

DETERMINATION OF MERGER NOTIFICATION M/25/070 – KOMATSU/MCHALE

Section 21 of the Competition Act 2002

Proposed acquisition by Komatsu Europe International NV of joint control of McHale Plant Sales Limited

Dated 11 December 2025

Introduction

1. On 4 November 2025, 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 whereby Komatsu Europe International NV (“Komatsu”) would acquire joint control of Mchale Plant Sales Limited (“Mchale”) (the “Proposed Transaction”).¹

The Proposed Transaction

2. The Proposed Transaction will be implemented by way of a subscription agreement, dated 13 November 2025, between Komatsu, Mchale and the existing shareholders in Mchale² (the “Subscription Agreement”) and a shareholders’ agreement between Komatsu, Mchale and the existing shareholders in Mchale (the “Shareholders Agreement”).³ Pursuant to the Shareholders Agreement, Komatsu will hold 27.96% of the issued share capital of Mchale⁴ and will obtain veto rights over strategic decisions,
[REDACTED]
[REDACTED]. Accordingly, the

¹ Komatsu and Mchale are collectively referred to as the “Parties” hereafter.

² Two private individuals, Michael Mchale and Timothy Shanahan.

³ The Shareholders Agreement is in draft form as of 11 December 2025.

⁴ The two existing shareholders will hold 50.85% and 21.19% of the voting shares in Mchale following the Proposed Transaction.



Proposed Transaction will result in Komatsu acquiring joint control of McHale (with the existing shareholders of McHale).

The Undertakings Involved

The Acquirer – Komatsu

3. Komatsu is a Belgian incorporated subsidiary of Komatsu Ltd., a Japanese-headquartered multinational corporation that manufactures a wide range of machinery, including machinery used in construction, mining and forestry.⁵
4. Komatsu sells a range of construction machinery in the State, including excavators and crawlers⁶ of various sizes. These machines are used to move material (such as earth) during construction projects. Figure 1 shows examples of Komatsu's construction machinery.

Figure 1: Komatsu PW160-11 wheeled excavator (left) & Komatsu D61EX/PX-24 crawler dozer (right).



Source: komatsu.eu

5. Komatsu also supplies forestry machinery, including wheeled harvesters for tree cutting and forwarders for log transport. Figure 2 shows examples of Komatsu's forestry machinery.

⁵ Komatsu also produces other industrial machines (such as press machines and lasers) and military vehicles.

⁶ An excavator on trackers, as opposed to wheels.



Figure 2: Komatsu 901XC wheeled harvester (left) & Komatsu 855 forwarder (right)



Source: komatsuforest.com

6. Komatsu typically supplies its products through national retail distributors, which can be third parties or wholly owned subsidiaries of Komatsu. Komatsu supplies construction and forestry machinery (including spare parts) in the State. Komatsu does not supply machinery directly to end users in the State; Komatsu supplies its products through McHale, its sole retail distributor in the State.
7. For the financial year ending 31 March 2025, Komatsu Ltd.'s worldwide turnover was approximately €25.1 billion, of which approximately €[REDACTED] was generated in the State.

The Target – McHale

8. McHale distributes new and used machinery to customers across a range of industries, including construction, forestry, quarrying, and agriculture. McHale also provides spare parts and after-sales services such as technical support, repairs, and maintenance. McHale sells a range of manufacturers' products, including machinery under the *MDS*, *Metso*, *Jonsson* and *Komatsu* brands. McHale operates depots in Co. Tipperary and in Co. Dublin.⁷ McHale is also active in the UK.
9. As noted above, McHale is the sole distributor of Komatsu's machinery in the State.

⁷ These depots are located in Birdhill, Co. Tipperary and Greenogue, Co. Dublin.

10. For the financial year ending 31 December 2024, McHale's worldwide turnover was €83.5 million, of which €[REDACTED] was generated in the State.

Rationale for the Proposed Transaction

11. The Parties have stated that the Proposed Transaction’s commercial purpose is to enable McHale [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]⁹
12. The Parties stated the following in the merger notification form (the “Merger Notification Form”):

“the purpose of the [Proposed Transaction] is to

”10

⁸ Merger Notification Form, section 2.1 and 2.6.

⁹ Merger Notification Form, section 2.1.

¹⁰ Merger Notification Form, section 2.6



Third Party Submissions

13. No third-party submissions were received.

Competitive Analysis

Horizontal Overlap

14. The Parties stated in the Merger Notification Form that there is no horizontal overlap between the activities of Komatsu and McHale in the State.¹¹
15. The Commission has reviewed the information available to it and has confirmed that there is no horizontal overlap between the activities of Komatsu and McHale in the State; the Parties sell the same products, but at different levels of the supply chain.

