



## **DETERMINATION OF MERGER NOTIFICATION M/14/011 -**

### **Oasis Dental / Smiles**

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#### **Section 21 of the Competition Act 2002**

#### **Proposed acquisition of Xeon Dental Services Limited and JDH Holdings Limited by Oasis Dental Care (Central) Limited**

**Dated 2 May 2014**

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#### **Introduction**

1. On 8 April 2014, in accordance with section 18 of the Competition Act 2002 ("the Act"), the Competition Authority ("the Authority") received a notification of a proposed transaction whereby Oasis Dental Care (Central) Limited ("Oasis") would acquire the entire issued share capital of each of Xeon Dental Services Limited and JDH Holdings Limited (together "Smiles").

#### **The Undertakings Involved**

##### *Acquirer – Oasis and Bridgepoint*

2. Oasis provides a full range of dental services to both National Health Service and private patients in over 200 dental practices throughout England, Wales and Northern Ireland. Oasis has 14 dental practices in Northern Ireland and does not have any physical presence within the State.
3. For the year ended 31 March 2013 Oasis's worldwide turnover was approximately €[...] million,<sup>1</sup> none of which was generated within the State.
4. Oasis is ultimately owned by Bridgepoint Advisers Group Limited ("Bridgepoint"), an international private equity group headquartered in London, UK.<sup>2</sup> Bridgepoint has investments in a broad range of sectors (including consumer/retail, business services, industrials, financial services, healthcare and media) in various European countries.
5. Bridgepoint portfolio companies, such as those listed below, generate revenue within the State from their involvement in various sectors other than dental care: [...].

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<sup>1</sup> Calculated using the ECB annual average exchange rate to 31 December 2013 of €1 = £0.8493.

<sup>2</sup> Oasis is an indirectly owned subsidiary of The Oasis Healthcare Group Limited which is in turn indirectly owned by the Bridgepoint Europe IV Fund, which in turn is comprised of the following funds: Bridgepoint Europe IV 'A' LP, Bridgepoint Europe IV 'B' LP, Bridgepoint Europe IV 'C' LP, Bridgepoint Europe IV 'D' LP, Bridgepoint Europe IV 'E' LP, Bridgepoint Europe IV 'F' LP and Bridgepoint Europe IV 'G' LP (together the Bridgepoint Europe IV Fund). The Bridgepoint Europe IV Fund is managed by Bridgepoint Advisers Limited and is ultimately controlled by Bridgepoint. For more information on Bridgepoint see <<http://www.bridgepoint.eu/en/home>>.

6. Bridgepoint's portfolio companies had a consolidated worldwide turnover of approximately €[...] million on 31 December 2013 of which approximately €[...] million was generated within the State.<sup>3</sup>

#### *Target – Smiles*

7. Smiles provides a broad range of dental services to customers. Dental services provided by Smiles range from routine examinations to cosmetic treatments, oral surgery, orthodontics and prosthodontics. Smiles currently operates 15 dental practices within the State (with two more planned), two in Northern Ireland and 60 in England and Wales.
8. For the year ended 31 December 2013 Smiles's worldwide turnover was approximately €[...] million, of which approximately €[...] million was generated in the State.<sup>4</sup>

#### **Third Party Submissions**

9. No submissions were received.

#### **Rationale for Transaction**

10. As stated by parties:

*"The Proposed Transaction presents an opportunity for Oasis to grow via the acquisition of [Smiles]. The combined entity will benefit from a number of synergies."<sup>5</sup>*

#### **Analysis**

11. There is a global horizontal overlap in the activities of the undertakings involved in the proposed transaction to the extent that both Oasis and Smiles operate dental practices in the United Kingdom. Specifically as regards Northern Ireland, the parties have stated that both Oasis and Smiles have dental practices in Lisburn and Omagh. There is, however, no horizontal overlap in the State. Smiles has practices within the State whereas Oasis does not. Although some residents in the State obtain dental care in the Northern Ireland, the Authority does not consider it necessary for the purposes of the present case to determine whether the market is larger than the State since the Authority's conclusion that competition would not be harmed by the proposed transaction would be unchanged regardless.
12. There is also no overlap within the State as between the activities of the Bridgepoint portfolio companies active in the State, listed in paragraph 5, and Smiles. Smiles is active only in dental services whereas none of the Bridgepoint portfolio companies other than Oasis are active in dental services.
13. The proposed transaction could imply a reduction in actual or potential competition within the State to the extent that Oasis currently provides

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<sup>3</sup> The parties state that Bridgepoint's turnover is calculated as the sum of the turnover of the portfolio companies controlled by Bridgepoint. These portfolio companies have different financial years, hence Bridgepoint's turnover figure is updated on an ongoing basis.

<sup>4</sup> Calculated using the ECB annual average exchange rate to 31 December 2013 of €1 = £0.8493

<sup>5</sup> Notification page 5.

competition to providers of dental services within the State, e.g., by way of patients travelling from the State to receive dental services from Oasis in Northern Ireland or elsewhere, or to the extent that Oasis is a potential entrant into the State. Under all the relevant facts, it does not, however, appear to be the case in this instance that the proposed transaction will give rise to competition concerns deriving from reduced actual or potential competition.

14. The proposed transaction does not raise any vertical competition concerns.
15. In light of the above the Authority concludes that the proposed transaction will not raise competition concerns in any market for goods or services in the State.

### **Ancillary Restraints**

16. The parties have entered into non-solicitation and non-compete covenants with respect to the vendor which will apply for periods of [...] respectively after the completion of the proposed transaction. The Authority considers that these covenants are directly related to and necessary for the implementation of the proposed transaction.<sup>6</sup>

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<sup>6</sup> See also Commission Notice on restrictions directly related and necessary to concentrations (2005/C 56/03) <<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2005:056:0024:0031:EN:PDF>>.

## **DETERMINATION**

The Competition Authority, in accordance with section 21(2)(a) of the Competition Act 2002, has determined that, in its opinion, the result of the proposed transaction whereby Oasis Dental Care (Central) Limited would acquire the entire issued share capital of each of Xeon Dental Services Limited and JDH Holdings Limited will not be to substantially lessen competition in any market for goods or services in the State and, accordingly, the acquisition may be put into effect.

### **For the Competition Authority**

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Member of the Competition Authority  
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