

## ARAMARK LIMITED

## COMPLETED ACQUISITION OF ENTIER LIMITED (ME 2241/25)

## RESPONSE TO INTERIM REPORT OF 24 OCTOBER 2025

**1. EXECUTIVE SUMMARY**

- 1.1. This submission contains the Parties' response to the provisional conclusions of the CMA in the interim report published on 24 October 2025 (the "**Interim Report**").<sup>1</sup>
- 1.2. The Parties welcome the Interim Report conclusion that there is no SLC in the market for the supply of OCS to Marine customers in the North Sea, particularly as it is the primary rationale for and main driver of the Merger, and therefore will not make further submissions on those aspects.
- 1.3. The Parties, however, strongly disagree with the CMA's provisional conclusion that the Merger has resulted, or may be expected to result, in an SLC in the market for the supply of OCS to Offshore Infrastructure customers (**OCS Infrastructure Market**) in the UKCS.
- 1.4. As the CMA is aware, without prejudice to the Parties' views, Aramark has submitted a Remedies Form in relation to the Interim Report's provisional SLC finding in the UKCS OCS Infrastructure Market. Nevertheless, the Parties believe that the Interim Report contains a number of flaws and inconsistencies in relation to its assessment of the OCS Infrastructure Market. It misapplies the evidence and consideration to crucial recent new evidence confirming the Parties' previous submissions. Therefore, the CMA must revisit its provisional conclusions and accept that no SLC arises also in relation to the OCS Infrastructure Market.
- 1.5. In summary:
  - a) The CMA's assessment misapplies the evidence and disregards material facts of the commercial dynamics of the OCS sector which will continue to put competitive pressure on all market players post-Merger, relying on a series of unsubstantiated assertions from a limited number of market participants to support this position without engaging sufficiently with the inconsistencies of

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<sup>1</sup> Unless otherwise defined, capitalised terms have the same meaning as assigned to them in the Interim Report.

these assertions in light of the competitive dynamics of the market and the prevailing evidence to the contrary provided by the Parties and in its own market investigation. The evidence summarised in the Interim Report shows that customers recognise that the OCS Offshore Infrastructure competitive set goes beyond the Parties and ESS which would continue to result in competitive bidding for contracts post-Merger. The fact that Sodexo has [CONF] indicates the CMA has significantly underestimated the extent to which it remains an active participant in the OCS Offshore Infrastructure Market. This wider pool of alternative options means that no SLC can realistically arise in relation to Offshore Infrastructure customers in the UK.

b) The CMA's preliminary view on countervailing factors also does not take into account very recent relevant developments that confirm the Parties' views. The evidence relied upon by the CMA is also incomplete, at times contradictory, and fails to take into account the countervailing evidence provided by the Parties and other competitors/customers:

- (i) The CMA misconstrues and overestimates the barriers to entry and expansion, concluding that entry or expansion would not be sufficiently timely, likely or sufficient to prevent any hypothetical SLC arising, attributing disproportionate weight to an existing track record in the UKCS. The commercial reality of the market is that barriers to entry and expansion for adjacent and existing players in the OCS market are very limited on any proper assessment of the available evidence. Indeed, the Summary to the Interim Report notes that the entry of Contrak, Francois and Pelligrini shows that barriers to entry can be overcome.<sup>2</sup>
- (ii) The CMA dismisses the countervailing power of buyers and underplays the ease with which they can switch between alternative options. The sophisticated nature of Offshore Infrastructure customers, the largely neutral response by those customers to the Merger and, as acknowledged by the CMA, the low barriers to switching OCS supplier suggests this approach by the CMA also fails to align with market realities, leading to a finding of an SLC where the Parties are not capable of creating one.

1.6. The Parties observe that the CMA's adverse provisional findings are largely at odds with the views presented to the CMA by third parties with whom the CMA has consulted extensively, calling into question the rationality of the CMA's findings. Only a very small minority of customers have expressed negative views about the transaction (and, as explained below, those customers have their own preferential reasons for raising concerns). The CMA must recognise that the vast majority of customers are either positive or at least neutral to the Merger,

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<sup>2</sup> Paragraph 16, Interim Report Summary. This is further reinforced by Entier itself being a historic template for successful entry by a small player (see Response to Issues Letter, para. 7.15).

reflective of the confidence in which these large, sophisticated organisations have to exert their buyer power over providers (or indeed switch if necessary) which provides prima facie evidence that the CMA should not regard the Merger as problematic from a competition perspective.

- 1.7. The CMA has recognised that the Merger does not give rise to an SLC in relation to the Marine Market. The Parties note that the Offshore Infrastructure Market is declining and that consolidation is increasing on the demand side. It is possible opportunities could therefore reduce and the Merger would have contributed to Aramark remaining committed in the provision of OCS to Offshore Infrastructure customers.
- 1.8. The Parties therefore consider that the strength of the countervailing factors, when combined with the pool of available OCS options for Offshore Infrastructure customers confirmed by recent evidence of entry and expansion in the OCS sector, mean that in the OCS Infrastructure Market no SLC arises in the UK. In light of this evidence, the CMA must reconsider its provisional conclusion.

## **2. *The competitive nature of the market and the strength of competitive pressure exerted by a wider set of players***

- 2.1. The CMA provisionally concludes that *“the evidence from customers and competitors shows that the Parties are considered very strong suppliers, with limited other alternatives available to customers”* and that *“other competitors will exert a limited constraint on the Parties going forward”*.<sup>3</sup>
- 2.2. The Parties submit that the CMA has ignored the material presence and capabilities of other players in the market for the supply of OCS to Offshore Infrastructure customers in reaching this conclusion.
- 2.3. The CMA correctly concludes that ESS exerts and will continue to exert a strong constraint on the Parties, evidenced by all customers planning to invite ESS in their future procurement processes.<sup>4</sup>
- 2.4. However, the CMA erroneously discounts that Contrak is only likely to exert *“a moderate constraint”* and Francois *“a weak constraint”* on the Parties, which the Parties consider underestimates the competitive impact each of the two competitors has and will have post-Merger in a market characterised by low margins and contradicts the evidence collected by the CMA.<sup>5</sup>
- 2.5. The CMA’s analysis of tenders from 2020-2025 indicates that there are a number of additional competitors who frequently bid on contracts and who could

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<sup>3</sup> Paragraphs 15(c) and 16, Interim Report.

