



## DETERMINATION OF MERGER NOTIFICATION M/22/022 – ENNOCONN/CERTAIN ASSETS OF NCR

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### Section 21 of the Competition Act 2002

### Proposed acquisition of certain assets of NCR Magyarország Információ- Technológical Kft by Ennoconn Corporation

Dated 12 May 2022

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1. On 26 April 2022, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed acquisition by Ennoconn Corporation (“Ennoconn”) of the assets comprising the entire manufacturing business for automated teller machines (“ATMs”), point of sale (“POS”) devices and self-checkout (“SCO”) devices (the “Target Assets”) of NCR Magyarország Információ-Technológical Kft (“NCR MITK”), a subsidiary of the NCR Corporation (“NCR”) (the “Proposed Transaction”).
2. The Proposed Transaction is to be implemented in accordance with a term sheet, dated 30 November 2021, signed by Ennoconn Hungary Kft and NCR, whereby NCR proposes a cash sale of the Target Assets to Ennoconn. Following the implementation of the Proposed Transaction, the Target Assets, which currently form part of NCR MITK, will become part of Ennoconn.
3. Notwithstanding the fact that a formal written agreement had not yet been executed at the time of the notification, the Commission considers that the Heads of Terms demonstrates that the undertakings involved have a good faith intention to conclude an agreement for the purposes of section 18(1A)(b)(ii) of the Act.
4. The parties are involved in the following business activities:
  - Ennoconn is a Taiwanese public company, whose largest shareholder is Foxconn (Hon Hai) which has an indirect share of 32.98% as of December 2021. Ennoconn provides



electronic manufacturing services (“EMS”) to original equipment manufacturers (“OEMs”) worldwide. In the State, Ennoconn is only active through its subsidiary, S&T, which is active in the supply of hardware solutions to local customers, in particular, [...].<sup>1</sup>

- The Target Assets comprise the following: (i) the entire manufacturing equipment currently used by NCR MITK to carry out its daily operations; (ii) employee contracts; and, (iii) associated know-how. The Target Assets are entirely located in Hungary and are currently used solely for the in-house manufacture of ATMs, POSs, and SCOs devices for NCR and do not service any external customers. The Target Assets have to date only had one internal customer which is located in the State: NCR Global Solutions Limited (“NCR GSL”). Both NCR GSL and NCR MITK are subsidiaries of NCR.

## Conclusion

5. After examination of the notification, the Commission has concluded that the Proposed Transaction falls within the scope of paragraph 2.1 of the Simplified Merger Notification Procedure Guidelines for assessing certain notifiable mergers or acquisitions under section 18(1)(a) of the Act, since: (i) Ennoconn and the Target Assets are not active or potentially active in the same product or geographic market; and (ii) Ennoconn is active in two potential markets which are upstream to potential markets in which NCR is active, but both Ennoconn and the Target Assets’ estimated shares of supply in each potential market is less than 25%.
6. In the light of this, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

## Ancillary Restraints

7. No ancillary restraints were notified.

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<sup>1</sup> Hardware solutions are electronic products that perform a fixed set of functions. S&T does not provide EMS, but may be a customer of EMS.



### **Determination**

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of Proposed Transaction whereby Ennoconn Corporation would acquire the assets comprising the entire manufacturing business for automated teller machines, point of sale devices and self-checkout devices of NCR Magyarország Információ-Technológical Kft, a subsidiary of the NCR Corporation, will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

**Ibrahim Bah**  
**Director**  
**Competition Enforcement and Mergers Division**  
**Competition and Consumer Protection Commission**