinion of 24 January 2022  
and additional information of 14 February 2022.**

### 1. FACTS AND PROCEDURE

- (1) By decision of 23 March 2021 (the '**Clearance Decision**') pursuant to Article 8(2) of Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings<sup>1</sup> (the '**Merger Regulation**') and Article 57 of the EEA Agreement, the Commission declared the operation by which the undertaking EssilorLuxottica S.A. ('**EssilorLuxottica**' or the '**Notifying Party**') acquires within the meaning of Article 3(1)(b) of the Merger Regulation sole control of GrandVision N.V. ('**GrandVision**') (the '**Transaction**') compatible with the internal market and the EEA Agreement, subject to full compliance with the conditions and obligations annexed to the Clearance Decision (the '**Commitments**').

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<sup>1</sup> L 24, 29.1.2004, p. 1-22.

The Transaction was closed on 1 July 2021, so references to ‘EssilorLuxottica’ shall be taken to refer to the merged entity.

- (2) In particular, the Commitments provide that EssilorLuxottica divest certain businesses as described in the Schedule of the Commitments, namely:
  - (a) in Italy, a total of 174 stores, which includes the whole of EssilorLuxottica’s VistaSi chain together with 72 stores from the “GrandVision by” chain (the ‘**IT Business**’). The VistaSi brand will be transferred, whereas the “GrandVision by” brand will not and so the purchaser will be granted a temporary licence in order to rebrand these stores to a name of its choice;
  - (b) in Belgium, a total of 35 stores, which includes the whole of the GrandOptical chain, but without the brand name (the ‘**BE Business**’). The purchaser will be granted a temporary licence of the GrandOptical banner in order to rebrand these stores to a name of its choice; and
  - (c) in the Netherlands, a total of 142 stores, which represents the majority of the EyeWish chain, together with the brand name (the ‘**NL Business**’). EssilorLuxottica will retain some stores from this chain but will be required to rebrand them under a different name.
- (3) The Commitments require that the BE Business and the NL Business be divested together to one purchaser, and are together referred to as the ‘**BENE Business**’. The IT Business may be sold either together with the BENE Business to the same purchaser or separately to a different purchaser.
- (4) The Commitments also contain additional safeguards to ensure the smooth transfer of these three businesses, including the provision of transitional supplies and services to the purchaser(s).
- (5) This decision relates to the approval of a Purchaser of the IT Business.
- (6) By reasoned proposal of 23 December 2021 (the ‘**Reasoned Proposal**’), EssilorLuxottica proposed Vision Group S.p.A. (‘**Vision Group**’) for approval by the Commission as purchaser of the IT Business (only) and submitted the proposed Sale and Purchase Agreement and related agreements (together, the ‘**Proposed Agreements**’) for approval.
- (7) On 19 January 2021, a call was held between the Commission, Vision Group and Advolis SAS (the ‘**Trustee**’) in which Vision Group presented its credentials as purchaser of the IT Business and its expectations regarding the future development of and business plan for the IT Business.
- (8) On 24 January 2022, the Trustee submitted an assessment of the suitability of Vision Group as purchaser of the IT Business and, in particular, has indicated that it fulfils the criteria of the purchaser requirements in section D of the Commitments attached to the Clearance Decision (the ‘**Reasoned Opinion**’). In this assessment, the Trustee also indicated that, on the basis of the Proposed Agreement, the IT Business would be sold in a manner consistent with the Commitments.
- (9) On 28 January 2022, the Commission sent to the Trustee a list of questions following the submission of the Reasoned Opinion, notably regarding independence of Vision Group vis-à-vis EssilorLuxottica, financial resources, business plan,

product mix and the absence of prima facie competition concerns. The Trustee provided its replies on 14 and 15 February 2022.

## **2. ASSESSMENT OF THE PROPOSAL**

### **2.1. The Purchaser**

- (10) Vision Group is a company based in Milan and has been active in the optical retail market in Italy since 1989. Today it has 302 stores across the country under the VisionOttica banner, including 281 franchised and 21 directly operated stores. It also runs a distribution network for opticians, with 2,384 affiliated independent eyecare professionals.
- (11) Today Vision Group is owned by VG Holding S.p.A. (which is a structure owned by Vision Group's current management, [...] of the shares in Vision Group), private investor Arcadia Small Cap ([...]) and management directly ([...]).<sup>2</sup> Vision Group is today jointly controlled by Arcadia Small Cap and Vision Group's management.
- (12) According to paragraph 22 of the Commitments, in order to be approved by the Commission, the purchaser(s) must fulfil the purchaser criteria set out in paragraph 20 of the Commitments and the Divestment Businesses<sup>3</sup> must be sold in a manner consistent with the Commitments.
- (13) As set out in paragraph 18 of the Commitments, the purchaser(s) of the divestment businesses must fulfil the following criteria (the "Purchaser Requirements"):
- (a) the Purchaser(s) shall be independent of and unconnected to the Notifying Party and its Affiliated Undertakings (this being assessed having regard to the situation following the divestiture);
  - (b) the Purchaser(s) 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 EssilorLuxottica and other competitors;
  - (c) the acquisition of the Divestment Business by the Purchaser(s) 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 Business.<sup>4</sup>

