Medical biology laboratories: the Autorité clears, subject to certain conditions, the acquisition of the Laborizon group by the Biogroup group

Published on July 17, 2020

Parties to the transaction

Biogroup is active in the medical biology sector, with laboratories distributed over more than 550 sites, throughout the country.

Laborizon is also active in the medical biology sector, and operates laboraties distributed over 105 sites, located in the Bretagne, Centre-Val de Loire, Pays-de-la-Loire and Île-de-France regions.

The reviewed markets

The companies concerned by the transaction are competing in the medical biology markets. The Biogroup and Laborizon groups indeed hold medical analysis laboratories whose activity consists in the conduct of so-called routine medical biology examination services (which are examinations commonly prescribed and carried out by all laboratories, such as biochemistry or hematology exams) and specialized exams, requiring specific medical or scientific skills and specific approvals (such as genetic exams).

They are also competing, as buyers, in the supply market for biology equipments, reagents and consumables.

In order to remedy the identified competition concerns in the Vendée department, Biogroup will divest of three medical analysis locations

The transaction does not, by itself, raise competition concerns in the upstream supply markets with suppliers as well as in the medical biology markets in most of the local areas studied. However, the *Autorité* considered, on the other hand, that there were serious risks of harm to competition in the market for routine medical biology examinations in Vendée.

Within this department, the strengthening of the position of the new entity in the considerered market is not compensated by a credible and sufficient alternative offer from the competiting operators.

In order to maintain the intensity of competition, the new entity has committed to divest from all the medical analysis locations hold by Biogroup :

- The medical analysis location of Sèvre Biologie, which has a technical platform, located in Mortagne-sur-Sèvre (85 290)
- The medical analysis location of Sèvre Biologie, located in Les Herbiers (85 500)
- The medical analysis location of Sèvre Biologie, located in Pouzaugues (85 700)

The divestment from these three locations removes the overlapping of activity resulting from the transaction in this area.

These divestments, which are not site closings but rather takeovers by another operator with a view to continuing business (see box below) must be approved by the Autorité. It will ensure that the buyers are independent vis-à-vis the new entity and able to preserve the activity of these laboratories to stimulate competition. An independent divestment trustee approved by the Autorité will ensure implementation of the commitments.

In view of the commitments taken by Biogroup, the *Autorité* cleared the transaction.

The decision of the *Autorité de la concurrence* is taken in accordance with the rules specific to merger control provided for in Articles L. 430-1 et seq. Of the French Commercial Code (*Code de commerce*). It is not intended to replace the control which falls under the regional health agencies (*agences régionales de santé*, ARS) which ensure that the mergers occurring in the medical biology sector meet distinct public health objectives.

Divestment does not mean the closing of a site but rather the takeover by a competitor

These divestments, which are the subject of commitments, aim at preserving the local competitive pressure following the transaction.

The goal of the divestment commitments is to enable the takeover of medical analysis locations and of their activity by a competing operator of the new entity in order to maintain competition and to guarantee the patients a diversified offer in price and services.

Full text of the Decision will be published soon on the Autorité's website

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