

ARAMARK LIMITED – COMPLETED ACQUISITION OF ENTIER LIMITED (ME2241/25)

RESPONSE TO CMA PHASE 1 DECISION OF 22 JULY 2025

1. EXECUTIVE SUMMARY¹

- 1.1 The Parties' position is that, for the reasons set out below, and supported by objective and compelling evidence, the Merger cannot be expected to result in a substantial lessening of competition (“SLC”) as a result of horizontal unilateral effects in the supply of outsourced offshore catering in the UKCS. The Parties consider that the Phase 1 Decision has failed to give due consideration to the evidence presented by the Parties in the Issues Letter Response.
- 1.2 The Parties disagree with the CMA's assessment that the Merger has resulted in, or may be expected to result in, an SLC for the following reasons:
- (a) **the Phase 1 Decision gives too much weight to the shares of supply based on revenues across only a three year historic period (2022-2024) in the UKCS, which are not an accurate reflection of the Parties' market position** in light of the market dynamics at play in the North Sea where customers hold significant countervailing buyer power, and the Oil & Gas (“O&G”) segment (which has historically accounted for a significant proportion of the Parties' revenues) is significantly reducing due to progressive decommissioning and the market is shifting in relative terms towards marine, which should be taken into account in a suitable forward-looking assessment also reflecting the market dynamics as set out in further detail below. Further, the CMA's share of supply estimates set out in Table 2 of the Phase 1 Decision do not reflect the Parties' experience in the marine segment.
 - (b) **Market shares are an unreliable indicator of market power in this market**, given the low margins achieved for what is essentially a commoditised service. A higher market share does not confer the ability to increase prices or reduce quality (as exemplified by Sodexo having historically a much higher market share in the North Sea). On the contrary, to the extent that scale generates cost efficiencies, customers expect these to be passed on to them directly.
 - (c) **Customers have strong countervailing buying power, reflected in how contracts are structured and the Parties' low profit margins.** The Parties' customers are sophisticated, international conglomerates that run bespoke tender processes to ensure competitive pressure and power to impose transparent cost-reimbursable contracting models (and open book cost audits) that give them full visibility over suppliers' costs and margins. Customers are

¹ Unless otherwise defined, capitalised terms have the same meaning assigned to them in the CMA's Phase 1 decision of 22 July 2025 (the “Phase 1 Decision”).

able - and will continue post-Merger - to exercise substantial countervailing buyer power, as they have credible alternatives to the Parties and possess the experience and expertise to leverage these options effectively. In particular, customers have the ability to easily switch supplier, including sponsoring entry/expansion and single vendor contracting models, as exemplified by several recent examples, the result of which is reflected in the Parties' low profit margins.

- (d) **the Phase 1 Decision conclusions that the Parties are close competitors and that competitive dynamics do not materially differ between the marine and non-marine segments are not supported by the evidence** relating to (i) their relative areas of focus (with Entier increasingly focusing on marine and Aramark having a minimal presence in this market); and (ii) the bidding data;
 - (e) **the assessment of the appropriate geographic market as the UKCS does not reflect the commercial reality of how the market for the provision of offshore catering operates in the North Sea and globally**, particularly in the marine business;
 - (f) **Customers continue to have a range of credible switching options post-Merger**, including ESS, Sodexo, Francois, and a number of other suppliers such as Contrak and, Foss & ESG ("**Foss**"), in addition to IFS and OSERV that can and do exercise an additional strong constraint in the marine segment. The Phase 1 Decision assessment significantly understates the presence and role of these competitors as well as other constraints such as the ability of customers to turn to hybrid "self-supply" solutions with input being sourced via third party manpower agents, particularly in marine.
 - (g) **the Phase 1 Decision significantly overstates barriers to entry and expansion in the market**, while the market is characterised by low entry and expansion costs, as demonstrated by examples of recent and planned entry;
 - (h) **the customer and competitor feedback collected by the CMA does not support its conclusions**, which would suggest that the CMA's Phase 1 assessment is incorrect for the reasons above; and
 - (i) **the core Merger rationale is benign**, aiming to expand Aramark's capabilities and knowledge in the marine business and ensure that Aramark remains a viable competitive force in the North Sea as the market is shifting towards marine.
- 1.3 The Merger therefore does not give rise to substantive competition concerns, as the CMA's Phase 1 Decision does not reflect the number of credible competitors, the evolving nature of the market towards the marine segment, the lack of close competition between the Parties, the correct geographic frame of reference, and the true level of barriers to entry and expansion, factors which are underpinned by the feedback of customers and competitors who are predominantly unconcerned by the Merger.
2. **THE CMA FOCUSES ON SHARES OF SUPPLY IN A "NARROW" MARKET WHICH GIVE AN UNREALISTIC DEPICTION OF THE PARTIES' MARKET POSITION**
- 2.1 The Parties operate in an intensely competitive market, characterised by sophisticated and well-informed customers that exercise strong countervailing buyer power, a bidding

market where a significant number of different bidders can and do compete for contracts from these buyers, which is reflected in the contractual terms and the Parties' low profit margins. The CMA focuses on shares of supply in the Phase 1 Decision, underplaying other factors that limit the Parties' actual market power.

