

# Rundvirke Industrier AB / Calders & Grandidge (Boston) Limited

## Decision on relevant merger situation and substantial lessening of competition

ME 7128/25

The Competition and Markets Authority's (**CMA**) decision on reference under section 33 of the Enterprise Act 2002 (the **Act**) given on 27 November 2025. Full text of the decision published on 11 December 2025.

PLEASE NOTE THAT [X] INDICATES FIGURES OR TEXT WHICH HAVE BEEN EXCLUDED FROM THIS PUBLISHED VERSION OF THE DECISION.

### THE PARTIES AND THE TRANSACTION

1. On 17 July 2025 RVP Newco Ltd, a wholly-owned subsidiary of Rundvirke Industrier AB (**Rundvirke**)<sup>1</sup> agreed to acquire Calders & Grandidge (Boston) Limited (**C&G**), a wholly-owned subsidiary of Saint-Gobain Construction Products UK Ltd (**Saint-Gobain**) (the **Merger**).<sup>2,3</sup>
2. Rundvirke and C&G overlap in (i) the supply of treated wooden utility poles for use in the telecommunications and electricity distribution and transmission sectors; and (ii) the supply of fencing products.

### JURISDICTION

3. The 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 Rundvirke and C&G is an enterprise; these

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<sup>1</sup> Rundvirke's operations in respect of wooden utility poles in the UK are predominantly carried out through Power Poles Limited (**PPL**). The CMA considers Rundvirke and PPL to have ceased to be distinct, as Rundvirke owns 50% of the issued share capital of PPL, and exercises (at least) material influence over the business. Rundvirke and PPL have agreed that, simultaneously with the completion of the Merger, Rundvirke will acquire the remaining 50% of PPL's shares. Final Merger Notice submitted to the CMA on 21 October 2025 (**FMN**), paragraphs 2.5 and 3.3.

<sup>2</sup> Rundvirke and C&G are together referred to as the **Parties** and, for statements relating to the future, the **Merged Entity**.

<sup>3</sup> The CMA commenced its phase 1 investigation on 23 October 2025 following voluntary notification by the Parties.

enterprises will cease to be distinct as a result of the Merger. The share of supply test is met.<sup>4</sup>

## COUNTERFACTUAL

4. The CMA assesses a merger's impact relative to the situation that would prevail absent the merger (ie the counterfactual).<sup>5</sup> In its assessment of mergers at Phase 1, the CMA is required to assess whether the merger creates a realistic prospect of a substantial lessening of competition (**SLC**).<sup>6</sup>
5. The Parties submitted that the CMA should assess the competitive impact of the merger against an 'exiting firm' counterfactual;<sup>7</sup> ie one in which absent the Merger, C&G would exit the market.
6. For the CMA to accept an exiting firm counterfactual at Phase 1 it needs to see compelling evidence that it is inevitable that, absent the merger:<sup>8</sup>
  - (a) the firm would have exited (through failure or otherwise); (**Limb 1**) and, if so
  - (b) there would not have been an alternative, less anti-competitive purchaser for the firm or its assets to the acquirer in question (**Limb 2**).
7. Where the CMA concludes that a merging firm would exit absent the merger and there would not have been an alternative, less anti-competitive purchaser for the firm or its assets, it will not find an SLC.<sup>9</sup>

### Limb 1

8. The CMA has considered whether there is compelling evidence that it is inevitable that, absent the Merger, C&G would exit the markets in which it is active.<sup>10</sup>
9. Saint-Gobain submitted that C&G does not align with Saint-Gobain's long-term strategy. Specifically, Saint-Gobain's focus is driving growth through 'light and sustainable' construction materials, which began with the announcement of its 'Transform & Grow' strategy in 2018 and subsequently its 'Grow & Impact' strategy in 2021.<sup>11</sup> This includes several public sustainability targets, including an aim for

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<sup>4</sup> See the Act, s23. C&G has UK turnover exceeding £10 million, and the Merger would result in the Merged Entity supplying greater than 25% share of treated wooden utility poles in the UK or a substantial part of it.

