



**ΚΥΠΡΙΑΚΗ  
ΔΗΜΟΚΡΑΤΙΑ**



**ΕΠΙΤΡΟΠΗ ΠΡΟΣΤΑΣΙΑΣ  
ΤΟΥ ΑΝΤΑΓΩΝΙΣΜΟΥ**

Decision CPC: 84/2021

Case Number: 08.05.001.021.071

**THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW**

**No. 83(I)/2014**

**Notification of concentration concerning the acquisition of the share capital of companies Michael Arabatzis Food Industrial & Commercial Company and ΑΛΕΞΙΣ Industrial and Commercial Confectionary Company by CVC Capital Partners SIVAC-FIS S.A., via Vivartia Co**

Commission for the Protection of Competition:

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

Date of decision: 20 December 2021

**SUMMARY OF DECISION**

On the 25<sup>th</sup> of November 2021 the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of CVC Capital Partners SICAV-FISS.A. (hereinafter the « CVC») 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 CVC via Vivartia Co, intends to acquire the firms Michael Arabatzis Food Industrial & Commercial Company (hereinafter the «ΕΛΛΗΝΙΚΗ ΖΥΜΗ») and ΑΛΕΞΙΣ Industrial and Commercial Confectionary Company (ΑΛΕΞΙΣ and ΕΛΛΗΝΙΚΗ ΖΥΜΗ hereinafter the “Target Companies”) via Vivartia Co.

Companies participating at this merger are the following:

1. CVC and its subsidiaries and CVC Capital Partners Advisory Group Holding Foundation and its subsidiaries are privately owned entities which constitutes the "CVC Network". The activities of this Network include the provision of investment advice and/or investment management on behalf of certain funds and investment platforms.
2. Vivartia is a holding company and the managing company of the VIVARTIA Food Production Group. According to the notification data, the activities of this Group can be categorized into the following business sectors:
  - (i) Dairy and Beverage Sector, with the object of production and distribution of dairy products, such as milk and similar products of yogurt and fruit juices, via ΔΕΛΤΑ ΑΝΩΝΥΜΗ ΒΙΟΜΗΧΑΝΙΚΗ ΚΑΙ ΕΜΠΟΡΙΚΗ ΕΤΑΙΡΕΙΑ ΤΡΟΦΙΜΩΝ ΜΟΝΟΠΡΟΣΩΠΗ Α.Ε. (hereinafter "ΔΕΛΤΑ") and its subsidiaries,
  - (ii) Frozen Foods Sector, with the object of production and distribution of frozen foods and pastries, such as vegetables and ready meal recipes, via ΜΠΑΡΜΠΑ ΣΤΑΘΗΣ ΜΟΝΟΠΡΟΣΩΠΗ ΑΝΩΝΥΜΗ ΒΙΟΜΗΧΑΝΙΚΗ ΕΜΠΟΡΙΚΗ ΕΤΑΙΡΕΙΑ (hereinafter "ΜΠΑΡΜΠΑ ΣΤΑΘΗΣ") and its subsidiaries, and
  - (iii) Catering and Entertainment Services Sector (hereinafter "ΥΕΨ"), with the object of operating fast food restaurants (hereinafter "ΕΤΕ") and coffee and confectioneries and the provision of Catering services, via GOODY'S ΑΝΩΝΥΜΗ ΕΤΑΙΡΕΙΑ ΥΠΗΡΕΣΙΩΝ ΕΣΤΙΑΣΗΣ (hereinafter "Goody's") and EVEREST ΑΝΩΝΥΜΟΣ ΕΤΑΙΡΕΙΑ ΣΥΜΜΕΤΟΧΩΝ ΚΑΙ ΕΠΕΝΔΥΣΕΩΝ (hereinafter "Everest") and their subsidiaries.
3. ΕΛΛΗΝΙΚΗ ΖΥΜΗ main activities is the production and sale of frozen dough products - puff pastry. More specifically, this company is active in the production and sale of frozen dough products - puff pastry, supplying both the foodservice market and the retail market.
4. ΑΛΕΞΙΣ has as its main activity the sale of frozen dough products, as well as fresh dough products (refrigerator).