The market is characterised by sophisticated buyers

- 2.2 Firstly, the CMA dismisses the countervailing power of the Parties' customers. The CMA states that buyer power depends on the availability of good alternatives and that customers would have a limited set of alternative options to switch to following the Merger.²
- 2.3 As described in greater detail in Section 5 below, the CMA has underestimated the presence of alternative suppliers that customers of the Parties can turn to or even sponsor. As a result, in the Phase 1 Decision, the CMA artificially limited its view to the Parties and ESS. The outsourced offshore catering services market relies on suppliers providing a cost-effective solution for their customers at low margins: any attempt by the Parties to raise prices or otherwise degrade the provision of services would likely lead to other market players who have maintained their lower prices securing contracts and rapidly expanding shares of supply.
- 2.4 Customers are primarily large and sophisticated multinationals and the ease with which another competitor, who may not currently be strongly reflected in share of supply data, could be used as a replacement for the Parties is demonstrated by the low margins for the current set of contracts.³ As noted in Section 6 below, a majority of competitors responding to the CMA's questionnaire indicated a desire to expand in the North Sea (including the UKCS) and would therefore be looking for such an opportunity to enter, and as indicated in Section 7 below, the customer feedback received by the CMA is indicative of limited concerns regarding the Merger and, implicitly, any significant curtailment of their options for the provision of offshore catering services.⁴
- 2.5 The CMA notes that the majority of customers stated that they would not consider an entrant when choosing their offshore catering supplier, and identified a supplier's experience, reputation and track record as being important.⁵ It is not clear, however, that entrant in this context means a supplier who is not otherwise already present in the North Sea (including the UKCS), nor is it clear whether it means a supplier with a

² See Phase 1 Decision, paras. 181-183.

³ See Issues Letter Response, para. 2.2.

⁴ The Parties note the CMA considers, per paragraph 8.36(c) of the Merger Assessment Guidelines (CMA129, March 2021), that a market participant may not "*find it profitable to enter or expand because its entry or expansion would push prices down below pre-merger levels. In such cases, a merger that causes prices to rise may introduce the buffer that the firm needs in order to be able to enter and expand and subsequently compete at pre-merger prices.*" The CMA further notes in the same paragraph that it is particularly interested "*in evidence that entrants or incumbents were actively monitoring the opportunity to enter or expand prior to the merger, that such entrants could operate (or expand) profitably at pre-merger prices, and/or that entry or expansion would quickly become attractive if prices were to start rising*", which has been evidenced by the feedback from competitors that they are looking to expand into the UKCS.

⁵ See Phase 1 Decision, para. 178.

management team with no experience of delivery or would include newly formed companies by industry insiders with a track record of delivery. Indeed, customers replying to this question would be unlikely to have understood the question as such, given the evidence to the contrary, without a clear definition as such in the questionnaire.

- 2.6 The CMA suggests that sponsored entry may not be sufficient as it would only protect particular customers and is unlikely to prevent the Merged Entity from raising prices or worsening the quality of service to other customers on the basis of the suggestion from a single competitor that COOR has struggled to expand its business to other clients.⁶ This ignores:
- (a) the fact that COOR has provided these services to Equinor for a decade and successfully retained what is currently a very significant contract (c. GBP 19 million per annum),⁷ as well as the fact that the CMA has provided no evidence as to why this would only protect particular customers as any of these large, sophisticated customers could sponsor such entry and further ignores the threat that such potential entry poses to the existing players, in particular given that there are a whole range of credible providers that are equal to or significantly larger than COOR was prior to its sponsored entry;
 - (b) the evidence provided by Aramark regarding its entry into the Norwegian market at the request of [Redacted],⁸ which provides further support to the ability of customers to sponsor local entry; and
 - (c) the CMA's own evidence, as noted in the Phase 1 Decision, where the CMA states that: "*in relation to sponsored entry by customers, one customer told the CMA that they would consider procuring from an experienced management team they have worked with outside the UKCS, such as Conntrak. However, the majority of customers told the CMA that they would not consider an entrant when choosing their offshore catering supplier.*"⁹ This suggests that a number of customers have considered sponsoring an entrant; and it is only necessary for one customer to actually sponsor an entrant for entry to occur and for other customers to benefit from this additional competitor.
- 2.7 The CMA also states that lower margins are not probative as to the potential competitive effects of the Merger and do not indicate how these margins may change in the event that customers lose an outside option to turn to.¹⁰ The CMA provides no additional supporting evidence to justify this position in a scenario where (according to the CMA's

⁶ See Phase 1 Decision, para. 177.

⁷ See Issues Letter Response, para. 2.3.

⁸ See Issues Letter Response, para. 6.13.

⁹ See Phase 1 Decision, para. 176.

¹⁰ See Phase 1 Decision, para. 182.

artificial market definition and assessment of rivals), there are only three relevant providers before the acquisition.¹¹

2.8 This strong competition and powerful and well-informed buyers with the ability to fully take advantage of their switching options (which will remain ample post-Merger) are reflected in the Parties' low profit margins. Analysis conducted by Aramark as part of due diligence found that overall Entier's margins in O&G Production varied between [0-10]% between [Redacted] and [Redacted], while the range for drilling and marine in the same period was [0-10]% and [0-10]% respectively.¹² These margins are all consistently low, especially those for O&G production.¹³ In particular, the CMA's claims that Aramark only has two viable rivals pre-merger and that there are no outside options are not corroborated by:

- (a) the CMA's own bidding analysis, which suggests that Aramark and Entier often do not bid for the same contracts and that there are competitors who more frequently bid against the Parties (see Tables 2 and 3 below); and
- (b) the Parties' profit margins, which have remained consistently low.

As such, it seems implausible that the Parties pose the predominant constraint on raising each other's margins.

2.9 Since only two customers and a single competitor consider that the Merger would have a negative impact on competition, the most plausible explanation for the observed low margins for the Parties is that customers have significant buyer power given the relevant geographic market is the North Sea and that there is a wider range of available options.

2.10 The Competition Commission ("CC") has previously considered countervailing buyer power as a significant factor in the market for in-flight catering services, a market that is similarly characterised by bidding processes, suppliers providing an outsourced service with limited bargaining power and a limited number of sophisticated customers (*i.e.*, airlines).¹⁴ The CC considered several factors in assisting in its conclusion that no SLC was likely, that the Parties note similarly apply to the market for offshore catering services:

¹¹ The Parties note that even if the CMA's market definition were correct, there are number of other relevant providers the CMA should consider as relevant, including Sodexo, IFS and OSERV. See Section 7 below.