<sup>5</sup> [Merger Assessment Guidelines \(CMA129\)](#), March 2021, paragraph 3.1.

<sup>6</sup> See the Act, s33 and CMA129, paragraphs 2.31 and 3.12.

<sup>7</sup> FMN, Annex 01 (**First Counterfactual Annex**) and Annex 088 (**Second Counterfactual Annex**).

<sup>8</sup> [CMA 129](#), paragraphs 3.21 and 3.23.

<sup>9</sup> [CMA 129](#), paragraph 3.23.

<sup>10</sup> [CMA 129](#), paragraphs 3.26 and 3.29.

<sup>11</sup> First Counterfactual Annex, paragraphs 2.1(a) and 2.5-2.12. See also [Saint-Gobain press release](#), 26 November 2018. Saint-Gobain subsequently announced its 'Grow & Impact' programme in 2021 with a focus on sustainability, see [Grow & Impact \(2021-2025\) | Saint-Gobain](#) and followed by 'Lead & Grow' in October 2025, see [Lead & Grow : our strategic plan | Saint-Gobain](#).

the majority of its revenue to derive from sustainable solutions by 2030.<sup>12</sup> Saint-Gobain submitted that C&G is fundamentally misaligned with this strategy, due to its core offering being creosote-treated wooden poles and the significant environmental risks associated with creosote.<sup>13</sup>

10. Saint-Gobain further submitted that it has committed to being selective on capital allocation and that investments must align with its strategic objectives.<sup>14</sup> In line with this strategy, it has not approved significant investment into C&G since 2019, despite C&G requiring significant investments to (i) maintain ongoing operations<sup>i</sup> and (ii) provide alternatives to creosote-treated products, given that the industry is transitioning away from creosote-treated products.<sup>15</sup> The Parties submitted that C&G has not won any tenders since [REDACTED].<sup>16</sup>
11. In addition, Saint-Gobain submitted that it would be uneconomical to continue operating C&G, and [REDACTED] Saint-Gobain's hurdle rates (which are communicated externally to investors) required for the significant capital expenditure needed to continue operating the business.<sup>17</sup>
12. Lastly, Saint-Gobain submitted that it has prepared and approved a closure plan for C&G if the Merger does not proceed, and that it has already taken steps towards implementing this (such as [REDACTED] and [REDACTED]).<sup>18</sup>
13. When considering any exiting firm argument, the CMA will usually attach greater weight to evidence that has not been prepared in contemplation of the merger.<sup>19</sup> Saint-Gobain has been actively considering the sale of C&G since (at least) 2019, and has undertaken two marketing processes resulting in an attempted sale first to Scanpole Ltd (**Scanpole**) and subsequently to Rundvirke. The majority of the internal documents the CMA has reviewed were therefore prepared in contemplation of a merger. The CMA has taken this into account in its assessment.

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<sup>12</sup> First Counterfactual Annex, paragraphs 2.7 and 2.11. See also [Our actions and targets for sustainability | Saint-Gobain](#), last accessed by the CMA on 27 November 2025.

<sup>13</sup> First Counterfactual Annex, paragraph 2.11. Wooden utility poles are expected to have a long lifecycle (around 60 years). To achieve this, customers require the wood to be specific tree species, to originate from specific geographic locations (typically Scandinavia), and be treated with a wood preservative. Historically this has been creosote, which is a biocide. However, creosote is classified as a category 1B carcinogen in the UK. Its use is restricted in the European Union and UK and it was banned for consumer use in 2003. The use of creosote for industrial purposes is currently under review by the Health and Safety Executive. An alternative to creosote is copper oil, which does not have the same health or environmental risks as creosote, and customers expect copper oil will replace creosote as the preferred treatment. FMN, paragraph 12.9; call with a third party, dated 26 September 2025, paragraph 4; Responses to the CMA customer questionnaire, question 8. See also [Creosote and telegraph poles](#), last accessed by the CMA on 27 November 2025.

<sup>14</sup> First Counterfactual Annex, paragraph 2.9 and Saint-Gobain internal document, CF Appendix 017, '[REDACTED]', 18 October 2021, slide 26.

