



# MEDIA RELEASE

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**22 October 2020**

## **Alsco withdraws bid for Spotless Garments**

Alsco Pty Ltd has withdrawn its request for informal merger clearance by the ACCC of its proposed acquisition of Spotless Laundries' garment laundering business (Spotless Garments). Spotless Garments is part of Spotless Group Holdings Limited which is wholly-owned by Downer EDI Limited (ASX:DOW).

Alsco and Spotless Garments are major suppliers of hiring, cleaning and delivery services for garments across Australia.

The ACCC began its informal merger review on 9 June 2020 and expressed preliminary concerns about the transaction [on 8 October 2020](#).

The ACCC's preliminary view was that the proposed acquisition would likely substantially lessen competition in the supply of commercial laundry services for garments in each Australian state, as well as in multi-state markets.

The ACCC's investigation indicated that Alsco and Spotless Garments were the two largest garment laundry suppliers in most states, and the only two major suppliers offering garment laundering services across multiple states.

"We were concerned Alsco's closest competitor in garments laundering would be removed, leaving garments customers with few comparable suppliers in terms of scale and geographic reach," ACCC Commissioner Stephen Ridgeway said.

"Mergers between close competitors in already-concentrated markets will attract ACCC scrutiny."

"During COVID-19, the ACCC remains focused on rigorously assessing proposed mergers to ensure Australia's economic recovery is supported by competitive markets," Mr Ridgeway said.

The ACCC's separate merger review into South Pacific Laundry's proposed acquisition of Spotless Laundries is continuing.

## **Background**

Alsco and Spotless Garments both offer commercial laundry services for garments – such as uniforms and workwear used in manufacturing, industrial and food services industries – in multiple states and territories across Australia.

Alsco is owned by Alsco Inc., a company based in the United States, and Spotless Garments is the garment laundry business of Spotless Laundries, which is part of Spotless Group Holdings. Spotless Group Holdings is wholly-owned by Downer EDI Limited.

The ACCC's Statement of Issues is available on our [public register](#).

South Pacific Laundry is separately bidding to acquire Spotless Laundries. The ACCC continues to consider that transaction and further information is available at [South Pacific Laundry – Spotless Laundries](#).

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