

DETERMINATION OF MERGER NOTIFICATION M/24/057 – DCC/ISKUS HEALTH

Section 21 of the Competition Act 2002

Proposed acquisition by DCC plc, through its wholly owned subsidiary B.M. Browne (Holdings) Limited, of sole control of Iskus Health Holdings Limited

Dated: 13 November 2024

Introduction

1. On 3 October 2024, in accordance with section 18(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 DCC plc (“DCC”), through its wholly owned subsidiary B.M. Browne (Holdings) Limited (“B.M. Browne”), would acquire the entire issued share capital, and thus sole control, of Iskus Health Holdings Limited (“Iskus Health”) (the “Proposed Transaction”).¹

The Proposed Transaction

2. The Proposed Transaction is to be implemented by way of a share purchase agreement dated 24 September 2024, between three individuals (Alan Tate, Michael Dempsey and Stuart Murray) (the “Sellers”) and B.M Browne (Holdings) Limited (the “SPA”). Following the Proposed Transaction, DCC, via its wholly owned subsidiary B.M. Browne, will acquire the entire issued share capital, and thus sole control, of Iskus Health from the Sellers.

The Undertakings Involved

The Acquirer – DCC

3. DCC is an international sales, marketing, distribution and business support services group, operating across three primary divisions: (i) Energy; (ii) Technology; and (ii) Healthcare. It has a business presence in 22 countries, most prominently in the State, the United Kingdom, France, Germany and Switzerland, and sells into approximately 120 countries.

¹ DCC and Iskus Health are referred to collectively in this determination as the “Parties”.

4. B.M. Browne is a part of DCC's Healthcare division. This division comprises a sales and distribution business unit, Fannin Limited ("Fannin"), international medical supplies and primary care units, and a health and beauty solutions unit. Fannin supplies medical and surgical devices and medicinal products across a range of therapeutic areas to the hospital, GP and retail pharmacy sector. It supplies both established brands, own-brand products and generic products, including medical supplies manufactured by other DCC Healthcare entities.
5. For the financial year ending 31 March 2024, DCC's total worldwide turnover was approximately €23.01 billion, of which approximately €2.41 billion was generated in the State.²

The Target – Iskus Health

6. Iskus Health is the holding company of two wholly-owned trading companies, Iskus Health Limited and Iskus Health UK Limited (together, the "Target Group"). The Target Group is an independent supplier of medical and surgical devices, medicinal products and consumables. The Target Group operates in the State and in the United Kingdom and specialises in the "sales, marketing, clinical education and distribution of single-use, sterile, medical and surgical devices."³
7. For the financial year ending 31 May 2023, the Target Group's total worldwide turnover was approximately €18.4 million, of which €[...] million was generated in the State.⁴

Rationale for the Proposed Transaction

8. In the merger notification form, the Parties state:

"DCC considers that Iskus Health represents a complementary addition to its medical and surgical devices and consumables supply activities."⁵

Third-Party Submissions

9. No third-party submissions were received.

² Merger notification form, paragraph 3.2. Euro figures were calculated using the ECB average annual exchange rate for the year to 31 March 2024 (GBP 1 – EUR 1.1587).

³ Merger notification form, paragraph 1.1.

⁴ Merger notification form, paragraph 3.2.

⁵ Merger notification form, paragraph 2.6.

Industry Background

10. The category of “medical supplies” encompasses medical and surgical devices and medical equipment, referring to a variety of items used for patient diagnosis, care, or treatment, including surgical procedures, but excluding pharmaceuticals. A specific subset within this category is “medical consumables,” which are generally non-durable items. Aside from certain equipment like diagnostic machines, most “medical consumables” are designed for single use.
11. The majority of medical supplies are subject to public procurement processes. In the case of both DCC’s and the Target Group’s largest customers (namely, the Health Service Executive (“HSE”) in the State and the National Health Service (“NHS”) in Northern Ireland), the relevant frameworks provide that these customers will seek to source supplies from a number of competing distributors and manufacturers.⁶
12. Agreements with other customers (including private hospitals, GPs, and pharmacies), which typically operate on a relatively short-term (e.g., 12-month) basis, may contain exclusivity or principal supply arrangements.
13. The medical supplies industry is governed by EU and Irish standards for the supply of medical devices.⁷ There are distinct EU and Irish regulatory requirements for “medicinal products”, which do not pertain to the Proposed Transaction.

