COMPETITION & CONSUMER COMMISSION | SINGAPORE

Section 57 of the Competition Act 2004

Grounds of Decision issued by the Competition and Consumer Commission of Singapore

In relation to the proposed merger of Analogic Corporation and Leidos, Inc's Security Enterprise Solutions and Industrial and General Automation businesses

Date: 2 September 2026

Case number: CCS 400-140-2026-007

Confidential information in the original version of this Decision will be redacted from the published version on the public register. Redacted confidential information in the text of the published version of the Decision is denoted by [✂].

I. Introduction

1. On 14 July 2026, the Competition and Consumer Commission of Singapore ("**CCS**") accepted a joint application by Analogic Corporation ("**Analogic**") and Leidos, Inc. ("**Leidos**")'s Security Enterprise Solutions and Industrial and General Automation ("IA") businesses ("**SES/IA Business**") (collectively, the "**Parties**") for a decision pursuant to s 57 of the Competition Act 2004 (the "**Act**") as to whether the proposed merger between Analogic and Leidos's SES/IA Business (the "**Proposed Transaction**"), if carried into effect, will infringe s 54 of the Act which prohibits mergers that substantially lessen competition in any market in Singapore.

2. In reviewing the Proposed Transaction, CCS conducted a public consultation from 22 July 2026 to 5 August 2026 and sought feedback from various stakeholders, including competitors and customers. Feedback received generally suggested that the Proposed Transaction would not materially reduce competitive constraints on the Parties.

3. At the end of the consultation process and after evaluating the available information, CCS has concluded that the Proposed Transaction, if carried into effect, would not infringe s 54 of the Act.

II. The Parties

4. Globally, Analogic is active in the design, development, manufacturing and support of advanced imaging and detection solutions as well as power and automation systems. In aviation security globally, Analogic is active in cabin baggage Explosive Detection Systems ("**EDS**") and checked baggage EDS.[1]

5. Globally, Leidos provides scientific, engineering, systems integration and technical services to customers in heavily regulated industries, with a primary focus on the national security, defence and health sectors.[2] The Security Enterprise Solutions business supplies including to Singapore, advanced security screening, threat-detection and inspection solutions used at airports, critical infrastructure, ports and borders, including cabin baggage EDS and checked baggage EDS within the aviation security sector. The Industrial Automation business provides turnkey manufacturing automation solutions, control, and systems integration to a range of commercial industries. The General Automation business provides machine tooling services for the automotive industry.[3]

[1] Paragraph 10.8 of Form M1.
[2] Paragraph 10.10 of Form M1.
[3] Paragraph 10.11 of Form M1.

6. The Parties' aviation security business in Singapore relates to the supply of checked baggage EDS and cabin baggage EDS.[4]

III. Competition issues

7. The Parties submitted that they overlap in the supply of (i) checked baggage EDS and (ii) cabin baggage EDS, (collectively, the "**Overlapping Goods and Services**") in Singapore.[5] The Overlapping Goods and Services include the after-market services.[6]

8. Given the horizontal overlap between the Parties for the Overlapping Goods and Services, CCS's assessment of the Proposed Transaction considered the potential non-coordinated[7] and coordinated effects[8] arising from the Proposed Transaction. CCS also examined potential vertical effects as some competitors suggested that the merged entity may restrict the supply of after-market services.

IV. Relevant markets

9. Based on the information provided by the Parties and feedback from the third parties, for the purposes of assessing the Proposed Transaction, CCS focused on the global-to-Singapore supply of:

   a. Checked baggage EDS including after-market services; and

   b. Cabin baggage EDS including after-market services.

   (collectively, the "**Relevant Markets**").

V. Competition assessment

10. CCS notes that the Relevant Markets are markets characterised by infrequent procurement by way of tender bids. Thus, market shares may be less indicative of competitive constraints on the Parties post-Proposed Transaction as compared to other factors which are elaborated below.

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[4] Paragraphs 10.12 and 10.13 of Form M1.
[5] Paragraphs 15.1 and 15.2 of Form M1.
[6] Paragraph 15.3 of Form M1. After-market services encompass the provision of training services, spare parts and consumables, maintenance and other after-sales services (e.g., upgrading) for each of checked baggage EDS and cabin baggage EDS.
[7] Non-coordinated effects arise when there is a loss of competition between the merging parties and the merged entity finds it profitable to raise prices, reduce quality, or output or innovation.
[8] Coordinated effects arise if the merger raises the possibility of firms in the market coordinating their behaviour to raise prices, reduce quality, or output or innovation.

