

# DETERMINATION OF MERGER NOTIFICATION M/24/043 – LDC/MEDRAY

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## Section 21 of the Competition Act 2002

### Proposed acquisition by funds managed and controlled by LDC (Managers) Limited of negative control of Medray Imaging Systems Limited.

Dated 13 August 2024

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1. On 26 July 2024, in accordance with s18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed acquisition whereby LDC XIII LP and LDC Parallel XIII LP, (the “LDC Funds”) funds managed by LDC (Managers) Limited (“LDC”), through its solely controlled company, Project Drive Bidco Limited (“Irish Bidco”), would acquire sole control of Medray Imaging Systems Limited and its subsidiaries, namely; Medray (UK) Limited, Alterior Limited, Nantricon Limited, CRQ Limited, Downwood Limited and Leaf Medical Limited (together, the “Target Group”) (the “Proposed Transaction”).
2. The Proposed Transaction will be implemented pursuant to three agreements:
  - A share purchase agreement (the “SPA”) dated [...] pursuant to which Irish Bidco will acquire the entire issued share capital of the Target Group;
  - An investment agreement (the “Investment Agreement”) dated [...] between the LDC Funds, LDC, Irish Bidco, certain private individuals<sup>1</sup> and Project Drive Topco Limited (“UK Topco”), the parent company of Irish Bidco, in relation to an investment in UK Topco; and
  - A management services agreement between UK Topco and certain companies of the Target Group.

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<sup>1</sup> [...]

Following the implementation of the Proposed Transaction, the LDC Funds will acquire negative control of the Target Group.

3. The Parties are involved in the following business activities:

*The acquirer - The LDC Funds/LDC*

- The LDC Funds are limited liability partnerships managed by LDC. LDC is a private equity company incorporated in England and Wales which is active globally via [...] Portfolio Companies (the “LDC Portfolio Companies”).<sup>2</sup>
- LDC is a wholly owned subsidiary of the Lloyds Banking Group plc. (“Lloyds”), a financial services group focused on retail and commercial customers. The Parties submit that LDC, however, operates independently and without influence from the operations of Lloyds.

Irish Bidco is an entity that has been newly incorporated for the purposes of acquiring the Target Group.

*The Target Group*

- The Target Group provides medical imaging equipment, consumables and related services to the healthcare, veterinary and dental sectors in the State and to the healthcare and dental sectors in the United Kingdom.
- The Target Group is currently controlled by Erisbeg GP on behalf of Erisbeg I LP, a private equity fund.

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

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<sup>2</sup>In the State, LDC is active, via [...] LDC Portfolio Companies, in: consumer, ICT, business services, media, technology, industrials, and healthcare sectors.

18(1)(a) of the Act since the Proposed Transaction does not give rise to any horizontal overlaps or vertical relationships between the LDC's portfolio companies and the Target Group's activities in the State.

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. The Commission notes that Clause 14.1.1 the SPA contains a non-compete obligation on the Vendors. The scope of the obligations does not exceed the maximum duration acceptable to the Commission.<sup>3</sup>

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<sup>3</sup> In this respect the Commission follows the approach adopted by the European Commission in paragraphs 20 and 26 of its Notice on restrictions directly related and necessary to concentrations (2005) OJ C56/03. For more information see [http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=EN](http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=EN).

## **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 LDC XIII LP and LDC Parallel XIII LP, which are funds managed and controlled by LDC (Managers) Limited, would acquire sole control of Medray Imaging Systems Limited and its subsidiaries 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**