Competitive Analysis

Horizontal overlap

14. There is a horizontal overlap between the Parties as they are both active in the distribution of medical supplies.

Relevant Markets

Product market

⁶ With respect to the State, detailed information regarding HSE procurement can be found at the following link: <https://www.hse.ie/eng/about/who/finance/nationalfinance/procurement/>. Similarly, in relation to Northern Ireland, detailed information regarding NHS procurement practices can be found at the following link: <https://www.health-ni.gov.uk/articles/procurement-tenders-and-project-procurement-plans>.

⁷ See Regulation (EU) 2017/745 on medical devices. The relevant national regulatory authority in the State is the HPRA: see also the Medical Devices Regulations 2021 (S.I. No. 261/2021).

Views of the Parties

15. The Parties state in the merger notification form that within the broader market for medical supplies, DCC (through Fannin) and the Target Group overlap to a “*greater or lesser degree across different product groups within their respective ranges.*”⁸ The relevant product segments are as follows:

- **Medical consumables and Personal Protective Equipment (“PPE”):** Both Fannin and the Target Group supply probe covers, disposable tourniquets, nasogastric tubes, bath hygiene products (including bathing wipe warmers), pre-surgery skin markers, dressing kits, drapes, face masks, non-sterile apparel like exam gowns, headwear and warm-up jackets, scalpels, surgical gowns, and single-use surgical accessories.
- **Wound care:** Both Fannin and the Target Group supply dressings for intravenous (IV) access sites, compression bandages, elastic net bandages and silicon foam dressings.
- **Critical Care and Anaesthesia:** Both Fannin and the Target Group supply airway management products (e.g., for closed suction and oral care), dialysis kits, and epidural kits.
- **Infection Prevention:** Both Fannin and the Target Group supply medical wipes, which fall within the broad infection prevention category. The Parties’ only overlap in the infection prevention category is within the medical skin wipes (disinfection) sub-segment, with both Parties supplying disinfection wipes.

16. Both DCC and the Target Group are primarily active in the distribution of medical supplies direct to the customer, rather than pre-wholesale or wholesale distribution. DCC stated that it “*primarily distributes medical supplies directly to customers (in hospital and community care settings)*”, and that “[s]ales through the wholesale or pre-wholesale channels are minimal representing less than 4% of DCC’s total medical supplies sales generated in the State in FY24”.⁹ The Target Group likewise confirmed that the majority of its turnover is derived from sales directly to customers in the State.¹⁰

⁸ Merger notification form, paragraph 4.1.

⁹ DCC’s response to information requests from the Commission, provided on 29 October 2024, document entitled ‘Private and Confidential - Project Sparta - 29 October 2024 - Responses to CCPC Follow-Up Questions dated 23 October (74002838.1).pdf’, page 2.

¹⁰ Correspondence with Iskus Health’s legal representatives, dated 25 October 2024.