¹² See [Redacted], Annex 038.

¹³ Low margins can indicate that there are significant competitive constraints on firms raising prices. See, for example, "Competition and profitability in the groceries sector", CMA, 26 July 2024, available here: https://assets.publishing.service.gov.uk/media/66a3326dab418ab055592d95/Groceries_2.pdf and Guidelines for market investigations: Their role, procedures, assessment and remedies", The Competition Commission, April 2013, para 116, available here: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/284390/c3_revised.pdf

¹⁴ See Alpha Flight Group Limited and LSG Lufthansa Service Holding AG, Final Report (14 March 2012) ("**Alpha/LSG Final Report**").

- (a) A small number of customers (*i.e.*, large airlines) were important to the merging parties in terms of contribution to revenues and therefore the threat of switching to alternatives was a competitive constraint and indicative of buyer power.¹⁵ The Parties note that they are similarly dependent on a small number of customers for a significant proportion of their revenues in the North Sea.
- (b) Contract terms evidenced that “*the balance of power rested with airlines, rather than in-flight caterers*” (*e.g.*, airlines had a unilateral power to impose changes in service levels, product specification or product sourcing).¹⁶ Similarly, offshore catering contracts are dictated by customers and, for example, usually allow customers to terminate supply contracts at their convenience with between only 30-60 days’ notice.
- 2.11 Moreover, the CC did not artificially limit its analysis to the current service providers or most frequent successful bidders: in the market segment for the provision of in-flight catering services to Heathrow long-haul airlines with five or more daily departures from Heathrow, the merging parties held 80%-90% of the segment by value with only one other competitor holding contracts.¹⁷
- 2.12 The CC noted that past success was only one indicator of a supplier’s competitive strength in future bidding negotiations and that a small number of credible bidders can suffice to maintain the same level of rivalry post-merger as both suppliers and airlines adapt their offerings and requirements in an evolving competitive environment.¹⁸ Determinative to its conclusion of no SLC was the presence of three credible players post-Merger (one of whom, DHL, was not present in the specific market segment pre-merger), “*when allied to a range of factors conferring a degree of buyer power on customers*”,¹⁹ such factors including switching having occurred in the market and neither the transition risk to a new supplier nor the risk of using a new entrant being insurmountable.²⁰

Examples of customer switching

- 2.13 The Parties note that there are a far wider range of bidders (and factors) exerting a competitive constraint in the present case, evidenced by the low margins on offshore catering services contracts and that, as noted in the Alpha/LSG Final Report in relation to DHL, the bidders do not necessarily need to currently hold contracts to effectively constrain the Parties: in addition to themselves and ESS, bidders for offshore catering services contracts in the UKCS and broader North Sea include Sodexo, Francois, Coor

¹⁵ See Alpha/LSG Final Report, para. 7.30.

¹⁶ See Alpha/LSG Final Report, para. 7.33-7.37.

¹⁷ See Alpha/LSG Final Report, para. 8.28.

¹⁸ See Alpha/LSG Final Report, para. 8.28.

¹⁹ See Alpha/LSG Final Report, para. 8.74.

²⁰ See Alpha/LSG Final Report, paras. 8.29-8.35.

FM, Foss, and Pellegrini. As noted in the Initial Submission, there is also clear evidence of recent switching between suppliers of offshore catering services by customers.²¹

- 2.14 Taking a longer view, it is also clear that some customers choose to change providers regularly, awarding contracts to different caterers when a contract is tendered. Some examples of this switching are shown in Table 1 below. In particular, Table 1 shows that a number of large contracts in the North Sea have changed suppliers over the last 10-15 years, and, in some cases, contracts have moved between a number of caterers during that timeframe.

Table 1: Examples of customers that have changed caterers

Period that relevant tenders took place ²²	Client	Prior Incumbent ²³	Current Provider
[Redacted]	[Redacted]	[Redacted]	[Redacted] ²⁴
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted] ²⁵	[Redacted]	[Redacted]

- 2.15 The Parties note that customers rarely switch from Aramark to Entier (or vice-versa). Instead, the Parties lose incumbent positions to other providers, including ESS, Sodexo, Contrak and 4Service. Indeed, the Parties are aware of only two customers switching between them through a tender process in the last 17 years: (i) [Redacted];²⁶ and (ii)

²¹ See Initial Submission, para. 4.18 and Table 1.

²² Provides Aramark's best estimate of the period over which the swapping of suppliers took place.

²³ A hyphen in this column indicates that a supplier switched from the caterer on the left of the hyphen to the caterer on the right (e.g., [Redacted]). A slash in this column represents that the contract was serviced by a combination of suppliers (e.g., [Redacted]).

²⁴ [Redacted].

²⁵ [Redacted].

²⁶ Following [Redacted], [Redacted] moved [Redacted] from Aramark to Entier who were [Redacted] at the time.

[Redacted].²⁷ Switching analysis is more informative of closeness of competition than won tenders, in particular as information on customer ranking of competing supplier bids is not available.

