

Anticipated acquisition by Westinghouse Air Brake Technologies Corporation of Couplers Holdco AB

Decision on relevant merger situation and substantial lessening of competition

ME/2246/25

The Competition and Markets Authority's decision on relevant merger situation under section 22(1) of the Enterprise Act 2002 given on 14 July 2025. Full text of the decision published on 21 July 2025.

The Competition and Markets Authority (**CMA**) has excluded from this published version of the decision information which the CMA considers should be excluded having regard to the three considerations set out in section 244 of the Enterprise Act 2002 (specified information: considerations relevant to disclosure). The omissions are indicated by [X<].

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SUMMARY

OVERVIEW OF THE CMA'S DECISION

1. Westinghouse Air Brake Technologies Corporation (**Wabtec**) agreed to acquire Couplers Holdco AB (**Dellner**) on 17 March 2025 (the **Merger**). Wabtec and Dellner are together referred to as the **Parties**. The Competition and Markets Authority (**CMA**) has concluded that it has jurisdiction to review this merger because a relevant merger situation has been created.
2. The Parties overlap in the supply of couplers for passenger trains, including aftermarket parts and services, in the UK. Couplers are a mechanism located at each end of a train or between train cars that connect them together to form the train. During their lifespan, couplers undergo periodical 'light' maintenance operations such as day-to-day servicing and safety checks as well as 'heavy' maintenance activities such as the overhaul or replacement of subcomponent parts.
3. The CMA has found that the aggregate value of the market for couplers for passenger trains, including aftermarket parts and services, in the UK is below £30 million (see paragraph 27), and that this market is not expected to grow substantially in the next five years. The CMA also considers that (i) the Merger is not one of a potentially large number of similar mergers that could be replicated across the sector and (ii) the Merger is not in a sector which relates to any CMA priority areas or other areas of potential importance.
4. As a result, the CMA believes that the market concerned is not of sufficient importance to justify a reference and has decided to exercise its discretion under section 33(2)(a) of the Enterprise Act 2002 (the **Act**) not to refer the Merger (the '**de minimis**' exception). The CMA did not have to conclude on whether the Merger gives rise to a realistic prospect of a substantial lessening of competition (an **SLC**) in the market(s) concerned because, even if the duty to refer is met, the discretion under the 'de minimis' exception would be applied.
5. The Merger will therefore **not be referred** under section 33(1) of the Act.

ASSESSMENT

1. PARTIES AND MERGER

1. Wabtec is a US publicly traded company active in the manufacture and servicing of components for freight vehicles and passenger trains in several countries worldwide, including the UK.¹ The turnover of Wabtec in 2024 was approximately £8.1 billion worldwide and approximately £[§<] million in the UK.² Wabtec's turnover related to the supply of couplers for passenger trains in the UK was approximately £[§<] million in 2024.³
2. Dellner is a privately owned company headquartered in Sweden, which specialises in the manufacture and servicing of train connection systems, including couplers, gangways and dampers for passenger trains in several countries, including the UK.⁴ Dellner is a subsidiary of Daydream TopCo S.À R.L., (**Daydream**), which is owned by the private equity fund EQT VIII.⁵ The turnover of Dellner in 2024 was approximately £[§<] million worldwide and approximately £[§<] million in the UK.⁶ Dellner's turnover related to the supply of couplers for passenger trains in the UK was approximately £[§<] million in 2024.⁷
3. Under the agreement entered into on 17 March 2025, Wabtec agreed to acquire Dellner and all its subsidiaries from Daydream.⁸ The transaction value is \$960 million.⁹
4. The Parties informed the CMA that the Merger is also the subject of review by competition authorities in Austria, [§<], Brazil and Saudi Arabia.¹⁰ⁱ

2. PROCEDURE

5. The CMA commenced its phase 1 investigation on 26 June 2025 following voluntary notification by the Parties. As part of its phase 1 investigation, the CMA considered whether the Merger might be a candidate for the application of the 'de minimis' exception at an early stage of its review. To determine this, the CMA gathered a range of evidence from the Parties and third parties, in particular in relation to product market definition and UK market size. The evidence the CMA has gathered has been tested rigorously and, where necessary, this evidence has been referred to within this Decision.

¹ Final Merger Notice (**FMN**) submitted to the CMA on 20 June 2025, paragraphs 3.1–3.2.

² FMN, paragraph 6.1.

³ FMN, table 13.1.

⁴ FMN, paragraph 3.10.

⁵ The EQT VIII fund is managed by EQT Fund Management S.à.r.l, which is ultimately controlled by EQT AB.

⁶ FMN, paragraph 6.2.

