The Autorité de la concurrence clears the takeover of 95 Maxi Toys stores by Fijace (King Jouet group), subject to the divestiture of 3 stores (Meurthe-et Moselle, Isère and Var)

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On 29 July 2020, Fijace and its subsidiary New MT notified the Autorité de la concurrence of their plan to acquire 95 points of sale operated under the Maxi Toys brand in France. As a reminder, the transaction was part of a collective procedure opened by the Hainaut Business Court for the benefit of the Maxi Toys group and the Autorité had granted on 5 August 2020, exceptionally, a derogation (see box below) allowing Fijace to proceed with the completion of the transaction, without waiting for the final decision, now issued by the Autorité.

Parties to the transaction

Fijace operates, through the company Distritoys, which it co-controls with the Prénatal Retail group, more than 250 department stores specialising in the sale of toys under the King Jouet brand, mainly in France.

Maxi Toys, a company headquartered in Belgium, operating more than 110 department stores specialising in the sale of toys, mainly in France, but also in Belgium, Switzerland and Luxembourg.

Maxi Toys and King Jouet are two major players in the French toy retail distribution market in which not only specialised department stores (PicwicToys, La Grande Récré, Joué Club, etc.), but also large food supermarkets, department stores specialising in cultural and leisure articles and pure players (such as

Amazon, Cdiscount, etc.) operate.

As part of its analysis, the Autorité examined whether, locally, the acquisition of these Maxi Toys stores by Fijace was likely to restrict competition in the catchment areas in which King Jouet stores are also present. The presence of competitors specialising in toys, but also food supermarkets and culture and leisure department stores with a sufficient supply of toys, and the weight of online sales and pure players have been taken into account in each zone.

The Autorité noted that, in almost all areas, consumers will continue to benefit from sufficient alternative offers to those of King Jouet and Maxi Toys so that the new entity will not be encouraged to increase the price of the items sold or to degrade the quality of the products sold in its stores.

Risks of harm to competition identified in three catchment areas

Following its analysis, the Autorité nonetheless identified competitive risks in the catchment areas of the Maxi Toys or King Jouet stores located in Mont-Saint-Martin (54), Cosnes et Romain (54), Arandon Passins (38), Tignieu-Jameyzieu (38), Brignoles (83) and Saint Maximin la Sainte Baume (83).

In these areas, the transaction was likely to lessen competitive activity and risked leading to price increases or impoverishing the diversity of the offer to the detriment of the consumer, given the lack of sufficient and comparable alternatives.

Fijace and New MT have committed to divest 3 stores to resolve the competition issues identified in these areas.

In order to address these competition concerns, New MT has undertaken to divest, to one or more competitors, the Maxi Toys stores located in these areas. These commitments will ensure that sufficient competition is maintained and the

interests of consumers in the markets concerned will be protected.

The buyers presented will have to be approved by the Autorité, which will ensure that they will be able to constitute a credible alternative offer in terms of retail distribution of toys, in each of the areas concerned.

The stores concerned by the divestitures are as follows:

Area concerned	Brand	Address	Zip Code	Town
L'Isle-d'Abeau	Maxi Toys	ZC Les Sayes, rue des Sayes	38020	L'Isle-d'Abeau
Cosnes-et-Romain	Maxi Toys	18 route nationale, lieu-dit les Maragolles	54400	Cosnes-et-Romain
Saint-Maximin-la-Sainte-Baume	Maxi Toys	ZC La Laouve, route de Barjols	83740	Saint-Maximin-la-Sainte-Baume

Divestiture of stores does not mean closure of stores, but takeover with change of store name

The divestitures of the stores that are the subject of the commitments is intended to safeguard adequate local competitive dynamism.

The aim is to allow a competitor to take over the stores and its activities in order to safeguard competition in the area in question, thereby ensuring that consumers have a diversified offering in terms of prices and products. For the divestitures in question, it must be ensured that the stores are taken over under proper conditions of viability, in order to be approved by the Autorité.

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 toy sector

- 19-DCC-65 regarding the joint control acquisition of Luderix International by Jellej Toys and joint ownership resulting from the succession of Mr. Stéphane Mulliez
- 19-DCC-132 regarding the sole control acquisition of Nature & Découvertes company by Fnac Darty group

FULL TEXT

Full text of the decision will soon be available on the Autorité's website

Access the merger control decisions

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