17. In the merger notification form, the Parties submit that in respect of the question of product market, *“the analysis should be conducted at the level of medical supplies as a whole”*. Nevertheless, *“to assist the [Commission]... an indication of relative positions in the narrower candidate areas of overlap, namely: the segments of (i) medical consumables including PPE; (ii) wound care; (iii) critical care & anaesthesia; and (iv) infection prevention (sub-segment: medical skin wipes) is provided.”*¹¹

Views of the Commission

18. In its determination in M/12/027 – *Uniphar/CMR*, the Commission’s predecessor the Competition Authority, without coming to a definitive view, found that its assessment of the proposed transaction would be *“unaffected whether the relevant product market is narrow (e.g., the pre-wholesale supply of medical supplies) or broader to encompass both the pre-wholesale supply and the wholesale supply of medical supplies.”*¹²

19. The Commission has also previously considered whether the distribution of medical supplies should be further segmented into various product segments. In its determination in M/15/077 – *Uniphar/Murray’s Medical*, without coming to a definitive view, the Commission assessed the proposed transaction with reference to *“the wholesale supply of ostomy and urinary medical products to community pharmacies”*, as opposed to a broader market encompassing *“the wholesale supply of different types of medical products to community pharmacies.”*¹³

20. The European Commission (“EC”) has similarly examined the distribution of medical supplies with reference to various narrower product segments. In Case M.9426 – *3M Company/Acelity*, within the market for advanced wound care products, the EC *“further differentiated between (i) moist wound care products, (ii) active wound care products, and (iii) biological active wound care products. Within the segment of moist advanced wound care products... the following sub-segments were also identified: alginates, hydrofibres, foams, hydrocolloids, hydrogels, film dressings, contact layers and silver antimicrobials.”* Ultimately, in that case the EC *“left open whether each of these products would constitute a separate product market.”*¹⁴

¹¹ Merger notification form, paragraph 5.1.

¹² [M/12/027 – Uniphar/CMR](#), paragraph 3.29.

¹³ [M/15/077 – Uniphar/Murray’s Medical](#), paragraph 33.

¹⁴ Case [M.9426 – 3M Company / Acelity](#), paragraph 11.

21. In relation to medical consumables/PPE, the EC identified the possibility of the existence of narrower potential markets, ultimately finding that *“the question of whether the relevant product market is the market for head, eye and face protection or should be differentiated by type of protection device can be left open, since the planned operation does not give rise to competition concerns whatever the market definition applied.”*¹⁵ In Case M.5908 – *Honeywell/Sperian*, the EC found that *“the different categories of PPE products do not constitute a single product market... the aforementioned categories [protective clothing, footwear protection, fall protection, head, eye and face protection etc.] may be further subdivided, notably according to functionalities of the different products and the use made by the final customers.”*¹⁶

22. Regarding critical care and anaesthesia, in Case M.2861 *Siemens/Drägerwerk/JV*, the EC identified anaesthesia equipment as a separate product market and started its analysis, *“from the assumption that there is one relevant product market for ventilation equipment and another relevant product market for anaesthesia equipment.”*¹⁷

23. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this instance, it is not necessary for the Commission to define the precise relevant product markets because doing so will not alter the Commission’s assessment of the competitive effects of the Proposed Transaction, regardless of whether the potential product market is defined broadly (the distribution of medical supplies) or more narrowly (for example, the distribution of infection prevention supplies to a particular channel). For the purposes of its competitive assessment, the Commission has assessed the Proposed Transaction by reference to the following broad potential product market:

- The distribution of medical supplies

24. The Commission has also assessed the Proposed Transaction by reference to the narrower potential markets in which the Parties overlap within the distribution of medical supplies namely:

- The distribution of medical consumables including PPE;

¹⁵ Case [M.5012 – 3M/Aearo](#), paragraph 20.

¹⁶ Case [M.5908 – Honeywell/Sperian](#), paragraph 14.

¹⁷ Case [M.2861 – Siemens/Drägerwerk/JV](#), paragraph 34.

- The distribution of wound care supplies;
- The distribution of critical care and anaesthesia supplies; and,
- The distribution of infection prevention supplies (with consideration of a further “medical skin wipes” segment).

