



DETERMINATION OF MERGER NOTIFICATION M/18/085 – UNIPHAR / BRADLEY'S PHARMACY GROUP

Section 21 of the Competition Act 2002

Proposed acquisition by Uniphar plc of sole control of Pagni Pharmacies Limited and Pyramach Limited

Dated 16 November 2018

Introduction

1. On 31 October 2018, 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 Uniphar plc (“Uniphar”) would acquire sole control of Pagni Pharmacies Limited (“Pagni Pharmacies”) and Pyramach Limited (“Pyramach”) and thus sole control of the business assets of twenty¹ retail pharmacies, all trading under the *Bradley's Pharmacy* brand (the “Target Pharmacies”) (the “Proposed Transaction”).

The Proposed Transaction

2. On 3 August 2018, Pagni Pharmacies presented a petition to the High Court for the appointment of an examiner to all 17 companies² within the Bradley Group.³ The appointment of Ken Tyrrell of PwC⁴ as examiner was confirmed on 20 August 2018 (the “Examiner”).
3. The Proposed Transaction is to be implemented pursuant to an investment agreement dated 30 October 2018 between: Uniphar; Pagni Pharmacies; the related group

¹ [...].

² The parties provided the following information to the Commission in response to an informal information request from the Commission: “Uniphar will [also] purchase Willms Pharmacy Agency Limited (“WPAL”) as part of the Proposed Transaction. WPAL, a wholly-owned subsidiary of Pagni Pharmacies Limited, is a dormant company and has never registered as a community pharmacy.” The Commission consequently notes that WPAL does not form part of its competitive assessment as it is a dormant company and has not been registered as a community pharmacy in the State.

³ The Bradley Group comprises the following: Pagni Pharmacies; Pyramach; T.A. Matthews (Ardee) Limited; Rathgibbon Limited; Carlingford Pharmacy Limited; Bandridge Holdings Limited; Matthews Chemists (Drogheda) Limited; Matthews Chemists (Dunleer) Limited; Mounttown Pharmacy Limited; Martins Pharmacy (Ringsend) Limited; Siofra Limited; Willms Pharmacy Limited; Dodd's Pharmacy Limited; McKenna Pharmacy Limited; Cooladine Limited; Aire Pharmacy Limited; and Duffy's Medical Hall Limited, (collectively, the “Bradley Group of Companies”).

⁴ <https://www.pwc.ie/>



companies⁵; and the Examiner (the “Investment Agreement”). The Investment Agreement was signed following a bidding process overseen by the Examiner.

4. Under the terms of the Investment Agreement, the entire share capital of Pagni Pharmacies and Pyramach will be cancelled and Uniphar will subscribe for [...] new ordinary shares in Pagni Pharmacies and [...] new ordinary shares in Pyramach. As such, following implementation of the Proposed Transaction, Uniphar shall acquire sole control of the Bradley Group of Companies and thus the Target Pharmacies.
5. Separate to the Proposed Transaction and pursuant to an interim operational services agreement, Allcare Management Services Limited (“Allcare”), a subsidiary of Uniphar, was appointed on 13 November 2018 to manage the Target Pharmacies on an interim basis until completion of the Proposed Transaction (the “Management Agreement”). The parties provided the following description in the notification of Uniphar’s functions, (through its subsidiary Allcare), under the Management Agreement, *“Under the Management Agreement, Uniphar will be responsible for providing operational services but will not exercise any control over the Target’s activities”*⁶. Following a request by the Commission, the parties provided the Commission with a draft version of the Management Agreement on 8 November 2018. The Commission engaged with the parties to ensure that steps proposed by the parties in the draft Management Agreement were sufficient to: (i) prevent unnecessary access to commercially sensitive information of the Bradley Group of Companies; and, (ii) ensure Uniphar did not exercise decisive influence over the Target Pharmacies prior to completion of the Proposed Transaction. The parties agreed to amend certain provisions in the draft Management Agreement and as such, sufficiently alleviated the Commission’s concerns. The Commission received a final, executed copy of the Management Agreement on 14 November 2018.

The Undertakings Involved

Uniphar

6. Uniphar, a public limited company registered in the State, is active in two main business divisions: Uniphar Wholesale Limited (“Uniphar Wholesale”); and Allphar Services Limited (“Allphar”), both wholly-owned subsidiaries of Uniphar.
7. Uniphar Wholesale is a full-line wholesaler of pharmaceutical⁷, healthcare, medical and veterinary products to pharmacies, hospitals and veterinary surgeons in the State. Uniphar Wholesale purchases a wide range of products from manufacturers and re-sells them to pharmacies, hospitals and veterinary surgeons. Uniphar Wholesale does not sell to customers outside the State.

⁵ The related group companies are as follows: Pyramach; T.A. Matthews (Ardee) Limited; Rathgibbon Limited; Carlingford Pharmacy Limited; Bandridge Holdings Limited; Matthews Chemists (Drogheda) Limited; Matthews Chemists (Dunleer) Limited; Mounttown Pharmacy Limited; Martins Pharmacy (Ringsend) Limited; Siofra Limited; Willms Pharmacy Limited; Dodd’s Pharmacy Limited; McKenna Pharmacy Limited; Cooladine Limited; Aire Pharmacy Limited; and Duffy’s Medical Hall Limited.

⁶ Uniphar will be responsible for providing operational services through its subsidiary, Allcare Management Services Limited.