<sup>15</sup> First Counterfactual Annex, paragraphs 2.1(e) and 2.25; Second Counterfactual Annex, paragraph 5.5, figure 2.

<sup>16</sup> FMN, paragraph 14.26 (excluding a small number of secondary supplier volumes).

<sup>17</sup> First Counterfactual Annex, paragraph 2.1(d).

<sup>18</sup> First Counterfactual Annex, paragraph 2.1(c) and Second Counterfactual Annex, paragraph 1.2 (c).

<sup>19</sup> [CMA 129](#), paragraph 3.24.

14. Saint-Gobain's internal documents indicate that C&G is [REDACTED] to dispose of for strategic reasons. For example, a presentation from 2019 highlights Saint-Gobain's plans to exit specialist building materials businesses in the UK and Ireland, including C&G;<sup>20ii</sup> and an email from 2023 notes that, at that time, the only remaining specialist distribution businesses in the UK and Ireland following Saint-Gobain's programme of divestments were its treated timber businesses (C&G and PDM Timber Treatment Ltd (**PDM**)).<sup>21</sup> Since 2020, Saint-Gobain has divested or closed<sup>iii</sup> [REDACTED] UK and Irish businesses as part of this strategy, including several of the other businesses (eg Jewson, Graham and most recently PDM) Saint-Gobain originally obtained as a package with C&G through its acquisition of Meyer International in 2000.<sup>22</sup>
15. Documents and correspondence between [REDACTED] and 2025 contain repeated references to disposing of C&G via a sale or closure.<sup>23</sup> In particular, a formal request in June 2025 to the [REDACTED] for the authorisation of the sale of C&G to Rundvirke explained that absent the Merger, Saint-Gobain would '[REDACTED]'.<sup>24</sup> Consistent with this, the CMA has not seen evidence in internal documents suggesting that Saint-Gobain plans to continue to operate C&G absent the Merger.<sup>25</sup> As noted in paragraph 13, given these internal documents were prepared in contemplation of a merger, the CMA has considered the extent to which other evidence is consistent with C&G exiting, absent the merger.
16. The CMA considers Saint-Gobain's lack of investment in C&G in recent years<sup>iv</sup> and necessary future capital expenditure to be consistent with C&G not aligning with Saint-Gobain's long-term strategy. C&G forecast that £[REDACTED] would be required for critical upgrades and repairs over a ten-year period, front-loaded over the first three years.<sup>26</sup> Internal documents suggest that this investment is critical to C&G's continued viability and increasingly urgent due to deliberate lack of investment

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<sup>20</sup> Saint-Gobain internal document, CF Appendix 059, '[REDACTED]', 18 June 2019, slide 5.

<sup>21</sup> Saint-Gobain internal document, CF Appendix 064, '[REDACTED]', 20 July 2023. This email noted that the 'PDM and Calders & Grandridge businesses are the two last activities of specialist distribution in the UK & Ireland that remain following the completion of [REDACTED].'

<sup>22</sup> First Counterfactual Annex, paragraph 2.10. Saint-Gobain submitted that, following a sales process for the Graham business, it closed approximately 32 branches, [REDACTED], Second Counterfactual Annex, paragraph 2.2(a). See also Saint-Gobain internal document, CF Appendix 058, '[REDACTED]', 10 March, 2021. In relation to Saint-Gobain's acquisition of Meyer International, see [Saint-Gobain letter to shareholders, March 2001](#).

<sup>23</sup> For example, Saint-Gobain internal documents, CF Appendix 060, '[REDACTED]' - September 2022'; CF Appendix 061, '[REDACTED]' 7-17 September 2022'; CF Appendix 007, '[REDACTED]' 23 December 2024 and [REDACTED] 21 December'; and, the Parties' response to the CMAs s109 notice dated 29 October 2025, Annex 109.2.18, '[REDACTED]'.

<sup>24</sup> Saint-Gobain internal document, Annex 030, '[REDACTED]', June 2025, page 3 and First Counterfactual Annex, paragraph 2.11.