Impact of the shift towards marine

- 2.16 The Phase 1 Decision notes that the increasing importance of marine customers and decreasing importance of O&G customers would not necessarily lead to a change in the Parties' competitive position or their competitors' competitive position within each segment.²⁸
- 2.17 **Relying on shares of supply that are largely underpinned by declining O&G contracts or which reflect the marine segment at its current early stage does not provide an accurate, dynamic and ultimately reliable assessment of the market.** Notwithstanding the fact that the market shares considered by the Phase 1 Decision overstates the share of the Parties in the UKCS marine segment (see section 3 below for further details), the Parties consider that this is an incorrect understanding of the impacts of the evolution of the market. The structural shift in the market towards marine will lead to a greater range of opportunities in the market that will incentivise other market participants to expand and compete in the supply of offshore catering services. A significant proportion of marine customers self-supply (which should also be taken into account in the CMA's forward-looking assessment to accurately reflect future market dynamics) and there is therefore a significant part of the addressable market that could move to outsourced solutions over time, an area in which there is limited meaningful overlap between Aramark and Entier, given the former's lack of focus on marine.²⁹
- 2.18 In addition, the Parties are also further constrained in the marine segment by the ability of the parties to rely on hybrid solutions with the deployment of manpower agents, thereby increasing the number of catering options and competitors in this segment such as AMS, Atlas Professionals, Clyde Marine Recruitment, OSM, Select Offshore and Orca Crew Services, all of which are active in the North Sea. Manpower agents actively recruit staff to work on marine assets that currently self-supply, with such staff bearing the responsibilities that an outsourced caterer would.
- 2.19 Manpower agents can be regional (e.g., Clyde Marine Recruitment is Europe-focused with offices in Glasgow, Latvia and Poland) or global (e.g., Atlas Professionals has a global presence across the Americas, Europe, the Middle East and Asia-Pacific), allowing marine customers to utilise manpower agents to underpin self-supply catering as their vessels travel between jurisdictions. This imposes additional competitive pressure on the Parties by supporting customers' ability to self-supply, therefore reducing customers' incentives to switch to an outsourced caterer and increasing the value proposition outsourced caterers need to provide to self-supplying marine customers to win contracts.

²⁷ The [Redacted] contract was serviced by a combination of suppliers [Redacted], with Aramark operating [Redacted]. [Redacted] tendered [Redacted] including, [Redacted] which Entier subsequently won.

²⁸ See Phase 1 Decision, paras. 162-166.

²⁹ See Issues Letter Response, para. 2.8.

3. **THE PARTIES ARE NOT CLOSE COMPETITORS AND THE MARINE SEGMENT MATERIALLY DIFFERS FROM TRADITIONAL OFFSHORE CATERING SERVICES SEGMENTS**

- 3.1 The Phase 1 Decision concluded that the Parties compete closely in the supply of outsourced offshore catering services in the UKCS, relying primarily on its share of supply estimates to support this, which as noted in Section 2 above, do not accurately reflect market dynamics.³⁰
- 3.2 The Parties do not consider each other to be closer competitors than the other market participants. The Parties have increasingly different focuses and in the growth segment of the market, marine, Entier generated [20-30]% of its revenue in calendar year 2024, whereas Aramark generated only [0-5]% of its revenues.³¹ Moreover, as noted in the growth forecasts provided by the Parties, Entier expects marine to increase from [20-30]% in 2024 to [30-40]% of its revenues in 2026; by contrast, Aramark expects marine to increase from [0-5]% in 2024 to only [5-10]% of its revenues in 2026.³² The core rationale for the Merger is for Aramark to expand its capability and knowledge in the marine business, reflected in the [Redacted] organic marine growth in its forecasts.³³

Bidding data is not supportive of a three player market or close competition between the Parties

- 3.3 As regards bidding data, the CMA asserted that the bidding data suggested close competition between the Parties and ESS, on the basis that the Parties and ESS won the majority of contracts. In support of this, the CMA indicated that the Parties and ESS won a greater proportion of the contracts they bid for relative to other players, such as Francois and Sodexo.³⁴ As the CMA acknowledged, however, both Sodexo and Francois bid against each of the Parties more frequently than the Parties bid against each other, as shown in Tables 2 and 3.³⁵ The fact that these competitors directly competed for contracts more often with the Parties than the Parties did so with each other undercuts the CMA's position that the bidding data demonstrates only three players in close competition.
- 3.4 Moreover, as highlighted in the Issues Letter Response, differences in bidding behaviour are not indicative of a lack of competition but rather reflect evolving strategic focuses.³⁶ For example, Entier's increasing emphasis on the marine sector contrasts with Aramark's more limited presence in that segment. This sectoral divergence explains variations in bidding patterns and outcomes, and should not be interpreted as evidence

³⁰ See Phase 1 Decision, para. 167.

³¹ See Issues Letter Response, para. 3.1.

³² See Issues Letter Response, para. 3.2.

³³ See Issues Letter Response, para. 4.1.

³⁴ See Phase 1 Decision, para. 168.

³⁵ See Phase 1 Decision, para. 167.

³⁶ See Issues Letter Response, para. 3.8.

of reduced competitive constraint or diminished closeness of competition. It is therefore essential that the CMA's analysis of bidding data be contextualised within suppliers' strategic choices and sectoral focus. Without this nuance, the conclusions drawn risk overstating the competitive proximity between the Parties and understating the role of other credible suppliers.

Table 2: Competitors for offshore catering services contracts bid for by Aramark, 2023-2025

Competitor	Number of contracts bid for (Rank #)
Sodexo	(#=1)
Francois	(#=2)
ESS	(#=3)
Entier	(#=4)

Table 3: Competitors for offshore catering services contracts bid for by Entier, 2023-2025

Competitor	Number of contracts bid for (Rank #)
Sodexo	(#=1)
ESS	(#=2)
Aramark	(#=3)
Francois	(#=3)

Competitive dynamics differ between marine and non-marine segments

- 3.5 The CMA stated that competitive dynamics are not materially different between the marine and non-marine segments.³⁷ However, the CMA noted that it has only received “mixed evidence as to whether marine customers have different requirements to non-marine customers”.³⁸ The CMA acknowledged the increased logistical complexity that exists within the marine segment, in relation to requiring additional staff with knowledge and experience in new jurisdictions to service marine customers, as also indicated by the Parties in the Issues Letter Response.³⁹
- 3.6 The CMA does not cite convincing evidence that supports its view that there is no material difference. The fact that not “all vessels move across multiple geographies or involve the same logistical complexity” and indication that “some” marine customers are

³⁷ See Phase 1 Decision, para. 53.