⁷ Uniphar is one of only two full-line wholesalers of pharmacy-only human pharmaceutical drugs in the State. The other full-line wholesaler of pharmacy-only human pharmaceutical drugs in the State is *United Drug*.



8. Uniphar Wholesale's activities encompass the following four product categories:
- The wholesale supply of pharmacy-only human pharmaceutical drugs including both prescription medicines and over-the-counter medicines;
 - The wholesale supply of front-of-counter and non-pharmacy-only products. This includes health and beauty products and human pharmaceutical drugs (such as paracetamol), the sale of which are not confined to pharmacies;
 - The wholesale supply of medical products, diagnostic equipment and therapeutic medical equipment in a wide range of medical fields including cardiology, general surgery, radiology, dentistry and urology⁸; and,
 - The wholesale supply of veterinary drugs to veterinary wholesalers, surgeons and pharmacies.
9. Uniphar also acts as a logistics service provider ("LSP") via Allphar in respect of pharmaceutical products, healthcare products, veterinary products and healthcare equipment.⁹
10. In addition, Uniphar has a number of structural links and purchasing arrangements with certain retail pharmacies in the State, i.e.:
- i. Uniphar is the sole shareholder in 23 pharmacies held by Lindchem Designated Activity Company ("Lindchem") and Trennamally Limited ("Trennamally"), both wholly-owned subsidiaries of Uniphar;¹⁰
 - ii. Uniphar has a joint shareholding in two further pharmacies in the State;¹¹
 - iii. Uniphar has a 19.9% holding¹² in a group of 15 pharmacies which are held by Inischem Designated Activity Company ("Inischem");¹³

⁸ Please see the Commission's decision in M/18/031 – Uniphar / SISK Healthcare which is accessible at <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m18031-uniphar-sisk-healthcare/>

⁹ The parties provide the following description of Uniphar's role as an LSP: "Uniphar also acts as an LSP through Uniphar LSP, delivering products on behalf of manufacturers directly to other wholesalers, community pharmacies and hospitals. LSPs act as the link between pharmaceutical manufacturers and pharmaceutical wholesalers, and, with increasing frequency, may also supply the products for which they are appointed directly to community pharmacies/hospitals. LSPs are generally used as a purely logistical/delivery method for the manufacturer to supply products directly to wholesalers, pharmacies and hospitals. In some cases, additional value-added services, such as the provision of marketing activities, may be provided by the LSP to the manufacturer. In the limited number of cases where such value-added services are provided, Uniphar LSP may be said to perform a more traditional "pre-wholesale" role."

¹⁰ [...].

¹¹ The parties provided the following information in respect of these pharmacies, "These stakes are for investment purposes only and Uniphar does not exercise any operational control over these pharmacies. These pharmacies are independent in terms of their respective individual purchasing choices."

¹² The parties provided the following additional information in relation to these pharmacies, "[...]". In addition, following an informal information request from the Commission, the parties provided the following information: "... Allcare confirms that it does not exercise decisive influence over any of the 15 community pharmacies in question ... The relevant pharmacies owned by Inischem all operate under the Allcare brand."

¹³ The parties provided the following information in relation to the supply arrangement between Uniphar and these pharmacies: "...".



- iv. Uniphar jointly controls the *Life Pharmacy* brand through a company Independent Life Pharmacy public limited company. There are currently 69 pharmacies¹⁴ operating under the *Life Pharmacy* brand in the State;¹⁵
 - v. Uniphar owns and controls Allcare.¹⁶ Allcare provides a suite of professional management services¹⁷ to community pharmacies in the State via Allcare services agreements or Allcare franchise agreements. Allcare has entered into franchise arrangements with 80 pharmacies¹⁸ in the State;¹⁹
 - vi. Uniphar also has arrangements with 43 pharmacies which participate in a buying group, [...];²⁰ and,
 - vii. Uniphar entered into an agreement with Axiom Buying Group (“Axiom”) in December 2015 for an initial term of five years. This agreement provides for rebates to Axiom in respect of the bulk purchasing of certain products from Uniphar by Axiom on behalf of its 250 community pharmacy members.²¹
11. For the financial year ending 31 December 2017, Uniphar’s worldwide turnover was approximately €1.27 billion, of which approximately €[...] was generated in the State.

The Bradley Group of Companies

12. The Bradley Group of Companies is currently controlled by Brian Pagni and Monica Pagni and as such, ultimately owns the Target Pharmacies.
13. The Target Pharmacies comprise twenty retail pharmacies – all of which currently operate under the *Bradley’s* brand²² from the following addresses:
 - 63 Lower Mounttown Road, Dún Laoghaire, Co. Dublin;
 - 2 Fortfield Road, Kimmage, Dublin 6W;
 - 6 Thorncastle Street, Ringsend, Dublin 4;

¹⁴ The parties state the following in the merger notification form: “*The customers own 100% of their pharmacy businesses and Uniphar has no equity in these pharmacies*”.

¹⁵ The parties provided the following information in relation to the supply arrangement between Uniphar and these pharmacies: “*There are currently 69 pharmacies in the Life Pharmacy symbol group and [...]*”.

¹⁶ Please see Commission decision M/15/027 Uniphar/Allcare which is accessible at <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m15027-uniphar-allcare/>.

¹⁷ The services provided by Allcare include the following: clinical support, development of new services and product ranges, procurement of goods and services from pharmaceutical wholesalers, category and planning management, property management, human resource management, information technology management and development, operational and financial controls, and marketing assistance.