<sup>4</sup> Paragraph 6.70(a), Interim Report.

<sup>5</sup> Paragraphs 6.70(c) and 6.70(d), Interim Report.

potentially win these contracts post-Merger. The CMA's analysis of upcoming opportunities in the next two years shows that more than half of customers expected to invite both Conntrak and Francois to bid (with multiple customers also planning on inviting Foss to bid).<sup>6</sup> As regards customers who do not have upcoming opportunities in the next two years, more than half would expect to invite Conntrak and multiple customers would invite Francois to bid.<sup>7</sup> Each player is therefore clearly seen as a potential alternative option for OCS. The Parties consider that it is not necessary for a competitor to have been invited to all or nearly all tenders in order to be considered an effective alternative option.

- 2.6. The Parties submit that the CMA should assess the sufficiency of the competitive constraint on the Merged Entity posed by Conntrak, Francois and other players in the market such as Pellegrini in aggregate, and not merely on an individual basis.<sup>8</sup> The Merged Entity, when bidding, would be mindful of the number of credible bidders and therefore continue to be incentivised to submit as competitive an offer as possible. Each such competing supplier may have a smaller individual share of supply at present, but their collective presence in tenders will continue to represent a meaningful competitive constraint on the Merged Entity.

#### *Conntrak*

- 2.7. In relation to Conntrak specifically, the Parties note that the CMA has ignored clear and verifiable evidence that [CONF].<sup>9</sup> The CMA does not appear to have this in their tender database, nor does it reference it in its analysis of Conntrak or the bidding data it has considered. This is clear evidence that Conntrak has the ability to win Offshore Infrastructure customers in the UKCS post-Merger as it even predates the most recent period when Conntrak has made a more significant effort to grow its OCS business in the UKCS, led by [CONF], a former Aramark executive who has significant industry experience and contacts having been the Aramark Global Offshore Managing Director for a number of years.<sup>10</sup>
- 2.8. Moreover, the CMA looks at historic bid data, ignoring that Conntrak has recently reinvigorated its efforts in OCS across the entire North Sea region, including the UKCS. The CMA does not appear to take into account Conntrak's performance in the adjacent (and more complex) Marine market and the complementary track record this enables it to develop in support of bidding in the Offshore

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<sup>6</sup> Paragraph 6.46, Interim Report.

<sup>7</sup> Paragraph 6.50, Interim Report.

<sup>8</sup> As noted in paragraph 8.37 of the Merger Assessment Guidelines (CMA129), the sufficiency of entry or expansion to constrain the Merged Entity may come from several firms entering or expanding, assessed in aggregate.

<sup>9</sup> [CONF].

<sup>10</sup> Paragraph 7.11(c), Response to Issues Letter.

Infrastructure market. Strikingly, the CMA has largely ignored in the Interim Report that [CONF].<sup>11</sup> The CMA's bidding analysis also shows that Conntrak won [0-5] marine contracts between 2020 and 2025.<sup>12</sup> The Parties submit that this is clear and material new evidence that should cause the CMA to update its assessment of Conntrak's future position and capabilities as an alternative option in the Offshore Infrastructure market, in line with the required forward-looking assessment of the market.

- 2.9. The feedback gathered by the CMA is also indicative of Conntrak's strength in the market being substantially underestimated by the CMA. [CONF], consider Conntrak "*a moderately strong competitor*".<sup>13</sup>
- 2.10. Of the two customers that provided feedback on the strengths and weaknesses of Conntrak, one noted that it had a "*strong and highly experienced management team*", "*awareness of the customer's systems and processes*", "*local set up*" and could leverage servicing rigs in different geographies, with both customers only identifying Conntrak's position as a new entrant in the UK and "*unknown entity*" status as potential weaknesses.<sup>14</sup> This suggests customers consider Conntrak to have an array of potential strengths as it becomes established in the UK market. The CMA indicates that [CONF], is benchmarking Conntrak alongside Aramark, ESS and Entier to decide whether to launch a tender, demonstrating that it is seen as an alternative option.<sup>15</sup>
- 2.11. The Parties note that one customer stated it would need to understand whether Conntrak could provide the standard of OCS required as it was unsure of Conntrak's footprint in the UKCS, but consider this a normal requirement of carrying out the necessary diligence on a relatively new entrant and indicative of a willingness to consider an attractive offer from Conntrak (who, as noted above, is already establishing a track record in the adjacent (and more complex) Marine market).<sup>16</sup>
- 2.12. The CMA's characterization of Conntrak as a moderate competitor overlooks the company's strategic investments and recruitment of experienced leadership from established providers (as noted in paragraph 3.15 below). Conntrak's expansion plans and frequent invitations to bid for upcoming tenders demonstrate its growing credibility and relevance in the market. The perception of Conntrak as an

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<sup>11</sup> The CMA only briefly refers to [CONF]. References in the Appendices are of a similar nature.

<sup>12</sup> Table B.7, Interim Report.

<sup>13</sup> Paragraph 6.28, Interim Report.

<sup>14</sup> Paragraph 6.59, Interim Report.

<sup>15</sup> Paragraph 6.49, Interim Report.

<sup>16</sup> Paragraph 6.48, Interim Report.

“unknown entity” is rapidly changing as it builds a track record and leverages its management expertise. The CMA should recognize that, in a market where barriers to entry are demonstrably low, Conntrak’s presence is already influencing pricing and service standards among incumbents, evidenced by the competitor feedback in paragraph 2.9 above and recent Aramark internal documents (as noted in paragraph 2.20 below).