³⁸ See Phase 1 Decision, para. 50.

³⁹ See Phase 1 Decision, para. 50(a) and Issues Letter Response, para. 5.1(a).

located permanently or predominantly in the UKCS does not affect the position that a majority of marine customers are operating assets that serve locations across the North Sea and globally. As an example, Entier's contract with [Redacted] is to service their marine fleet globally and its contract for [Redacted] is for their North Sea fleet: the nature of customer assets within the marine segment require the supplier to be able to provide services across the range of the customer's fleet.⁴⁰ Moreover, Entier's contracts with [Redacted] also span both the UK North Sea and non-UK North Sea regions.⁴¹

- 3.7 The CMA then considered that renewables projects are long-term projects requiring a significant number of vessels operating within a single geography and that marine vessels were also used for decommissioning projects.⁴² The Parties understand the CMA's argument to be that marine vessels associated with such projects are less mobile and therefore there is limited difference with other segments such as O&G. However, the Parties note that, even in the subset of marine assets that service renewables and decommissioning projects, the marine assets remain more mobile than customer assets in other segments, such as O&G or MODU.
- 3.8 In relation to the competitive set, the CMA again only identified "*mixed evidence*" as to whether the competitive dynamics in marine differ from other segments for the provision of offshore catering services.⁴³ The Phase 1 Decision evidence that there is a material overlap in the competitor set for marine does not accurately characterise the market: (i) that almost all of the Parties' competitors said that they could serve all customer segments does not tackle the need to obtain the relevant logistical expertise and track record to operate in this segment, which is the core deal rationale for this Merger; (ii) the fact the Parties generate revenue from all customer segments, with most of their revenue from O&G and MODU, is demonstrative of the historical legacy of O&G and MODU being the largest sources of revenue in the market and marine being a small and growing segment; and (iii) given Aramark's current relative lack of presence in marine, there is no reason why its internal documents would discuss competition for marine separately.⁴⁴

Market shares for marine do not include key competitors

- 3.9 Indeed, the CMA's analysis of the marine market appears to miss relevant competitors in that segment of the market, which results in a significant overstatement of the share of the Parties in a putative UKCS marine market (notwithstanding the fact that there is significant evidence that the geographic market for marine is likely wider than the UKCS – see Section 4 below).

⁴⁰ See Issues Letter Response, para. 5.1(c).

⁴¹ See Annex 259 submitted in response to the s109(5) dated 13 May 2025.

⁴² See Phase 1 Decision, para. 50(b)(iii) and (iv).

⁴³ See Phase 1 Decision, para. 51.

⁴⁴ Despite stating that the Parties' internal documents do not discuss competition for marine customers separately (see Phase 1 Decision, para 51(b)(iii)), the CMA has only cited a single Aramark internal document (see Phase 1 Decision, FN 59).

- 3.10 Regarding this point and in light of the CMA's merger investigation, Entier has decided to track both (i) the POB figures and (ii) the likely catering providers of all energy sector marine vessels operating in the UKCS. Entier does this by using the public Marine Traffic database to track when marine vessels move in and out of UKCS waters. [Redacted].
- 3.11 As shown in the response to the CMA's RFI and Table 4 below, Aramark and Entier's combined estimated UKCS Marine share by POB is [20-30]%, which is significantly less than the 80-90% indicated by the Phase 1 Decision. Furthermore, based on this exercise, Entier believes that OSERV is the largest player in the market with a [30-40]% share, while IFS is the second largest with a [30-40]% share.

Table 4: UKCS Marine Shares by POB (as of 30 July 2025)⁴⁵

Caterer	POB	Share
OSERV⁴⁶	[Redacted]	[30%-40%]
IFS	[Redacted]	[30%-40%]
Entier	[Redacted]	[10%-20%]
Aramark	[Redacted]	[5%-10%]
Sodexo	[Redacted]	[0%-5%]
Total	[Redacted]	

- 3.12 IFS and OSERV have significant shares of the UKCS marine segment, but appear to have few or no contracts with non-marine customers. At the same time, players such as Aramark and ESS hold few contracts for marine customers in the UKCS, and are far more significant competitors for other customer types. As such, while caterers often provide services to both marine and non-marine customers in theory, there are significant differences in the relative strength of competitors in different segments of the market, demonstrating that the competitive dynamics in the marine segment differs considerably to those for other customer types.
- 3.13 The Parties also note that calculating shares of supply in the marine market within a particular geographic area is inherently difficult. First, marine vessels move in and out of geographic areas frequently, so a caterer could appear to have a significant presence in a geographic area one month and then have no to little presence in another. Second, vessels often return to a home port in order to be serviced and so revenues generated during that period will be attributed to the location of that port, even if the vessel's operations are largely in another geographic area. Finally, caterers may book some or

⁴⁵ The underlying calculations for this table have been submitted to the CMA as Annex 304.

⁴⁶ While OSERV are a full-service caterer, the Parties could not determine if they are providing food only service or full-service catering on all of the vessels they supply in the UKCS.

all of the revenues generated by a vessel to the location of the customer's office as opposed to the location(s) in which the vessel operates where the service is provided.