This notification concerns a merger according to which, CVC will acquire a share capital of the companies Michail Arabatzis Industrial and Commercial Food Company SA (hereinafter "ΕΛΛΗΝΙΚΗ ΖΥΜΗ") and ΑΛΕΞΙΣ "with Industrial and Commercial Company" ΕΛΛΗΝΙΚΗ ΖΥΜΗ, the "Target Companies"), through VIVARTIA Holdings

SA (hereinafter referred to as "VIVARTIA"). Specifically, at present, VIVARTIA participates in the share capital of the company ΕΛΛΗΝΙΚΗ ΖΥΜΗ with a percentage of 49% and in the share capital of ΑΛΕΞΙΣ with a percentage of 51%, indirectly through the 100% subsidiary of the company ΜΠΑΡΜΑ ΣΤΑΘΗΣ. The remaining percentage on their share capital (ie, 51% in ΕΛΛΗΝΙΚΗ ΖΥΜΗ and 49% in ΑΛΕΞΙΣ) belongs to Mr. Michael Arambatzis (hereinafter "MA"). In the context of the proposed transaction, M.A. is going to transfer to VIVARTIA a percentage of 26% on the share capital of the company ΕΛΛΗΝΙΚΗ ΖΥΜΗ and a percentage of 24% on the share capital of ΑΛΕΞΙΣ. Therefore, with the implementation of this operation, VIVARTIA will hold a total of 75% and M.A. 25% on the share capital of each company.

An essential element for the examination of this act of concentration is the concept of "concentration" of companies and its general existence, as this concept is defined in Article 6 of the Law.

The Commission, considering 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 a permanent change of control of the Target Companies, by CVC.

In accordance with the above findings, the Commission proceeded to assess the compatibility of the concentration in question with the operation of competition in the market, in accordance with the procedure for determining the compatibility of a concentration under the compatibility criteria, as defined in Articles 20 and 21 of the Law. for the significant obstruction of competition in the Republic of Cyprus or in a significant part of it, in particular as a result of the creation or strengthening of a dominant position and taking into account the individual criteria set out in Article 19 of the said Law.

The Commission has concluded that for the purposes of evaluating this concentration, the relevant product / service market is (a) the market for frozen dough and (b) the market for frozen dough products. Any further separation does not differentiate the outcome of the merger assessment.

In addition, the Commission concluded that the geographical market for the relevant markets in question is that of the territory of the Republic of Cyprus.

According to the notification data, taking into account the already existing links of the VIVARTIA Group with the joint venture (over which it already exercises joint control) and given that no other Vivartia Group company is active in the relevant markets in Cyprus, the notified transition from public to exclusive control is not expected to change the conditions of competition in these markets.

Therefore, according to the notification, the merger in question will not in any way affect the market or its competition as there is no evidence that VIVARTIA can diversify its behavior in the relevant markets.

According to the notification data, the proposed transaction will not lead to any overlap between the activities of the Vivartia Group and the Target Companies in Cyprus other than the existing one, as the VIVARTIA group is already active in Cyprus in the relevant markets [.....].

According to the parties, if VIVARTIA, which has joint control with MA, on ΕΛΛΗΝΙΚΗ ΖΥΜΗ and ΑΛΕΞΙΣ, after the proposed transaction will acquire sole control over them, VIVARTIA's market shares will not be affected by proposed transaction.

According to the company to be notified, there are no vertical relationships between CVC (including CVC Fund Holding Companies) and the Target Companies in Cyprus.

Taking into account the above, the Commission concludes that in this concentration no affected market is created based on Annex I of the Law. In addition, there are no other markets in which the notified concentration may have a significant effect beside the existing ones due to the participation of VIVARTIA through ΜΠΑΡΜΠΑ ΣΤΑΘΗΣ and ΕΛΛΗΝΙΚΗ ΖΥΜΗ.

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