The Autorité de la concurrence clears the takeover of Maxi Toys stores in France by Prenatal and Fijace (King Jouet)

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On 26 October 2021, the European Commission referred to the Autorité de la concurrence the examination of the acquisition of joint control of 95 Maxi Toys stores in France by Prenatal Retail Group (hereinafter "PRG"), alongside Fijace (see press release of 28 October 2021). The parties notified this transaction to the Autorité de la concurrence on 27 October 2021.

Parties to the transaction

PRG and Fijace both operate, *via* Distritoys, more than 250 toy superstores under the King Jouet brand, mainly in France.

Maxi Toys is also a toy retailer.

An initial conditional clearance decision issued in August on the acquisition of sole control of Maxi Toys by Fijace

In its Decision 21-DCC-144 of 12 August 2021 (see press release of 12 August 2021), the Autorité had already analysed the competitive effects of the acquisition of sole control of Maxi Toys stores by Fijace alone. In this decision, it analysed the consequences of the merger between the Maxi Toys and King Jouet distribution networks. It cleared the transaction subject to the divestiture of three stores located in Cosnes-et-Romain (54), Isle d'Abeau (38) and Saint Maximin la Sainte

Baume (83).

The new decision examines the joint control by Prenatal and Fijace of Maxi Toys stores and concludes that there are no new competition concerns

Almost all Prenatal's activities in the toy retail distribution sector are related to its controlling interest in the King Jouet network. In this context, the Autorité has therefore ensured that the conclusions it reached in August 2021 are still valid. It also studied the effects of the transaction in four new catchment areas, taking into account the opening of four stores under the King Jouet brand name since 12 August 2021. Lastly, the Autorité completed its analysis by including overlaps between the activities of Atida, a company controlled by Prenatal's parent company, and the activities of the King Jouet and Maxi Toys networks. In view of Atida's very marginal activity in France, the Autorité considered that the transaction did not raise competition concerns other than those identified in the July decision.

Since the commitments given by Fijace and New MT in Decision 21-DCC-144 were already enforceable against PRG, the Autorité considered that they did not need to be repeated in this Decision.

Lastly, PRG's acquisition of a stake in Maxi Toys stores has also created vertical and conglomerate effects[1] linked to the activity of Artsana, PRG's parent company, in the upstream markets for the manufacture and wholesaling of toys and for childcare articles. However, any competitive risk could be ruled out in view of Artsana's limited market share in these markets.

The Autorité has thus unconditionally cleared the transaction.

> The full text of the decision will soon be uploaded onto the Autorité's website

[1]Vertical effects are examined when the transaction brings together players present at different levels of the value chain. Conglomerate effects are likely to occur when the new entity expands or strengthens its presence in markets that are different from those in which it is active, but whose connectedness may allow it to increase its market power.

Contact(s)

Bertille Gauthier
Communications Officer
+33155040039
Contact us by e-mail