Takeover of assets belonging to Ludendo (La Grande Récré) by the JouéClub group: the Autorité clears the transaction, subject to commitments concerning 6 stores

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On 15 May 2023, the JouéClub group notified the *Autorité de la concurrence* of the acquisition of assets belonging to the Ludendo group, of which 89 business assets operated under the La Grande Récré banner in France and 48 store franchise and commercial concession contracts operated under the La Grande Récré and Starjouet banners.

The transaction and the parties

EPSE JouéClub is a cooperative chain of toy stores. The JouéClub network has 220 members, operating 283 toy stores under the JouéClub banner, primarily in mainland France and the French overseas territories.

The Ludendo group is also active in the toy retailing sector in France, via stores operated under the La Grande Récré and Starjouet banners.

The transaction is part of the insolvency proceedings (*procédure collective*) opened by decision of the Paris Commercial Court on 27 April 2023, at the end of which the Court decided on 9 June 2023 to assign the aforementioned assets to JouéClub.

The competition risks identified

Following a detailed analysis during which the *Autorité* consulted all the competitors of the parties, the *Autorité* identified competition risks in six areas: the *départements* of Haute-Corse and Corse-du-Sud, Réunion Island and the conurbations of Aubenas, Rodez and Saint-Gaudens.

In the aforementioned areas, the transaction is likely to significantly affect competition and lead to price rises or a reduced offering to the detriment of consumers, given the lack of sufficient and comparable alternatives.

The commitments

To address the competition concerns, JouéClub has committed to divesting – to one or several third parties active in the toy retailing sector – the stores operated under the La Grande Récré banner in the aforementioned areas. Regarding franchises and stores operated as commercial concessions, JouéClub has also committed to the business assets being divested or, alternatively, to a new franchise (or similar) contract being signed between the operator and a third party active in the toy retailing sector.

The stores concerned by the commitments are the following:

Area	Banner	Type of commitment	Address
Aubenas	La Grande Récré	Divesture of business assets	2 Rue des Châtaignes, 07200 Aubenas

Area	Banner	Type of commitment	Address
Saint-Gaudens	La Grande Récré	Divesture of business assets	Centre commercial Leclerc, Avenue du Cagire, 31800 Estancarbon
Corse Nord	La Grande Récré	Signature of a new franchise (or similar) contract or divesture of business assets by the store operator	CC Santa Devota, 20290 Borgo
Corse Sud	La Grande Récré	Signature of a new franchise (or similar) contract or divesture of business assets by the store operator	Avenue Georges Pompidou, 20137 Porto-Vecchio

Area	Banner	Type of commitment	Address
La Réunion	Starjouet	Signature of a new franchise (or similar) contract or divesture of business assets by the store operator	Centre commercial Casabona, 22 Allée de la Piscine, Saint-Pierre 97410, La Réunion
La Réunion	Starjouet	Signature of a new franchise (or similar) contract or divesture of business assets by the store operator	ZAC Portail, 23 Rue du Moulin, Saint-Leu 97424, La Réunion

The commitments will ensure that sufficient competition is maintained and that consumer interests are protected in the markets concerned.

The proposed buyers will need to be approved by the *Autorité*, which will ensure their ability to provide a credible toy retailing alternative in each of the areas concerned.

Based on the analysis conducted by the *Autorité*, the need for a commitment concerning the Rodez area was ruled out, on the grounds that no buyer other

than the JouéClub was identified to take over the La Grande Récré store in Onet-le-Château, despite a large market consultation. The *Autorité* considered that in such a situation, it was preferable to clear that transaction with the parties in a strong position in the area, rather than to see the store inevitably close for lack of a buyer or to prohibit the entire merger for such reason alone.

Store divestitures do not mean store closures, but takeovers with a change of banner

The store divestures covered by the commitments are intended to safeguard adequate local competition.

The aim is to allow a competitor to take over the stores and their activities in order to safeguard competition in the area concerned, thereby ensuring that consumers have a diversified offering in terms of prices and products. The store divestiture process is closely monitored by the *Autorité* in the months following the decision to clear the transaction. The party cleared to carry out the transaction must present to the *Autorité* buyers capable of ensuring a valid takeover and then providing effective competition. Once the buyers have been examined, the *Autorité* can issue an approval, which will clear the effective divestiture of the store in question.

The divestitures do not therefore entail the closure of the stores, but a takeover with a change of banner.

The text of the decision will be published soon.

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regarding the acquisition of exclusive control of Ludendo group assets by JouéClub

See the full text (in French)

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