Vertical Relationship

16. There is a vertical relationship between the Parties, as Komatsu supplies its machinery to McHale, which is the sole distributor of Komatsu's machinery in the State. The Parties also identified a vertical relationship in relation to spare parts, after-sales services and financing-related services, noting that McHale supplies these ancillary services, and that Komatsu provides financing options (including operating leases, finance leases, loans, rental programs and project financing) accessed by customers via McHale in the first instance.¹²

Market Definition

Relevant product market

Parties' views

17. The Parties have submitted that there are three product markets as follows:

¹¹ Merger Notification Form, paragraph 4.1.

¹² Merger Notification Form, paragraph 4.2. In the Commission's view, this vertical relationship can be seen as falling within Komatsu's overall supply of its machinery to McHale.



- the sale of all heavy construction equipment;¹³
- the sale of all light construction equipment;¹⁴ and
- the sale of forestry machinery.

Previous decisions of the European Commission

18. The European Commission, while leaving the precise market definitions open, has previously assessed potential markets for:

- the supply of construction equipment;¹⁵
- the distribution of machine equipment;¹⁶ and
- the sale of spare parts and after-sales services.¹⁷

19. The European Commission has also noted the potential for further segmentation (for example, by specific machine type) within such potential product markets.¹⁸

Views of the Commission with respect to the product market

20. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this instance, the Commission has decided to leave the precise product market definition open as doing so will not alter the Commission's conclusion on the competitive impact of the Proposed Transaction.¹⁹ However, for the

¹³ For clarity, the Parties use the terms "equipment" and "machinery" interchangeably in the Merger Notification Form.

¹⁴ For clarity, the Parties use the terms "equipment" and "machinery" interchangeably in the Merger Notification Form.

¹⁵ *Deere & Company/Wirtgen* (Case M.8493) European Commission Decision C(2017) 5579 [2017], paragraph 12. Available at: https://ec.europa.eu/competition/mergers/cases/decisions/m8493_213_3.pdf.

¹⁶ *Deere & Company/Wirtgen* (Case M.8493) European Commission Decision C(2017) 5579 [2017], paragraph 12. Available at: https://ec.europa.eu/competition/mergers/cases/decisions/m8493_213_3.pdf.

¹⁷ *Volvo Construction Equipment/Terex Equipment* (Case M.7134) European Commission Decision C(2014) 2874 [2014], paragraph 26. Available at: https://ec.europa.eu/competition/mergers/cases/decisions/m7134_20140424_20310_3791409_EN.pdf.

¹⁸ *Deere & Company/Wirtgen* (Case M.8493) European Commission Decision C(2017) 5579 [2017], paragraph 12. Available at: https://ec.europa.eu/competition/mergers/cases/decisions/m8493_213_3.pdf.

¹⁹ For example, the Commission notes that its conclusion on the competitive impact of the Proposed Transaction is unlikely to change irrespective of whether broad (light, heavy or forestry machinery) or narrow (specific product uses, technical specifications etc.) product markets are assessed.



purposes of its competitive assessment, the Commission has assessed the competitive effects of the Proposed Transaction by reference to the following potential product markets:

- the wholesale supply of (i) heavy construction machinery; (ii) light construction machinery; and (iii) forestry machinery;²⁰ and
- the retail supply of (i) heavy construction machinery; (ii) light construction machinery; and (iii) forest machinery.²¹

21. For completeness, with respect to the supply of spare parts, after-sales services and financing, the Commission considers that these services are ancillary to the retail supply of machinery and, in any event, are provided by McHale or by Komatsu through McHale. Therefore, the Commission considers that, in relation to the Proposed Transaction, its assessment of the above listed potential product markets will capture the supply of spare parts, after-sales services and financing.

Relevant geographic market

Parties' view

22. The Parties' view is that the relevant geographic markets for heavy construction machinery, light construction machinery and forestry machinery are EEA-wide or global.²²

Previous decisions of the European Commission

²⁰ For clarity, these are three distinct potential product markets.

²¹ For clarity, these are three distinct potential product markets.

²² Merger Notification Form, section 5.1.

23. In previous cases, (e.g., *Deere & Company/Wirtgen*,²³ *Doosan/Bobcat*,²⁴ *Volvo/Terex*²⁵ and *GEFA/PEMA*²⁶), the European Commission has assessed construction equipment and related markets on a (i) national basis; (ii) EEA-wide basis; and (iii) worldwide basis.