*Francois*

- 2.13. In relation to Francois specifically, the CMA’s analysis of tenders from 2020-2025 demonstrates that Francois bids on a significant number of opportunities in the Offshore Infrastructure market, and in fact only bid on [0-5] fewer than ESS and Entier in this respect.<sup>17</sup> As such, Francois is bidding on a significant number of contracts and, as noted above, will be invited to bid on the majority of future opportunities identified by the CMA, continuing to impose competitive pressure on the Parties.
- 2.14. Customer feedback also clearly supports Francois as a credible alternative option, with customers noting “*it can provide services across the UKCS and non-UKCS*”, “*its menu traffic light system is good and easy to follow*”, “*it is good to contact*”, and it is a “*UK-based supplier with extensive experience in the UK region*”.<sup>18</sup> Whilst some customers cited cost, lack of experience and/or awareness of Francois as potential weaknesses, the Parties consider the evidence received is highly mixed and leans towards Francois being a material player in the market with an existing UK base to build from.
- 2.15. In a hypothetical scenario comprising more limited competition in the Offshore Infrastructure market and higher margins for these contracts, both Conntrak and Francois will have greater opportunities to win share from the Parties. [CONF].<sup>19</sup> In light of [CONF], this effect will be enhanced to the benefit of Conntrak and Francois.
- 2.16. The CMA’s assessment of Francois erroneously discounts the impact of new entrants and the evolving nature of competition in the Offshore Infrastructure Market. Francois has demonstrated a willingness to invest and innovate, as evidenced by its active participation in tenders and its focus on menu systems and customer engagement. The company’s limited historical success is primarily a function of its recent entry, not a reflection of its competitive potential. As the market continues to diversify, Francois is well-positioned to challenge incumbents, particularly as customers seek alternatives to established providers. The CMA should recognize that competitive constraint is not solely determined by past market

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<sup>17</sup> Table B.2, Appendix B, Interim Report.

<sup>18</sup> Paragraph 6.60, Interim Report.

<sup>19</sup> [CONF], Interim Report.

share, but also by the credible threat posed by new and agile competitors. The CMA should give greater consideration to Francois's adaptability and customer-centric approach, which are likely to drive further market penetration and competitive tension.

### *Sodexo*

- 2.17. While the CMA notes a decline in Sodexo's market share in the Offshore Infrastructure market, this trend must be contextualized within broader industry dynamics, including contract cycles and strategic shifts among major operators. Sodexo's global scale and operational expertise continue to make it a credible bidder for large contracts, evidenced by the fact that almost all customers who provided feedback to the CMA expected to invite Sodexo to bid for their upcoming opportunities.<sup>20</sup>
- 2.18. Customer feedback on Sodexo's food quality and experience in supplying OCS indicates that customers consider it remains a viable alternative for future tenders in the UKCS,<sup>21</sup> and [CONF] show that its strategy is adaptable and it is open to operating in the UKCS, [CONF].

### *Internal documents and market feedback are not supportive of the CMA's assertions*

- 2.19. The CMA also argues that the internal documents of Aramark and Entier consistently highlight each other, ESS and Sodexo as the main competitors.<sup>22</sup> The Parties note that ESS and Sodexo are the historically established players in the North Sea OCS market, and the global players Aramark systematically competes with across different geographies and market segments, and therefore naturally feature more prominently in internal documents, which are merely a snapshot of the market at a particular time.
- 2.20. As cited by the CMA, a more recent Aramark internal document (February 2025) lists Conntrak alongside ESS and Entier as a major competitor in the North Sea, recognising that it is a "[CONF]" as the Parties have consistently argued.<sup>23</sup> The Parties would consider it arguable that recent entrants in most markets face an "[CONF]" as cited by the CMA from the same Aramark document, and that the CMA attaches disproportionate weight to this quote in paragraph 6.70(c) of the

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<sup>20</sup> Paragraph B.40, Appendix B, Interim Report.

<sup>21</sup> Paragraph C.65, Appendix C, Interim Report. The Parties consider the customer feedback on food quality from Marine customers to be equally applicable in the context of Offshore Infrastructure, given the lack of difference in this key performance indicator across the two segments.

<sup>22</sup> Paragraph 6.32, Interim Report.

<sup>23</sup> Paragraph 6.35, Interim Report.

Interim Report. Similarly, Francois is cited as a major competitor in at least one Aramark internal document.<sup>24</sup>

- 2.21. Ultimately, most customers were neutral in their reaction to the Merger, some of whom expressly said there remained existing OCS suppliers who could provide these services.<sup>25</sup> Notably, more customers expressed positive views on the Merger ([CONF] out of [CONF]) than negative views on the Merger ([CONF] out of [CONF]), with two customers specifically outlining that alternative suppliers would remain available and one of those two customers noting that other COTA members remained in the market.<sup>26</sup>
- 2.22. The competitor feedback from [CONF] raising concerns about the Merger simply asserts that the Merger would have a negative impact on competition given the resulting share of supply, and there is no evidence provided by the CMA that shows this assertion being stress-tested against the points raised by the parties regarding the prevailing competitive dynamics in the market (in contrast to the positive feedback received from [CONF], who provides a clear rationale as to why the Merger would have a positive impact on competition).
- 2.23. [CONF] views should be discounted as it is likely being motivated by a desire to be disruptive to a global competitor [CONF]. [CONF] also provides no reasoning for its assertion that it would be unable to compete with the Merged Entity post-Merger, as compared to now, especially if margins temporarily increased post-Merger.<sup>27</sup>
- 2.24. The majority of competitors ([CONF] out of [CONF]) did not express any concerns over the Merger.
- 2.25. The CMA's interpretation of market feedback is selective and does not properly reflect the diversity of views expressed by customers and competitors. The CMA's analysis places undue weight on isolated comments, without adequately considering the broader pattern of competitive tendering, supplier rotation, and evolving customer preferences. In practice, many customers are demonstrating flexibility in supplier selection and a willingness to engage with new entrants, as evidenced by recent tender participation, customer feedback on intentions to invite an array of potential OCS suppliers to bid and benchmarking exercises. Furthermore, competitor feedback is inherently subjective and may be coloured by commercial interests. The CMA should adopt a more balanced and rigorous

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<sup>24</sup> Paragraph 6.36, Interim Report.

