Production of clay tiles and bricks: the Autorité unconditionally clears the acquisition of sole control of Terreal by the Wienerberger Group

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Background

On 11 May 2023, the Wienerberger Group, which specialises in the production of clay materials (tiles, bricks, long elements), notified the *Autorité de la concurrence* of its plan to acquire exclusive control of its competitor Terreal.

After examining the potential effects of the transaction on the clay tile manufacturing and load-bearing wall building materials markets, the *Autorité* concluded that the transaction was not likely to harm competition, and cleared it unconditionally.

Parties to the transaction

Wienerberger is an Austrian global manufacturer of roofing and structural materials. In France, it is primarily active in the manufacture and marketing of clay tiles and bricks. Wienerberger AG's presence in France is mainly concentrated in the north and east of the country, where it has three tile production sites[1] and four clay brick production sites[2].

Terreal, the target, is mainly active in the production of clay tiles and bricks, particularly in south-west France. It has nine clay tile production sites[3] and three production sites for load-bearing wall building materials[4].

In addition, these two players are simultaneously active in other related markets in the building sector (marketing of long elements[5], production of façade elements, etc.), where their combined market shares are smaller.

The planned transaction is not likely to affect competition

The *Autorité de la concurrence* carried out a competitive analysis focusing primarily on the national and local markets for the manufacture of clay tiles and on the national and local markets for the construction of load-bearing wall building materials.

With regard to the clay tile manufacturing markets, the *Autorité* found that, after the transaction, the new entity would continue to face competition from major national operators such as BMI Monier and Edilians. The *Autorité* observed a similar situation in the markets for building materials for load-bearing walls, since in this market the entities compete not only with the brickmaker Bouyer-Leroux, but also with manufacturers of load-bearing walls in other materials (in particular, concrete manufacturers).

Furthermore, the *Autorité* emphasised that, in addition to the competitive pressure exerted by these other players, the customers of the newly-created entity (generally national traders) would continue to have a countervailing power after the transaction, ensuring a level playing field in commercial negotiations.

Lastly, the *Autorité* noted that the transaction was not likely to generate potential conglomerate effects, as it would not lead to an increase in the new entity's portfolio.

The *Autorité* de la concurrence therefore unconditionally cleared the transaction.

[1] Seltz (67), Pontigny (89), Lantenne-Vertière (25).

[2] Durtal (49), Pont-de-Vaux (01), Betschdorf (67), Achenheim (67).

[3] Bavent (14), Les Mureaux (78), Chagny (1 and 2) (71), Roumazières (16), Montpon (24), Le Ségala (11), Castelnaudary (11) and Saint-Martin (11).

[4] Chasseneuil (16), Colomiers (31), Lasbordes (11).

[5] Roller shutter boxes, lintels, fascia boards, monolithic pillars and window sills.

DECISION 23-DCC-116 OF 19 JUNE 2023

See full text of the decision

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