¹⁸ This includes those pharmacies within Lindchem, Trennamally and Inischem.

¹⁹ The parties state the following in the notification: “*The pharmacies to which Allcare provide services purchase the bulk of their requirements of human pharmaceuticals from Uniphar.*”

²⁰ Uniphar entered into an agreement with [...] in [...] to encourage it to co-ordinate the individual pharmacies to buy from Uniphar. The parties also state the following in the merger notification form: “*There is no binding obligation on the pharmacies to buy from Uniphar however and no penalty if they elect not to. Furthermore, each pharmacy individually negotiates its own terms and conditions directly with Uniphar*”.

²¹ The parties provide the following information in respect of these pharmacies: “*There is no binding obligation on the pharmacies within the Axiom buying group (or on Axiom) to purchase from Uniphar and no penalty if they elect not to do so. Indeed, many of these 250 community pharmacies will continue to use United Drug as their primary full-line wholesaler.*”

²² Following an informal information request from the Commission, the parties noted the following: “[...]”.



- Blanchardstown Centre, Blanchardstown, Dublin 15;
 - Unit 1, The Crescent, Church Road, Mulhuddart, Co. Dublin;
 - 157 Killester Avenue, Clontarf West, Dublin 5;
 - 50 Dorset Street Lower, Dublin 1;
 - 5 Lower Kilmacud Road, Stillorgan, Co. Dublin;
 - Dutch Village Shopping Centre, Woodford Walk, Clondalkin, Dublin 22;
 - 4 Landscape Road, Churchtown, Dublin 14;²³
 - Main Street, Dunleer, Co. Louth;
 - Boyne Shopping Centre, Bolton Street, Drogheda, Co. Louth;
 - Brand Store, Blackrock, Co. Louth;
 - Market Square, Carlingford, Co. Louth;
 - Market Street, Ardee, Co. Louth;
 - New Street, Killarney, Co. Kerry;
 - Fosterstown, Trim, Co. Meath;
 - Main Street, Carrickmacross, Co. Monaghan;
 - 46 Main Street Arklow, Co. Wicklow; and,
 - Westmount Clinic, Church Hill, Wicklow, Co. Wicklow.
14. The Target Pharmacies supply prescription medicines, pharmacy-only over-the-counter medicines, non-medicinal products (e.g., cosmetics, toiletries, baby products, vitamins) and other products.
15. For the financial year ending 28 February 2017, the Target Pharmacies' worldwide turnover was approximately €[...], [...].

Rationale for the Proposed Transaction

16. The parties state in the notification:

"The Target will constitute an investment holding of Uniphar."

Third Party Submissions

17. No submission was received.

Competitive Analysis

Potential Relevant Market Discussion

18. There is a horizontal overlap between the parties' business activities in the State as both Uniphar and the Bradley Group of Companies are active in the operation of retail pharmacies in the State. In addition, there are currently three vertical relationships between Uniphar and the Bradley Group of Companies in the State in relation to: (i) the wholesale supply of human pharmaceuticals; (ii) the supply of common branding/management services to pharmacies; and (iii) the supply of logistics services.

The Operation of Retail Pharmacies

²³ [...].



19. The Commission has previously examined transactions involving the operation of retail pharmacies.²⁴ In the Commission's determination in M/18/024 – Lloyds Pharmacy/McSweeney Group, the Commission assessed the competitive impact of the proposed transaction by reference to the narrowest potential relevant market (being the potential market for the supply of prescription and non-prescription medicines in retail pharmacies in each of the geographic areas in which the target pharmacies were located). The Commission analysed each such local geographic area by reference to a "geographic market comprising a catchment area of within a radius of 2km" from the pharmacy to be acquired.²⁵
20. The Commission has not, in the course of its assessment of the competitive effects of the Proposed Transaction, found reasons to depart from the approach previously adopted by the Commission in relation to the operation of retail pharmacies.

The Wholesale Supply of Human Pharmaceuticals

21. The Commission's predecessor, the Competition Authority (the "Authority"), previously examined the wholesale supply of human pharmaceuticals in M/12/027 – Uniphar/CMR.²⁶ In M/12/027 – Uniphar/CMR, the Authority concluded that the narrowest possible product market affected by the relevant transaction concerned "the market for the full-line wholesale supply of pharmacy-only human pharmaceutical drugs".²⁷ While the Authority did not come to a definite view on the relevant geographic market, the Authority examined the full-line wholesale supply of pharmacy-only human pharmaceutical drugs with respect to the State.²⁸
22. The Commission has not, in the course of its assessment of the competitive effects of the Proposed Transaction, found reasons to depart from the approach previously adopted by the Authority in relation to the wholesale supply of human pharmaceuticals.

