



Decision CPC: 48/2021

Case Number: 08.05.001.021.038

THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW

No. 83(I)/2014

Notification of a concentration concerning the acquisition of the share capital of Paula's Choice, Inc. by Conopco, Inc.

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou,	Chairperson
Mr. Panayiotis Ousta	Member
Mr. Aristos Aristeidou Palouzas	Member
Mr. Polynikis-Panagiotis Charalambides	Member

Date of Decision: 14th of July 2021

SUMMARY OF THE DECISION

On 22/06/2021, the Commission for the Protection of Competition (hereinafter the "Commission") received on behalf of Conopco, Inc. (hereinafter the "Conopco"), a notification of a proposed concentration. The notification was filed according to Section 10 of the Control of Concentrations between Enterprises Law 83(I)/14 (hereinafter the "Law").

The notification concerns a concentration, according to which, Unilever will acquire the share capital of Paula's Choice, Inc. via Conopco.

- Conopco, Inc. trades as Unilever and it is a duly registered company in the state of New York (New York Corporation) of the United States of America. The parent company of the group of companies that Conopco, Inc. belongs is Unilever plc (Unilever plc together with its direct and indirect subsidiaries, hereinafter "Unilever").

Unilever plc is a public company duly registered in accordance with the laws of England and Wales. Unilever supplies fast-moving consumer goods. Its main businesses are in the fields of food, home care and personal care. The sector of personal care of Unilever supplies deodorants, bath and shower products, skin care products, oral care products and hair care products.

- The Target is consisted by Paula's Choice, Inc., a company based in the United States of America and its subsidiaries (Paula's Choice, Inc. together with its subsidiaries, hereinafter "Paula's Choice" or the "Target").

Paula's Choice manufactures and sells skin care products that include moisturizers, cleansers and toners, exfoliants, face serums and masks, eye care products and sunscreens, for all skin types. Also, Paula's Choice manufactures and sells some limited cosmetic products for lips and a tint foundation, a hair and body cleanser and a limited collection of products available for men. Moreover, Paula's Choice develops a digital-first sales channel strategy and sells its products mainly on the Internet.

The concentration is based on a Share Purchase Agreement dated 13/06/2021 (hereinafter "Agreement") between Conopco, Inc., Paula's Choice Topco, LLC and Paula's Choice, Inc. Based on this Agreement, Conopco, will acquire 100% of the share capital of Paula's Choice. The final result of this transaction is the acquisition of the sole control of Paula's Choice by Unilever, via Conopco.

The Commission, taking into account the facts of the concentration, has concluded that this transaction constitutes a concentration within the meaning of section 6 (1)(a)(ii) of the Law, since it leads to a permanent change of control of the Target Company.

Furthermore, based on the information contained in the notification, the Commission found that the criteria set by section 3 (2) (a) of the Law were satisfied and therefore the notified concentration was of major importance falling within the scope of the Law.

The relevant product/services and geographic market in this case was defined as the market of selective distribution of personal care products in the territory of the Republic of Cyprus.

Based on the notification, Unilever and the Target are both active in the market of selective distribution of personal care products in the territory of the Republic of Cyprus. Therefore, there is a horizontal relationship between the parties involved as the participating companies operate in the same market. However, their combined market share in Cyprus is estimated at below of 15%.

In addition, there is no vertical relationships between the activities of the participating enterprises in Cyprus.

The Commission, on the basis of the factual and legal circumstances, unanimously decided that this concentration does not create or strengthen a dominant position in the affected market and therefore the concentration does not raise serious doubts as to its compatibility with the operation of the competition in the market.

Therefore, the Commission, acting in accordance with section 22 of the Law, unanimously decided not to oppose the notified concentration and declare it as being compatible with the operation of the competition in the market.

Loukia Christodoulou
Chairperson of the
Commission for the Protection of Competition