<sup>25</sup> Paragraph 6.62, Interim Report.

<sup>26</sup> Paragraph 6.65, Interim Report, and Paragraph C.132(d), Appendix C.

<sup>27</sup> Paragraph 6.68, Interim Report.

approach to market feedback, to ensure a fair and accurate assessment of competitive dynamics.

- 2.26. The evidence outlined and the significant lack of substantiated concerns from most customers makes it clear that there are credible providers of OCS to Offshore Infrastructure customers beyond the Parties and therefore the CMA's provisional conclusions that there are limited other alternatives and limited constraint from other competitors post-Merger is not rational.

**3. The CMA's conclusion that entry or expansion would not be sufficiently timely, likely or sufficient to prevent any hypothetical SLC arising disregards clear evidence, is contradictory and ultimately irrational**

- 3.1. The CMA provisionally concludes that whilst barriers to entry exist in the Offshore Infrastructure Market, they can be overcome (as demonstrated by the entry of Conntrak, Francois and Pelligrini).<sup>28</sup> However, it subsequently states that "*it is likely to take a new entrant in the Offshore Infrastructure market a considerable amount of time to expand to an extent to which it is able to exert a significant competitive constraint*", provisionally concluding that entry or expansion is not timely, likely or sufficient to prevent an SLC from arising.<sup>29</sup>
- 3.2. The CMA has failed to recognise the ease with which entry and expansion in this market can occur especially if margins temporarily increased post-Merger. It states it did not receive any evidence on entry or expansion in direct response to the Merger and it gathered evidence on whether rivals had plans to enter or expand irrespective of the Merger.<sup>30</sup> This is not the correct test. The CMA ought to assess whether this market displays high barriers to entry and expansion, which would make entry or expansion difficult in response to an SLC caused by the Merger (and not simply in response to the Merger *per se*).
- 3.3. The CMA stated that it had been provided with "*no evidence*" that competitors entering the market had been able to gain a significant foothold in the UKCS.<sup>31</sup> This is simply not correct. It disregards the fact that Conntrak has renewed its efforts to supply OCS across both the Marine and Offshore Infrastructure segments over recent months, and it has [CONF] (as discussed in Section 2 above) [CONF]. As the CMA recognises, Marine is a more complex segment and it is not rational to conclude that Conntrak would not promptly re-enter and successfully expand in the Offshore Infrastructure UKCS market where it has expertise and a track record in a timely manner following an SLC.

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<sup>28</sup> Paragraph 7.37, Interim Report (and paragraph 16, Interim Report Summary).

<sup>29</sup> Paragraphs 7.37 and 7.41, Interim Report.

<sup>30</sup> Paragraph 7.8, Interim Report.

<sup>31</sup> Paragraph 7.13, Interim Report.

- 3.4. This is supported by the information provided by Contrak to the CMA:
- a) [CONF];<sup>32</sup>
  - b) [CONF];<sup>33</sup>
  - c) [CONF];<sup>34</sup> and
  - d) [CONF].<sup>35</sup>
- 3.5. The evidence therefore indicates that Contrak have the intention to compete vigorously in the UKCS in the short term and have the ability to do so, having already and recently succeeded in winning a major contract in the adjacent Marine segment. This emphasises the low barriers to entry and expansion that exist in the Offshore Infrastructure Market.
- 3.6. Foss has told the CMA that it is taking steps to acquire further financing, has recently recruited a person with a strong understanding of the British market and “*will bid for any opportunities available that it feels it can compete on*”.<sup>36</sup> Both players therefore constitute a continuing competitive threat that may emerge or re-emerge strongly in response to any opportunity created by a move to raise prices post-Merger.
- 3.7. The Parties also note that Ligabue expects to participate in two upcoming North Sea (including UKCS) opportunities in the next two years, emphasising the wider pool of potential entrants who are more involved in other geographic markets but nonetheless paying close attention to developments in the UKCS.<sup>37</sup>
- 3.8. It should also be noted that Aramark has [CONF] Sodexo [CONF] concerning Offshore Infrastructure [CONF] in the UKCS. This indicates that Sodexo remains flexible, will continue to have an interest in the Offshore Infrastructure Market where an opportunity arises [CONF] and therefore has been unduly discounted as a significant global player who retains a material presence in the wider North Sea and has a historic significant UKCS track record.
- 3.9. The CMA’s assessment of barriers to entry does not fully account for recent developments in the sector. New entrants and smaller providers are increasingly

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<sup>32</sup> [CONF], Interim Report.

<sup>33</sup> [CONF], Interim Report.

<sup>34</sup> [CONF], Interim Report.

<sup>35</sup> [CONF], Interim Report.

<sup>36</sup> Paragraph 6.43, Interim Report.

<sup>37</sup> Paragraph 6.44, Interim Report.

able to compete for contracts, as evidenced by recent successful bids from companies such as Contrak and Francois. The CMA should update its analysis to reflect these evolving market conditions and the demonstrable reduction in barriers to entry.

