



Decision CPC: 53/2021

Case Number: 08.05.001.021.041

**THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW  
No. 83(I)/2014**

**Notification of concentration concerning the acquisition of the share capital of  
Spoonflower, Inc from Apollo Management, L.P. via Shutterfly LLC and Swan  
Sherwood Merger Sub, Inc. A**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou	Chairperson
Mr. Andreas Karidis,	Member
Mr. Panayiotis Oustas,	Member
Mr. Aristos Aristidou Palouzas,	Member

Date of decision: 30 July 2021

**SUMMARY OF DECISION**

On the 29<sup>th</sup> of June 2021, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of Apollo Management, L.P. (hereafter “Apollo Management”) 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, Apollo Management, will acquire via Shutterfly LLC and Swan Sherwood Merger Sub, Inc., the share capital of Spoonflower, Inc. (hereinafter the “Target”).

Companies participating at this merger are the following:

- Apollo Management L.P. is a limited partnership duly registered under the laws of the State of Delaware, of the United States of America. Apollo Global Management, Inc. is listed on the New York Stock Exchange. According to the notification, Apollo invests in companies and debt issued by companies operating in various industries worldwide. Examples of existing investments include, but are not limited to, chemical, insurance, financial services, lighting, and entertainment companies.
- Shutterfly, LLC is an Apollo portfolio company. It is duly registered under the laws of the State of Delaware, of the United States of America. It is active in the online sale of personalized photo gifts, diaries, stationery, photo posters, photos and acrylic photo prints.
- Swan Sherwood Merger Sub, Inc. is a duly registered company under the laws of the State of Delaware, of the United States of America and was set up for the purposes of the notified concentration.
- The Target (Spoonflower, Inc.) is also a duly registered company under the laws the State of Delaware, of the United States of America. The Target manufactures and sells personalized and custom fabric-based products, such as fabrics, upholstery and home decor items (bedding), pillows, curtains, wall hangings and napkins and tablecloths made from custom fabric to customers worldwide via the following channels: (a) the Target website and (b) third-party platforms such as Etsy, Amazon and eBay.

The concentration is based on an Agreement and Plan of merger dated 11<sup>th</sup> of June 2021, (hereinafter "Agreement"). Based on this Agreement, the Shutterfly, LLC (the "Parent") and Swan Sherwood Merger Sub, Inc (the "Merger Subsidiary") will act as buyers of Target. As stated in the Agreement, at effective time, the Merger Subsidiary will be merged with the Target.

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)(α)(ii) of the Law, since it leads to the acquisition of sole control of the Target by Apollo, through Shutterfly LLC and Swan Sherwood Merger Sub, Inc.

The Commission, for the purposes of evaluating this concentration, defined the relevant product/service markets of target in (a) the market for the sale of custom-made fabrics, (b) the market for the sale of custom-made wallpapers, and (c) the market for the sale of custom-made home decor items. In addition, the Commission concluded that the territory of the Republic of Cyprus is defined as the geographic market for all relevant markets.

In the present case, according to the participants, there are no overlaps between Apollo and Spoonflower, Inc. in the relevant markets. While, the main activities of Spoonflower, Inc. related to this sector, none of the Apollo portfolio companies are active in this sector.

Additionally, the concentration does not lead to vertical relationship, as Apollo and Target are not active upstream or downstream of a relevant product market.

According to the market shares of the companies, as listed above, there is no affected market according to Schedule I of the Law.

The Commission, on the basis of the factual and legal circumstances, unanimously decided that this concentration does not create or strengthen a dominant position as there is no 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