<sup>25</sup> Certain Saint-Gobain internal documents from 2022 consider retaining C&G at that stage, with one argument in favour being that C&G would be more attractive to potential acquirers following investment. However, the CMA notes this option only considered collectively retaining C&G and PDM as a package. PDM was sold to Scanpole in 2024, and the CMA has not seen any evidence since then suggesting that Saint-Gobain is considering retaining C&G. Saint-Gobain internal document, CF Appendix 060, 'Project Mars Options Paper', September 2022, page 3.

<sup>26</sup> The conversion to supply alternatives to creosote accounted for £[REDACTED] of the CAPEX estimates. Saint-Gobain internal document, Annex 030, '[REDACTED]', June 2025, page 3 and Parties' response to the CMA's s109 notice dated 25 September 2025, Annex 109(1) Q1-2.

from Saint-Gobain.<sup>27v</sup> The CMA notes that, as set out in the Share Purchase Agreement, the calculation of the purchase price includes an £[X], partly to account for the expected critical investment.<sup>28</sup>

17. The CMA has reviewed the financial analysis undertaken by Saint-Gobain which estimates that it would be unprofitable to make the necessary investments for C&G to remain in the market. This discounted cash flow analysis was undertaken by Saint-Gobain in June 2025 to seek approval for the sale of C&G to Rundvirke from its executive committee. The analysis estimates that, due to the required investment and remediation costs, continuing to operate C&G would result in a negative ten-year net present value (**NPV**) ([X]) for Saint-Gobain. Conversely, selling C&G to Rundvirke or closing C&G absent the Merger would result in NPVs of £[X] and £[X] respectively.<sup>29</sup> The CMA considers the assumptions used in Saint-Gobain's analysis to be reasonable.
18. In addition, there is some evidence that Saint-Gobain has taken preparatory steps towards closing the C&G business absent the Merger. In particular, several internal documents show that C&G required [X], to give Saint-Gobain contractual protection if it closed C&G. Several C&G customers have contested [X], and [X] may have contributed to [X] refusing to re-contract with C&G.<sup>30</sup>
19. Overall, the CMA considers that the available evidence consistently shows that C&G would exit absent the Merger. In particular, both the scale of the investment required to continue operating C&G (and hence the negative ten-year NPV), and Saint-Gobain's behaviour (ie a lack of recent investment, seeking [X] in contract negotiations, and that Saint-Gobain has now twice tried to sell C&G [X]) are consistent with internal documents suggesting that C&G is not part of Saint-Gobain's long-term strategy and that it will close the business should the Merger not proceed.

## Conclusion on Limb 1

20. The CMA believes, based on the evidence set out above, that there is compelling evidence that it is inevitable that, in the absence of the Merger, C&G would have exited. The CMA therefore believes that the test for Limb 1 of the exiting firm counterfactual is met.

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<sup>27</sup> Saint-Gobain internal document, Annex 030, '[X]', June 2025, page 3. For example, Saint-Gobain submitted that [X], Saint-Gobain response to the CMA's s109 notice dated 25 September 2025, Annex 109(1) Q1-2.

<sup>28</sup> The Parties' response to the CMA's request for information dated 9 October 2025, paragraphs 2.1 – 2.2 and FMN, Annex 007, clauses 1.1 and 4.1

<sup>29</sup> Saint-Gobain internal document, Annex 030, '[X]', June 2025, page 3. The CMA also notes the [X] and how similar it is to the estimated closure value, [X]. Saint-Gobain internal document, CF Appendix 057, '[X]', 6 January 2025.

<sup>30</sup> The Parties' response to the CMA's s109 notice dated 25 September 2025, annexes CSG-00000138 and CSG-00000153; Parties' response to the CMA's request for information dated 28 October 2025, annexes RFI 3.1 – 3.3; note of call with a third party, dated 26 September 2025, paragraph 14; and Second Counterfactual Annex, paragraph 4.6.