The Supply of Common Management/Branding Services to Pharmacies

23. The Commission has not previously examined the supply of common management/branding services to pharmacies in the State. The parties provided the following view in respect of the possible potential market:

"The common branding and management services provided by Allcare comprise a range of services. These could be viewed as collectively forming a distinct market for the

²⁴ For example, please see the merger determination in M/18/024 – Lloyds Pharmacy/McSweeney Group which can be accessed at: https://www.ccpc.ie/business/M.18.024- Lloyds-Pharmacy.McSweeney-Group_public-determination.pdf

²⁵ Please see paragraph 22 in merger determination M/18/024 – Lloyds Pharmacy/McSweeney Group which can be accessed at: https://www.ccpc.ie/business/M.18.024- Lloyds-Pharmacy.McSweeney-Group_public-determination.pdf

²⁶ Please see merger determination M/12/027 – Uniphar/CMR which can be accessed at <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2017/04/M-12-027-Uniphar-CMR-Determination-Public.pdf>

²⁷ Please see paragraph 3.23 in merger determination M/12/027 – Uniphar/CMR which can be accessed at <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2017/04/M-12-027-Uniphar-CMR-Determination-Public.pdf>

²⁸ Please see paragraphs 3.39 to 3.40 in merger determination M/12/027 – Uniphar/CMR which can be accessed at <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2017/04/M-12-027-Uniphar-CMR-Determination-Public.pdf>



provision of comprehensive franchise/management services to pharmacies, or may be considered as a number of individual services each forming part of a broader market, for example in the following sectors: procurement services; accounting services; property management; marketing services etc”.

24. For the purposes of its competitive assessment the Commission will examine the Proposed Transaction as regards the supply of common management/branding services to retail pharmacies in the State.

The Supply of Logistics Services

25. The Authority²⁹ previously considered the pre-wholesale supply of pharmacy-only human pharmaceutical drugs. The Authority ultimately left open the question as to whether this potential market would also include the provision of logistics services (referred to as DTP – Direct to Pharmacy³⁰):

“The Authority, however, does not need to come to a definitive view on the precise relevant product market because its conclusions concerning the competitive impact of the proposed transaction, outlined below, would be unaffected whether the relevant product market is narrow (i.e., pre-wholesaling) or broader to encompass other distribution methods such as DTP.”³¹

26. The European Commission previously considered the pre-wholesale supply/provision of logistics services in respect of pharmacy-only human pharmaceutical drugs in *M.6044 – Alliance Boots/Andrae-Noris Zahn* – ultimately, the European Commission did not conclude on the definite product market definition³²:

“Pre-wholesaling is the provision of logistical services to pharmaceutical manufacturers, mainly consisting in the warehousing and transportation of pharmaceutical products from the manufacturer to wholesalers, hospitals and, in some instances, to pharmacies. The suppliers of pre-wholesale services do not take title to the pharmaceutical products they are storing and ownership remains with the manufacturer until delivery. Pre-

²⁹ Please see in merger determination M/12/027 – Uniphar/CMR which can be accessed at <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2017/04/M-12-027-Uniphar-CMR-Determination-Public.pdf>

³⁰ The Authority provided the following description of DTP, “Another alternative model of distribution is direct-to-pharmacy (“DTP”) whereby a pharmaceutical manufacturer uses a LSP [Logistics Service Provider], which may be a full-line wholesaler, to distribute its products directly to a pharmacy.” Please see paragraph 2.13 in merger determination M/12/027 – Uniphar/CMR which can be accessed at <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2017/04/M-12-027-Uniphar-CMR-Determination-Public.pdf>

³¹ Paragraph 3.13 in merger determination M/12/027 – Uniphar/CMR which can be accessed at <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2017/04/M-12-027-Uniphar-CMR-Determination-Public.pdf>

³² Please see paragraph 9 in European Commission decision in *M.6044 – Alliance Boots/Andrae-Noris Zahn* which is accessible at http://ec.europa.eu/competition/mergers/cases/decisions/m6044_20101216_20310_1743609_EN.pdf



*wholesalers do not have a customer relationship with the intended recipient of the products but with the manufacturers who pay a fee or commission for the service.*³³

27. For the purposes of its competitive assessment, the Commission will examine the Proposed Transaction on the basis of the narrowest potential market, i.e., the supply of logistics services in respect of pharmacy-only human pharmaceutical drugs in the State.

Conclusion on market definition

28. For the purposes of its horizontal competitive analysis, the Commission has assessed the competitive impact of the Proposed Transaction in the following potential markets: (i) the supply of prescription and non-prescription medicines in retail pharmacies within a catchment area of 2km from the Target Pharmacies; and (ii) the supply of prescription and non-prescription medicines in retail pharmacies in the State.
29. In addition, for the purposes of its vertical competitive analysis, the Commission has assessed the competitive impact of the Proposed Transaction in the following potential markets: (i) the full-line wholesale supply of pharmacy-only human pharmaceutical drugs in the State; (ii) the supply of common management/branding services to retail pharmacies in the State; and (iii) the supply of logistics services in respect of pharmacy-only human pharmaceutical drugs in the State.

Horizontal Competition Assessment

- (i) *The supply of prescription and non-prescription medicines in retail pharmacies within a catchment area of 2km from the Target Pharmacies*³⁴

63 Lower Mounttown Road, Dún Laoghaire, Co. Dublin

30. The Bradley Group of Companies currently operates a pharmacy in Dún Laoghaire which trades as *Bradley's Pharmacy*. Uniphar currently owns one pharmacy within a 2km radius of the *Bradleys Pharmacy* in Dún Laoghaire, i.e., *Hilton's Allcare Pharmacy*. Thus, on the basis of a geographic market comprising a catchment area of within a radius of 2km from *Bradley's Pharmacy* in Dún Laoghaire, there is a horizontal overlap between the parties. Following completion of the Proposed Transaction, there will remain at least 10 other fascia of retail pharmacies active within a radius of 2km from *Bradley's Pharmacy* in Dún Laoghaire which will continue to exert a competitive constraint on Uniphar. Therefore, the Commission considers that the Proposed Transaction will not substantially lessen competition in the supply of prescription and non-prescription