4. THE GEOGRAPHIC MARKET IS AT LEAST THE NORTH SEA

- 4.1 The CMA considered that the appropriate geographic market is the UKCS, which contrasts with how the Parties see the market.
- 4.2 There are a range of factors that confirm the Parties' view that the geographic market is at least the North Sea: (i) the marine business is characterised by highly mobile vessels that travel across geographies and contracts that are accordingly not confined to the UKCS in scope; (ii) the cost and footprint of any local presence for O&G production and MODU is limited and administrative in nature; and (iii) the bidding data shows competitors bid for contracts which are both UKCS and non-UKCS North Sea contracts and customers often tender contracts that are both UKCS and non-UKCS North Sea contracts, implying both supply-side and demand-side substitution from a geographic perspective.⁴⁷
- 4.3 The Parties note the unduly narrow scope of the geographic market considered by the Phase 1 Decision, the UKCS, feeds into the disproportionate shares of supply it relies upon for its analysis (as discussed in Section 2 above). The low margins that market participants earn on contracts in the offshore catering services market and the lack of customer and competitor concern over the Merger are indicative of a broader market and/or set of customer alternatives than currently considered by the CMA, which becomes further apparent when considering a wider geographic frame of reference than the UKCS.
- 4.4 In relation to demand-side substitution, the CMA notes that all competitors have a presence in Aberdeen, which does not mean that competitors located there are there to service the UKCS only.⁴⁸ Aberdeen is one of three global hubs for the provision of offshore catering services and has the necessary infrastructure to enable providers located there to provide such services across the entire North Sea (and beyond), not only within the UKCS (as demonstrated by both Aramark and Entier), so it is unsurprising that the Parties and their competitors have a presence in this location. As noted in one of the customer responses to the CMA's questionnaire, a local presence is not important and what matters is the service provider's ability to provide the full range of services across the entire geographic area.⁴⁹
- 4.5 In relation to supply-side substitution, the CMA stated there are significant barriers to entry, citing laws and regulations (including in relation to labour) and advantages to having scale within the UKCS.⁵⁰ The Parties disagree with this assessment. To the extent there are barriers to entry, they are common in nature across various geographies or where they differ (e.g., applicable national regulations), they are not particularly

⁴⁷ See Issues Letter Response, para. 6.1.

⁴⁸ See Phase 1 Decision, para. 65.

⁴⁹ See Phase 1 Decision, para. 67(a).

⁵⁰ See Phase 1 Decision, para. 72.

material barriers to entry. As noted in the Issues Letter Response, market participants require only a small footprint across the North Sea to service the entire area, with Aramark having offices that provide largely administrative functions and have few employees in Denmark and Norway, and competitors bid for contracts across the UKCS and non-UKCS North Sea.⁵¹

- 4.6 The CMA also acknowledged that some of the same competitors are present in multiple areas of the North Sea, noting, however, that the shares of supply differed between competitors when the North Sea is considered (e.g., with Sodexo holding a higher market share).⁵² The Parties consider this does not necessarily mean the appropriate geographic market should be confined to the UKCS: the nature of the market, characterised by a small number of tender processes, means that the Parties and their competitors will generate relatively different turnovers in different parts of the North Sea depending on which contracts they have won.
- 4.7 In relation to the marine segment in particular, the CMA recognised that “*some marine vessels move between the UKCS and other countries.*”⁵³ The Parties note that in practice an overwhelming majority of their marine vessels move across the entire North Sea and the CMA identifies an “*uncertainty*” here because the provision of offshore catering services to the marine segment necessitates the provision of services across the North Sea, as customers expect the services to be supplied regardless of the current location of their vessel. This aligns with the Parties’ evidence as provided in the Issues Letter Response: Entier contracts with [Redacted] and [Redacted] involved marine vessels moving between a range of global locations and Entier’s available log data demonstrates marine vessels spending a majority of their time outside the UKCS (or even outside the North Sea).⁵⁴

5. CMA DOES NOT AFFORD FULL WEIGHT TO KEY COMPETITORS

- 5.1 The Phase 1 Decision fails to reflect that the market for the provision of offshore catering services is a highly competitive bidding market. The predominantly bidding nature of the market for the provision of catering services means that the key question is whether customers have a sufficient range of credible suppliers to participate in tenders. There are a range of credible alternative suppliers of sufficient scale to bid for contracts, including ESS, Sodexo, Foss, Contrak and Francois, in addition to IFS and OSERV that can and do exercise a strong constraint and win contracts in the marine segment.
- 5.2 The Phase 1 Decision understates at various points the presence and competitive constraint exerted by a number of credible competitors, and states that the CMA asked customers to identify which suppliers they would consider when procuring offshore catering services and then indicate on a scale of 1 to 5 how suitable they considered the supplier to be for their requirements (where 1 indicated “not very suitable” and 5

⁵¹ See Issues Letter Response, para. 6.12.

⁵² See Phase 1 Decision, para. 73.

⁵³ See Phase 1 Decision, para. 75.

⁵⁴ See Issues Letter Response, para. 6.4.

indicated “very suitable”). The CMA then classified a supplier as suitable only where it received a score of 4 or 5.⁵⁵

- 5.3 On this basis, the Phase 1 Decision dismisses a supplier as being unsuitable if the customer gives a score of 3 or less, rather than if the customer clearly rules out the supplier as being suitable. This may result in competitors being unreasonably dismissed altogether. This is particularly the case given the lower end of the scale (“not very suitable”) is likely to be interpreted by respondents as “moderately suitable”.

