

# Mergers: Commission clears Zodiac and Fluidra pool equipment joint venture, subject to conditions

Zodiac and Fluidra are both active throughout Europe in swimming pool equipment products, mainly for residential use. These include products such as pumps, filters, cleaners, heating devices, and products that control and dispense chemicals in pool water.

## **The Commission's investigation**

The Commission's investigation focused on the companies' overlapping activities in swimming pool cleaning, water treatment and heating equipment:

- For **robotic pool cleaners**, the Commission found that the proposed transaction, as initially notified, would have significantly reduced competition. After the transaction, the merged entity would have faced competition from only a few other suppliers, such as Maytronics and Hayward. The Commission also found that it is particularly difficult to enter the robotic pool cleaners market due to the need for research and development investment, and the need to rely on a set of features protected by international property rights. The Commission, therefore, had preliminary concerns that the transaction may have resulted in higher prices and reduced choice for European consumers.
- For **swimming pool water treatment, heating equipment**, and other products where Zodiac has a more limited presence, such as **pool pumps and filters**, the Commission found no competition concerns, given that the merged entity would continue to face competition from a number of competitors.

## **The proposed commitments**

To address the Commission's competition concerns, the two companies offered to divest Fluidra's Israeli based subsidiary Aquatron Robotic Technology Ltd., which manufactures and supplies robotic pool cleaners worldwide. It accounts for almost all of Fluidra's sales of these products in Europe. The divestiture comprises all relevant tangible and intangible assets, including intellectual property rights and the 'Aquabot' brand. This will ensure the viability of the business.

Following an extensive market test, the Commission found that the commitments address the identified competition concerns and concluded that the proposed transaction, as modified by the commitments, would raise no competition concerns. The decision is conditional upon full compliance with the commitments.

## **Companies and products**

**Zodiac**, based in the US, is a company controlled by the US private equity firm Rhône Capital L.L.C. It is active in the manufacturing pool equipment products.

**Fluidra**, based in Spain, is a listed company, which is also active in the manufacturing of pool equipment products, as well as in industrial water treatment, irrigation and engineering services.

### **Merger control rules and procedure**

The transaction was notified to the Commission on 3 May 2017.

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the Merger Regulation) and to prevent concentrations that would significantly impede effective competition in the EEA or any substantial part of it.

The vast majority of notified mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has a total of 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II). This deadline is extended to 35 working days in case remedies are submitted by the parties, such as in this case.

More information on this case will be available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.8738](#)