*The CMA's conclusion that a strong incumbency effect exists in the market that would be further strengthened post-Merger is not rational*

- 3.10. The CMA provisionally concludes from its analysis of non-tender contract awards that the outcomes of such awards imply “*a strong incumbency effect*”, which it considers will “*likely to be further strengthened post-Merger with fewer alternatives available to customers*”, and notes this contributes to a “*smaller number of tender opportunities being available each year than there otherwise would be and serves to limit opportunities for expansion for new entrants in OCS*”.<sup>38</sup>
- 3.11. The Parties note that competitors do not fully share this view of a limitation of bidding and expansion opportunities (e.g., [CONF]) and consider that the CMA overstates the extent of this “*incumbency effect*” when it is looked at in light of countervailing buyer power. As described in further detail in Section 4 below, Aramark and its competitors are required to offer customers a range of discounts and absorb significant pressure on their margins in order to retain their contracts; the incumbency effect, therefore, is illusory and exists only so long as the OCS supplier remains amenable to customer demands. It is also entirely contradictory to have identified a strong incumbency effect in a market characterised by both low margins and switching costs (which is demonstrable of buyer power, not supplier power), which the CMA suggests is attributable to the requirement for a UKCS track record on which it places disproportionate weight.
- 3.12. The CMA states that it has “*been provided with evidence that customers often expect their OCS supplier to be able to demonstrate three to five years of experience in the UKCS*”.<sup>39</sup> The Parties understand the evidence referred to is a single call with [CONF] and note that the more detailed description of the call in Appendix C to the Interim Report appears to indicate that “*in the North Sea market, it was more difficult for the competitor to demonstrate its technical capability to a national oil company when it often needed to show to customers three to five years of health and safety records, as well as three to five years of technical delivery to other similar customers*”.<sup>40</sup> [CONF] also noted “*OCS suppliers generally can use safety records from operations in other countries*”.<sup>41</sup> This more detailed description suggests that, whilst an inevitable hurdle to be

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<sup>38</sup> Paragraphs 6.20 and 7.16, Interim Report

<sup>39</sup> Paragraphs 5.5 and 7.20, Interim Report.

<sup>40</sup> Paragraph C.119, Appendix C, Interim Report.

<sup>41</sup> Paragraph C.119, Appendix C, Interim Report.

overcome in bidding as a relatively new entrant in any similar market, it is not nearly as prohibitive a requirement as the CMA suggests in its analysis of barriers to entry and expansion in the Interim Report (i.e., merely “*more difficult*”) and that OCS suppliers can in fact leverage their presence in the wider North Sea and elsewhere to assist in complying with such requests.

- 3.13. The Parties acknowledge the feedback received by the CMA from customers that track record in the UKCS is an important or very important consideration for customers in determining whether they would invite a supplier to bid or bilaterally negotiate with them.<sup>42</sup> The Parties also note the two customers who indicated track record in the UKCS was key (i.e., one customer who stated “*OCS customers are very conservative and aim to de-risk...which would include risks associated with new entrants in a particular geographic area*” and another customer who stated it was unsure of “*Conntrak’s footprint in the UKCS, which would also be something the customer would need to look at in detail*”).<sup>43</sup>
- 3.14. The Parties note, however, that the customer feedback is not necessarily borne out in practice. As stated in paragraph 2.5, a material number of customers expect to invite Conntrak and Francois to bid for opportunities, despite an apparent lack of existing contracts in the UKCS prior to the provision of their feedback. Moreover, [CONF] demonstrates that this is not a prohibitive barrier to entry and that for OCS suppliers in adjacent markets, it is a barrier that can be swiftly overcome once a few contract wins have occurred.
- 3.15. Customers also told the CMA that an important or very important factor in the choice of OCS supplier was that senior management had prior experience in OCS in the UKCS, rather than necessarily the OCS supplier itself having such an established track record, and the Parties consider that hiring senior management with such experience is not a particularly material barrier to entry.<sup>44</sup> Conntrak is itself an example of a new entrant possessing and obtaining such experience (as has been previously flagged to the CMA): it was formed from ex-Aramark management and announced in January 2025 that it had hired [CONF] (Aramark’s former Managing Director of global offshore operations with 18 years’ experience and customer relationships) as Managing Director to lead its expansion in the North Sea.
- 3.16. This is underlined by feedback received from [CONF], which “*considered it to be relatively easy to enter the offshore catering market in the UKCS or North Sea*”, citing Conntrak’s strong presence in the Middle East and subsequent entry into the UKCS offshore market.<sup>45</sup>

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<sup>42</sup> Paragraph 7.20, Interim Report.

<sup>43</sup> Paragraphs 7.21 and 7.22, Interim Report.

<sup>44</sup> Paragraph C.11, Appendix C, Interim Report.

<sup>45</sup> Paragraph C.120, Appendix C, Interim Report.

3.17. The CMA’s provisional conclusion that “*recent entrants such as Conntrak or Francois have yet to do so*” is therefore not reflective of the rapidly developing competitive landscape.<sup>46</sup>

*Scale is not a relevant barrier to entry*

3.18. The CMA provisionally concludes that, while scale represents a barrier to entry and expansion, it is not a material barrier and can be overcome.<sup>47</sup> The reasons cited by the CMA as to why scale matters in this industry as any form of barrier to entry and expansion are not consistent with the evidence provided by the Parties and third parties.

3.19. With regard to volume discounts on food and other raw materials, the Parties have provided the CMA with detailed information regarding the size of these discounts, which are small. For example, the total rebates Aramark receive from [CONF] is small relative to Aramark’s total spend with [CONF].<sup>48</sup>

3.20. The CMA has received sufficient evidence from [CONF] (i.e., the [CONF] supplier to OCS suppliers in the UKCS) and competitors confirming that scale is not a particularly relevant consideration and any volume discounts provided are insignificant:

- a) [CONF] informed the CMA that “*the pricing structure that it would offer a smaller OCS supplier (such as Francois) and the pricing structure that it would offer a larger OCS supplier (such as Aramark or ESS) would not result in a level of differentiation that prevents the OCS supplier from placing a credible bid to win business*”. As such, the input prices received by larger competitors are not materially different to what is available to smaller players in the Offshore Infrastructure market;<sup>49</sup>
- b) [CONF] stated that scale is not particularly important to compete effectively in the offshore catering market;<sup>50</sup> and
- c) [CONF] noted that it does not consider the price that it can purchase food at makes it a weaker OCS supplier.<sup>51</sup>

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<sup>46</sup> Paragraphs 7.37, Interim Report.

<sup>47</sup> Paragraph 7.33, Interim Report.

<sup>48</sup> Aramark’s response to the CMA’s s109 notice dated 15 October 2025.