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<sup>2</sup> [...].

<sup>3</sup> Capitalised terms in the purchaser criteria have the meaning defined in the Commitments.

<sup>4</sup> Paragraph 21 of the Commitments contains an additional criterion specific to the purchaser of the BENE Business (only), which is not replicated as it is not relevant for the purposes of the present decision.

## **2.2. Independence from the Parties**

- (14) The Notifying Party submits that Vision Group is independent from, and unconnected to, EssilorLuxottica. The Notifying Party argues that (i) Vision Group and EssilorLuxottica (and their affiliated shareholders) do not have any shareholding in each other (or their affiliated shareholders), (ii) there are no cross-directorships between Vision Group and EssilorLuxottica or their affiliated undertakings, (iii) , and (iv) the divestment will not create any link or connection between Vision Group or EssilorLuxottica such as to impair their independence.<sup>5</sup>
- (15) In its reasoned opinion, the Trustee agrees that Vision Group is independent from EssilorLuxottica, given that there are no cross-shareholdings between Vision Group and EssilorLuxottica and no cross-directorships between both companies.<sup>6</sup>
- (16) Vision Group is also a customer of EssilorLuxottica in Italy. [...].<sup>7</sup> These arrangements [...] do not give rise to any reason to consider that the Vision Group's independence from EssilorLuxottica would be impaired.
- (17) Based on the above, the Commission considers that Vision Group is independent of and unconnected to EssilorLuxottica and, therefore, the Purchaser Requirement set out in paragraph 20(a) of the Commitments is met.

## **2.3. Financial resources, proven expertise and incentive to maintain and develop the IT Business as a viable and active competitor**

### *2.3.1. Financial resources*

- (18) The Notifying Party submits that Vision Group has sufficient financial resources to ensure that the IT Business will be a viable and active competitor. The Notifying Party submits that: (i) Vision Group is the largest independent optical retail network in Italy, (ii) Vision Group has secured debt financing for the purchase of the IT Business, and (iii) Vision Group intends to conduct a refinancing of the combined group post-acquisition to allow it to have sufficient flexibility to meet its integration and development strategy in the future.<sup>8</sup>
- (19) In its reasoned opinion, the Trustee agrees that Vision Group has the requisite financial resources to acquire the IT Divestment Business and ensure the IT Divestment Business will be a viable and active competitor. In 2020, the company's revenues experienced disruption due to the COVID-19 pandemic with a drop from EUR [...] in 2019 to EUR [...] in 2020. However, its revenues increased to EUR [...] in 2021. EBITDA figures followed a similar trend with EUR [...] in 2019, EUR [...] in 2020 and EUR [...] in 2021.<sup>9</sup>
- (20) Vision Group proposes to acquire the IT Business [...]. The Trustee notes that according [...].<sup>10</sup>

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<sup>5</sup> EssilorLuxottica's Reasoned Proposal, pages 2-3.

<sup>6</sup> Trustee's Reasoned Opinion, page 2.

<sup>7</sup> Trustee's reply to the request for information dated 24 January 2022, question 1.

<sup>8</sup> EssilorLuxottica's Reasoned Proposal, pages 3-4.

<sup>9</sup> Trustee's Reasoned Opinion, pages 7-8.

<sup>10</sup> Trustee's Reasoned Opinion, page 9.

- (21) The Commission shares the Trustee’s view. The net debt/ EBITDA ratio appears to be in line with those existing already in the optical industry [...].<sup>11</sup> [...].<sup>12</sup>
- (22) Considering the resources available to Vision Group, the Commission considers that as well as having sufficient financial resources to complete the acquisition of the IT Business, it also has sufficient financial resources to maintain and develop the IT Business as a viable and active competitive force following the acquisition.
- (23) Based on the above, the Commission considers that Vision Group has sufficient resources to complete the transaction and to maintain and develop the IT Business as a viable and active competitive force.

