

Norcros Industry (International) Limited / Fibo Holding AS

Decision on relevant merger situation and substantial lessening of competition

ME/2256/25

The Competition and Market Authority's decision on reference under section 33 of the Enterprise Act 2002 given on 13 October 2025. Full text of the decision published on 20 October 2025.

PLEASE NOTE THAT [X] INDICATES FIGURES OR TEXT WHICH HAVE BEEN DELETED FOR REASONS OF COMMERCIAL CONFIDENTIALITY. IN ADDITION, SOME FIGURES MAY HAVE BEEN REPLACED BY RANGES AT THE REQUEST OF THIRD PARTIES FOR REASONS OF COMMERCIAL CONFIDENTIALITY.

1. THE PARTIES AND THE TRANSACTION

1. On 15 July 2025, Norcros Industry (International) Limited, a subsidiary of Norcros plc (together, **Norcros**) agreed to acquire the entire issued share capital of Fibo Holding AS (**Fibo**) (the **Merger**).¹ Norcros² and Fibo overlap in the manufacture and supply of waterproof wall panels (**Panels**), which are mainly used in bathrooms in both domestic and commercial properties.

2. JURISDICTION

2. The Competition and Markets Authority (**CMA**) 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. Each of Norcros and Fibo is an enterprise and these enterprises will cease to be distinct as a result of the Merger. The share of supply test is met.³

¹ Norcros and Fibo are together referred to as the **Parties** and, for statements relating to the future, the **Merged Entity**.

² Norcros is active in the supply of Panels in the UK through its Grant Westfield business (Final Merger Notice submitted to the CMA on 4 September 2025 (**FMN**), page 1 and paragraph 3.3).

³ See the *Enterprise Act 2002* s23(2)–(3). Fibo has a turnover exceeding £10 million, and the Merger would result in the Merged Entity supplying greater than 25% of the Panels which are supplied in the UK (with an increment).

3. COMPETITIVE ASSESSMENT

3. The focus of the CMA's investigation⁴ related to horizontal unilateral effects in the supply of waterproof wall coverings (**Wall Coverings**) in the UK, including Panels⁵ and tiles. Third-party evidence indicated that the degree to which other Wall Coverings are a suitable alternative to Panels may vary across customers,⁶ and this is reflected in the competitive assessment.⁷

3.1 Theory of harm

4. On the basis that sufficient competition would remain to constrain the Merged Entity, the CMA has found that the Merger would not give rise to a realistic prospect of a substantial lessening of competition (**SLC**) as a result of horizontal unilateral effects in the supply of Wall Coverings in the UK.
5. The evidence collected by the CMA indicates that post-Merger, most customers will continue to have access to a range of alternative Panel suppliers,⁸ and that those customers also consider alternative Wall Coverings such as tiles to be strong or very strong alternatives to Panels.⁹
6. In this context, the CMA focused its assessment on social housing customers (such as local authorities and housing associations), as evidence suggested that the Parties may be particularly close competitors and that the constraint exerted by alternative Wall Coverings, such as tiles, may be weaker for these customers.¹⁰ Given the Parties overlap in the supply of Panels, in its competitive assessment, the CMA first assessed competition between Panel suppliers for social housing customers and then considered the broader constraints from alternative Wall Coverings for these customers.
7. Social housing customers may purchase Wall Coverings directly from suppliers or more commonly, indirectly, via trade suppliers such as builders' merchants¹¹ (that will typically stock various brands of Panels to also supply non-social housing

⁴ In this case, the CMA has assessed the impact of the Merger against the prevailing conditions of competition ([Merger Assessment Guidelines \(CMA129\)](#), Chapter 3).

⁵ Panels may be manufactured using high-pressure laminate (**HPL**) or other materials such as PVC and acrylic.

⁶ For instance, half of builders' merchant respondents considered tiles were a very strong or strong alternative to HPL timber core Panels, whereas the other half considered they were a moderate, weak or very weak alternative (responses to the CMA's questionnaire from a number of third parties, September 2025, question 7).

⁷ The CMA notes that the outcome of the CMA's competitive assessment would not change based on finding a narrower market definition for some customers.

⁸ Builders' merchant respondents identified Wilsonart, Nu-Style, Bathroom Brands, Rearo, Jaylux and other suppliers (responses to the CMA's questionnaire from a number of third parties, September 2025, question 8).

