

OFFICE FOR COMPETITION

6 September 2019

COMP-MCCAA/14/2019- Acquisition by Quad US BidCo Inc.

Decision on acquisition in terms of Regulations 6 (1) (ii) and 12(4) of the Control of Concentrations Regulations (LN 294 of 2002 as subsequently amended)

The Office for Competition,

Having considered the notification filed on 7 August 2019 pursuant to Regulation 5 of the Control of Concentrations Regulations,

Having considered the provisions of the Control of Concentrations Regulations,

Having considered Commission Notice on a simplified procedure for treatment of certain concentrations under Regulation (EC) No 139/2004

Facts

1. On 7 August 2019, the Office for Competition received a notification of a proposed acquisition pursuant to Regulation 5 of the Control of Concentrations Regulations (hereinafter referred to as “the Regulations”), whereby Quad US BidCo Inc. (hereinafter referred to as “the Notifying Party”) will acquire sole control of Watch Topco Limited (hereinafter referred to as “the Acquired Party”).
2. The notification was accepted as a complete notification on 12 August 2019. The proposed acquisition was notified to the public through a notice that appeared in a daily newspaper and on the Malta Competition and Consumer Affairs Authority’s website on 20 August 2019 and a notice that appeared in the Government Gazette No.20,251 on 20 August 2019. No third-party objections were received.

Parties

3. Quad US BidCo Inc. having registration number 7510115 with registered address at 1209 Orange Street, Wilmington, County of New Castle, Delaware 19801, is an entity ultimately controlled by Permira Holdings Limited. Permira

Holdings Limited, a European private equity firm with a global reach, controls a number of portfolio companies, active in a variety of sectors across a range of jurisdictions, in particular Consumer, Financial Services, Healthcare, Industrials and Technology. The Notifying Party generates turnover in Malta through a list of portfolio companies controlled by investment funds indirectly controlled by Permira Holdings Limited.

4. Watch Topco Limited having registration number 120058 with registered address at Aztec Group House, 11-15 Seaton Place, St Helier Jersey, JE4 0QH, is the ultimate holding company of the Quotient Sciences group of companies. The Acquired Party operates in the development of new drugs for patients worldwide. It provides formulation development, clinical pharmacology trials and clinical & commercial manufacturing services to the pharmaceutical and biotech industry. The Acquired Party derived its turnover in Malta in the preceding financial year, from ✂
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Transaction

5. Pursuant to a Share Purchase Agreement dated 17 July 2019, the Notifying Party proposes to acquire the entire issued share capital of the Acquired Party.

Notifiable Concentration

6. In terms of regulation 2 of the Control of Concentrations Regulations, a concentration, *inter alia*, refers to the acquisition by one or more undertakings or by one or more persons already controlling at least one undertaking whether by purchase of securities or assets, by contract or by other means, of direct or indirect control of the whole or parts of one or more undertakings.
7. The proposed transaction brings about the acquisition by the Notifying Party of control on the Acquired Party in the form of shares.
8. Therefore, the proposed transaction constitutes a concentration within the meaning of regulation 2 of the Control of Concentrations Regulations.

Threshold for Notification

9. The aggregate turnover of the concerned undertakings concerned in the preceding financial year exceeds €2,329,373.40 and each of the parties had a turnover in Malta equivalent to at least 10% of the combined aggregate turnover of the undertakings concerned.

10. The notified concentration, therefore, meets the notification threshold as set out in Regulation 2 of the Regulations.

Simplified Procedure

11. Following the examination of the notification, it is considered that the notified concentration falls within the scope of Regulation 12(1) of the Regulations, whereby it is provided that:

“The simplified procedure will apply to the following categories of concentrations that are deemed not to raise serious doubts as to their legality in terms of the provisions of these regulations...:

(ii) two or more undertakings merge, or one or more undertakings acquire sole or joint control of another undertaking, provided that none of the parties to the concentration are engaged in business activities in the same product or geographical market, or in a product market which is upstream or downstream of a product market in which any other party to the concentration is engaged”.

Conclusion

In view of the above and in terms of Regulations 6 (1) (ii) and 12 (4) of the Regulations, it is therefore decided:

- (1) that the Concentration falls within the scope of the Regulations on Control of Concentrations;
- (2) that the Concentration does not raise serious doubts as to its lawfulness;
- (3) not to oppose the notified Concentration and to declare it a lawful Concentration.


Godwin Mangion
Director General