⁷ FMN, table 13.1.

⁸ FMN, paragraph 2.1.

⁹ FMN, paragraph 2.2.

¹⁰ FMN, paragraph 2.5.

3. JURISDICTION

6. Each of Wabtec and Dellner is an enterprise. As a result of the Merger, these enterprises will cease to be distinct.
7. The Parties overlap in the supply of couplers for passenger trains, including aftermarket parts and services, in the UK (see paragraphs 10 to 14 below), with an estimated combined share of supply higher than 25% in 2024 (by value), with an increment resulting from the Merger.¹¹ The CMA therefore believes that the share of supply test in section 23 of the Act is met.
8. The CMA therefore believes that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation.
9. The initial period for consideration of the Merger under section 34ZA(3) of the Act started on 26 June 2025 and the statutory 40 working day deadline for a decision is therefore 22 August 2025.

4. BACKGROUND

10. The Parties overlap in the supply of couplers for passenger trains, including aftermarket parts and services, in the UK.¹² Couplers can provide a physical, mechanical, electrical, and/or pneumatic connection between rail vehicles which facilitates train movement and communication.¹³ Couplers are designed to withstand significant forces in the event of collisions and are subject to safety regulations.¹⁴
11. There are two main classifications of coupler. Semi-permanent couplers provide a long-term connection between railway cars in a unit and are typically used when cars rarely need to be separated.¹⁵ Automatic couplers (such as 'Scharfenberg' couplers¹⁶) are positioned at each end of the train unit and permit automatic coupling and uncoupling with another unit.¹⁷
12. The most common types of couplers historically installed, which are still in use in the UK, are 'Tightlock' couplers, which were installed on mainline, regional, and suburban rail lines, and 'Wedgelock' couplers, which were installed on the London

¹¹ CMA analysis of revenue provided by UK suppliers of couplers, including aftermarket parts and services. For further details see footnote 44.

¹² The Parties do not overlap in the supply of any other product in the UK. There are also no vertical relationships between the Parties' activities with respect to couplers. FMN, paragraphs 11.2 and 11.7. The CMA received concerns from one competitor about the ability of the Parties post-Merger to bundle the supply of couplers with other goods or services supplied by Wabtec. Based on evidence submitted by the Parties and from third parties including the Parties' customers, including that couplers tend to be procured on a standalone basis, the CMA did not identify any plausible concerns relating to conglomerate effects resulting from the Merger.

¹³ FMN, paragraph 12.2.

¹⁴ FMN, paragraph 12.3.

¹⁵ FMN, paragraph 12.6(a).

¹⁶ Scharfenberg couplers are common in Europe and are categorised as a latch coupler, which is a specific type of mechanical mechanism for coupler heads. FMN, paragraph 12.6(b).

¹⁷ FMN, paragraph 12.6(b).

Underground fleet.¹⁸ Scharfenberg couplers were introduced into the UK in around 2000 and have been steadily replacing both Tightlock and Wedgelock couplers on the UK passenger rail network.¹⁹

13. In the UK, couplers are procured by train manufacturers who generally issue tenders to coupler original equipment manufacturers (**OEMs**) according to specifications set by train operating companies (**TOCs**) or rolling stock leasing companies.²⁰ Train manufacturers may conduct tenders for couplers on a project-by-project or platform-by-platform basis, meaning that new tenders occur relatively infrequently²¹ (for example, Dellner [S&L]).²²
14. Couplers are designed to last for the lifetime of the rolling stock on which they are installed, which usually exceeds 35 years.²³ During this period couplers undergo periodical 'light' maintenance, such as day-to-day servicing and safety checks typically carried out by TOCs,²⁴ as well as 'heavy' maintenance, such as overhaul and replacement of subcomponent parts, which is typically outsourced to the OEM.²⁵ In the UK, heavy maintenance services are typically provided pursuant to long-term service agreements that are agreed between train manufacturers and OEMs at the same time as the couplers are initially procured.²⁶

5. MARKET DEFINITION

5.1.1 Product market

15. The Parties submitted that the most appropriate market is the supply of couplers and the associated provision of aftermarket parts and services.²⁷
16. The CMA considered whether the product market should be further segmented according to: (i) the type of passenger rolling stock that a coupler is installed on (eg metro, commuter trains or high-speed trains);²⁸ (ii) the type of coupler used (eg Scharfenberg, Wedgelock, Tightlock);²⁹ and whether aftermarket parts and services should constitute a separate market from OEM sales.³⁰ However, the CMA has not found it necessary to conclude on the precise product market definition, as total UK sales of couplers for passenger trains including aftermarket parts and services as a whole (ie the widest plausible relevant market) is less than

¹⁸ FMN, paragraphs 14.12 and 14.16.