### 2.3.2. *Proven expertise*

- (24) The Notifying Party submits that Vision Group is already active in the Italian market and operates a structured banner strategy. It notes that Vision Group directly operates 21 stores in Italy as well as having 281 franchised stores under the VisionOptica banner. Vision Group also offers buying group and marketing services to 2,384 affiliated independent eyecare professionals throughout Italy. Therefore, EssilorLuxottica submits that Vision Group has the necessary expertise to maintain and develop the IT Business as a viable and active competitive force.<sup>13</sup>
- (25) In its reasoned opinion, the Trustee agrees that Vision Group has the requisite proven expertise to operate the IT Divestment Business as a viable and competitive alternative to the Parties in Italy. According to the Trustee, Vision Group is an established optical retailer operating throughout Italy. The company furthermore has stable management, the current CEO being in place since 2001. Vision Group has therefore developed significant market knowledge over the years around the procurement (central buying services) and retail of optical products. These will be valuable assets to manage the execution of the acquisition and the integration of the IT Business into Vision Group’s portfolio.<sup>14</sup>
- (26) The Commission shares the Trustee’s opinion. Considering its extensive optical retail network in Italy, it is beyond doubt that Vision Group has the expertise to manage an optical retail business in the Italian context.
- (27) Based on the above, the Commission considers that Vision Group has the required proven expertise to maintain and develop the IT Business as a viable and active competitive force.

### 2.3.3. *Incentive*

- (28) The Notifying Party submits that Vision Group has the incentive to maintain and develop the IT Business as a viable and active competitor, as the acquisition will accelerate the development of its (directly operated) network of stores. EssilorLuxottica notes that Vision Group intends to rebrand the “GrandVision By” and VistaSi stores under its own VisionOptica banner to consolidate the visibility of

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<sup>11</sup> Trustee’s reply to the request for information dated 24 January 2022, question 6.

<sup>12</sup> Trustee’s reply to the request for information dated 24 January 2022, questions 6 and 7.

<sup>13</sup> EssilorLuxottica’s Reasoned Proposal, pages 3-4.

<sup>14</sup> Trustee’s Reasoned Opinion, pages 11-12.

its banner in Italy (though it expects to maintain the VistaSi banner in the optical corner stores).<sup>15</sup>

- (29) In its reasoned opinion, the Trustee agrees that Vision Group has the requisite incentive to operate the IT Divestment Business as a viable and competitive alternative to the Parties in Italy. The Trustee notes that the proposed transaction represents a milestone in the history of Vision Group as its current turnover will [...]. Consequently, Vision Group will have all incentives to maintain and develop the Divestment Business. Vision Group has been active in the optical industry in Italy since 1989 and has a network of more than 300 owned or franchised stores, and an even broader affiliate network focused on providing buying group services. As such, it is an established player which has shown an intent to expand in the Italian optical industry, including at retail level. Vision Group presented a coherent vision for the integration of the IT Business (with the replacement of the VistaSi brand by VisionOttica, investment in the brand) and will be advised by a consultancy to help with the development of a detailed market and rebranding strategy.<sup>16</sup>
- (30) The Commission has reviewed Vision Group's business plan for the proposed acquisition. [...].<sup>17</sup>
- (31) Finally, in relation to product mix in Vista Si stores, [...].<sup>18</sup> [...]. The Commission takes the view that Vision Group appears keen to diversify its brand offering, which should strengthen its ability to compete with EssilorLuxottica retail network.
- (32) Based on the above, the Commission considers that Vision Group has the incentive to maintain and develop the IT Business as a viable and active competitor.

#### 2.3.4. *Conclusion on financial resources, proven expertise and incentive*

- (33) In light of the foregoing, the Commission considers that Vision Group has the required financial resources, proven expertise and incentive to maintain and develop the IT Business as a viable and active competitive force and, therefore, the Purchaser Requirement set out in paragraph 20(b) of the Commitments is met.

#### 2.4. **Absence of prima facie<sup>19</sup> competition problems**

- (34) The Notifying Party submits that the acquisition of the IT Business by Vision Group does not raise any competition concerns, on the basis that: (i) the merged entity will have low market shares in the optical retail market in Italy and will continue to be constrained by other competitors with comparable market positioning, (ii) the acquisition does not give rise to any vertical link as both Vision Group and the IT

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<sup>15</sup> EssilorLuxottica's Reasoned Proposal, page 4.

<sup>16</sup> Trustee's Reasoned Opinion, page 12.

<sup>17</sup> Trustee's reply to the request for information dated 24 January 2022, question 10.