Geographic market

25. The Parties submit in the merger notification form that the “*geographic market for medical supplies (and any narrower segments) is the State, given the scope and set-up of the networks of wholesalers and distributors, which operate nationally using strategically located depots plus the major purchaser of medical supplies, the HSE, operates throughout the State.*”¹⁸

26. In M/15/077 – *Uniphar/Murray’s Medical*, the Commission found that the views expressed by the Competition Authority in M/12/027 – *Uniphar/CMR*, with respect to full-line pharmaceutical wholesaling, were “*equally applicable to the wholesale supply of ostomy and urinary medical products to community pharmacies*”.¹⁹ The Commission therefore, while finding it did not need to come to a definitive view, examined the proposed transaction in that case on a national basis.²⁰

27. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this instance, it is not necessary for the Commission to define the precise relevant geographic markets because doing so will not alter the Commission’s assessment of the competitive effects of the Proposed Transaction. For the purpose of assessing the likely competitive effects of the Proposed Transaction, the Commission has followed the approach taken in M/15/077 – *Uniphar/Murray’s Medical* and M/12/027 – *Uniphar/CMR*, and has assessed the likely competitive impact of the Proposed Transaction in the potential market for the distribution of medical supplies in the State.

Conclusion on relevant markets

¹⁸ Merger notification form, paragraph 5.1.

¹⁹ Case [M/15/077 – Uniphar/Murray’s Medical](#), paragraph 34; see also case M/12/027 – *Uniphar/CMR*, paragraphs 3.37-3.39.

²⁰ Case M/15/077 – [Uniphar/Murray’s Medical](#), paragraph 35.

28. For the purposes of carrying out its competitive assessment of the Proposed Transaction, the Commission has assessed the Proposed Transaction by reference to the following potential relevant market:

- The distribution of medical supplies in the State.

29. The Commission has also assessed the Proposed Transaction by reference to the narrower potential markets in which the Parties overlap within the distribution of medical suppliers in the State, namely:

- The distribution of medical consumables including PPE;
- The distribution of wound care supplies;
- The distribution of critical care and anaesthesia supplies; and,
- The distribution of infection prevention supplies (with consideration of a further “medical skin wipes” segment).

Competitive Assessment

Horizontal Effects

The distribution of medical supplies in the State

30. There is a horizontal overlap between the Parties in relation to the distribution of medical supplies in the State.

31. The Parties submit that the current total market size of medical supplies distribution in the State is approximately €550 million,²¹ based primarily on a figure of €450 million provided in the Commission’s decision in M/18/031 – *Uniphar/Sisk Healthcare*, and adjusted by the Parties based on inflation, procedural volumes and other information submitted by the Parties.²²

²¹ Merger notification form, paragraph 5.2.

²² M/18/031 – *Uniphar/Sisk Healthcare*, paragraph 32. The Parties estimate that the Compound Annual Growth Rate (“CAGR”) from August 2018 to September 2024 was 3%. This estimate was calculated based on procedural volumes, secondary care activity levels, and anecdotal evidence from the Parties’ relevant teams, who are in direct contact with customers. This estimate was also compared with published results from others in the industry that indicated their growth during the relevant period. Third party sources that inform the calculation of the CAGR are: Patient Activity - [Empowering Ireland’s healthcare future - KPMG Ireland](#); Patient Activity & Procedural Volume - [Hospital Activity - HSE.ie](#); Patient Activity & Procedural Volume - [Hospital activity - 2023 - HSE.ie](#); Patient Activity & Procedural Volume - [Datasets - data.gov.ie](#);

32. Table 1 below provides the Parties' market share estimates for the distribution of medical supplies in the State based on this total market size figure.

Table 1: The distribution of medical supplies in the State²³

Party	Turnover (EUR)	Estimated share (%)
DCC	[...]	[5-10]
The Target Group	[...]	[0-5]
Total	[...]	[10-15]

Source: The Parties

33. The Parties state in the merger notification form that the HSE is the largest customer of both DCC and the Target Group. In its Corporate Procurement Plan for 2022-2024, the HSE provides a forecasted procurement spend under management for medical/surgical supplies of €496 million for 2024.²⁴

34. As part of its merger review process, the Commission sought the HSE's views on the Proposed Transaction. In correspondence dated 22 October 2024, the HSE stated that it did "not foresee any issues as this will not create a monopoly on the basis [that] Iskus [Health] are a distributor..." and "[s]everal other companies [provide] similar products to the HSE".²⁵

35. The Commission considers that the Proposed Transaction raises no horizontal competition concerns in the overall distribution of medical supplies in the State for the reasons set out below.

