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The Hellenic Competition Authority clears at Phase 1 an acquisition in the water supply solutions sector, finding no coordinated or non-coordinated vertical effects (*Osmosis / Rainbow Waters*)

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Reference: Hellenic Competition Authority, *Osmosis / Rainbow Waters*, Case No. 910/2026, Decision, published 6 August 2026, decided 15 May 2026 (Greek)

The acquisition of sole control by Osmosis Buyers Limited (hereinafter referred to as “Osmosis”) over two affiliated companies, namely Rainbow Waters and Roi Agathon (hereinafter referred to as the “target”) was cleared by the Hellenic Competition Commission (HCC).

For the purpose of completeness, it is noted that a pre-notification procedure lasting approximately three months was followed by the notifying party.

## 1. Single merger

The acquisition of sole control over the two targets constitutes a single concentration as long as (a) the shares of both entities are acquired by means of the same Share Purchase Agreement (SPA) and (b) the identity of both the purchaser and the sellers is the same. *In my opinion*, under such circumstances, even the conclusion of two different, yet similar as to their provisions, SPAs would also lead to the conclusion that the concentration is a single one.

It is also noted that Roi Agathon does not have autonomous presence in the market but rather functions as the distributor of Rainbow Waters; therefore, an independent assessment of its own activity was not required.

## 2. Water supply solutions sector

### 2.1. Market definition

Water supply solutions typically consist of one of the following: (a) Bottled Free Coolers (BFC), (b) Bottled Water Coolers (BWC) and (c) Under the Sink filters (UTS). At the manufacturing level, the recognition of a distinct market for each solution was not found to be necessary, thus the precise market definition was left open. From a geographic standpoint, the relevant market was considered global in scope, because (a) major producers supply customers worldwide and (b) on top of that online channels boost cross-border trade.

At the trading/procurement level, three distinct markets (national in scope) were examined; the market for BFC trading, the market for BWC trading and the market for UTS trading.

It is important to highlight that:

- BFC, BWC and UTS are partially interchangeable from the demand-side standpoint, because they constitute different technical solutions which guarantee water supply;
- BFC is better suited to out-of-home clients with large water consumption; UTS is better suited to residential clients; BWC appears to be suitable for out-of-home clients without extended water consumption;
- HCC did not conclude that each water supply solution constitutes a distinct market at the trading/procurement level; it rather found that given the ambiguity as to the interchangeability of the solutions even after the questions of the undertakings, the worst scenario for the parties was examined, i.e. the narrowest market definition.

*In my opinion*, taking into account the worst scenario for the parties is well-reasoned as it is the most effective procedural and substantive solution under the condition that the competition authority has **reasonably** exhausted all alternative solutions. For example, in the commented case (where the merger was cleared), HCC followed the less advantageous scenario for the parties only after assessing the answers to the questionnaires sent to the sector’s market players. Had the transaction been blocked solely because of adopting the worst-case scenario for the parties, either a reference to previous decisional practice (at national, EU or ECN level) or a specialised economic study should have taken place.<sup>1</sup>

1. Indeed, in the only case that HCC blocked a merger, a specialised economic study was rendered, see HCC Decision No. 887/2025.

## 2.2. Market characteristics

It is worth noting the following characteristics of the water supply solutions sector, as identified by HCC:

- the main legal mechanisms used for the installation of a water supply solution are (a) loan for use (in Greek: “χρησιδάνειο”, where profit derives from the consumption of consumables rather than directly charging for the use of the equipment), (b) leasing (where profit derives from periodic rent), and (c) less frequently, purchase;
- preference over loan for use and leasing highlights the importance of the specific supplier-client long-term contractual arrangements;
- barriers to entry are low given that there is a high degree of interoperability between the different (water) bottles, spare parts and consumables<sup>2</sup>;
- when assessing the market share of the undertakings active in the BWC on the basis of the number of installed units, such number refers to those for which market participants provide related services, such as bottled water, filter replacement, maintenance; this is so because customers may purchase equipment from one supplier and source related services from another.

## 3. Vertical dimension

The merger had vertical dimension; in particular, HCC examined the effects of the transaction in the following vertically related markets: (i) water supply solutions production and BWC trading and (ii) water supply solutions and BFC trading. On the contrary, UTS was not considered affected because the market is fragmented and the target holds third place with only a 10-15% share.