³³ Please see paragraph 6 in the European Commission decision in M.6044 – Alliance Boots/Andrae-Noris Zahn in which is accessible at:

http://ec.europa.eu/competition/mergers/cases/decisions/m6044_20101216_20310_1743609_EN.pdf

³⁴ For the avoidance of doubt, the Commission notes that none of the Target Pharmacies are located within a 2km radius of each other. The closest Target Pharmacies are *Bradley's Pharmacy*, Blanchardstown Centre, Blanchardstown, Dublin 15 and *Bradley's Pharmacy*, Unit 1, The Crescent, Church Road, Mulhuddart, Co. Dublin which are located approximately 2.2km from each other. There is no horizontal overlap within a 2km radius from each of these Target Pharmacies and Uniphar. In addition, the Commission notes that there are a number of alternative pharmacies within a 2km radius from each of these Target Pharmacies. For more information, please see paragraphs 33 and 34 and footnotes 38 and 39.



medicines in retail pharmacies in the potential local market comprising a catchment area of within a radius of 2km from *Bradley's Pharmacy* in Dún Laoghaire.

Table 1: Analysis of the pharmacies which are located within a radius of 2km of the *Bradley's Pharmacy* in Dún Laoghaire.

Brand	Pharmacy location	Distance from Bradleys Pharmacy ³⁵
<i>Bradley's Pharmacy</i>	63 Lower Mounttown Road, Dún Laoghaire	-
<i>Hilton's Allcare pharmacy</i>	Units 109, Marine Road, Dún Laoghaire Shopping Centre, Dún Laoghaire	1.3km
<i>Boots Pharmacy</i>	Glenageary Road Upper, Units 5-7 Park Pointe, Glenageary, Dún Laoghaire	0.5km
	Bloomfield Shopping Centre, George's Street Lower, Dún Laoghaire	1.2km
<i>Haven Pharmacy</i>	26 Oliver Plunkett Road, Dún Laoghaire	0.8km
<i>Burnett's Pharmacy</i>	42 George's Street Lower, Dún Laoghaire	1.2 km
<i>O'Mahony and Ennis Pharmacy</i>	O'Mahony and Ennis Pharmacy, 4 Upper Georges Street, Dún Laoghaire	1.2 km
<i>Lloyds Pharmacy</i>	George's Street Upper, Dún Laoghaire	1.3 km
<i>Dun Laoghaire Pharmacy</i>	56 Upper George's Street, Dún Laoghaire	1.5 km
<i>Finnegan's Pharmacy</i>	41 Sallynoggin Road Lower, Sallynoggin	1.5 km
<i>Abbey Healthcare</i>	Unit 1, Pottery Road, Dún Laoghaire	1.7 km
<i>Sandycove Pharmacy</i>	60 Glasthule Road, Dún Laoghaire	1.9 km
<i>Sam McCauley Chemists</i>	65/66 Glasthule Road, Dún Laoghaire	1.9 km

Source: The Commission based on Commission information and information provided by the parties.

2 Fortfield Road, Kimmage, Dublin 6W

31. The Bradley Group of Companies currently operates a pharmacy in Kimmage, Dublin 6W which trades as *Bradley's Pharmacy*. Uniphar does not currently own or operate a pharmacy within Kimmage. The nearest Uniphar pharmacy to the *Bradley's Pharmacy*

³⁵ Distances were calculated on a walking-distance basis and obtained from Google Maps.



in Kimmage is *Bourke's Allcare Pharmacy* located at 220 Lower Rathmines Road, Rathmines, Dublin 6, a distance of approximately 3.4km.³⁶ Thus, on the basis of a geographic market comprising a 2km radius from the *Bradley's Pharmacy* in Kimmage, there is no geographic overlap between the parties.

6 Thorncastle Street, Ringsend, Dublin 4

32. The Bradley Group of Companies currently operates a pharmacy in Ringsend, Dublin 4 which trades as *Bradley's Pharmacy*. Uniphar does not currently own or operate a pharmacy within Ringsend. The nearest Uniphar pharmacy to the *Bradley's Pharmacy* is *Cahill's Allcare Pharmacy* located at 36 Lower Camden Street, Dublin 2, a distance of approximately 3.2km.³⁷ Thus, on the basis of a geographic market comprising a 2km radius from the *Bradley's Pharmacy* in Ringsend, there is no geographic overlap between the parties.

Blanchardstown Centre, Blanchardstown, Dublin 15

33. The Bradley Group of Companies currently operates a pharmacy in Blanchardstown, Dublin 15 which trades as *Bradley's Pharmacy*. Uniphar does not currently own or operate a pharmacy within Blanchardstown. The nearest Uniphar pharmacy to the *Bradley's Pharmacy* in Blanchardstown is *Kiniron's Allcare Pharmacy* located at Main Street, Lucan, Co. Dublin, a distance of approximately 8.4km.³⁸ Thus, on the basis of a geographic market comprising a 2km radius from the *Bradley's Pharmacy* in Blanchardstown, there is no geographic overlap between the parties.