¹⁹ FMN, paragraph 14.18 and 14.23.

²⁰ FMN, paragraph 14.77. Note of call with a third party, May 2025, paragraph 12.

²¹ FMN, paragraph 14.74. Note of call with a third party, May 2025, paragraph 24.

²² FMN, paragraph 15.2.

²³ FMN, paragraph 12.16.

²⁴ FMN, paragraph 14.9(a).

²⁵ FMN, paragraph 14.9(b). Note of call with a third party, May 2025, paragraph 5(c)(ii). In rare occasions, a train may also undergo refurbishment of its coupler systems, which involves adapting or modernising an existing train to carry a new design of coupler. FMN, paragraph 14.9(c).

²⁶ FMN, paragraph 15.7.

²⁷ FMN, paragraph 12.1.

²⁸ Note of call with a third party, May 2025, paragraph 7; Note of call with a third party, May 2025, paragraph 8; Note of call with a third party, May 2025, paragraph 6.

²⁹ Note of call with a third party, May 2025, paragraph 5; Note of call with a third party, May 2025, paragraph 10 and 11.

³⁰ Note of call with a third party, May 2025, paragraph 21.; Note of call with a third party, May 2025, paragraph 25.

£30 million (ie lower than the market size threshold above which the which market(s) concerned will generally be of sufficient importance to justify a reference, such that the ‘de minimis’ exception will not generally be applied).

17. The CMA also considered whether the product market should include couplers supplied to freight trains. Evidence submitted by third parties indicates that couplers supplied for freight trains are distinct from couplers for passenger trains.³¹
18. For the reasons set out above, the CMA considers that the appropriate product market is no wider than the supply of couplers for passenger trains, including aftermarket parts and services.

5.1.2 Geographic market

19. The Parties submitted that the geographic scope for the supply of couplers for passenger trains, including aftermarket parts and services, was Europe.³²
20. The CMA received some evidence that suggests the geographic market could be narrower than Europe. For instance, some third parties submitted that a coupler supplied for a train used in the UK must be designed to meet UK-specific customer requirements,³³ or meet UK-specific technical standards.³⁴ Additionally, the Parties submitted that trains operated in the UK are predominantly manufactured in the UK.³⁵ Some third-party evidence received by the CMA supported the Parties’ submissions concerning the relevant geographic market. For example, while the UK has specific regulations and customer requirements for couplers, these generally align with EU regulations and requirements,³⁶ and OEMs have global operations which can usually meet the technical requirements of multiple countries.³⁷
21. Nevertheless, the CMA has not found it necessary to conclude on the exact geographic market because the CMA has, for the reasons set out below, exercised its discretion to apply the ‘de minimis’ exception.

6. EXCEPTIONS TO THE DUTY TO REFER

6.1.1 Markets of insufficient importance (‘de minimis’ exception)

22. Under section 33(2)(a) of the Act, the CMA may decide not to refer a merger for an in-depth phase 2 investigation if it believes that the market(s) to which the duty to

³¹ One third party, for example, described freight couplers as being closer to a casting component (ie a metal subcomponent used in manufacturer of couplers) compared to passenger couplers and that freight couplers have lower technicality compared to passenger couplers. Note of call with a third party, May 2025, paragraphs 8 and 26. Note of call with a third party, May 2025, paragraph 8. Note of call with a third party, May 2025, paragraph 9.

³² FMN, paragraph 12.1.

³³ Note of call with a third party, May 2025, paragraph 5.

³⁴ Note of call with a third party, May 2025, paragraph 14 and 23; Note of call with a third party, May 2025, paragraph 24; Note of call with a third party, May 2025, paragraph 14.

³⁵ FMN, paragraph 14.87.

³⁶ Note of call with a third party, May 2025, paragraph 11; Note of call with a third party, May 2025, paragraph 7.

³⁷ Note of call with a third party, May 2025, paragraph 14.

refer applies is/are not of sufficient importance to justify a reference. This exception is designed primarily to avoid references being made where the costs involved would be disproportionate to the size of the market(s) concerned.³⁸

