

MEDIA RELEASE



30 August 2022

IVE's acquisition of Ovato not opposed

The ACCC will not oppose IVE Group's (ASX: IGL) proposed acquisition of Ovato Limited (ASX: OVT).

IVE and Ovato overlap in heatset web-offset printing, which is used to produce a range of printed materials in Australia, including magazines and retail catalogues.

Ovato has been in voluntary administration since 21 July 2022.

In accordance with the ACCC's [Merger Guidelines](#), the ACCC investigated whether Ovato is in a 'failing firm' situation which would result in Ovato's operations and assets leaving the market if the proposed acquisition did not proceed.

"Despite the proposed acquisition combining the two largest providers of heatset web-offset printing in Australia, we reached the view that IVE was the only viable purchaser of Ovato, and that if this acquisition did not go ahead, the administrators would have to liquidate Ovato's assets," ACCC Deputy Chair Mick Keogh.

"While in some cases the liquidation of assets can result in a more competitive outcome than a sale to a competitor, for example if those assets are purchased by potential competitors, in this case we concluded that Ovato's printing assets would be sold to overseas purchasers or sold for scrap. The ACCC considered there was not a real chance the heatset web offset printing assets would continue to be operated by any other firm,"

"The feedback we received from several customers was that while they were concerned that IVE would be their only option, they were more concerned with the impact on printing capacity if Ovato's assets were liquidated,"

"Asset or business sales by administrators are subject to the same substantial lessening of competition test as any other transaction. As there was no real chance that Ovato or its assets would continue operating in the market without the proposed acquisition, we consider the proposed acquisition is unlikely to substantially lessen competition."

Further information is available at: [IVE Group - Ovato Limited](#)

Background

IVE is a publicly listed Australian marketing and print-communications company. IVE's offering includes the printing and distribution of brochures, catalogues, magazines, marketing and corporate communications materials.

Ovato Limited is a publicly listed Australian print services company (formerly known as the PMP Group). Print Australia is Ovato's only remaining business unit, which provides a range of printing services, including catalogue printing, mass market and special interest magazine and newspaper printing.

In June 2022, the [ACCC announced it would not oppose Opus Group's acquisition of Ovato's book printing business](#).

Media enquiries: 1300 138 917

Email: media@accc.gov.au

[accc.gov.au/media](https://www.accc.gov.au/media)