



MEDIA RELEASE

10 March 2022

CCCS consults on the Proposed Acquisition by Entegris, Inc. of CMC Materials, Inc.

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) is inviting public feedback on the proposed acquisition (the “**Proposed Transaction**”) by Entegris, Inc. of CMC Materials, Inc. (collectively, “**the Parties**”).
2. CCCS accepted an application from the Parties for a decision on the Proposed Transaction on 2 March 2022. CCCS is now assessing whether the Proposed Transaction, if carried into effect, would infringe section 54 of the Competition Act 2004, which prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore.

The Parties

Entegris, Inc.

3. Entegris, Inc. is a global developer, manufacturer and supplier of micro-contamination control products, specialty chemicals and materials handling solutions for manufacturing processes in the semiconductor and other technology industries.¹ Entegris Inc. operates in three business segments: Specialty Chemicals and Engineered Materials, Advanced Materials Handling and Micro-contamination Control.
4. Entegris, Inc. engages in the same business segments in Singapore as it does globally. In Singapore, its registered entities are Entegris Asia Pte. Ltd. and Entegris Singapore Pte. Ltd. It trades under the name of “Entegris”. Entegris has an office and small laboratory facility in Singapore.

CMC Materials, Inc.

¹ Entegris, Inc. is a stock corporation incorporated in Delaware, United States, and is listed on NASDAQ under the ticker “ENTG”.

5. CMC Materials, Inc. is a global supplier of consumable materials to semiconductor manufacturers and pipeline companies.² CMC Materials, Inc. operates in two business segments: Electronic Materials and Performance Materials.
6. CMC Materials, Inc. engages in the same business segments in Singapore as it does globally. In Singapore, its registered entities are CMC Materials Asia Pte. Ltd., CMC Materials EC Pte. Ltd., and CMC Materials Singapore Pte. Ltd. It trades under the name of “CMC Materials”. CMC Materials Asia Pte. Ltd. carries out the manufacture, sales and support of high-performance electronic material chemicals polishing products and services, as well as research and development of high-performance electronic material chemicals, while CMC Materials Singapore Pte. Ltd. manufactures and trades ultra-pure chemicals.

The Proposed Transaction

7. The Proposed Transaction is a cash and stock transaction, with an enterprise value of approximately USD6.5 billion, in which Entegris, Inc. will acquire all of the shares in CMC Materials, Inc.
8. The Parties submitted that Entegris, Inc. and CMC Materials, Inc. overlap in Singapore in the supply of:
 - (a) Chemical Mechanical Planarization (“**CMP**”) Slurries, which is used in the semiconductor manufacturing industry only; and
 - (b) Cleaning solutions (“**Cleans**”), which is used principally in the semiconductor manufacturing process but can also be used in adjacent industries that have similar manufacturing processes (e.g. manufacture of flat panel displays, hard disk drives and photovoltaics).
9. The Parties submitted that CMC Materials, Inc. supplies CMP pads, which are only used in the semiconductor manufacturing industry, and that Entegris, Inc. occasionally resells a small amount of CMP pads manufactured by others, per customers’ special request and not as part of active sales or marketing. Hence, the Parties do not regard CMP pads to be an overlapping product, given the small amount of resale by Entegris, Inc. Furthermore, customers could choose to purchase the CMP pads from the original supplier instead of obtaining them from Entegris, Inc.
10. The Parties also submitted that Entegris, Inc. supplies small amounts of liquid containers (also known as “**drums**”) and liquid filters to downstream customers globally,

² CMC Materials, Inc. is a stock corporation incorporated in Delaware, United States, and is listed on NASDAQ under the ticker “CCMP”.

including to CMC Materials, Inc. for fluid transport and handling as well as chemical manufacturing.

11. In view of the above, the Parties submitted that the relevant markets are in the global supply of:

- a. CMP Slurries; and
- b. Cleans,

collectively, the “**Relevant Markets**”.

12. According to the Parties, the Proposed Transaction will not result in a substantial lessening of competition in Singapore for the following reasons:

- a. The combined entity’s ability to raise prices in the Relevant Markets is constrained, as the Parties will continue to face intense competitive restraints from various existing strong competitors, as well as from new and potential entrants, post-Proposed Transaction. In addition, the Parties will continue to face significant countervailing buyer power from customers. The same factors apply in respect of CMP pads;
- b. Coordination between market players is unlikely as the Relevant Markets are fragmented, highly competitive and face low barriers to entry and expansion. Customers also have significant bargaining power and multi-product relationships with their suppliers, which make coordination (as well as the monitoring of it) difficult and unsustainable;
- c. Foreclosure of competitors on either the upstream or the downstream markets, either globally or in Singapore, is unlikely as the combined entity lacks the ability or incentive to do so, given the small presence of Entegris, Inc. in the highly fragmented drums as well as liquid filters markets globally and the small amount of sales between the Parties; and
- d. Adverse competition effects in respect of supplying CMP pads and CMP Slurries as a bundle, as well as supplying CMP pads and Cleans as a bundle, is unlikely as neither CMP Slurries nor Cleans are sold as a bundle with CMP pads. Further, there is strong competition from other suppliers, who also have multi-product relationships with their customers and the market share of CMP pads for CMC Materials, Inc. is modest.

Public Consultation

13. CCCS is inviting public feedback on the Proposed Transaction from 10 March 2022 to 2pm on 23 March 2022.
14. More information on the public consultation can be accessed and downloaded from the CCCS website at www.cccs.gov.sg under the section "[Public Consultation](#)". If the submission or correspondence contains confidential information, please also provide CCCS with a non-confidential version of the submission or correspondence.

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About the Competition and Consumer Commission of Singapore (CCCS)

The Competition and Consumer Commission of Singapore ("CCCS") is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act 2004 which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop and/or prevent anti-competitive activities and impose financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act 2003 which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for business and consumers in Singapore.

For more information, please visit www.cccs.gov.sg.

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