

# SCHJØDT

Konkurransetilsynet  
Postboks 439 Sentrum  
5805 Bergen  
[post@kt.no](mailto:post@kt.no)

CONFIDENTIAL

Oslo, 23. December 2020  
Doc. ref.: 302315-552-8456323.1  
Attorney in charge:  
Olav Kolstad

**THE NORWEGIAN COMPETITION ACT SECTION 18**

**SIMPLIFIED NOTIFICATION ("FORENKLET MELDING") OF**

**EGMONT HOLDING AB'S ACQUISITION**

**OF**

**ROYAL DESIGN GROUP HOLDING AB**

**1. CONTACT DETAILS****1.1 Notifying party**

Name: Egmont Holding AB  
Address: c/o Egmont Publishing AB  
205 07 Malmö  
Sweden  
Reg.no.: 556082-2339 (Swedish reg. no.)

**1.2 Contact person**

Name: Advokatfirmaet Schjødt AS  
Associate Morten U. Henriksen  
Address: P.O Box 2020 Nordnes  
5817 Bergen  
E-mail: [Morten.Henriksen@schjodt.com](mailto:Morten.Henriksen@schjodt.com)  
Phone: (+47) 55 55 35 58 / 404 685 50

**1.3 Target**

Name: Royal Design Group Holding AB  
Address: Porfyrvägen 2  
382 92 Nybro,  
Sweden  
Reg.no.: 556897-3647 (Swedish reg. no.)

**1.4 Contact person**

Name: Bokwall Rislund Advokatbyrå  
Attorney Emil Fahlén Godö  
Address: Skeppsbron 32,  
SE-111 30 Stockholm  
E-mail: [emil.fahlen-godo@br-a.se](mailto:emil.fahlen-godo@br-a.se)  
Phone: +46 (0) 720 78 76 19

## 2. THE TRANSACTION

### 2.1 Description of the transaction

- (1) The concentration is an acquisition of sole control by Egmont Holding AB ("**Egmont**") of Royal Design Group Holding AB ("**Royal Design Group**" and together with Egmont the "**Parties**"), through their acquisition of 100% of the shares in Royal Design Group from eEquity AB (reg. no. 556809-0657), Verdane Capital VIII K/S (CVR number 35397213), and Verdane Capital VIII RD SPV K/S (CVR number 39034913).
- (2) Royal Design Group Holding AB is the holding company for the Royal Design Group, which consists of five legal entities, all registered in Sweden. Royal Design Group has no stores or offices in Norway but sells its products in Norway online.

### 2.2 The rationale behind the transaction

The Egmont Group started investing in e-commerce companies in 2013, and Egmont has currently investments in eight e-commerce companies. Egmont's strategy is to invest in 3-5 high interest niche positions in the Nordic e-commerce market by focusing on becoming category expert within these niche segments. Egmont has invested in five focus niches, of which the following three have had primary focus so far: Parenting, outdoor sports, home & interior, health & beauty and hobbies. The purpose with the contemplated acquisition is to strengthen Egmont's position in the home & interior niche segment.

The home & interior market in Norway is expected to grow due to a continued shift from offline sales (i.e. physical stores) to online sales, as well as generally increased sales in this market (in 2020 as a consequence of covid-19). The sales in the online channel are expected to reach 20-24% of the total sales in the home & interior retail market in 2025 from around 12-15% today. The home & interior retail market has some strong players in Norway. Ikea is one of the most important Nordic omni-channel retailers with annual revenue of EUR 1.2 Billion NOK, and around 15% of its sales online.

Although Royal Design Group Holding AB and Bagaren och Kocken AB only have limited overlapping business, the combination of the two companies will in addition to a widening of Egmont's ecommerce portfolio, lead to some more scale advantages. This includes improved purchasing terms with large third-party brand owners, more efficient marketing, and the ability to invest in more efficient logistics automation and IT-solutions to further reduce costs. The combined entity's increased market presence would also make it easier to attract top third-party brands within home & interior segment. As a result, the combined company will be able to offer end consumers a wider variety with interesting products at competitive prices.

### 3. OBLIGATION TO NOTIFY

#### 3.1 Turnover and control

- (3) The Egmont Group's and Royal Design Group's turnover in Norway for 2019:

Involved undertakings	Turnover Norway (2019)	
The Egmont Group <sup>1</sup>		
Royal Design Group <sup>3</sup>		
<b>TOTALT</b>		

- (4) On that basis, the Parties combined turnover in Norway exceeds the turnover threshold, cf. the Norwegian competition Act (the "NCA") Section 18.
- (5) Further, it is clear that the transaction implies that Egmont will have sole control over Royal Design Group, and that the acquisition meets the definition of a concentration under the NCA Section 17 (1) b).
- (6) Based the above, the transaction must be notified to and is subject to control by the Norwegian Competition Authority, cf. the NCA Section 18.