23. There may be merger investigations where it would be quicker and more efficient for the CMA to determine that it would apply its discretion to apply the 'de minimis' exception than it would be for the CMA to reach the requisite level of belief that the merger in question does not trigger the duty to refer. In such cases, the CMA may leave open the question of whether its duty to refer is met because, even if the duty to refer is met, the CMA would apply its discretion not to refer.³⁹
24. The CMA's starting point when considering whether to apply the 'de minimis' exception is the size of the market(s) concerned. The CMA considers that the market(s) concerned will generally be of sufficient importance to justify a reference (such that the exception will not be applied) where the annual value in the UK, in aggregate, of those market(s) is more than £30 million.⁴⁰
25. Where the annual value in the UK of the market(s) concerned is £30 million or less, the CMA will consider the following factors when determining whether to exercise its discretion to apply the 'de minimis' exception:⁴¹
 - (a) The size of the market, including the extent to which revenues are an appropriate metric to assess market size, and whether the market is expanding or contracting;
 - (b) Whether the merger is one of a potentially large number of similar mergers that could be replicated across the sector in question; and
 - (c) The nature of the potential detriment that may result from the merger, having particular regard to the CMA's objectives and priorities set out in its current Annual Plan.

6.1.1.1 *Market size*

26. Generally, the smaller the size of the market(s) concerned, the more likely it is that the CMA will apply the 'de minimis' exception.⁴² In addition, in 'lumpy' markets, the CMA considers it artificial to count the value of contracts for one particular year only to determine the market size, as this may inflate or underestimate the true annual value of the overall market. In such circumstances, for the purposes of applying the 'de minimis' exception, the CMA is likely to take a cautious approach to determining the annual size of the market and obtain a more representative figure by considering the annual value over a number of years.⁴³

³⁸ [Mergers: Exceptions to duty to refer \(CMA64\)](#), paragraph 2.1

³⁹ [Mergers: Exceptions to duty to refer \(CMA64\)](#), paragraph 2.11.

⁴⁰ [Mergers: Exceptions to duty to refer \(CMA64\)](#), paragraph 2.2.

⁴¹ [Mergers: Exceptions to duty to refer \(CMA64\)](#), paragraphs 2.3 and 2.14.

⁴² [Mergers: Exceptions to duty to refer \(CMA64\)](#), paragraphs 2.16.

⁴³ [Mergers: Exceptions to duty to refer \(CMA64\)](#), paragraphs 2.17.

27. As explained in paragraph 13, couplers are tendered for relatively infrequently. Accordingly, the CMA estimated the size of the UK market for couplers for passenger trains, including aftermarket parts and services, (the widest plausible market concerned) using revenue data obtained from the Parties and their competitors for the period 2020–2024.⁴⁴ The CMA considers the collection of revenue data over a 5-year period to be more informative of the overall UK market size. This data shows that the market size of couplers for passenger trains, including aftermarket parts and services, in the UK, was approximately £27 million in 2024. The data also shows average revenues of approximately £24 million across the 5 years in which data was provided.⁴⁵
28. The CMA has therefore found that the size of the UK market is below £30 million.
29. In addition, the CMA observes that the aftermarket for parts and services for passenger rail couplers represents the vast majority of this revenue (ie more than 90% in 2024). The CMA understands from its market engagement that most of the aftermarket is not contestable as, typically, it is captured by the OEM coupler manufacturer and there are high barriers to switching.⁴⁶
30. Additionally, the market size calculated by the CMA includes older types of couplers (eg Tightlock and Wedgelock couplers) that are being phased out and replaced by Scharfenberg couplers for new passenger trains going forward.⁴⁷
31. The CMA further notes that the Parties submitted analysis that the UK market for couplers for passenger trains, including aftermarket parts and services, was not expected to grow substantially in the next five years.⁴⁸ Internal documents from the Parties also supported that the relevant market was not expected to grow significantly.⁴⁹ These internal documents suggest that growth in the couplers market generally is relatively constant and occurs at a rate of approximately 2-5% per year. Furthermore, analysis submitted by one third party indicated that the size of this market was not expected to change significantly in the near future.⁵⁰ Another third party submitted that in the UK, there is a low volume of new trains

⁴⁴ The CMA obtained revenue data in relation to the supply of couplers for passenger rail in the UK from the Parties and two competitors covering the years 2020 to 2024. This data covered both OEM coupler supply and the supply of aftermarket parts and services (specifically heavy maintenance and refurbishment services as well as the supply of any parts in relation to light maintenance, heavy maintenance and refurbishment activities). Light maintenance services (such as greasing or making minor adjustments) were not included as the CMA understands that light maintenance services are not typically carried out by OEMs. Moreover, the CMA requested revenue for the different types of couplers used on passenger trains in the UK (eg Scharfenberg, Tightlock, Wedgelock and semi-permanent). This includes couplers sold to UK customers as well as customers located outside of the UK that produced trains for the UK market.

⁴⁵ The CMA notes that one competitor submitted its revenue data by financial year as opposed to calendar year. Consequently, the CMA did not have 2020 revenue data from that competitor. For completeness, the average revenue between 2021 and 2024 was £25m.