Sodexo

- 5.4 As noted by the Parties in Section 3 above, the appropriate geographic market in which competition between providers of offshore catering services takes place is the North Sea. Sodexo, as acknowledged by the CMA, has a moderate share of marine offshore catering services in the North Sea (30%-40%) and a material share of non-marine offshore catering services in the North Sea (10%-20%) over a three year period.⁵⁶
- 5.5 Moreover, Sodexo, who is one of the three global industry players, is a frequent bidder on contracts and has an established track record in the industry, both within the UKCS and the broader North Sea, and therefore continues to exert a material competitive constraint on the Parties. The fact that it has recently had less success in the UKCS specifically does not significantly limit the broader competitive constraint it exerts on the Parties when competing for new customers in tender processes. This is evidenced by the responses of customers to the CMA’s questionnaire, a large majority of whom stated they would consider Sodexo when procuring offshore catering services and around two thirds of whom rated Sodexo as a suitable supplier,⁵⁷ as well as Aramark’s understanding that Sodexo have won a contract in August 2025 for the Petrodec Obana, a decommissioning vessel active in the UKCS.⁵⁸
- 5.6 As noted in the Issues Letter Response, Sodexo was historically a market leader in the UKCS (until c. 2015) and remains a global leader in offshore catering services.⁵⁹
- 5.7 Sodexo is therefore, alongside ESS, in practice a significant competitor of the Parties regardless of how the market is defined.

IFS and OSERV

- 5.8 The CMA did not include IFS or OSERV in its share of supply estimates for the marine segment.⁶⁰ The Parties consider that this undermines the analysis of shares of supply in

⁵⁵ See Phase 1 Decision, para 140.

⁵⁶ See Phase 1 Decision, para. 107.

⁵⁷ See Phase 1 Decision, para. 142.

⁵⁸ See <https://www.damen.com/insights-center/news/damen-shiprepair-rotterdam-hosts-ceremony-for-petrodec-obana-platform> for further details.

⁵⁹ See Issues Letter Response, para. 7.2.

⁶⁰ See Phase 1 Decision, para. 105.

the marine segment, as in their experience IFS and OSERV are strong competitors in the North Sea in relation to the marine business.⁶¹ Indeed, as shown in Table 4 above, Entier estimates that these two caterers combined constitute [60-70]% of the share of outsourced marine vessels by POB in the UKCS, and are the two largest players in this segment of the market. As such, these two caterers are significant competitors of the Parties (and, in particular, Entier) for marine contracts.

Conntrak

- 5.9 As regards Conntrak, the CMA considers that the Parties do not monitor it in any meaningful way.⁶² In reality, the evidence suggests that Conntrak poses a further material competitive constraint and growing competitive threat to the Parties. The Parties understand that Conntrak has concrete plans and undertakes specific investments with a view to strategically expanding in the UKCS, having announced in January 2025 that it hired Andrew Thomson (Aramark's former Managing Director of global offshore operations with 18 years' experience and customer relationships) as Managing Director for this region to lead its expansion in the North Sea.⁶³ Aramark internal documents expressly reflect the competitive threat posed by Conntrak having identified the North Sea as their next pursuit.⁶⁴
- 5.10 Furthermore, the CMA's survey of competitors indicated that half of the competitor set saw Conntrak as a rival, a "*moderately strong competitor*"⁶⁵, while one customer has specifically identified Conntrak as an "*experienced management team*" they would consider procuring from.⁶⁶ Conntrak, therefore, is an established rival of the Parties with proven ability, credentials and concrete plans to expand their presence in the North Sea (as further evidenced by their outreach to Aramark to acquire Entier), and as such should be considered a significant competitor of the Parties.

Other competitors

- 5.11 The Parties consider the CMA's Phase 1 Decision similarly underplays other competitors in the market for offshore catering services, such as:
- (a) Francois: as noted in Section 3 above, the bidding data analysis demonstrates Francois bid against each of the Parties more frequently than the Parties bid against each other and it has won three contracts in the UKCS in recent years, maintaining a constant competitive pressure on the Parties. Further, the CMA's

⁶¹ See Issues Letter Response, paras. 6.8 & 7.4.

⁶² See Phase 1 Decision, para. 137 (b).

⁶³ See Phase 1 Decision, para. 158.

⁶⁴ As stated in an internal Aramark document [Redacted] (submitted to the CMA as Annex 462).

⁶⁵ See Phase 1 Decision, para. 151.

⁶⁶ See Phase 1 Decision, para. 176.

own suitability evidence indicates that Francois is a credible competitor, despite its current low market share.

- (b) COOR: as noted in para. 2.6 above, COOR is a stable market participant that has provided offshore catering services to Equinor for a decade and successfully retained what is currently a very significant contract (c. GBP 19 million per annum).
- (c) Foss: the CMA's own share of supply estimates indicate Foss is a material and expanding marine competitor even when the geographic market is unduly confined to the UKCS, with a share of supply of 10%-20% in 2024 (from 0%-5% in 2022).⁶⁷ The CMA also notes that Foss won half the tenders it bid for, which, regardless of its lower participation in tenders compared to the Parties and ESS, confirms it is a credible competitive force against the Parties and ESS.

6. BARRIERS TO ENTRY AND EXPANSION ARE OVERSTATED IN THE PHASE 1 DECISION

- 6.1 The CMA's Phase 1 assessment of the barriers to entry and expansion appears to overlook key market realities and may not fully reflect the evidence provided by the Parties. The Phase 1 Decision indicates that there are "*significant barriers to entry and expansion in the supply of offshore catering services in the UKCS*".⁶⁸ It is not clear to the Parties what evidence the CMA has relied on in reaching this conclusion, which runs contrary to their experience and evidence provided, as none of the factors outlined in paragraph 31(a) of the Issues Letter represents a significant barrier to entry or expansion, for the reasons set out below.
- 6.2 Firstly, as described in Section 2 above, the market is characterised by contracts with low margins, which does not credibly align with the CMA's view of a narrow geographic market comprising few players with high shares of supply that leverage their advantages of scale and high barriers to entry. In reality, the Parties consider that the geographic market comprises the North Sea (rather than merely the UKCS) and other competitors can win new contracts and materially expand shares of supply throughout the North Sea in the event the Parties attempted to raise prices, thus creating the competitive pressure that currently maintains (and in future would maintain) low margins throughout the sector. In addition, as contracts are typically cost-reimbursable, customers have a significant insight into suppliers' cost structures and the margins which suppliers will earn on the contracts, enabling customers to tightly control suppliers' margins in tender processes.
- 6.3 Secondly, a majority of competitors responded to the CMA's questionnaire indicating they intended to expand in the UKCS. Even if none "*identified any concrete next steps to developing their business offerings*", the Parties understand that Conntrak has concrete plans and undertakes specific investments (see para 5.9 above re. the hire of Andrew Thomson) in this region. One customer has specifically identified Conntrak as

⁶⁷ See Phase 1 Decision, paras. 95 and 99 and Table 2.