36. First, as can be seen from Table 1 above, the Parties estimate that DCC's share in respect of the distribution of medical supplies in the State was [5-10]% for the most recent financial year. Following the implementation of the Proposed Transaction, the Parties estimate that DCC's share of the distribution of medical supplies in the State would increase to approximately [10-15]%. In the Commission's view, therefore, the Proposed Transaction would result in a minimal increment of [0-5] percentage points.

Market Growth - [Health Spending in Ireland 2015 - 2023 \(oireachtas.ie\)](#); Market Growth - [Projections of Demand for Healthcare in Ireland, 2015-2030](#). Substantial one-off increases relating to PPE and infection control products during the COVID-19 pandemic were normalised (i.e., smoothed), resulting in a 3% CAGR.

²³ The turnover figure for DCC relates to the financial year ending 31 March 2024. The turnover figure for Iskus Health relates to the financial year ending 31 May 2023.

²⁴ Health Service Executive (2022) *HSE Corporate Procurement Plan 2022-2024*, page 12. Available at: <https://www.hse.ie/eng/about/who/finance/nationalfinance/procurement/hse-corporate-procurement-plan-2022-2024.pdf>.

²⁵ CCPC correspondence with the HSE, dated 22 October 2024.

37. Second, customers will continue to exert substantial influence on the merged entity post-transaction. Competitive, including public, tenders account for a significant amount (approximately 70%, if not more)²⁶ of the supply of medical supplies in the State.²⁷
38. Third, following implementation of the Proposed Transaction the merged entity will continue to face competition from a range of large distributors of scale such as 3M Ireland Limited (“3M”), B. Braun Medical Limited, Uniphar Medtech Limited (“M.E.D. Surgical”), Uniphar plc (“Uniphar”), Johnson & Johnson (Ireland) Limited (“Johnson & Johnson”), and others.²⁸
39. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in respect of the overall distribution of medical supplies in the State.

The narrower potential markets for the distribution of: (i) medical consumables including PPE in the State; (ii) the distribution of critical care & anaesthesia supplies in the State; (iii) the distribution of wound care supplies in the State; and (iv) the distribution of infection prevention products in the State.

40. Table 2 below provides market share estimates for each of the abovementioned narrower potential markets within the distribution of medical supplies in the State.²⁹ As noted in footnote 22 above, the market share estimates have been “normalised” to account for the effect of the Covid-19 pandemic which caused a significant and exceptional increase in demand for medical consumables/PPE.³⁰ In relation to the calculation of the total market size of each segment, DCC referred to both its own pricing models, and estimated annual usage volumes as presented in HSE public procurement processes.³¹

Table 2: Estimated shares for the distribution of medical supplies (by segment)³²

²⁶ In accordance with the Parties’ estimate at paragraph 5.3 of the merger notification form. See also: Doyle-Rossi, M. and Gallagher, M. (2024) ‘Pricing & Reimbursement Laws and Regulations 2024 – Ireland’, *Global Legal Insights*. Available at: <https://www.globallegalinsights.com/practice-areas/pricing-reimbursement-laws-and-regulations/ireland/>.

²⁷ The Parties submit at paragraph 5.3 of the merger notification form, in relation to tendering, that “The largest purchaser of medical supplies in the State is the HSE, whose tendering framework explicitly envisages a panel of suppliers between which it can readily pivot to obtain the necessary supplies. It has significant countervailing power and, under EU/Irish public procurement rules, must be extremely concerned with value.”

²⁸ Confidential Annex 4.10(a) to the merger notification form.

