

Anticipated acquisition by Carpenter Co. of the engineered foams business of Recticel NV/SA

Notice of acceptance of Final Undertakings pursuant to sections 41, 82 and 90 of and Schedule 10 to the Enterprise Act 2002

Background

1. On 18 July 2022, the Competition and Markets Authority (**CMA**), in exercise of its duty under [section 33\(1\)](#) of the Enterprise Act 2002 (the **Act**), referred the anticipated acquisition by Carpenter Co. (**Carpenter**) of the engineered foams business (**REF**) of Recticel NV/SA (**Recticel**) (together, the **Parties**) for further investigation and report by a group of CMA panel members (the **Inquiry Group**).
2. On 16 November 2022 the CMA published its final report pursuant to section 38 of the Act (the **Report**) which concluded that:
 - (a) arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation;
 - (b) the creation of that situation may be expected to result in a substantial lessening of competition (**SLC**) in relation to the (i) supply of comfort foam in the UK; (ii) supply of technical foam in the UK; and (iii) supply of converted comfort foam in the UK (collectively, the **SLCs**); and
 - (c) the CMA should take action to remedy the SLCs found and any adverse effects resulting from them.
3. As set out in the Report, the CMA has decided that a divestiture of REF's UK assets and operations, principally comprising the divestiture of REF's UK subsidiary Recticel Limited, to a suitable upfront purchaser, who has sufficient R&D capabilities and chemical procurement experience, would be effective in addressing the SLCs and the resulting adverse effects.
4. The CMA has reached agreement with the Parties and Recticel Limited as to the terms of final undertakings for the purpose of remedying, mitigating or preventing the SLCs it has identified in the Report and any adverse effects arising from the SLCs (the **Final Undertakings**).

5. On 21 December 2022, the CMA gave notice of a proposal to accept final undertakings on its website. No representations were received.
6. On 24 January 2023, the Parties and Recticel Limited, gave the CMA the Final Undertakings, giving effect to the CMA's decisions as published in its Report and which are in the same terms as those consulted on.
7. The CMA, under section 82 of the Act, now accepts the Final Undertakings as given by the Parties and Recticel Limited. A copy of the Final Undertakings is attached. The Final Undertakings now come into force and the reference is finally determined.
8. The Final Undertakings may be varied, superseded or released by the CMA under section 82(2) of the Act.
9. This notice and a non-confidential version of the Final Undertakings will be published on the CMA website. The CMA has excluded from the non-confidential version of the Final Undertakings information which it considers should be excluded, having regard to the considerations set out in section 244 of the Act. These omissions are indicated by [✂].

Signed by authority of the CMA

Kip Meek
Inquiry Group Chair
26 January 2023