<sup>18</sup> Project OBI, Presentation to the European Commission, 19 January 2022, slide 22.

<sup>19</sup> Prima facie is the standard of analysis set out in paragraph 104 of the Commission notice on remedies acceptable under Council Regulation (EC) No 139/2004 and under Commission Regulation (EC) No 802/2004 (OJ C 267, 22.10.2008, p. 1). Under this standard, the Commission analyses whether the proposed purchaser threatens to create competition problems in the light of the information available to the Commission in the purchaser approval process. It does not prejudge the competition assessment of the competent competition authority under applicable merger control rules

Business are only active at the optical retail level, (iii) the acquisition does not require antitrust approval by any competition authority.<sup>20</sup>

- (35) In its reasoned opinion, the Trustee agrees that the proposed divestment would not give rise to any prima facie competition problems or a risk that the implementation of the Commitments would be delayed, as the combined market share of Vision Group and the Divestment Business at national level in Italy is [5-10]%.<sup>21</sup>
- (36) The Commission agrees with the Trustee that there is no prima facie competition concerns at national level given the low level of combined market shares. The Commission requested additional information from the Trustee as regards local overlaps between Vision group and the IT Divestment Business, in line with the geographic market definition established in the Clearance Decision of a retail market essentially local in scope, and more specifically consisting of catchment areas with a radius that is not wider than 10 km.
- (37) Even at local level, the acquisition will not give rise to prima facie competition concerns. At the request of the Commission, Vision Group has performed a detailed analysis to identify all optical stores located within an area of 10 km radius from the IT Business stores, in line with the maximum radius for the catchment area of an optical store identified by the Commission in the Clearance Decision. In all geographic areas where there is an overlap between a Vision Group store and a store included in the IT Divestment Business, this assessment shows that a significant number of alternative stores (at least 5 and up to 20) remain available.<sup>22</sup>
- (38) This prima facie assessment is based on the information available for the purpose of this buyer approval and does not prejudice the competition assessment of the acquisition of the IT Business by Vision Group by a competent competition authority under applicable merger control rules.

## **2.5. Conclusion on the Purchaser Requirements**

- (39) On the basis of the above considerations and the information provided by EssilorLuxottica, and taking into account the reasoned opinion submitted by the Trustee, the Commission concludes that Vision Group meets the Purchaser Requirements set out in paragraph 20 of the Commitments in relation to the IT Business.

## **3. ASSESSMENT OF THE PROPOSED AGREEMENTS**

- (40) The Proposed Agreements consist of two sale and purchase agreements,<sup>23</sup> which were executed on 16 December 2021, as well as two transitional services agreements, two transitional merchandise agreements,<sup>24</sup> and a transitional brand licensing agreement relating to the “GrandVision by” brand, which were provided to the Commission and the Trustee in draft format and to be executed prior to closing of the sale of the IT Business.

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<sup>20</sup> EssilorLuxottica’s Reasoned Proposal, page 5.

<sup>21</sup> Trustee’s Reasoned Opinion, pages 12 and 13.

<sup>22</sup> Trustee’s reply to the request for information dated 24 January 2022, question 14.

<sup>23</sup> For completeness, Vision Group signed [...].

<sup>24</sup> For completeness, [...].



- (41) The Notifying Party submits that the Proposed Agreements are consistent with the terms of the Commitments. It identifies that there [...].
- (42) The Trustee has reviewed and provided an assessment of the Proposed Agreements, and concluded that both agreements fulfil the requirements of the Commitments and that the IT Business is being sold in a manner consistent with the Commitments.
- (43) The Commission has reviewed the Trustee's assessment. The Commission considers, in line with the Trustee's assessment, that the Proposed Agreements adequately reflect EssilorLuxottica's obligations under the Commitments.
- (44) The Agreements are consistent with the Commitments [...].
- (45) Based on the above, taking into account the Trustee's reasoned opinion and the other information available to it, the Commission concludes that the IT Business is being sold in a manner consistent with the Commitments.

#### **4. CONCLUSION**

- (46) On the basis of the above assessment, the Commission approves Vision Group as a suitable purchaser of the IT Business.
- (47) On the basis of the Proposed Agreements, the Commission further concludes that the IT Business is being sold in a manner consistent with the Commitments.
- (48) This decision only constitutes approval of the proposed purchaser identified herein and of the Proposed Agreements. This decision does not constitute a confirmation that EssilorLuxottica has complied with its Commitments.
- (49) This decision is based on paragraphs 20 and 22 of the Commitments.

*For the Commission*

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