⁹ Responses to the CMA's questionnaires from a number of third parties, September 2025, question 8 and question 10.

¹⁰ Note of a call with a third party, August 2025, paragraph 23; Note of a call with a third party, August 2025, paragraphs 25 and 26; Responses to the CMA's questionnaires from a number of third parties, September 2025, question 4 and question 10.

¹¹ FMN, 11.66; Responses to the CMA's questionnaire from a number of third parties, September 2025; Note of a call with a third party, August 2025, paragraph 2.

customers).¹² The CMA estimates that the Parties' share of supply of Panels to social housing customers is [40-50%].¹³ While shares of supply can often be a useful starting point, in this case evidence received by the CMA suggests that this segment of the market is likely to change significantly going forward.¹⁴ This means shares, which are backward looking, have been given more limited weight and considered alongside other evidence.

8. Internal documents and third-party evidence gathered by the CMA indicates that the Parties are close competitors for social housing customers in the UK.¹⁵ Both Parties engage directly with social housing customers and with builders' merchants to win business.¹⁶ The majority of builders' merchant respondents considered the Parties to be 'close' or 'very close' alternatives for social housing customers,¹⁷ while several social housing customers identified the Parties as being able to meet their requirements.¹⁸
9. Internal document¹⁹ and third-party evidence available to the CMA shows that Wilsonart and Nu-Style are likely to pose a strong constraint on the Merged Entity.²⁰ Most builders' merchant respondents identified Wilsonart and Nu-Style as actual or potential Panel suppliers for their social housing projects.²¹ Almost all of these respondents considered Nu-Style a very strong or strong supplier,²² and many of these respondents described Wilsonart as a strong supplier.²³ One respondent also identified Nu-Style as one of only two suppliers on the Scotland Excel framework (alongside Fibo).²⁴
10. The CMA found that suppliers of Panels made from PVC, including AKW, Altro and Guardian, together are likely to pose a material constraint on the Merged Entity for the supply of Wall Coverings to social housing customers. Almost all

¹² FMN, paragraph 11.55; Note of a call with a third party, August 2025, paragraph 5.

¹³ This included gross revenues generated by the Parties and their main Panel competitors from sales to social housing customers directly and via intermediaries such as builders' merchants in 2024.

¹⁴ Eg FMN, paragraphs 14.13–14.16, 14.51, 14.93 and 14.96; Note of a call with a third party, August 2025, paragraph 29.

¹⁵ The Parties' internal documents show that they regularly monitor each other alongside other Panel suppliers and, in particular, Norcros considers Fibo is strong in the social housing segment. For example, Norcros Internal Document, Annex 013 to the FMN, "[>]", February 2025, page 36; Annex 006 to the FMN, "[>]", February 2025, pages 2 and 4. Fibo Internal Documents, Annex 097 to the FMN, "[>]", 21 October 2024, slide 5; Annex 045 to the FMN, "[>]", April 2024, slide 10.

¹⁶ FMN, paragraph 14.225 and 14.185–14.186.

¹⁷ Responses to the CMA's questionnaire from a number of third parties, September 2025, question 12.

¹⁸ Responses to the CMA's questionnaire from a number of third parties, September 2025, question 6. The CMA notes, however, that one social housing customer considered that Grant Westfield was only 'slightly suitable' and explained that they don't install MDF Panels.

¹⁹ Wilsonart is monitored frequently in the Parties' internal documents. For example, Norcros Internal Document, Annex 051 to the FMN, "[>]", March 2024, page 5 and Fibo Internal Document, Annex 114 to the FMN, "[>]", March 2025, pages 2–3. Nu-Style is also monitored frequently in both Parties' internal documents. For example, Norcros Internal Documents, Annex 013 to the FMN, "[>]", February 2025, pages 9, 37, 44 and Annex 130 to the FMN, "[>]", December 2023, pages 4–5; and Fibo Internal Document, Annex 049 to the FMN, "[>]", April 2024, page 8.

²⁰ With a share of supply of [40-50%] and [10-20%] respectively, according to the CMA's own estimates.

²¹ Responses to the CMA's questionnaire from a number of third parties, September 2025, question 11.

²² Responses to the CMA's questionnaire from a number of third parties, September 2025, question 11.

²³ Responses to the CMA's questionnaire from a number of third parties, September 2025, question 11.