### 3.1. Non-coordinated effects do not arise

HCC found that input foreclosure is not established, since the merged entity does not have the ability to foreclose its competitors from access to BWC and BFC products on the basis of the following factors:

- Osmosis does not have market power in the water supply solutions manufacturing market which is world-wide in scope;
- Osmosis does not procure the target nor the target’s competitors (in the BWC and BFC trading

market)<sup>3</sup>;

- supplier switches are feasible in view of the interoperability of spare parts and consumables and the existence of more trading channels (purchase directly by the manufacturer, by resellers or by independent third parties);
- each BWC and BFC trader is typically supplied by more than one supplier and no exclusivity clauses are common in said markets.

Moreover, HCC found that customer foreclosure is not established, since the merged entity lacks the ability and (as for BWC) the incentive to foreclose its competitors from access to customers. The lack of ability is based on the following factors:

- the target is not a significant customer of Osmosis’ competitors; the target’s competitors cover more than 55% of the market, therefore they may absorb the input provided by Osmosis’ competitors;
- target’s market share also encompasses the provision of spare parts and consumables as well as the provision of maintenance services, therefore they are not conclusive to its actual buyer power; *in my opinion*, on this point HCC shall have examined whether such spare parts and consumables are critical for BWC/BFC manufacturers, because the market share is not conclusive to the target’s actual buyer power only insofar as procuring spare parts and consumables is not important for the upstream market players;
- as analysed above, exclusivity clauses are not common in the sector;
- as to the BFC, it is noted that even before transaction the target purchases its relevant products by Osmosis rather than Osmosis’ competitors.

The lack of incentive is based on two factors;

- the merged entity does not aim to switch the installed water supply solutions with similar ones manufactured by Osmosis; on the contrary, the profits will be gained by the provision of maintenance services as well as of spare parts and consumables;
- in the upstream (manufacturing) market, the existence of many international players limits any

2. On the contrary it is unclear how seamless the switch to a new supplier would be.

3. When it comes to BFC, it is noted that Osmosis’ input is not critical, given that the target’s competitors have different suppliers.

incentive for price increase, especially given that Osmosis is limitedly active in Greece.

The aforementioned criteria may be summarised as follows:

| <b>Input foreclosure (ability)</b>                                                                            | <b>Customer foreclosure (ability)</b>                                                 | <b>Customer foreclosure (Incentive)</b>                                              |
|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Global market                                                                                                 | -                                                                                     | Global market                                                                        |
| Other major international players                                                                             | Other players with combined market share more than 50%                                | Other major international players                                                    |
| Lack of economic relationship between the notifying party and the target's competitors before the transaction | Close economic ties between the notifying party and the target before the transaction | -                                                                                    |
| Lack of exclusivity clauses                                                                                   | Lack of exclusivity clauses                                                           | -                                                                                    |
| Market characteristics: supplier switch                                                                       | Market characteristics and lack of buyer power                                        | Market characteristics: profit on the basis of spare parts, consumables and services |

### 3.2. Coordinated effects do not arise

HCC assessed that the transaction does not facilitate any anti-competitive coordination, given that:

- the degree of market share symmetry does not increase (among undertakings active in upstream markets); in parallel the number, concentration degree, and market shares of competitors are not expected to be affected in the vertically affected markets;
- the level of market transparency does not increase; and
- there are no structural links between the new entity and any of its (upstream or downstream) competitors.

### Conclusions

The key points of the decision concern:

- the market definition in the water supply solution sector; the case offers a non-common example whereby the geographic upstream market is considered world-wide in scope;
- the power of competition authorities to examine the worst-case scenario as to the parties in order to clear the merger; in my opinion, taking into account such scenario is justified as long as competition authority has reasonably exhausted all alternative solutions;
- the importance of specific market characteristics when assessing the vertical effects of a transaction; for example the lack of foreclosure effects was based inter alia on the facts that (a) in the downstream market the undertakings compete primarily through the spare parts/consumables and related services provision and (b) the spare parts/consumables manufactured by different producers are interchangeable.

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