



DETERMINATION OF MERGER NOTIFICATION M/24/016 – DOMINO'S/SHORECAL

Section 21 of the Competition Act 2002

Proposed acquisition by Domino's Group plc of sole control of Shorecal Limited.

Dated 3 April 2024

1. On 15 March 2024, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (the "Act"), the Competition and Consumer Protection Commission received a notification of a proposed acquisition whereby Domino's Group Plc (together with its group "DPG"), would acquire sole control of Shorecal Limited ("Shorecal"), an existing franchisee¹ of DPG (the "Target") ("the Proposed Transaction").
2. The Proposed Transaction will be implemented by way of a share purchase agreement dated [...] (the "SPA"). DPG currently holds an indirect minority shareholding (approx. 15%) in the Target, through its wholly owned subsidiary Domino's Pizza UK & Ireland Ltd. Following the Proposed Transaction, DPG will purchase the remaining approx. 85% of the shares in Target from the Sellers, such that Target will become a wholly owned subsidiary of DPG.
3. The business activities of the undertakings involved are:

The Acquirer – DPG

- DPG is a public company incorporated in England and Wales and is listed on the London Stock Exchange. DPG is active in the supply of foodservice inputs to foodservice operators. Specifically, it holds the master franchise rights to own, operate and franchise Domino's stores in the United Kingdom and the State pursuant to long-term agreements with Domino's Pizza International

¹ See paragraph 19 of the Commission Consolidated Jurisdictional Notice under Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings (2008/C 95/01), "franchising agreements... do not normally confer control over the franchisee's business on the franchisor".



Franchising Inc., the international arm of Domino's Pizza Inc., which owns the Domino's brand across the world.

- Table 1 below provides the primary activities of DPG on the Island of Ireland.

Table 1: DPG's activities on the Island of Ireland

BUSINESS ACTIVITY	DESCRIPTION
The supply of foodservice inputs to foodservice operators operating Domino's branded outlets.	DPG enters into [...] franchising agreements with third party franchise partners under which they can own and operate Domino's pizza outlets under the Domino's pizza brand. DPG generates revenues by supplying its franchisee partners with the necessary foodservice inputs to serve customers (i.e., this includes food ingredients, relevant royalty-generating IP and branding support services).
The operation of Domino's branded outlets.	DPG operates a limited number of outlets in the UK, through which it sells to consumers directly. On the island of Ireland, DPG's only presence in outlets is through a joint venture Victa DP, which operates [...] outlets in [...]. ²

The Target – Shorecal Limited

- The Target is an existing DPG franchisee and sells Domino's pizza through its outlets to consumers in Northern Ireland and the State, pursuant to a franchise agreement entered into between DPG and Target. Consumers can order pizza and related food products³ from the Target, generally for collection or delivery.
- In order to operate as a franchisee, the Target receives foodservice inputs from DPG (i.e., food ingredients, relevant IP and ancillary branding support services) and in turn manages and operates Domino's branded pizza outlets. Under the terms of the franchise agreements, [...].⁴

² [...]

³ Items stocked are [...]

⁴ Paragraph 64 of the Merger Notification Form.



- The Target currently operates [...] Domino's branded outlets in Northern Ireland ([...]) and [...] Domino's branded outlets in the State, including: [...].
4. 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) two or more of the undertakings involved⁵ in the merger or acquisition are potentially active in the same product and geographic market, but their combined market share is less than 15%; and,
 - (ii) an undertaking involved in the merger is potentially active in a market which is upstream or downstream to a market in which another undertaking involved in the merger is active, but the market share of each undertaking is less than 25%.
5. 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

6. [...] of the SPA contain non-compete obligations on the selling shareholders. The duration and the scope of the non-compete obligations do not exceed the maximum duration acceptable to the Commission. The Commission considers these restrictions to be directly related to and necessary for the implementation of the Proposed Transaction, insofar as they relate to the State.⁶

⁵ See Article 2 of the CCPC [Notice in Respect of Certain Terms Used in Part 3](#).

⁶ In this respect, the Commission follows the approach adopted by the European Commission in paragraphs 20 and 26 of the [Commission Notice on restrictions directly related and necessary to concentrations](#) [2005] OJ C 56/24.



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 Domino's Group Plc would acquire sole control of Shorecal 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