²⁴ Third-party response to the CMA's questionnaire, September 2025, question 3.

social housing end-customers identified at least one PVC supplier when considering suppliers that could meet their future requirements²⁵ and most of these social housing end-customers considered that the PVC suppliers were ‘fully suitable’.²⁶ In particular, third parties identified AKW, Altro, and Guardian as well as other PVC suppliers for social housing projects in the UK.²⁷ In addition, evidence from the Parties and third parties indicates that Panels made from PVC are low cost which is attractive to price sensitive social housing customers.²⁸

11. The CMA also found that smaller Panel suppliers, such as Bathroom Brands, Jaylux and Rearo, are likely to pose some constraint on the Merged Entity for social housing customers. These suppliers were identified by some builders’ merchant respondents as alternatives for social housing projects in the UK.^{29 30}
12. The CMA found that there were low barriers for Panel suppliers to expand and supply social housing customers. Most competitors considered that they would not face difficulties in expanding their supply to social housing projects in the UK.³¹ In particular, expansion may be facilitated by existing relationships with builders’ merchants, who may be able to influence social housing customers’ choice of supplier throughout a project.³²
13. The CMA received mixed evidence regarding the strength of tiles as an alternative for social housing customers.³³ Whilst tiles are the incumbent Wall Covering for many such customers, tiles may no longer be a credible alternative for those that have already switched to Panels, due to the costs and/or availability of skilled labourers required to install tiles.³⁴ Therefore tiles may exert a meaningful constraint on the Parties only in relation to some social housing customers.
14. Based on this evidence, the CMA found that the Parties are close competitors for the supply of Wall Coverings to social housing customers but that the Merged Entity would face strong constraints from Wilsonart and Nu-Style. In addition, PVC suppliers will pose a material constraint on the Merged Entity for social housing

²⁵ Responses to the CMA’s questionnaire from a number of third parties, September 2025, question 6.

²⁶ Responses to the CMA’s questionnaire from a number of third parties, September 2025, question 6.

²⁷ Responses to the CMA’s questionnaire from a number of third parties, September 2025, question 6 and question 11.

²⁸ All social housing customers respondents submitted that price (including rebates and discounts) was an important factor in their decision making when selecting suppliers (responses to the CMA’s questionnaire from a number of third parties, September 2025, question 3). Many third parties recognised PVC as being cheaper than alternative panel types (responses to the CMA’s questionnaires from a number of third parties, September 2025, question 10 and question 11).

²⁹ Responses to the CMA’s questionnaire from a number of third parties, September 2025, question 11.

³⁰ For example, Norcros Internal Document, Annex 013 to the FMN, “[X]”, February 2025, pages 12, 34, 35, 37, 38, 44; Fibo Internal Document, Annex 120 to the FMN, “[X]”, May 2025, page 2.

³¹ Responses to the CMA’s questionnaire from a number of third parties, September 2025, question 7.

³² The Parties submitted that builders’ merchants were important gateways to customers, including local authorities and social housing providers, and will be involved in a large proportion of opportunities (FMN, paragraph 14.180). This was supported by third-party evidence. For example, one builders’ merchant submitted that it may sometimes seek to amend authorities’ specifications based on its own preferred suppliers: note of a call with a third party, August 2025, paragraph 21.

³³ Response to the CMA’s questionnaire from third parties, September 2025, question 10.

³⁴ Note of a call with a third party, August 2025, paragraph 28; Response to the CMA’s questionnaire from a third party, September 2025, question 5.

customers. Other suppliers of Panels will also continue to pose some constraint on the Merged Entity, which may increase over time.³⁵

4. DECISION

15. For the reasons set out above in the Competitive Assessment, the CMA does not believe that it is or may be the case that the Merger has resulted, or may be expected to result, in an SLC within a market or markets in the United Kingdom.
16. The merger will **not be referred** under section 33 of the Act.

Jenny Sugiarto
Director, Mergers
Competition and Markets Authority
13 October 2025

³⁵ Although a number of third parties expressed concerns with the Merger, primarily in relation to the Merged Entity's share of supply of Panels, these third parties also identified other Panel suppliers and different Wall Coverings as suitable alternatives, including for social housing customers (responses to the CMA's questionnaires from a number of third parties, September 2025, questions 7, 13, and 14). This is considered as part of the competitive assessment above.