Views of the Commission with respect to geographic market

24. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this instance, the Commission has decided to leave the precise geographic market definition open as doing so will not alter the Commission's conclusion on the competitive impact of the Proposed Transaction.²⁷ However, for the purposes of its competitive assessment, the Commission has assessed the competitive effects of the Proposed Transaction by reference to the following potential geographic markets:

- the wholesale supply of (i) heavy construction machinery; (ii) light construction machinery; and (iii) forestry machinery in the State;²⁸ and
- the retail supply of (i) heavy construction machinery; (ii) light construction machinery; and (iii) forest machinery in the State.²⁹

Commission's conclusion on market definition

25. For the purpose of its competitive assessment, the Commission has assessed the Proposed Transaction by reference to the following potential relevant markets:

²³ *Deere & Company/Wirtgen* (Case M.8493) European Commission Decision C(2017) 5579 [2017], paragraphs 34–37. Available at: https://ec.europa.eu/competition/mergers/cases/decisions/m8493_213_3.pdf.

²⁴ *Doosan/Bobcat* (Case M.4887) registration number SG-Greffe (2007) D/206249 [2007], paragraph 10. Available at: https://ec.europa.eu/competition/mergers/cases/decisions/m4887_20071019_20310_en.pdf.

²⁵ *Volvo Construction Equipment/Terex Equipment* (Case M.7134) European Commission Decision C(2014) 2874 [2014], paragraph 23. Available at: https://ec.europa.eu/competition/mergers/cases/decisions/m7134_20140424_20310_3791409_EN.pdf.

²⁶ *GEFA / PEMA* (Case M.5217) European Commission Decision C(2008)4366 [2008], paragraphs 6. Available at: https://ec.europa.eu/competition/mergers/cases/decisions/m5217_20080806_20310_en.pdf.

²⁷ For example, the Commission notes that its conclusion on the competitive impact of the Proposed Transaction is unlikely to change irrespective of whether broad (EEA-wide) or narrow (national) geographic markets are assessed.

²⁸ For clarity, these are three distinct potential geographic markets.

²⁹ For clarity, these are three distinct potential geographic markets.



- the wholesale supply of (i) heavy construction machinery; (ii) light construction machinery; and (iii) forestry machinery in the State³⁰; and
- the retail supply of (i) heavy construction machinery; (ii) light construction machinery; and (iii) forest machinery in the State.³¹

Competitive Assessment

Horizontal effects

26. As stated above, there is no horizontal overlap between Komatsu and McHale in the State; the Parties are active at different levels of the supply chain.

Vertical effects

27. In this section, the Commission first outlines the estimated market shares of the Parties in their respective potential markets, before assessing whether the Proposed Transaction is likely to give rise to competition concerns as a result of input or customer foreclosure.

Parties' estimated market shares

28. Table 1 below lists the respective estimated market shares of Komatsu and McHale in the following six potential relevant markets:

- the wholesale supply of heavy construction machinery in the State;
- the wholesale supply of light construction machinery in the State;
- the wholesale supply of forestry machinery in the State;
- the retail supply of heavy construction machinery in the State;
- the retail supply of light construction machinery in the State; and

³⁰ For clarity, these are three distinct potential relevant markets.

³¹ For clarity, these are three distinct potential relevant markets.

- the retail supply of forestry machinery in the State.

Table 1: The estimated shares of Komatsu and McHale in their respective upstream and downstream potential markets in the State in 2024

Potential Relevant Markets (Upstream)	Komatsu
Heavy construction machinery	[25-30]%
Light construction machinery	[5-10]%
Forestry machinery	[40-45]%
Potential Relevant Markets (Downstream)	McHale
Heavy construction machinery	[15-20]%
Light construction machinery	[10-15]%
Forestry machinery	[25-30]%

Source: the Parties

Foreclosure assessment

29. As set out in the Commission's Merger Guidelines,³² the Commission's analysis of foreclosure includes an examination of (i) the *ability* of the merged entity to foreclose upstream or downstream competitors in spite of competitive constraints and/or consumer behaviour, (ii) the *incentive* for the merged entity to foreclose upstream or downstream competitors, and (iii) the likely effect on competition, particularly whether foreclosure would result in a substantial lessening of competition.
30. The Commission considers that the Proposed Transaction does not give rise to vertical foreclosure competition concerns for the following reasons:
31. **First, the Proposed Transaction will not give rise to input foreclosure.** Within the context of the Proposed Transaction, input foreclosure could arise were Komatsu to have the ability and incentive to cease to supply its machinery (or to supply its machinery on worse terms) to rivals of McHale. According to the estimated shares provided by the Parties, Komatsu holds [25-30]% and [5-10]% shares in the potential markets for the wholesale supply of (i) heavy construction machinery; and (ii) light construction machinery in the State, respectively. Therefore, following the implementation of the Proposed Transaction, Komatsu will continue to face