⁴⁶ FMN, paragraph 11.6(b). Note of call with a third party, May 2025, paragraph 21. Note of call with a third party, May 2025, paragraph 19, 25 and 26. Note of call with a third party, May 2025, paragraph 16(a).

⁴⁷ The CMA notes that [redacted] (FMN, paragraph 14.26). The UK revenue generated from the supply of the types of couplers where future procurement is expected in the UK (ie Scharfenberg and semi-permanent couplers, including the relevant aftermarket parts and services), was significantly smaller than £30 million in the last five years.

⁴⁸ Parties' response to CMA's request for information dated 13 May 2025 (RFI2), Table 7.1.

⁴⁹ Wabtec internal document, Annex 1027 to the FMN [redacted], 26 February 2025, slide 68 and 70. Wabtec Internal Document, [redacted], Parties' response to the CMA's s109 request dated 3 June 2025, 21 November 2023, slide 18. Dellner internal document, Annex 2004 to the FMN [redacted], 12 December 2024, slide 20.

⁵⁰ Submission to the CMA from a third party, May 2025.

being ordered and that a common trend is to extend the life of vehicles or systems on rolling stock instead. This trend would increase the volume of aftermarket parts and services but not expand the total size of the market.⁵¹

6.1.1.2 *Replicability*

32. The CMA does not consider that the Merger is one of a potentially large number of similar mergers that could be replicated across the sector in question. It is not, for example, a merger involving local markets in a sector where firms are acquiring multiple small local businesses over time.

6.1.1.3 *Nature of the potential detriment*

33. The CMA is less likely to exercise its discretion to apply the ‘de minimis’ exception to mergers in markets which are connected to the key priorities set out in the CMA’s Annual Plan. In some circumstances, the CMA may also consider that it would not be appropriate to apply the ‘de minimis’ exception even in markets that have no direct connection to the priorities set out in the Annual Plan because of the nature of the potential detriment.⁵²
34. The CMA considers that the supply of couplers for passenger trains including aftermarket parts and services does not concern an area of priority set out in its 2025-2026 Annual Plan.⁵³ In particular, the market(s) concerned do not relate to areas such as digital markets and public procurement.⁵⁴
35. As noted in paragraph 12, Tightlock and Wedgelock couplers are expected to be phased out and replaced by Scharfenberg couplers, as such, the CMA considers any potential detriment that may result from the Merger would be limited to this narrower segment of couplers.
36. In addition, the markets concerned do not relate to other areas where the nature of the potential detriment could be important, taking account of the CMA’s purpose, such as key areas of public expenditure, markets used by people who need help the most or those of systemic importance within the UK.

6.1.2 **Conclusion on ‘de minimis’ exception**

37. Taking the above factors into consideration, the CMA believes that the market(s) concerned in this case is/are not of sufficient importance to justify the making of a reference. As such, the CMA believes that it is appropriate for it to exercise its discretion to apply the ‘de minimis’ exception in accordance with section 33(2)(a)

⁵¹ Note of call with a third party, 14 May 2025, paragraph 25 and 26.

⁵² [Mergers: Exceptions to duty to refer \(CMA64\)](#), paragraphs 2.26–2.28.

⁵³ [CMA Annual Plan 2025/26](#), 27 March 2025.

⁵⁴ [CMA Annual Plan 2025/26](#), 27 March 2025, page 14 and 19. In addition, the CMA understands that the total unit cost of couplers installed in trains represent a very small proportion of the final purchase cost of rolling stock. The Parties submitted that the unit cost of an automatic coupler is approximately £[<] and approximately £[<] for a semi-permanent coupler. (FMN, Table 5.3) In a procurement exercise reported in 2024 for the Elizabeth line, the cost of ten new nine-car rolling stock totalled £370 million. See <https://www.bbc.co.uk/news/articles/c29986423x9o>. Last Accessed 12 July 2025.

of the Act. The CMA did not have to conclude whether the Merger gives rise to a realistic prospect of an SLC in the market(s) concerned because, even if the duty to refer is met, then the discretion would be applied.⁵⁵

DECISION

38. The CMA believes that the market concerned in this case is not of sufficient importance to justify the making of a reference, in accordance with section 33(2)(a) of the Act.
39. The Merger will therefore not be referred under section 33 of the Act.

Maria Duarte
Director, Mergers
Competition and Markets Authority
14 July 2025

ⁱ The Parties told the CMA that the Merger has received clearance in Brazil and Saudi Arabia.

⁵⁵ [Mergers: Exceptions to duty to refer \(CMA64\)](#), paragraph 2.11.