⁶⁸ See Phase 1 Decision, para. 72.

an “*experienced management team*” they would consider procuring from.⁶⁹ This is clearly indicative of the barriers to expansion being low for existing players, otherwise it is unclear why they would intend to expand in the UKCS in the future, and supports the Parties’ views in the Issues Letter Response that there are a range of entry and expansion plans by competitors.⁷⁰

- 6.4 Thirdly, the main reason cited in the Phase 1 Decision appears to be scale. However, the CMA does not provide its own assessment as to why this statement might be valid in light of the available evidence. It is unclear what type of scale is being referred to—whether capital, labour force, kitchen facilities, or another factor. As submitted in the Issues Letter Response, scale does not provide particularly significant benefits to a market participant given: (i) the *de facto* monopoly held by Strachans of the supply of raw materials in the UKCS reduces the ability of the Parties to cut costs through scale; (ii) the operators in the UKCS have relatively small numbers of employees and therefore building a presence in Aberdeen, to the extent required, would not require substantial financial resources; (iii) there is limited onerous national regulation and membership of the COTA trade association is easy to obtain. The Phase 1 Decision does not adduce any new evidence that counters the foregoing arguments the Parties submitted in the Issues Letter Response.⁷¹
- 6.5 Finally, the CMA quoted two Aramark and one Entier internal documents in support of its position when, as set out in further detail below, they either do not provide sufficient evidence that this is the case or indeed are supportive of the Parties’ views that barriers to entry are low:
- (a) the CMA quotes two Aramark internal documents which respectively state that “[Redacted] the time required to establish a team would take too long and introduce risk”, and “[Redacted]”.⁷² These two Aramark documents taken together are supportive of the low barriers to entry as demonstrated by the fact that Aramark was able to easily acquire such a team for a relatively small investment (*i.e.*, the [Redacted] acquisition price of Norsk Offshore Catering) to improve its offering in future bidding processes; and
 - (b) the CMA quotes an Entier internal document where Entier was presenting the benefits of economies of scale [Redacted] and RFI response where Entier [Redacted].⁷³ This however pertains to economies of scale that Entier derives from its position as a specialist provider of offshore catering services as opposed to a customer self-supplying, not as opposed to other competitors in this market.

⁶⁹ See Phase 1 Decision, para. 176.

⁷⁰ See Issues Letter Response, Section 7.

⁷¹ See Phase 1 Decision, para. 157 and Issues Letter Response, paras. 7.8-7.15.

⁷² See Phase 1 Decision, para. 72. The relevant Aramark internal documents are Annex 167 to the Enquiry Letter response, “[Redacted]”, page 2; and Annex 129 to the Enquiry Letter Response, “[Redacted]”, 15 July 2023, slide 21.

⁷³ See Phase 1 Decision, para. 106 and footnote 129, which cites the relevant Entier document, Annex 223 to the Enquiry Letter Response, “[Redacted]”, March 2023, slide 2.

7. CUSTOMER AND COMPETITOR FEEDBACK DOES NOT SUPPORT THE CMA'S CONCLUSIONS

- 7.1 The feedback the CMA has received from customers and competitors aligns with the Parties' views that the Merger does not give rise to an SLC.
- 7.2 Only two customers expressed concerns over the Merger.⁷⁴ Customers are sophisticated commercial companies who are fully aware of their cost base and the price of outsourced offshore catering services, and therefore this supports the Parties' view that in practice they will have limited ability to raise prices or degrade service quality following the Merger.
- 7.3 Similarly, the CMA stated a majority of competitors did not express concerns regarding the Merger, who therefore do not seem to consider the Merged Entity to present a significantly increased competitive threat post-Merger.⁷⁵
- 7.4 Given the CMA's outreach and level of sophistication of the customers, if the Merger really did give rise to a realistic expectation of an SLC, the Parties would have expected the CMA to receive more negative feedback than appears to be the case.

8. CONCLUSION

- 8.1 In light of the above, the CMA's Phase 1 Decision does not effectively demonstrate that the Merger has resulted in, or may be expected to result in, an SLC. The Phase 1 Decision fails to take into account the number of credible competitors, the evolving nature of the market towards the marine segment, the lack of close competition between the Parties, the correct geographic frame of reference, and the true level of barriers to entry and expansion.
- 8.2 The feedback gathered by the CMA in its market investigation supports the Parties' view that the Merger does not raise competition concerns, with a clear majority of both customers and competitors expressing no concerns over the Merger.
- 8.3 In summary, there will remain ample third-party catering services switching options available to customers, there are no material barriers to customers switching and, in consequence, these highly sophisticated customers will continue to be able to take full advantage of their buying power to continue to obtain catering services at competitive prices and on competitive terms. Given the absence of substantive competition concerns due to these market dynamics, the Parties consider that the CMA should clear the Merger unconditionally.

⁷⁴ See Phase 1 Decision, para. 147.

⁷⁵ See Phase 1 Decision, para. 160.