#### 3.2 Simplified notification

- (7) The requirements for submitting a simplified notification is met in our case, as the Parties combined market share do not exceed 20% on any actual or hypothetical product and geographic market, cf. the Norwegian regulation for the notification of mergers Section 3 no 3 b). For further details, please see the Parties' market shares included in section 5.

### 4. DESCRIPTION OF THE PARTIES

#### 4.1 Notifying party

- (8) Egmont Holding AB (Swedish reg. no. 556082-2339), is a wholly owned subsidiary of Egmont International Holding A/S, which is the top Danish holding company for all the Egmont Group's commercial activities. Egmont International Holding A/S is in turn wholly owned by Egmont Fonden, which is a Danish commercial foundation.
- (9) Egmont Holding AB is the holding company for the Egmont Group's activities based in Sweden. Egmont Holding AB is based in Malmö and does not have operating activities other than to be the holding company for the Group's Swedish activities within magazine

<sup>1</sup> Egmont Holding AB is a holding company in Sweden and does not have own turnover as such and does not prepare consolidated financial statements (but only parent company financial statements). Egmont Holding AB is a wholly owned company in the Egmont Group, which is ultimately owned by Egmont Fonden, a Danish commercial foundation.

<sup>2</sup> The Egmont Group had a total worldwide turnover in 2019 of NOK 16,568.1m (EUR 1,681.7m) of which NOK [REDACTED] (EUR [REDACTED]) was generated in Norway

<sup>3</sup> Royal Design Group Holding AB's latest financial statements are from 1 September 2018- 31 August 2019. Its' total turnover in accordance with these financial statements was NOK 759.5m (SEK 809.7m) of which NOK [REDACTED] was generated in Norway.

<sup>4</sup> This is for the calendar year for 2019.

publishing and film production and distribution. Egmont Holding AB is also the direct owner of Egmont's e-commerce business, as set out in the table below.

- (10) Egmont Holding AB holds the direct controlling ownership in the following undertakings:

Company name	Area of business	Ownership share
Egmont Publishing AB	Magazine publishing and marketing services (see appendix 1 for subsidiaries)	100%
Bagaren och Kocken AB	E-commerce (interior/kitchen)	86%
Outnordic Invest AB	E-commerce (outdoor sports)	85%
Nordisk Film Sverige AB	Film production, film distribution, gift cards, cinemas and gaming (see appendix 1 for subsidiaries)	100%

- (11) Further, Egmont Holding has a direct non-controlling ownership in the following undertaking:

Company name	Area of business	Ownership share
Jollyroom Group AB	E-commerce (parenting)	49%
Skittfiske AS	E-commerce (hobby)	34%

- (12) Egmont Holding AS (org. no. 931 601 636), a wholly owned subsidiary of Egmont International Holding A/S, is the the holding company for the Egmont Group's activities based in Norway. Egmont Holding AS is based in Oslo, and does not have operating activities other than to be the holding company for the Group's Norwegian activities within publishing and TV and film production and distribution.

- (13) Egmont Holding AS holds direct controlling ownership in the following undertakings:

Company name	Area of business	Ownership share
Egmont Publishing AS (org.no. 964 441 332)	Magazine publishing and marketing services (see appendix 1 for subsidiaries)	100%
Egmont Kids Media Nordic AS (org. no. 975 925 072)	Magazine and journal publishing for kids.	100%
TV 2 Gruppen AS (org. no. 962 925 634)	TV- and media content provider, and public service broadcaster in Norway.	100%

Nordisk Film AS (org. no. 974 350 750)	Film production, film distribution, gift cards, cinemas and gaming (see appendix 1 for subsidiaries)	100%
Cappelen Damm Holding AS (org. no. 991 172 041).	Publishing, bookstore, distribution and book clubs.	50%

- (14) Please see attached overview of all the companies in the Egmont Group, **Appendix 1**.
- (15) When it comes to the market affected by the Transaction, the Egmont Group is active on the Norwegian market for retail supply of home & interior equipment, through their Swedish sister company, Bagaren och Kocken AB.
- (16) Bagaren och Kocken AB is an ecommerce company focusing on kitchen and baking equipment and with some activities in tableware, kitchenware and interior design. Bagaren och Kocken's Norwegian business is as a Norwegian-registered foreign company with org. no. 998 859 832, and sells and promotes its products through the website <https://bakerenogkokken.no/>.
- (17) For further details about Egmont Groups' business in Norway, please refer to <https://www.egmontpublishing.no/>

#### 4.2 Target

- (18) Royal Design Group Holding AB (Swedish org. no. 556897-3647) has controlling ownership share (100%) in Royal Design Group AB. The Royal Design Group is a Swedish based omnichannel home & interior retailer that mainly focused on the mid to high-end segment.
- (19) Royal Design Group has six physical stores in Sweden, and is headquartered in Stockholm. The company has around 130 employees in addition to the employees in the stores.
- (20) Royal Design Group has a wide product offering with many third party brands offered within the home & interior market including furniture, lightning, tableware and interior design (inretning).