11. Based on information received, CCS assessed that the Proposed Transaction is unlikely to give rise to non-coordinated or coordinated effects in Singapore, for the following reasons:

    a. The Parties will continue to face competition in Singapore from many global EDS suppliers post-Proposed Transaction. The Proposed Transaction is unlikely to affect the ability or incentive of competitors to participate in EDS tenders alongside the merged entity. Competitors with certified EDS products have been participating in EDS tenders over the years despite unsuccessful attempts. The Parties' only customer in Singapore[9] would continue to have access to other EDS suppliers post-Proposed Transaction who are capable of supplying the Overlapping Goods and Services.

    b. The Parties' only customer in Singapore would continue to exert significant countervailing buyer power on the merged entity post-Proposed Transaction. The customer would continue to have access to other EDS suppliers post-Proposed Transaction and any attempts by the Parties to exert any increase in market power would adversely affect the competitiveness of their tender submissions vis-à-vis other competitors.

    c. Low degree of market transparency. Competition in the Relevant Markets take place by way of tenders that are called infrequently. Tender bid submissions are confidential which reduces the ability of competitors to coordinate on bid prices.

12. The Parties also submitted that [✂] and there would not be a loss of competition in checked baggage in Singapore post-Proposed Transaction.[10] CCS is of the view that this is insufficient to conclude that there would not be a loss in competition for checked baggage EDS in Singapore post-Proposed Transaction. In this regard, CCS notes that the Parties submitted that significant new tenders for checked baggage EDS in Singapore are not expected until at least 2030 and separately provided an estimated timeframe of three years for a new entrant to develop a checked baggage screening platform before commercial deployment opportunities were possible.[11] Thus, in the absence of the Proposed Transaction, the Parties may compete in future checked baggage EDS tenders in Singapore.

13. Based on information received, CCS assessed that the Proposed Transaction is unlikely to give rise to vertical effects in Singapore. Specifically, CCS notes that the Proposed Transaction does not change the ability or incentive for Analogic to restrict the supply of

[9] As submitted at paragraph 33.1 of Form M1, the Parties' only customer in the Relevant Markets is Changi Airport Group.
[10] Paragraph 36.4 of Form M1.
[11] Paragraph 36.4 of Form M1 and paragraphs 9.3 and 9.4 of the Parties' response dated 3 August 2026.

after-market services to competitors. The ability exists pre-Proposed Transaction and the merged entity may have limited financial incentives to forego revenue from the supply of after-market services post-Proposed Transaction.

VI. Ancillary Restrictions

14. The Parties submitted a set of non-compete and non-solicitation restrictions and explained that these restrictions are directly related to the Proposed Transaction, but ancillary to the Proposed Transaction as they are necessary for the implementation of the Proposed Transaction to protect the full value of the Target (i.e. SES/IA Business of Leidos).[12]

15. CCS considers that the non-compete restrictions are necessary and directly related to the Proposed Transaction as its scope is proportionate to and economically connected with the Proposed Transaction. However, for the non-solicitation restrictions, CCS considers that the information provided by the Parties[13] does not fully explain why it is necessary and essential to the Proposed Transaction for the non-solicitation restrictions to cover [✂] of the combined entity.

16. In view of the above, CCS concludes that only the non-compete restrictions constitute ancillary restrictions which benefit from the exclusion under paragraph 10 of the Third Schedule to the Act, insofar as they apply to Singapore.

VII. Conclusion

17. For the reasons above and based on the information available, CCS has assessed that the Proposed Transaction, if carried into effect, would not lead to a substantial lessening of competition in Singapore and consequently, would not infringe s 54 of the Act.

18. In accordance with s 57(7) of the Act, the decision will be valid for a period of one year from the date of CCS's decision.

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[12] Paragraphs 46.1 to 46.13 of Form M1.
[13] Paragraphs 4.1 and 4.2 of the Parties' response dated 21 August 2026 and paragraphs 11.1 to 11.3 of the Parties' response dated 3 August 2026.