

**C L I F F O R D
C H A N C E**

CLEARY GOTTlieb STEEN & HAMILTON LLP

CASE ME/7044/23

**ANTICIPATED ACQUISITION BY ARÇELİK A.Ş. OF EUROPEAN, MIDDLE
EAST AND NORTH AFRICA MAJOR DOMESTIC APPLIANCES BUSINESS OF
WHIRLPOOL CORPORATION**

**RESPONSE TO THE CMA'S PROVISIONAL
FINDINGS REPORT**

20 FEBRUARY 2024

ME/7044/23 – Anticipated Acquisition by Arçelik A.Ş. of the Europe, Middle East, and North Africa Major Domestic Appliances Business of Whirlpool Corporation

Response to the CMA’s Provisional Findings Report

1. This Submission is made on behalf of Arçelik A.Ş. (“Arçelik”) and Whirlpool Corporation (“Whirlpool” and, together with Arçelik, the “Parties”). It sets out the Parties’ response to the CMA’s Provisional Findings Report (“Provisional Findings”) of 8 February 2024. Given the wealth of material that has been provided to the CMA over the course of its investigation, together with the Provisional Findings’ determination, the Parties have limited this Submission to four points.
2. First, the Parties welcome the CMA’s provisional conclusion that the acquisition by Arçelik of Whirlpool’s EMEA major domestic appliances (“MDA”) business (the “Transaction”) will not result in a substantial lessening of competition (“SLC”) in any market in the UK, that competition will remain vigorous in the UK, and that UK consumers will continue to have a wide choice of MDA appliances at all price points.
3. Second, the Parties agree with the Provisional Findings’ determination that the Transaction will allow the merged business to compete more effectively with a wide range of rivals, including: well-established producers such as Electrolux, BSH, Samsung, and LG; globally-active Chinese manufacturers such as Haier and Hisense that have low cost-bases, deep financial resources, and, as the CMA has recognised, are well-placed to expand further; and private label and retailer-exclusive brands that compete intensely with branded suppliers, particularly at low-mid price points.
4. Third, the Parties note the CMA’s provisional conclusion that certain other suppliers such as Midea, TCL, and Vestel are unlikely to materially increase the constraints that the merged entity will face in the coming years. In the Parties’ view, this finding underestimates the likely growth of these companies. The Parties believe that these companies are highly likely to expand in the UK and that such expansion will further intensify competition for the reasons explained in their previous submissions.
5. Finally, the Parties welcome the CMA’s provisional determination that, absent the Transaction, Whirlpool would make [X] changes to its EMEA MDA business that would reduce the size and scale of that business in the UK. That finding remains valid. If anything, the underlying challenges that Whirlpool faces have increased. There is therefore a strong imperative to realise the efficiencies and cost synergies that will result from the Transaction as quickly as possible.
6. The Parties look forward to engaging with the CMA for the remainder of its investigation. They stand ready to provide any additional information or explanations that the CMA may find helpful in preparing its Final Report. In light of the powerful pressures and economic headwinds faced by the Parties, they hope that the CMA is able to finalise its Final Report as soon as possible.