Royal Design Group AB has a direct controlling ownership in the following undertakings: which again has controlling ownership (100%) in the following undertakings:

Company name	Area of business	Ownership share
RD Kristianstad AB	Running physical store (now closed)	100%
RD Kungens Kurva AB	Running physical store	100%
RD Nacka Forum AB	Running physical store	100%

- (21) Royal Design Group Holding AB does not have any non-controlling ownership in any undertakings.

- (22) Royal Design Group's Norwegian business is operated as a Norwegian-registered foreign company with org. no. 995 907 593. Royal Design Group does not have any physical stores in Norway, but mainly sell and promote their products through the websites [royaldesign.no](http://royaldesign.no) and [Rum21.no](http://Rum21.no).

- (23) For further details about Royal Design Group's business, please refer to <https://royaldesign.no/>.

#### 5. THE REQUIREMENTS FOR SUBMITTING A SIMPLIFIED NOTIFICATION IS MET

- (24) As described above under item 4, Royal Design Group, is a Swedish online retailer that sells a wide variety of products within furniture, lightning, jewelry, décor, and home & interior.
- (25) The Egmont Group is active, on the Norwegian home and & interior market through their subsidiary, Bagaren och Kocken AB, a Swedish ecommerce company focusing on kitchen and baking equipment, with some activities in tableware, kitchenware and interior design.
- (26) The Egmont Group and Royal Design Group are therefore both active within the online retail sale of home & interior equipment, and have overlapping business within the sale of kitchen equipment and mainly within the product categories kitchen and baking equipment, tableware, kitchenware and interior design.
- (27) The Parties are of the opinion that the relevant product comprise of the retail supply of home & interior equipment including kitchen equipment where the Parties' businesses overlap. This understanding is evidenced by the fact that all the largest market players are traditional furniture retailers, who also offers the whole range of home & equipment requested from a consumer perspective.
- (28) Further, the relevant product market include both offline and online sales due to the strong interrelation between the distribution channels which leads to substitutability of these channels from the customer's as well as a supplier's point of view. The reasons for this are that the same products are sold through both channels, both channels have the same customers and the leading players have significant sales in both sales channels. Customers can choose to buy the same product either in physical or online stores, and all leading players who previously sold their products through physical stores now also generate a significant portion of their revenue through their online sales channels.
- (29) In any event, the exact market definition can be left open, since no serious doubt arise even under the narrowest possible delineation of the market, only including kitchen equipment, and further distinguishing between online (omni-channel) and offline sales (brick-and-mortar shops).
- (30) With respect to the definition of the relevant geographic market for the retail supply of home & interior equipment, the Parties are of the opinion that the market, in line with the Commission's previous practice, must be considered to be national in scope.<sup>5</sup>
- (31) For the sake of completeness, the Parties will provide their market share figures on (i) a Norwegian market for retail supply of home & interior equipment, (ii) a hypothetical Norwegian online market for retail supply of Home & Interior equipment, (iii) a hypothetical

<sup>5</sup> Se COMP/M.9894, *Mobilux/Conforama France*, para 16.

Norwegian market for retail supply of kitchen equipment, and (iv) a hypothetical Norwegian online market for retail supply of kitchen equipment.

- (32) The Parties combined market shares on the Norwegian market for retail supply of home & interior:<sup>6</sup>

The Egmont Group <sup>7</sup>	Royal Design Group <sup>8</sup>	Samlet

- (33) The Parties combined market share on a hypothetical Norwegian online market for retail supply of home and interior:<sup>9</sup>

The Egmont Group	Royal Design Group	Samlet

- (34) The Parties combined market share on a hypothetical Norwegian market for retail supply of kitchen equipment:<sup>10</sup>

The Egmont Group <sup>11</sup>	Royal Design Group <sup>12</sup>	Samlet

- (35) The Parties combined market share on a hypothetical Norwegian online market for retail supply of kitchen equipment:<sup>13</sup>

The Egmont Group	Royal Design Group	Samlet

<sup>6</sup> The Parties estimate that the overall Norwegian market for retail supply of home & Interior is approximately 20 billion NOK. This estimate is based on the combined turnover of Ikea, Bohus, Skeidar, Jysk and Møbelringen, who combined hold approximately 85% of the Norwegian market. Further, it also includes niche-players like zrom.no, cervera.no, confidentliving.no, designforevig.no, hviit.no, illumsbolighus.no, kitchentime.no, kitchn.no, lampemesteren.no, nordicnest.no, nordiskehjem.no, flowinventar.no, lunehjem.no.