³² See paragraph 5.8 of the Merger Guidelines.

competitive constraints from a range of equipment manufacturers (such as Volvo Construction Equipment AB, HD Hyundai Infracore Co., Ltd. (Hyundai), and Kobelco Construction Machinery Co., Ltd, among others), from which downstream customers (namely retail distributors) will be able to source both heavy and light construction machinery.

32. Furthermore, as outlined above, Komatsu currently supplies its construction machinery in the State only through McHale, its sole distributor in the State. Therefore, the Proposed Transaction does not give rise to a situation where current customers of Komatsu (i.e. retail distributors) will lose the ability to source Komatsu's construction machinery; Komatsu already supplies these products only through one retail distributor (i.e. McHale) in the State.
33. With respect to the wholesale supply of forestry machinery in the State, the Commission notes that Komatsu holds a large, estimated share of approximately [40-45]% in this potential market. However, Komatsu currently supplies its forestry machinery only through McHale, its sole distributor in the State. Furthermore, there will remain several upstream suppliers of forestry machinery, such as Deere & Company and Ponsse Plc, from which downstream customers (namely retail distributors) will be able to source forestry machinery following the implementation of the Proposed Transaction. Therefore, the Proposed Transaction does not give rise to a situation where current customers (i.e. retail distributors) of Komatsu's forestry machinery will lose the ability to source Komatsu's forestry machinery; Komatsu already supplies these products only through McHale in the State.
34. Therefore, in light of the competitive constraints from remaining upstream suppliers following the Proposed Transaction, the Commission considers that the Proposed Transaction does not provide Komatsu with the ability or incentive to engage in input foreclosure.
35. **Second, the Proposed Transaction will not give rise to customer foreclosure.** Within the context of the Proposed Transaction, customer foreclosure could arise were McHale – in its capacity as a retail distributor – to have the ability and incentive to



cease to purchase machinery (or worsen the terms on which it is willing to purchase machinery) from rivals of Komatsu. The Commission notes that McHale sells machinery of the following brands:

- Komatsu;
- Metso;
- Topcon
- Jonsson; and
- Prinoth.

36. The Commission sought the views of these suppliers as part of its assessment of the risk of customer foreclosure. Based on this engagement and its own research, the Commission notes:

- that the machinery McHale purchases from several of these suppliers does not compete with the machinery McHale sources from Komatsu;³³
- certain suppliers of McHale also supply other retail distributors simultaneously;³⁴ and
- the suppliers which engaged with the Commission did not raise concerns about the Proposed Transaction.³⁵

37. Furthermore, according to the estimated shares provided by the Parties, McHale holds shares of [10-15]%, [15-20]% and [25-30]% in the potential markets for the retail supply of (i) light construction machinery; (ii) heavy construction machinery; and (iii) forestry machinery in the State, respectively. Therefore, McHale will continue to face competitive constraints from a range of downstream retail distributors (such as Pat

³³ Commission call with a McHale supplier, supplier response to Commission questionnaire, product inventory listed on several suppliers' websites.

³⁴ Supplier response to Commission questionnaire.

³⁵ Commission call with a McHale supplier, and supplier response to Commission questionnaire.



O'Donnell & Co. Lt, McSharry Track Ltd, Deere Company, and Whelan Plant Sales, among others), to which upstream suppliers (namely equipment manufacturers) will be able to supply light construction, heavy construction and forestry machinery in the State following the Proposed Transaction.

38. Therefore, in light of the competitive constraints from the remaining downstream retail customers following the Proposed Transaction, the Commission considers that the Proposed Transaction does not provide McHale with the ability or incentive to engage in customer foreclosure.

Conclusion on vertical effects

39. In light of the above, the Commission considers that the Proposed Transaction does not give rise to vertical competition concerns.

Conclusion of Competitive Analysis

40. In light of the above, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

41. 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 Komatsu Europe International NV would acquire joint control of McHale Plant Sales 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

Úna Butler

Member

Competition and Consumer Protection Commission