<sup>49</sup> Paragraph 7.31, Interim Report.

<sup>50</sup> Paragraph 7.30, Interim Report.

<sup>51</sup> Paragraph 7.29(a), Interim Report.

- 3.21. Whilst some competitors commented on volume discounts and wider pools of labour, the Parties do not consider these to be sufficient to render scale a barrier to entry. In particular, as regards the claim that scale allows a caterer to build up a pool of employees in order to cover absences, the Parties do not consider this a material barrier to smaller players, as the number of employees required is relatively low. The only caterer to make this point was [CONF] – notably, none of the smaller caterers in the market, such as [CONF], made this claim.
- 3.22. Strikingly, [CONF].<sup>52</sup> This is consistent with the Parties' experience and previous submissions.
- 3.23. The CMA also does not (nor attempts to) determine the volumes required for a caterer to enjoy the alleged benefits of scale in this market. Without such an analysis, it is not possible to conclude that, for example, Conntrak and Francois have not reached the level of scale required to compete with the Parties. For example, it could be that even if there were advantages to scale in this market (and noting that the Parties do not accept that this is the case), those advantages might pose a barrier to an entirely new entrant with no presence at all in the offshore catering sector, but not to a caterer with a small but significant presence in the UKCS or North Sea like Francois, Foss or Conntrak.
- 3.24. The CMA also accepts that there are no material barriers to switching OCS suppliers, as discussed further in Section 4 below. This would suggest that the barriers to expansion for credible suppliers are limited.

#### **4. The CMA dismisses the countervailing power of buyers and underplays the ease with which they can switch between alternative options**

- 4.1. The CMA's provisional conclusion is effectively that the countervailing power of buyers can be disregarded on the basis that there are insufficient alternatives available to customers.<sup>53</sup> As noted in Section 1 above, neither the Parties nor the majority of customers share the CMA's views, and therefore the CMA has failed to afford sufficient weight to this factor.
- 4.2. As the Parties have consistently submitted to the CMA, Offshore Infrastructure customers are highly sophisticated. The CMA underestimates the countervailing power of those buyers and the extent to which it limits the ability of the parties to raise prices or degrade service quality should this occur post-Merger. This is especially the case in a market with no material switching costs, as accepted by the CMA.<sup>54</sup>

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<sup>52</sup> Paragraph 7.27, Interim Report.

<sup>53</sup> Paragraphs 7.47, 7.48 and 7.50, Interim Report.

<sup>54</sup> Paragraph 7.19, Interim Report.

- 4.3. The CMA's conclusion on countervailing buyer power is not supported by recent market evidence on switching which reinforces this immateriality of switching costs and the consequent continuous threat of switching experienced by the Parties. Customers in both the Offshore Infrastructure and Marine markets have demonstrated a willingness and ability to switch suppliers, particularly in response to service, food and performance quality and pricing.<sup>55</sup> The prevalence of competitive tenders, short contract durations, and the use of performance-based metrics all enhance buyer power. Major customers have successfully transitioned between providers, and the threat of switching remains a powerful lever in negotiations. The CMA's analysis should place greater weight on these practical examples of buyer power and the competitive discipline they impose on suppliers.
- 4.4. The CMA has concluded that buyer power would not prevent an SLC from arising on the basis that (1) no Offshore Infrastructure customer said they would be likely to trigger new entry by sponsoring a new entrant, (2) low margins pre-Merger are not probative and (3) the evidence provided to the CMA is mixed as to whether customers have significant insight into suppliers' cost structures to enable customers to control suppliers' margins in tender processes.

*Customers can and do facilitate market entry*

- 4.5. The CMA states that '*no Offshore Infrastructure customer said they would be likely to trigger new entry by sponsoring a new entrant or by self-supplying*'.<sup>56</sup> However, the supporting evidence provided by the CMA states that '*no customer mentioned self-supply as an option that they would consider when thinking about their next procurement exercise covering operations in the UKCS*'.<sup>57</sup> Self-supply and the sponsoring of a new entrant are completely different propositions, and further this does not cater for the facilitation of entry by assisting a smaller player to develop its market position.
- 4.6. Indeed, as noted above, [CONF] notes that [CONF].<sup>58</sup> The example of COOR's sponsored entry and successful track record over a decade in Norway, as previously submitted by the parties, further demonstrates that these large, sophisticated customers have a range of potential options when it comes to sourcing their OCS needs, which are far from limited to existing, well-established players with large market positions. The fact that this example has not occurred in the UK is not relevant and cannot be used to dismiss this countervailing factor. It shows that this is a realistic option for Offshore Infrastructure customers should they have concerns about deterioration of competitive conditions.

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<sup>55</sup> Paragraph C.9, Interim Report.

<sup>56</sup> Paragraph 7.46, Interim Report.

<sup>57</sup> FN 562, Interim Report.

<sup>58</sup> Paragraph 7.27, Interim Report.

- 4.7. The CMA has therefore failed to provide adequate evidence to support its assertion, and has clearly failed to conduct the relevant exercise when assessing competitive dynamics in relation to competitor positioning in this market.

