

## **Carpenter Co. / Recticel NV/SA Merger Inquiry**

### **Response to Provisional Findings Report**

**13 October 2022**

- 1.1 Carpenter Co. and Recticel NV/SA (together, the Parties) welcome the opportunity to respond to the CMA’s Provisional Findings Report of 28 September 2022.
- 1.2 As summarized in paragraphs 3.1 to 3.5 of the Provisional Findings Report, the Inquiry Group accepted the Parties’ formal concession that the proposed transaction may be expected to result in a substantial lessening of competition (SLC) as a result of horizontal unilateral effects in the markets for the supply of comfort foam in the UK, the supply of technical foam in the UK (particularly, “technical foam used to produce sponges”)<sup>1</sup> and the supply of converted comfort foam in the UK.
- 1.3 The CMA’s Provisional Findings Report supports and expands upon that concession. In particular, the Provisional Findings Report describes each of the three markets in which the parties have conceded SLCs,<sup>2</sup> the horizontal unilateral effects of the proposed transaction in each of these markets,<sup>3</sup> and then arrives at the overall conclusion that the parties have conceded, namely that: “the relevant merger situation may be expected to result in an SLC in relation to . . . [t]he supply of comfort foam in the UK[,] [t]he supply of technical foam in the UK[,] [and] [t]he supply of converted comfort foam in the UK.”<sup>4</sup>
- 1.4 As summarized in paragraph 3.3 of the Provisional Findings Report, the Parties have conceded an SLC—and now accept these provisional findings—in order to avail themselves of the procedures described in paragraphs 7.18 to 7.21 of [CMA2 revised](#). In particular, the Parties understand that their concession will “facilitate the efficient conduct of the case” by allowing the Inquiry group and the Parties to advance to remedies discussions.<sup>5</sup> To that end, the Parties do not contest the Provisional Findings Report, and instead direct the CMA to the Parties’ Comments on the CMA’s Notice of Possible Remedies in order to facilitate the Inquiry Group’s expeditious review of the remedies proposed in this matter and issuance of a Final Report.<sup>6</sup>
- 1.5 The Parties do not otherwise have comments on the Provisional Findings Report.

**MCGUIREWOODS LONDON LLP**  
**13 OCTOBER 2022**

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<sup>1</sup> [Provisional Findings Report](#), para. 6.11 (“we have noted that the Parties compete particularly closely as regards the supply of technical foam used to produce sponges in the UK”).

<sup>2</sup> [Provisional Findings Report](#), paras. 6.1 to 6.22.

<sup>3</sup> [Provisional Findings Report](#), paras. 7.1 to 7.102.

<sup>4</sup> [Provisional Findings Report](#), para. 9.1(b).

<sup>5</sup> [CMA2 revised](#), para. 7.19.

<sup>6</sup> [CMA2 revised](#), para. 7.4.