<sup>7</sup> When calculating the Egmont Group's market share, we have included Bagaren och Kocken's turnover within the segment sale of set tableware, home furnishing, knives, pans and kitchenware, which in 2019 constituted MNOK [REDACTED]

<sup>8</sup> Royal Design Group's total sale in Norway in 2019 was MNOK [REDACTED]

<sup>9</sup> The parties do not have any publicly available recognized sources with respect to the online share of total sales. However, all major players also offer their products online, i.e. Ikea who report that 15% of their turnover stems from online sales. If one apply the same ratio on the other multi-channel market players and include the niche online players, the Parties estimate the total online sales in Norway to constitute approximately 3 billion NOK.

<sup>10</sup> The Parties estimate that the Norwegian market for retail supply of kitchen equipment is approximately 4.228 billion NOK in 2020.

<sup>11</sup> Bagaren och Kocken's turnover within kitchen equipment is estimated to be approximately MNOK [REDACTED] in 2020.

<sup>12</sup> Royal Design Group's turnover within kitchen equipment is estimated to be approximately MNOK [REDACTED] in 2020.

<sup>13</sup> The parties do not have any publicly available recognized sources with respect to the online share of total sales. However, if one apply the same ratio as above on the other multi-channel market players and include the niche online players, the Parties estimate the total online sales in Norway to constitute approximately MNOK 634.2.



- (36) As it follows from the tables included above, the Parties combined market share do not exceed 20% on any actual or hypothetical product and geographic market, cf. the Norwegian regulation for the notification of mergers Section 3 no 3 b).
- (37) Further, the Parties do not have any actual vertical overlap, and the transaction will not lead to any actual or potential vertical overlap.
- (38) Based on this, the requirements for submitting a simplified notification is met, cf. the Norwegian regulation for the notification of mergers Section 3 no 3 b).

## 6. SUPPLIERS, COMPETITORS AND CUSTOMERS

### 6.1 Five largest suppliers on the overall Norwegian market for retail supply of home & interior equipment

#### 6.1.1 *Royal Design Group Holding AB*

Company name	Address	Contact details

#### 6.1.2 *The Egmont Group*<sup>14</sup>

Company name	Address	Contact details

<sup>14</sup> Bagaren och Kocken AB.



**6.2 Five largest customers on the overall Norwegian market for retail supply of home & interior equipment**

The parties sell online directly to the end consumer and therefore this section is not relevant.

**6.3 Five largest competitors on the overall Norwegian market for retail supply of home & interior equipment**

**6.3.1 Notifying party and target**

Company name	Address	Contact details
Ikea	Nesbruveien 42, 1396 Billingstad	<a href="https://www.ikea.com/no/no/">https://www.ikea.com/no/no/</a>
Bohus	Østre Aker vei 19, 0581 Oslo	<a href="https://www.bohus.no/">https://www.bohus.no/</a>
Skeidar	Vogellund 31, 1394 Nesbru	<a href="https://www.skeidar.no/">https://www.skeidar.no/</a>
Jysk	Tevlingveien 23, 1081 Oslo	<a href="https://jysk.no/">https://jysk.no/</a>
Møbelringen	Sankt Hallvards vei 3, Lierstranda	<a href="https://www.mobelringen.no/">https://www.mobelringen.no/</a>

**7. OBLIGATION TO NOTIFY IN OTHER JURISDICTIONS**

The transaction will also be notified to the Swedish Competition Authority.

**8. ANNUAL REPORTS**

(39) The annual reports of the following entities are enclosed:

- (1) Egmont Fonden (Appendix 2)
- (2) Egmont Holding AB (Appendix 3)
- (3) Royal Design Group Holding AB (appendix 4)

**9. ATTACHMENTS**

List of Appendixes:

- (1) Overview of entities in the Egmont Group
- (2) Annual Report of Egmont Fonden
- (3) Annual Report of Egmont Holding AB
- (4) Annual Report of Royal Design Group AB

Yours sincerely

ADVOKATFIRMAET SCHJØDT AS

For *Malin M. Hjeltnes*

Olav Kolstad  
advokat/dr. juris