Unit 1, The Crescent, Church Road, Mulhuddart, Co. Dublin

34. The Bradley Group of Companies currently operates a pharmacy in Mulhuddart, Co. Dublin, which trades as *Bradley's Pharmacy*. Uniphar does not currently own or operate a pharmacy within Mulhuddart. The nearest Uniphar pharmacy to the *Bradley's Pharmacy* in Mulhuddart is *Kiniron's Allcare Pharmacy*, located at Main Street, Lucan, Co. Dublin, a distance of approximately 8.7km.³⁹ Thus, on the basis of a geographic

³⁶ In addition, the Commission notes that the closest pharmacies to the *Bradley's Pharmacy* in Kimmage include the following: McCabes Pharmacy, 312 Kimmage Rd Lower (0.4km away); Terenure Life Pharmacy, 86 Terenure Road East (1.2km away); Hickey's Pharmacy, 85 Terenure Road North, Terenure, (1.3km); and Greenlea Pharmacy, 116 Greenlea Road, Terenure, (0.7km away). These pharmacies will act as a competitive constraint on Uniphar following implementation of the Proposed Transaction.

³⁷ In addition, the Commission notes that the closest pharmacies to the *Bradley's Pharmacy* in Ringsend include the following: Lloyds Pharmacy, Fitzwilliam Street (0.12km away); Shelbourne Pharmacy Limited, 19 Irishtown Road (0.35km away); Meagher's Pharmacy Barrow Street, Unit E2 Building, Gasworks House, Barrow Street (0.9km away); and, O'Connor's Pharmacy, 4/6 Bath Ave (0.85km away). These pharmacies will continue to act as a competitive constraint on Uniphar following implementation of the Proposed Transaction.

³⁸ In addition, the Commission notes that the closest pharmacies to the *Bradley's Pharmacy* in Blanchardstown include the following: McCabes Pharmacy, Blanchardstown Shopping Centre (0.035km); Boots, Blanchardstown Shopping Centre (0.35km); Mountview Pharmacy, Mountview Shopping Centre (1.2km); and Stanley's Careplus Pharmacy Blanchardstown (1.2km). These pharmacies will act as a competitive constraint on Uniphar following implementation of the Proposed Transaction.

³⁹ In addition, the Commission notes that the closest pharmacies to the *Bradley's Pharmacy* in Mulhuddart include the following: Touchstone Pharmacy, Mulhuddart Village (0.55km away) and Hickey's Pharmacy, 15 Main Street, Tyrrelstown (1.8km away). These pharmacies will act as a competitive constraint on Uniphar following implementation of the Proposed Transaction.



market comprising a 2km radius from the *Bradley's Pharmacy* in Mulhuddart, there is no geographic overlap between the parties.

157 Killester Avenue, Clontarf West, Dublin 5

35. The Bradley Group of Companies currently operates a pharmacy in Clontarf West, Dublin 5 which trades as *Bradley's Pharmacy*. Uniphar does not currently own or operate a pharmacy within Clontarf West, Dublin 5. The nearest Uniphar-partly owned pharmacy to the *Bradley's Pharmacy* in Clontarf West is *Allcare Pharmacy*⁴⁰ located at 5 Lower O'Connell Street, Dublin 1, a distance of approximately 5.1km.⁴¹ Thus, on the basis of a geographic market comprising a 2km radius from the *Bradley's Pharmacy* in Clontarf West, Dublin 5, there is no geographic overlap between the parties.

50 Dorset Street Lower, Dublin 1

36. The Bradley Group of Companies currently operates a pharmacy on Dorset Street Lower in Dublin 1 which trades as *Bradley's Pharmacy*. Uniphar currently has a minority shareholding in one pharmacy⁴², i.e., *Allcare Pharmacy*, within a 2km radius of the *Bradley's Pharmacy* on Dorset Street Lower.⁴³ Thus, on the basis of a geographic market comprising a catchment area of within a radius of 2km from *Bradley's Pharmacy* on Dorset Street Lower, there is a potential horizontal overlap between the parties. Following completion of the Proposed Transaction, there will remain at least 15 fascia of retail pharmacies active within a radius of 2km from *Bradley's Pharmacy* on Dorset Street Lower which will continue to exert a competitive constraint on Uniphar. Therefore, the Commission considers that the Proposed Transaction will not substantially lessen competition in the supply of prescription and non-prescription medicines in retail pharmacies in the potential local market comprising a catchment area of within a radius of 2km from *Bradley's Pharmacy* on Dorset Street Lower.

Table 2: Analysis of the pharmacies which are located within a radius of 2km of the *Bradley's Pharmacy* on Dorset Street Lower.

Brand	Pharmacy location	Distance from Bradleys Pharmacy
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⁴⁰ The parties provided the following information in the merger notification form in respect of this pharmacy, "*Uniphar has a minority shareholding in Ballychem Limited ("Ballychem"), trading as the Allcare Pharmacy, located on Lower O'Connell Street" and "Uniphar's indirect stake in Ballychem is 19.99%. Ballychem is a [...] owned subsidiary of Inischem DAC ("Inischem"), in which Uniphar has a 19.99% shareholding"*. In addition, the parties provided the following information, "[...]."

⁴¹ In addition, the Commission notes that the closest pharmacies to the *Bradley's Pharmacy* in Clontarf West, Dublin 5 include the following: *Pure Pharmacy*, Collins Avenue East, Dublin 5 (0.5km); *Magner's Pharmacy*, Howth Road, Clontarf East, Dublin (0.75km away); and, *Lloyds Pharmacy*, 169 Howth Road, Killester (0.8km away). These pharmacies will act as a competitive constraint on Uniphar following implementation of the Proposed Transaction.

⁴² For more information in respect of this pharmacy, please see footnote 40.

