

Foodservice equipment merger gives CMA cause for concern

Ali Holding S.r.l. (Ali Group) and Welbilt, Inc. (Welbilt) provide a range of equipment to commercial kitchens across the UK, including much of the equipment typically found in pub and restaurant kitchens.

In particular, the businesses are 2 of the main suppliers of ice machines in the UK and compete closely with each other currently. At an early stage of the Competition and Markets Authority's (CMA) investigation, the businesses accepted that their planned merger would raise competition concerns in the supply of ice machines in the UK. As a result, they asked the CMA to use the 'fast track' procedure so that remedies to address these concerns could be considered as early as possible.

The CMA's formal investigation has now confirmed these concerns and found that the removal of Welbilt as an independent competitor could lead to higher prices or a lower quality service for the hospitality sector and, ultimately, customers.

The merging businesses' request for the use of the 'fast track' procedure has allowed the CMA to conclude its Phase 1 investigation within 10 working days of launching its investigation, well ahead of the 40 working day deadline for initial merger decisions.

The CMA will now consider whether the remedy proposed by Ali Group and Welbilt – which involves the sale of Welbilt's global ice machine business to an independent third party approved by the CMA – will fully restore the loss of competition in the supply of ice machines in the UK that the deal would otherwise have brought about.

Colin Raftery, CMA Senior Director of Mergers, said:

Protecting competition in the supply chain is key to ensuring that pubs and restaurants don't face unnecessary costs, helping in turn to get the best service and price possible for customers.

Following a swift investigation, we'll now carefully consider whether Ali Group and Welbilt's proposals will address our concerns.

The deal is subject to review by a number of competition authorities and the CMA has engaged closely with other agencies, including in relation to the proposed remedy, throughout its investigation.

For more information, visit the [Ali Group/Welbilt investigation page](#).

1. More information on the CMA's fast track procedure can be found in

section 7 of [Mergers: Guidance on the CMA's jurisdiction and procedure](#).

2. The CMA is, in most cases, required to issue a Phase 1 decision within 40 working days. Merging parties are required to formally offer proposed remedies (undertakings in lieu (UILs)) within 5 working days after receiving the CMA's Phase 1 decision and the CMA then decides, within 10 working days after the Phase 1 decision, whether to provisionally accept the UILs offered. The CMA then has 50 working days (subject to an extension of up to 40 working days) to consider whether to finally accept these remedies.
3. Ali Group is an Italian corporation with headquarters in Milan, Italy, and manufacturing, sales and service subsidiaries throughout Europe, North America, South America, the Middle East, and Asia Pacific.
4. Welbilt is an international company that is publicly listed on the New York Stock Exchange. It is active primarily in the design, manufacture, and supply of commercial foodservice equipment globally, including in the UK, and has global manufacturing facilities.
5. All media enquiries should be directed to the CMA press office by email on press@cma.gov.uk, or by phone on 020 3738 6460.