*Low margins are indicative of the parties' lack of market power*

- 4.8. The CMA claims that the low margins in this market are “*not probative*” in that “*they can be driven by a range of factors such as the level of risk and/or the operating cost structure associated with providing a particular good or service.*”<sup>59</sup> While, theoretically, low margins may not be indicative of a lack of market power (as the CMA contends), the CMA does not provide a reason as to why margins in this market are presently low and simply relies on this theoretical assertion.
- 4.9. Nor does the CMA engage with the detailed submissions of the Parties, which show that they are under constant pressure from sophisticated buyers with a range of catering options to keep margins low, which is clear evidence of a lack of market power. The evidence presented by the Parties, including evidence from emails with clients applying pressure on already low margin contracts (as further described in paragraph 4.13), suggests that margins are in fact low due to competitive pressure and buyer power.
- 4.10. The CMA also states that even if margins are low presently, “*the existence of low margins does not indicate how these margins may change if customers lose an outside option to turn to [.]*”<sup>60</sup> However, were margins to rise, competitors to the Merged Entity would have the incentive to enter or expand their operations in the UKCS in the North Sea. The Merged Entity’s awareness of this fact as a feature of the OCS Offshore Infrastructure market means considerable competitive pressure is already exerted on its margins by those competitors who may not have a significant share of supply at the present moment but could easily enter or expand in response to any change. For example, [CONF] told the CMA that [CONF].<sup>61</sup> If margins were to rise as a result of the Merger, then it is likely that [CONF] would have an incentive to expand their operations in the UKCS.
- 4.11. Similarly, Foss stated that it has a minimum profit margin requirement of [CONF] and told the CMA that, as a result, it is less able to expand in the UKCS, focusing instead on Asia, Africa and the Middle East.<sup>62</sup> Again, in a world with an SLC and higher margins, there is no reason that Foss would not reconsider their position and expand in the UKCS.

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59 Paragraph 7.48, Interim Report.

60 Paragraph 7.48, Interim Report.

61 Footnote 254, Interim Report.

62 Paragraph 6. 43, Interim Report

*Customers do have significant insight into suppliers' cost structures*

- 4.12. The CMA stated that evidence is mixed as to whether customers have significant insight into suppliers' cost structures to enable customers to control suppliers' margins in tender processes, as they "*would be unlikely to have complete visibility*". Again, this is an unrealistically high threshold. Offshore Infrastructure customers comprise highly sophisticated O&G majors and independent energy producers who examine costs on a granular basis.
- 4.13. This is evidenced by the pressure on the parties when bidding and during the lifetime of contracts to keep costs low and service quality high. The significant level of transparency they enjoy is a crucial factor in the customer's ability to prevent competition with the alternatives available to them post-Merger.
- 4.14. For example, Aramark has previously provided the CMA with numerous recent examples of negotiations with Offshore Infrastructure customers, evidencing both transparency and the customer's ability to both obtain relevant information where required and to restrain margins:
- a) [CONF]<sup>63</sup> [CONF].
  - b) [CONF].<sup>64</sup> Whilst this contract relates to [CONF], the Parties consider it cannot be credibly argued that customers would be less vigilant on costs in relation to the UKCS [CONF].<sup>65</sup>
  - c) [CONF].<sup>66</sup> This makes clear [CONF]Aramark's customers to have visibility [CONF]in their supply chain.
- 4.15. The low margins available to OCS suppliers and the high-cost transparency in their supply contracts are facilitated by low barriers to customers switching OCS suppliers (as acknowledged by the CMA)<sup>67</sup> and, as noted in Section 2, there remains a range of credible actual or potential switching options post-Merger.
- 4.16. The CMA has identified experience and track record as the main barrier when a customer is considering a potential new supplier, but in light of Contrak's [CONF] and the lack of concerns raised by the majority of customers over the number of experienced OCS suppliers remaining in the market post-Merger, this barrier is clearly not insurmountable (as further discussed in Section 3).

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<sup>63</sup> [CONF].

<sup>64</sup> [CONF].

<sup>65</sup> [CONF].

<sup>66</sup> [CONF].

<sup>67</sup> Paragraph 7.19, Interim Report.

- 4.17. The CMA should conclude that, given the existence of sufficient alternatives and the low barriers to entry or expansion in the Infrastructure market from the adjacent OCS Marine market, should the Parties seek to either raise prices or reduce the quality of service provided, there would be switching. The feedback the CMA has received is that over half of Offshore Infrastructure customers considered that there were not any material barriers to switching OCS supplier.<sup>68</sup>
- 4.18. It is striking that only a very small minority of customers (two out of [CONF] (approx. [CONF]%) seem to agree with the CMA's assessment that the merger will cause higher margins and/or lower quality of service.<sup>69</sup> Further, [CONF]:
- a) in the case of [CONF], it asserts that the Merger would significantly impact the marketplace and there is no evidence provided by the CMA that shows this assertion being stress-tested against the points raised by the parties regarding the prevailing competitive dynamics in the market. Further, [CONF] notes that its costs 'might' increase as a result of the Merger, which is inconsistent with the CMA's findings that the Merged Entity would be active in a market with only one other competitor, a 60-70% market share and high barriers to entry; and
  - b) in the case of [CONF], it also asserts that the Merger would lessen competition and there is similarly no evidence provided by the CMA that shows this assertion being stress-tested against the points raised by the parties regarding the prevailing competitive dynamics in the market. Further, [CONF] makes no reference to an expectation that prices would increase as a result of the merger, which is similarly inconsistent with the CMA's findings.
- 4.19. Conversely, most customers are neutral and [CONF] customers (approx. [CONF]%) are in fact "positive" about the Merger, which is notably more customers than are negative about the Merger.<sup>70</sup> This should cause the CMA to pause and cross-check whether its assessment is correct and suggests the nature of the market means the balance of power is heavily in favour of customers.
- 4.20. The CMA decides to discount this evidence on the basis of two key points: (a) customers are overestimating the strength of Sodexo [CONF] and (b) many customers are unlikely to put their contracts out to tender in the next 2-3 years

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<sup>68</sup> Paragraph 5.13, Interim Report.

<sup>69</sup> Paragraph 6.66, Interim Report.

<sup>70</sup> Paragraphs 6.62 and 6.65, Interim Report. It is noticeable that the CMA dismisses the customers who expressed "positive" views on the Merger as being only a "small minority" (in paragraph 6.62) and yet makes no equivalent comment in relation to the customers who expressed "negative" views, notwithstanding that the former comprises [CONF] customers as the latter.

and are therefore unconcerned about the merger.<sup>71</sup> There are significant issues with the CMA's attempt to largely dismiss this evidence:

- a) firstly, the CMA recognises that customers regard Sodexo as an important competitor even though Sodexo [CONF]. By analogy, this means that other competitors who frequently bid (e.g., Francois) should be regarded as credible even if their market share is low, and in the case of Conntrak, which has recently won a key contract in the adjacent (and more complex) marine market, would be expected to exert an even greater constraint [CONF];
- b) secondly, where upstream consolidation is actually problematic sophisticated customers (in any industry) are typically concerned, regardless of whether there will be an immediate impact on their supply arrangements and in consideration of factors such as degradation in service quality for their ongoing supply arrangements. The CMA should therefore take at face value the lack of concern of experienced, sophisticated OCS Offshore Infrastructure customers rather than try to explain it away.