⁴³ The Commission notes that Uniphar also owns a discount store located at 100 Talbot Street, Dublin 1 a distance of approximately 1.4km from the Dorset Street Pharmacy. In response to an informal information request from the Commission, the parties provided the following description of this outlet, "*Uniphar has a 100% interest in Bannockview Limited ("Bannockview"), which operates the Discount & Deals outlet. This outlet is intended to be operational for a short-term period of six months. "Discount & Deals" is not a community pharmacy, but rather a vehicle to sell surplus/slow-moving non-pharmaceutical products typically sold in community pharmacies in the gift, beauty and toiletries categories."*



<i>Bradleys Pharmacy</i>	50 Dorset Street Lower, Dublin 1	-
<i>Allcare Pharmacy</i>	Unit 5, Lower O'Connell Street, Dublin 1	1.6 km
<i>Pure Pharmacy</i>	Portland Street North, Ballybough, Dublin 1	0.45km
<i>Medipharm</i>	19 Frederick Street North, Dublin 1	0.6km
<i>Foley's Pharmacy</i>	136 Parnell Street, Dublin 1	0.95km
<i>Smith's Pharmacy</i>	88 Summerhill, Mountjoy, Dublin 1	1.0 km
<i>Allen's Pharmacy</i>	10 Summerhill Parade, Ballybough, Dublin 1	1.0 km
<i>Liam Murray Chemists</i>	20/21 Talbot St, Mountjoy, Dublin 1	1.3km
<i>Cleary's Active Life Pharmacy</i>	5 Irish Life Mall, Talbot Street, Dublin 1	1.3km
<i>Hilton's Pharmacy</i>	Unit 4 Ilac Shopping Centre, Green Court, Parnell Street	1.3km
<i>Capel Street Pharmacy</i>	138 Capel St, Dublin 1	1.3km
<i>O'Regan's Pharmacy</i>	36a Talbot St, Dublin 1	1.4km
<i>Life Pharmacy</i>	35-41 Parnell Street, Dublin 1	1.4km
<i>Hickey's Pharmacy</i>	6 Henry Street, Dublin 1	1.5km
	55 O'Connell Street Lower, Dublin 1	1.6km
<i>Boots Pharmacy</i>	20 Henry Street, Dublin 1	1.5 km
	Unit 9&10, Jervis Shopping Centre, Henry Street, Dublin 1	1.8 km
	Unit 20, Ilac Shopping Centre, Henry Street, Dublin 1	1.9 km
<i>Tracey's Pharmacy</i>	18 Eden Quay, Dublin 1	1.7 km
<i>Pharmacy Express</i>	Unit 3, Connolly Station, Amiens Street	1.7 km

Source: The Commission based on Commission information and information provided by the parties.

5 Lower Kilmacud Road, Stillorgan, Co. Dublin

37. The Bradley Group of Companies currently operates a pharmacy in Stillorgan, Co. Dublin which trades as *Bradley's Pharmacy*. Uniphar does not currently own or operate a pharmacy within Stillorgan. The nearest Uniphar pharmacy to the *Bradley's Pharmacy*



in Stillorgan is *Hilton's Allcare Pharmacy* located at Units 108 – 110, Shopping Centre, Dún Laoghaire, Co. Dublin, a distance of approximately 5.4km.⁴⁴ Thus, on the basis of a geographic market comprising a 2km radius from the *Bradley's Pharmacy* in Stillorgan, there is no geographic overlap between the parties.

Dutch Village Shopping Centre, Woodford Walk, Clondalkin, Dublin 22

38. The Bradley Group of Companies currently operates a pharmacy in Clondalkin, Dublin 22 which trades as *Bradley's Pharmacy*. Uniphar does not currently own or operate a pharmacy within Clondalkin. The nearest Uniphar pharmacy to the *Bradley's Pharmacy* in Clondalkin is *Kiniron's Allcare Pharmacy* located at Main Street, Lucan, Co. Dublin, a distance of approximately 7.2km.⁴⁵ Thus, on the basis of a geographic market comprising a 2km radius from the *Bradley's Pharmacy* in Clondalkin, there is no geographic overlap between the parties.

*4 Landscape Road, Churchtown, Dublin 14*⁴⁶

39. The Bradley Group of Companies currently operates a pharmacy in Churchtown, Dublin 14 which trades as *Bradley's Pharmacy*. Uniphar does not currently own or operate a pharmacy within Churchtown. The nearest Uniphar pharmacy to the *Bradley's Pharmacy* in Churchtown is *Bourke's Allcare Pharmacy* located at 220 Lower Rathmines Road, Rathmines, Dublin 6, a distance of approximately 3.5km.⁴⁷ Thus, on the basis of a geographic market comprising a 2km radius from the *Bradleys Pharmacy* in Churchtown, there is no geographic overlap between the parties.

Main Street, Dunleer, Co. Louth

40. The Bradley Group of Companies currently operates a pharmacy in Dunleer, Co. Louth which trades as *Bradley's Pharmacy*. Uniphar does not currently own or operate a pharmacy within Dunleer, Co. Louth. The nearest Uniphar (partly) owned pharmacy to the *Bradley's Pharmacy* in Dunleer, Co. Louth is *O'Flynn's Allcare Pharmacy*⁴⁸ located at 9 Castle Street, Ardee, Co. Louth, a distance of approximately 11.1km.⁴⁹ Thus, on the

⁴⁴ In addition, the Commission notes that the closest pharmacies to the *Bradley's Pharmacy* in Stillorgan, Co. Dublin include the following: *Phelans Pharmacy and Mobility Supplies*, 3 Lower Kilmacud Road, Stillorgan (0.023km); Haven Pharmacy Raffertys, Stillorgan Shopping Centre (0.45km away); and, Lloyds Pharmacy, Stillorgan Shopping Centre (0.6km away). These pharmacies will act as a competitive constraint on Uniphar following implementation of the Proposed Transaction.

