

DETERMINATION OF MERGER NOTIFICATION M/24/034 – PCI/CERTAIN ASSETS OF WASDELL

Section 21 of the Competition Act 2002

Proposed acquisition by Millmount Healthcare Limited (t/a PCI Pharma Services) of certain assets of Wasdell Europe Limited.

Dated 04 July 2024

1. On 17 June 2024, in accordance with s18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission received a notification of a proposed acquisition, whereby Millmount Healthcare Limited (trading as PCI Pharma Services (“PCI”)), a company in the PCI Pharma Services Group (“PCI Group”), would acquire a 90,000ft² pharmaceutical packaging and storage facility located in Dundalk, County Louth and certain related assets (“the Target Assets”) from Wasdell Europe Limited (“Wasdell”), a wholly-owned subsidiary of Wasdell Holdings Limited (together, PCI and Wasdell are referred to as the “Parties”) (the “Proposed Transaction”).
2. The Proposed Transaction is to be implemented by way of an Asset Purchase Agreement (“APA”)¹ dated 31 May 2024. Pursuant to the APA, it is intended that PCI will purchase the Target Assets. PCI will not acquire any goodwill, employees, customers, stocks, debtors, creditors, contract or cash under the APA. Accordingly, the Proposed Transaction is not an acquisition of the business currently carried on by Wasdell, or the business previously carried on by Wasdell at the Target Assets.
3. The Parties are involved in the following business activities:

The PCI Group:

¹ The APA is between PCI, Wasdell, and Wasdell Holdings Limited.

- The PCI Group is a contract development and manufacturing organisation (“CDMO”) headquartered in Philadelphia, United States. It offers a full suite of drug development and manufacturing services to the pharmaceutical industry (“CDMO services”), including pharmaceutical development and manufacturing, clinical trial services, and outsourced packaging and delivery. It operates thirty good manufacturing practices (“GMP”) facilities in fifteen locations, including the US, the UK, Canada, Ireland, Germany, and Australia.
- In the State, the PCI Group supplies CDMO services through two GMP facilities located in Drogheda, County Louth, and Stanmullen, County Meath. The PCI Group’s activities in Ireland are primarily comprised of the supply of outsourced packaging services for finished dose pharmaceuticals (“FDPs”), clinical trial services and analytical lab services in Ireland. FDPs are pharmaceutical products that have undergone all stages of production, including packaging in the final container and labelling.

The Target Assets:

- The assets to be acquired are owned by Wasdell. The Target Assets comprise a 90,000ft² pharmaceutical packaging and storage facility located in Dundalk, County Louth, as well as all fixed plant, furniture, tools and equipment located at the facility.

Wasdell

- Wasdell offers end-to-end supply chain services in respect of pharmaceutical products (OTC pharmaceuticals, generic pharmaceuticals and nutraceuticals). Wasdell operates across multiple sites in Europe and ships to over 47 countries across the world.
- With respect to CDMO services at the Target Assets, Wasdell is currently engaged in the supply of outsourced packaging for FDPs at the facility. However, Wasdell’s operations in the State are in the process of being wound down [...]. As a result of [...], Wasdell decided to sell the Target Assets.

Assessment

4. After examination of the notification, the Commission has concluded that the Proposed Transaction falls within the scope of paragraph 2.1 of the Simplified Merger Notification Procedure Guidelines for assessing certain notifiable mergers or acquisitions under section 18(1)(a) of the Act since:
 - two or more of the undertakings involved in the merger or acquisition are active in the same product and geographic market, but their combined market share is less than 15%.

5. In the light of this, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

6. No ancillary restraints were notified.

Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition whereby Millmount Healthcare Limited (trading as PCI Pharma Services), a company in the PCI Pharma Services Group, would acquire a 90,000ft² pharmaceutical packaging and storage facility located in Dundalk, County Louth and certain related assets from Wasdell Europe Limited, a wholly-owned subsidiary of Wasdell Holdings Limited, will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

Ibrahim Bah

Director

Competition Enforcement and Mergers