²⁹ Response to questions dated 15 October 2024, document entitled ‘Private and Confidential - Responses dated 18 October to CCPC Questions (73949994.1)’, page 2.

³⁰ See Wall M., ‘Frantic PPE procurement at height of Covid crisis to be reviewed’ *Irish Times*, 4 September 2021. Available at: <https://www.irishtimes.com/news/ireland/irish-news/frantic-ppe-procurement-at-height-of-covid-crisis-to-be-reviewed-1.4664375>.

³¹ DCC’s response to questions dated 23 October 2024, document entitled ‘Private and Confidential - Project Sparta - 29 October 2024 - Responses to CCPC Follow-Up Questions dated 23 October(74002838.1).pdf’, page 1.

³² The figures provided relate to the most recent financial year, in the case of DCC the financial year ending 31 March 2024, and for the Target Group the financial year ending 31 May 2023.

NARROWER POTENTIAL MARKET	DCC SHARE (%)	TARGET GROUP SHARE (%)	COMBINED SHARE (%)
Medical consumables including PPE	[20-25]	[0-5]	[20-25]
Critical care and anaesthesia	[15-20]	[0-5]	[15-20]
Wound care supplies	[15-20]	[0-5]	[15-20]
Medical skin wipes (within the potential market of infection prevention supplies)	[15-20]	[10-15]	[25-30]

Source: The Parties

41. The Commission now considers the specific horizontal overlaps between the Parties in these narrower markets within the potential market for the distribution of medical supplies in the State.

The potential market for the distribution of medical consumables

42. DCC, through Fannin, provides a range of PPE (e.g., gloves, drapes, facemasks) and theatre consumables. The Target Group provides a similar product range though its “surgical consumables” offering which includes privacy curtains, customised/custom procedure packs, PPE, post-surgery wear and wound drainage disposables.³³

43. In particular, both Fannin and the Target Group supply probe covers, disposable tourniquets, nasogastric tubes, bath hygiene products (including bathing wipe warmers), pre-surgery skin markers, dressing kits, drapes, face masks, non-sterile apparel such as exam gowns, headwear and warm-up jackets, scalpels, surgical gowns, and single-use surgical accessories. The Parties submit that products supplied by the Parties in this regard are homogeneous and are not characterised by brand loyalty.³⁴

³³ Merger notification form, paragraph 3.3.

³⁴ Merger notification form, paragraph 4.4.

The potential market for critical care and anaesthesia supplies

44. DCC provides products for health professionals in the clinical areas of interventional radiology, MRI, intravenous devices, oncology closed systems, airway, ear, nose and throat, dialysis, and pain management systems. Both DCC (through Fannin) and the Target Group supply airway management products (e.g., for closed suction and oral care), dialysis kits, and epidural kits.³⁵

The potential market for wound care supplies

45. DCC provides a range of products for wound care and surgical procedures in acute and primary care settings. The Target Group's product offering captures "*wound debridement i.e. the removal of dead tissue, absorbent dressings, compression bandages and pressure prevention devices. The main customer groups are tissue viability and nursing staff in both hospital and community settings*".³⁶ Both DCC and the Target Group supply dressings for IV access sites, compression bandages, elastic net bandages and silicon foam dressings.

The potential market for infection prevention supplies

46. DCC's products include easy clean trolleys, wipes, washable computing devices, and bathing equipment. Both DCC and the Target Group supply products which fall within the broad infection prevention supplies category.³⁷ In particular, the Parties overlap in the narrower medical skin wipes (disinfection) segment, as both Parties supply disinfection wipes. The Parties submit in the merger notification form that there is no overlap in any other area of the potential market for infection prevention supplies.

Conclusion on narrower potential product markets

47. On the basis of the information available to the Commission during its review of the Proposed Transaction, the Commission considers, for the reasons set out below, that the Proposed Transaction raises no horizontal competition concerns in the narrower segments of the distribution of medical supplies in the State described above.

