The Autorité clears the acquisition of childrenswear and toy shops Catimini, Z and Kidiliz by the Idkids Group (Okaïdi, Jacadi and Oxybul)

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The Idkids Group notified the *Autorité de la concurrence* of its plan to acquire shops in the Kidiliz Group, operated under the tradenames Catimini, K and Kidiliz. The acquisition is in the context of the opening of judicial reorganisation proceedings before the Commercial Court of Paris on behalf of different companies in the Kidiliz Group. The *Autorité* exceptionally granted a derogation (see box), allowing the Idkidz Group to proceed with the acquisition, without waiting for the final decision, which has just been issued by the *Autorité*.

Parties to the transaction

The Idkidz Group specialises in the design and sale of childrenswear and toys, through the Okaïdi, Jacadi and Oxybul networks in France and abroad.

The assets acquired comprise 81 directly owned outlets and 19 affiliate outlets located in France and operated under the tradenames Catimini, Z and Kidiliz, as well as the Catimini, Absorba, Chipie, 3 Pommes, Lili Gaufrette, Jean Bourget and Z brands.

After a detailed investigation, the *Autorité* considered that the transaction was not likely to harm competition, as consumers still had several competing brands for their childrenswear purchases.

The *Autorité* examined whether the acquisition by the Idkidz Group of three ready-to-wear clothing brands (Catimini, Z and Kidiliz) was likely to distort competition in the local childrenswear retail markets, in the catchment areas in which the parties' shops are present simultaneously.

The *Autorité* considered that in each of the areas in which the shops of the two groups are present, consumers will continue to benefit from alternative offerings to the brands of the parties, which are equivalent in terms of price and commercial positioning. These competing brands, which include Petit Bateau, Du Pareil au Même and Sergent Major, will remain sufficient to ensure that the new entity is not tempted to increase the price of goods sold or to reduce the quality of the products sold in the shops.

The *Autorité* has thus cleared this transaction without conditions.

> See full text of the decision 21-DCC-128 of 22 July 2021

What is a derogation from the suspensive effect?

If the effective conclusion of a merger is subject to approval from the *Autorité de la concurrence*, in certain exceptional circumstances, duly argued by the parties, the *Autorité* may issue a derogation enabling them to finalise part or all of the transaction without waiting for the approval decision, in order to allow the business activities to continue.

By definition, the granting of such a derogation is exceptional. In particular, a derogation may be granted where takeover bids have been submitted for companies in liquidation or in insolvency proceedings, as in the present case.

However, the granting of a derogation by the *Autorité* is without prejudice to the final decision taken at the end of the investigation.

Previous decisions recently issued in the clothing and footwear sector

This is the 10th decision issued by the *Autorité* in the clothing and footwear sector since 2020:

- Acquisition of Go Sport by Financière Immobilière Bordelaise/21-DCC-125 15 July 2021/ press release
- Acquisition of Gap by Financière Immobilière Bordelaise/21-DCC-115 25 June 2021 / press release
- Acquisition of 128 La Halle shops by Chausséa/21-DCC-73 of 20 May 2021/ Press release
- Acquisition of the Cyrillus group by the company MGA Paris (Des Petits Hauts and Harris Wilson)/21-DCC-77 of 5 May 2021
- Acquisition of 366 La Halle stores by the Beaumanoir group (Cache, Morgan, Bonobo)/21-DCC-43 of 24 March 2021
- Acquisition of the ready-to-wear clothing chain JOTT by L Catterton Europe (BA&SH)/21-DCC-09 of 19 January 2021
- Acquisition of 511 Camaïeu stores by Financière Immobilière Bordelaise/20-DCC-172 of 8 December 2020
- Acquisition of the ready-to-wear clothing chain Burton by Thierry Le Guenic (Habitat)/20-DCC-158 of 17 November 2020
- Merger of the groups Oosterdam (Pimkie, Grain de Malice) and Happychic (Jules, Brice, Bizzbee)/20-DCC-163 of 18 November 2020

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