



DETERMINATION OF MERGER NOTIFICATION M/23/047 NEXT/PINK

Section 21 of the Competition Act 2002

Proposed acquisition by Next plc of sole control of Pink Topco Limited.

Dated 14 September 2023

1. On 29 August 2023, in accordance with s18(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 whereby Next plc (“Next”) (the “Acquirer”), will acquire sole control of Pink Topco Limited (“Pink”) (the “Target”) indirectly through a newly-constituted company (“Newco”) (the “Proposed Transaction”).
2. Pink holds 100% of the shares in WP R Topco Limited, a private limited liability company, owner of the Reiss brand. Pink is currently jointly controlled by: (i) Next (51%) via its wholly owned subsidiary, Next Holdings Limited, and (ii) funds controlled by affiliates of Warburg Pincus LLC (“Warburg Pincus”) (34.1%). The remaining 14.9% shareholding in Pink is currently held by a number of private individuals and nominees belonging to either the Reiss family or Pink management personnel.
3. The Proposed Transaction is to be implemented pursuant to a share purchase deed dated 21 August 2023 between [...]¹ [...] ² (the “WP Share Purchase Deed”). Pursuant to the WP Share Purchase Deed, Next and the Reiss family will acquire all of the shares held by Warburg Pincus in Pink, (with Next acquiring shares constituting c. 24.9% of the shares in Pink and the Reiss family acquiring shares

¹ [...].

² [...].



constituting 9.2%). Following implementation of the Proposed Transaction, Next will acquire indirect sole control of Pink.

4. The Proposed Transaction is also to be implemented pursuant to a share purchase and subscription deed dated 21 August 2023 between [...],³ [...],⁴ [...],⁵ [...] (the “Share Purchase and Subscription Deed”). Pursuant to the Share Purchase and Subscription Deed, Newco will acquire the entire issued share capital of Pink, including the shares acquired by Next and the Reiss family respectively pursuant to the WP Share Purchase Agreement. Next, via Next Holdings Limited, will acquire a 72% shareholding in Newco and the remaining shares in Newco will be held by the private individuals and nominees belonging to either the Reiss family or Pink management personnel, none of which will hold a greater than c. 21.6% shareholding.

5. The business activities of the undertakings involved are:

- The Acquirer - Next:
 - Next plc is a UK-based retailer selling Next-branded menswear, womenswear, childrenswear, lingerie, footwear, homeware and furniture, gifts, and flowers – both in-store and online.
 - Next also has a third party “Label” offering through Next Online, where it sells a range of third-party brands and own-brand products.
 - Next has 466 stores in the UK and Ireland and 206 franchised stores in 33 countries. Next has 22 retail stores in the State.
- The Target - Pink:

³ [...].

⁴ [...].

⁵ [...].



- Pink is the owner of the Reiss brand, which is active in the sale of Reiss-branded menswear, womenswear, footwear, and accessories in-store and online.
 - Reiss is primarily active in the UK, where it has 104 retail stores. In addition, Reiss has nine stores in Ireland, nine stores in Germany, nine in the Netherlands, and five in Italy (including concession arrangements).
6. 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 (“SMNPG”) for assessing certain notifiable mergers or acquisitions under section 18(1)(a) of the Act since an undertaking involved, which already has joint control over a company, is to acquire sole control over that company. Additionally, none of the exclusions stipulated in paragraphs 2.8 to 2.15 of the SMNPG apply to the Proposed Transaction.
7. 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

8. No ancillary restraints were notified.



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 the proposed acquisition, whereby Next plc will acquire sole control of Pink Topco Limited, 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