Chemical pathology laboratories: the Autorité clears, subject to conditions, the take-over of Dyomedea-Neolab Group by Biogroup Group

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Parties to the transaction

Biogroup Group is active in the chemical pathology sector, with laboratories located at over 550 sites across the country.

Dyomedea-Neolab Group is also active in the chemical pathology sector and operates laboratories at 43 sites in the region of Auvergne-Rhône-Alpes.

Markets examined

The companies involved in the transaction are competitors on the chemical pathology market. Biogroup and Dyomedea-Neolab Groups both own chemical pathology laboratories, the activity of which involves providing routine chemical pathology testing services (i.e., commonly prescribed tests conducted by all laboratories, such as biochemical or haematology blood tests) and specialist testing services, which require specific medical or scientific expertise and special authorisations (such as genetic testing).

They are also competing purchasers on the market for the supply of chemical pathology equipment, reagents and consumables.

In order to address the competition concerns identified in the Rhône département, Biogroup plans to sell off seven chemical pathology sites.

The transaction does not give rise to any competition concerns on the upstream supply markets with suppliers or on the chemical pathology markets in most of the local areas examined. The *Autorité* did, however, consider that there were serious risks of harm to competition on the routine chemical pathology testing market in the Rhône *département*.

Within this *département*, the strengthening of the position of the new entity on the market in question is not offset by a credible and adequate alternative provided by the competing operators.

In order to maintain competitive intensity in this *département*, the new entity has agreed to sell off seven chemical pathology laboratory sites. Four of these sites are owned by Biogroup; the other three are currently owned by Dyomedea-Neolab.

The sites are as follows:

Chemical pathology site	Address
Unilians	7 place Louis Grenier à Feyzin (69320)
Unilians	4 place de la Croix Rousse à Lyon (69004)

Chemical pathology site	Address
Unilians	28 Grande Rue à Saint Priest (69800)
Unilians	81 avenue Francis de Pressense à Venissieux (69200)
Dyomedea-Neolab	30 cours Richard Vitton à Lyon (69003)
Dyomedea-Neolab	2 rue Jules Valensaut Lyon (69008)
Dyomedea-Neolab	51 rue de la République à Oullins (69600)

The divestiture of these seven sites will have the effect of reducing the market share of the new entity to below 50% in the Rhône *département*.

These divestitures, which will not result in site closures but take-overs by another operator with a view to continuation of the activity (see inset) must be cleared by the *Autorité*. It will ensure that the buyers are independent from the new entity and able to continue the activity of these laboratories in order to

stimulate competition. An independent divestiture trustee approved by the *Autorité* will ensure implementation of these divestiture commitments.

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

The decision of the *Autorité de la concurrence* has been taken pursuant to the merger control rules laid down in Articles L. 430-1 et seq. of the French Commercial Code (*code de commerce*). The decision is not intended to replace the controls performed by the regional health agencies (ARS), which ensure that mergers in the chemical pathology sector meet separate public health objectives.

> Full text of the decision 20-DCC-92 will soon be published on the Autorité de la concurrence's website

Another recent take-over in the chemical pathology laboratory sector

By way of a reminder, a few days ago, the *Autorité* cleared, subject to conditions, the take-over of the chemical pathology laboratories owned by Laborizon Group by Biogroup Group. For more information, see the press release dated 17 July 2020

Divestiture does not mean closure, but take-over by a competitor

The divestitures concerned by the commitments are designed to ensure continued stimulation of local competition after the transaction.

The aim of the divestiture commitments is to allow for the take-over of the chemical pathology sites and their activities by a competitor of the new entity in order to ensure continued stimulation of competition and guarantee a diverse range of prices and services for patients.

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