## Limb 2

21. The CMA has also considered whether there would have been an alternative, less anti-competitive purchaser for C&G than Rundvirke. In Phase 1, the CMA will consider this question with reference to the 'realistic prospect' standard; ie the CMA will consider if there was a realistic prospect that an alternative, less anti-competitive purchaser than Rundvirke would have purchased C&G.<sup>31</sup>
22. Saint-Gobain submitted that it has undertaken two distinct and exhaustive marketing processes for the sale of C&G, targeting all plausible categories of prospective acquirers, but that despite these efforts, no credible purchaser has emerged other than Rundvirke.<sup>32</sup>
23. Saint-Gobain first sought to sell C&G in 2019 and contacted eleven potential purchasers (including suppliers and competitors).<sup>33</sup> Saint-Gobain also considered a management buy-out, although this was not deemed viable. Similarly, Saint-Gobain received advice that C&G was unlikely to be of interest to private equity buyers.<sup>34</sup> Further to this process, only Scanpole and Rundvirke expressed interest in acquiring C&G.<sup>35</sup> Saint-Gobain chose to progress a potential sale with Scanpole, [REDACTED].<sup>36</sup>
24. Scanpole abandoned its purchase of C&G during the CMA's review of the transaction.<sup>37</sup> Saint-Gobain launched a second marketing process in August 2024, recontacting several parties from the original process and nine additional potential purchasers, namely C&G customers. Of these, only Rundvirke expressed firm interest in acquiring C&G; the remainder either declined or did not respond.<sup>38</sup>
25. Following review of the Parties' internal documents, the CMA considers that Saint-Gobain has undertaken a comprehensive process for marketing the sale of C&G.<sup>39</sup>

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<sup>31</sup> See [CMA 129](#), paragraph 3.30–3.32.

<sup>32</sup> First Counterfactual Annex, paragraph 3.19.

<sup>33</sup> First Counterfactual Annex, paragraph 3.3(a) and 3.3(c).

<sup>34</sup> First Counterfactual Annex, paragraph 3.3(b) and 3.3(d).

<sup>35</sup> Saint-Gobain internal document, CF Appendix 027, '[REDACTED]', 30 July 2019.

<sup>36</sup> Second Counterfactual Annex, paragraph 3.2(b) and footnote 18; and Saint-Gobain internal document, CF Appendix 061, '[REDACTED]', 7-17 September 2022.

<sup>37</sup> See [Scanpole / C&G merger inquiry - GOV.UK](#). It has not been necessary to conclude on whether Scanpole would now be a realistic purchaser, given that it is the largest supplier of wooden utility poles in the UK (the Parties estimated Scanpole accounted for around half of all supply in the UK market for treated wooden utility poles by value) and therefore would not be a less anti-competitive purchaser than Rundvirke.

<sup>38</sup> Saint-Gobain internal documents, CF Appendices 030 to 054.

<sup>39</sup> The CMA considers it very unlikely that another buyer from an unrelated industry (and therefore not contacted by Saint-Gobain) would be willing to pay a price above the closure value given, for example, that despite the specific synergies between PPL and C&G, Rundvirke has offered a price [REDACTED] than the estimated cost of closing the C&G business.

## Conclusion on Limb 2

26. In light of the available evidence, the CMA has concluded that there is not a realistic prospect that C&G would have been sold to any less anti-competitive bidder.

## Conclusion

27. The CMA therefore considers, overall, that the relevant counterfactual against which the competitive impact of the Merger should be compared is that in which C&G exits the markets in which it is active.

## DECISION

28. Consequently, 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.
29. The merger will **not be referred** under section 33 of the Act.

**Oliver Norden**  
**Director, Mergers**  
**Competition and Markets Authority**  
**27 November 2025**

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<sup>i</sup> Saint-Gobain made necessary investments to maintain health and safety standards and ensure compliance with relevant legal requirements.

<sup>ii</sup> The Parties submitted that (i) this presentation refers specifically to specialist building distribution markets, and (ii) these plans are now complete with the sale of C&G.

<sup>iii</sup> The Parties submitted that these businesses were all divested.

<sup>iv</sup> Saint-Gobain made necessary investments to maintain health and safety standards and ensure compliance with relevant legal requirements.

<sup>v</sup> Saint-Gobain made necessary investments to maintain health and safety standards and ensure compliance with relevant legal requirements.