³⁵ Merger notification form, paragraph 4.1.

³⁶ Merger notification form, paragraph 3.3.

³⁷ The Target Group is active in the distribution of a skin preparation product that is regulated as a pharmaceutical/medicine in many European countries. This has been included in the broad infection prevention category because of its use and importance to the Target Group. DCC's activity involves the distribution of medical skin wipes only. The Parties submit at paragraph 4.4 of the merger notification form that "*the dressings and bandages supplied by the Parties are each common types of dressing and customers do not express brand loyalty.*"

48. First, the Parties' combined shares in the first three of the above-mentioned narrower potential markets (medical consumables, critical care and anaesthesia, and wound care supplies) do not exceed 25%. The incremental increase of DCC's share in each of these three narrower potential markets following implementation of the Proposed Transaction is minimal ([0-5] percentage points).
49. Second, the Commission was unable to calculate the Parties' combined share in the fourth above-mentioned potential market (i.e. infection prevention supplies). However, when considering the one product within this potential market in which the Parties overlap (the distribution of medical skin wipes), the Parties' estimated combined market share is [25-30]% ([15-20]% for DCC; [10-15]% for the Target Group) for the distribution of medical skin wipes in the State—and therefore the Parties' combined market share in the potential market for infection prevention supplies is lower than this. The increment to DCC's position within the distribution of medical skin wipes following the implementation of the Proposed Transaction is [10-15]%.
50. Third, customers will continue to exert substantial influence on the merged entity post-transaction. Competitive, including public, tenders account for a significant amount (approximately 70%, if not more) of the supply of medical supplies in the State, as set out above.
51. Fourth, the merged entity will continue to face competition from a range of large distributors of scale such as: Primacy HealthCare 21 Limited and M.E.D Surgical (in respect of critical care and anaesthesia); Johnson & Johnson and O&M Halyard Ireland Limited (in respect of medical consumables); 3M and Coloplast Limited (in respect of wound care); and, Ecolab Limited and PDI EMEA Limited (in respect of infection prevention).³⁸
52. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in respect of any narrower potential market within the distribution of medical supplies in the State.

Conclusion on horizontal effects

53. For the reasons outlined above, the Commission considers that the Proposed Transaction does not raise horizontal competition concerns in the State.

³⁸ Confidential Annex 4.10(b) to the merger notification form.

Vertical Relationship

54. On the basis of the information available to the Commission during its review of the Proposed Transaction, the Commission considers that there is no meaningful vertical overlap between the Parties in the State. In relation to DCC's activities in any market that is potentially upstream of the Target Group, the Parties submit that *"the vast majority of this upstream activity takes place outside the island of Ireland"* and that this *"limited Irish manufacturing is within Fannin's scientific division for supply to laboratories"*.³⁹ The Target Group does not supply any DCC products. As noted above, DCC will have a market share of [10-15]% in the distribution of medical supplies in the State following the implementation of the Proposed Transaction.

55. The Parties further submit, in relation to possible vertical overlaps, that only a *"theoretical vertical overlap exists in that Fannin has some distributor customers that focus on providing nursing homes with medical supplies"*.⁴⁰ These distributors would be competitors of both Fannin and the Target Group in respect of supply to nursing homes. This is addressed by way of the Commission's assessment of the horizontal overlaps at paragraphs 31 to 53 above. Therefore, the Commission considers that the Proposed Transaction does not raise any vertical competition concerns in the State.

Conclusion of Competitive Analysis

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

Ancillary Restraints

57. No ancillary restraints were notified.

³⁹ Merger notification form, paragraph 4.2.

⁴⁰ Merger notification form, paragraph 4.2.

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 DCC plc, through its wholly owned subsidiary B.M. Browne (Holdings) Limited, would acquire the entire issued share capital, and thus sole control, of Iskus Health 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.

Úna Butler

Member

Competition and Consumer Protection Commission