4.21. The CMA therefore, in its provisional conclusions, has disregarded the countervailing power of customers on the basis of an incorrect assessment of the alternative options available and the extent to which customers can control margins and failed to consider customer feedback on the market effectively.

### **5. *The CMA has failed to adequately take into account prevailing market dynamics in its assessment***

5.1. The CMA's reliance on historical market share and tender data fails to capture the forward-looking nature of competition policy analysis. Market share is a lagging indicator and does not reflect the potential for competitive responses, innovation, or strategic repositioning by existing and emerging players. In a sector where contracts are awarded through competitive tenders, and where customer preferences, supplier capabilities, and market conditions shift rapidly, historical data provides, at best, a partial snapshot.

5.2. The CMA's own Merger Assessment Guidelines (CMA129) emphasise the importance of assessing the likely future state of competition. Yet, the Interim Report appears to give disproportionate weight to past bidding patterns and ignores recent developments (such as Conntrak's renewed investment in the UKCS, Francois's increasing tender activity, and [CONF]) that materially alter the competitive landscape.

5.3. A robust competition assessment must consider not only who has won contracts in the past, but who is capable of winning them in the future. The CMA's

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<sup>71</sup> Paragraph 6.67, Interim Report.

framework should therefore be recalibrated to reflect the dynamic nature of the market and the credible threat posed by agile, well-resourced competitors.

- 5.4. The correct test is not whether competitors are entering or expanding today, but whether they would be incentivised and able to do so in response to any attempt by the Merged Entity to raise prices or reduce service quality. The evidence shows that multiple players, including Conntrak, Francois, Foss, and Ligabue, have the capacity and intent to expand their presence in the UKCS if commercial conditions become more favourable. The CMA's own findings acknowledge that margins in the market are low, and that barriers to switching are minimal. In such an environment, any attempt to exploit market power would clearly be met with swift competitive responses.
- 5.5. Moreover, the CMA's conclusion that entry or expansion would not be timely or sufficient is contradicted by its own recognition of recent successful entries and the increasing accessibility of the UKCS market. In summary, the CMA's methodological approach does not align with its own guidance, nor does it reflect the commercial realities of the Offshore Infrastructure market. A forward-looking, evidence-based assessment, grounded in the incentives and capabilities of market participants, clearly demonstrates that the Merger does not give rise to a realistic prospect of an SLC.

## **6. Conclusion**

- 6.1. In light of the foregoing, the Parties consider the CMA's provisional conclusion of an SLC in the market for the supply of OCS to Offshore Infrastructure customers in the UKCS:
  - a) fails to recognise the commercial dynamics of the OCS sector which will continue to put competitive pressure on all market players post-Merger and fails to engage with the inconsistencies of the supporting assertions underpinning its assessment in light of the competitive dynamics of the market and the evidence provided by the Parties and in its own market investigation;
  - b) the Interim Report mischaracterises the competitive landscape, underestimating the number, capability, and collective constraint of active and emerging competitors, including Conntrak, Francoise, Sodexo, Foss, Ligabue and others;
  - c) does not take into account salient very recent developments that confirm the Parties' views and relies upon evidence that is either incomplete, contradictory, or fails to take into account the countervailing evidence provided by the Parties and other competitors/customers. In particular:
    - (i) its conclusion that entry or expansion would not be sufficiently timely, likely or sufficient to prevent any hypothetical SLC arising fails to recognise the commercial reality that barriers to entry and expansion for

adjacent and existing players in the OCS market are very limited, The Interim Report overstates the barriers to entry and expansion, despite clear evidence of recent successful market entry, ongoing organic expansion and minimal structural barriers to scale, pricing parity and operational deployment;

- (ii) it dismisses the countervailing power of buyers and underplays the ease with which they can switch between alternative options, failing to align with the market realities of their sophisticated nature, largely neutral response to the Merger and, as acknowledged by the CMA, low barriers to switching OCS supplier, leading to a finding of an SLC where the Parties are not capable of creating one. Moreover, the CMA's dismissal of buyer power is inconsistent with its own findings regarding low switching costs and customer sophistication. Offshore Infrastructure customers are not passive price-takers; they are active market participants who exert significant pressure on suppliers through competitive tendering, cost scrutiny, and performance-based contracting. The evidence shows that customers have both the ability and willingness to switch providers, sponsor new entrants, and challenge pricing, thereby ensuring continued competitive tension.
  - (iii) the CMA's interpretation of market feedback is selective and lacks analytical rigour. The majority of customers expressed either neutral or positive views on the Merger, with only a small minority raising concerns, many of which appear to be commercially motivated or unsupported by evidence. The CMA's failure to stress-test these assertions against the broader competitive context undermines the credibility of its provisional findings.
- 6.2. The overall weight of evidence demonstrates a market in which customers retain meaningful choice, suppliers face ongoing competitive discipline, and entry and expansion act as immediate and credible constraints. Multiple rival suppliers possess both the incentive and capability to expand swiftly, eroding any theoretical basis for sustained market power post transaction.
- 6.3. The Parties therefore consider that the strength of the countervailing factors, when combined with the pool of available OCS options for Offshore Infrastructure customers confirmed by recent evidence of entry and expansion in the OCS sector, mean that in the OCS Infrastructure Market no SLC arises in the UK.
- 6.4. The Parties therefore invite the CMA to reconsider its provisional findings in full and conclude that the merger does not give rise to a realistic prospect of an SLC.