⁴⁵ In addition, the Commission notes that the closest pharmacies to the *Bradley's Pharmacy* in Clondalkin include the following: Hickey's Pharmacy, 5 Castle Crescent, Monastery Road, (1.1km away); Cadden's Pharmacy, Tower Shopping Centre (1.6km away); and Boots, the Mill Shopping Centre, Clondalkin (1.6km). These pharmacies will act as a competitive constraint on Uniphar following implementation of the Proposed Transaction.

⁴⁶ [...].

⁴⁷ In addition, the Commission notes that the closest pharmacies to the *Bradley's Pharmacy* in Churchtown include the following: Smith's Pharmacy, 121 Braemor Road, Churchtown (0.45km away); Lloyds Pharmacy, 11B Braemor Rd, Rathmines Little, Dublin 14 (0.8km away); and Boots, Nutgrove Shopping Centre (1.2km away). These pharmacies will act as a competitive constraint on Uniphar following implementation of the Proposed Transaction.

⁴⁸ The parties provided the following information in the merger notification form in respect of this pharmacy: "*Uniphar holds a 19.99% indirect interest in Colman O'Flynn Limited, the company which owns and operates this outlet. This stake is held through Uniphar's 19.99% shareholding in Inischem DAC ("Inischem").*"

⁴⁹ In addition, the Commission notes that the closest pharmacies to the *Bradley's Pharmacy* in Dunleer include the following: Donal McGoey Pharmacy Limited, Main St, Battsland, Dunleer (0.042km away); White's Pharmacy, Main St, Castlebellingham (7.9km away); and Collon Pharmacy, Drogheda Street, Collon (10.1km away). These pharmacies will act as a competitive constraint on Uniphar following implementation of the Proposed Transaction.



basis of a geographic market comprising a 2km radius from the *Bradley's Pharmacy* in Dunleer, Co. Louth, there is no geographic overlap between the parties.

Boyne Shopping Centre, Bolton Street, Drogheda, Co. Louth

41. The Bradley Group of Companies currently operates a pharmacy in Drogheda, Co. Louth which trades as *Bradley's Pharmacy*. Uniphar does not currently own or operate a pharmacy within Drogheda, Co. Louth. The nearest Uniphar pharmacy to the *Bradley's Pharmacy* in Drogheda, Co. Louth is *Breen's Allcare Pharmacy* located at the Main Street, Slane, Co. Meath, a distance of approximately 13.7km.⁵⁰ Thus, on the basis of a geographic market comprising a 2km radius from the *Bradley's Pharmacy* in Drogheda, Co. Louth, there is no geographic overlap between the parties.

Brand Store, Blackrock, Co. Louth

42. The Bradley Group of Companies currently operates a pharmacy in Blackrock, Co. Louth which trades as *Bradley's Pharmacy*. Uniphar does not currently own or operate a pharmacy within Blackrock, Co. Louth. The nearest Uniphar (partly) owned pharmacy to the *Bradley's Pharmacy* in Blackrock, Co. Louth is *O'Flynn's Allcare Pharmacy*⁵¹ located at 9 Castle Street, Ardee, Co. Louth, a distance of approximately 19.5km.⁵² Thus, on the basis of a geographic market comprising a 2km radius from the *Bradley's Pharmacy* in Blackrock, Co. Louth, there is no geographic overlap between the parties.

Market Square, Carlingford, Co. Louth

43. The Bradley Group of Companies currently operates a pharmacy in Carlingford, Co. Louth which trades as *Bradley's Pharmacy*. Uniphar does not currently own or operate a pharmacy within Carlingford, Co. Louth. The nearest Uniphar (partly) owned pharmacy to the *Bradley's Pharmacy* in Carlingford, Co. Louth is *O'Flynn's Allcare Pharmacy*⁵³ located at 9 Castle Street, Ardee, Co. Louth, a distance of approximately 42.8km.⁵⁴ Thus, on the basis of a geographic market comprising a 2km radius from the

⁵⁰ In addition, the Commission notes that the closest pharmacies to the *Bradley's Pharmacy* in Drogheda include the following: Fair Street Pharmacy, 29 Fair St, Downtown Drogheda (0.14km away); Superpharm, 78 West St, Downtown Drogheda (0.25km away); and Town Centre Pharmacy, Unit 4, Drogheda Town Centre, Downtown Drogheda (0.45km away). These pharmacies will act as a competitive constraint on Uniphar following implementation of the Proposed Transaction.

⁵¹ The parties provided the following information in the merger notification form in respect of this pharmacy: "Uniphar holds a 19.99% indirect interest in Colman O'Flynn Limited, the company which owns and operates this outlet. This stake is held through Uniphar's 19.99% shareholding in Inischem DAC ("Inischem")."

⁵² In addition, the Commission notes that the closest pharmacies to the *Bradley's Pharmacy* in Blackrock include the following: McQuillan's Pharmacy, 1 Main Street, Blackrock Road (0.45km away); and, Mc Cormack's Pharmacy Dundalk, Fairways Shopping Centre (1.9km away). These pharmacies will act as a competitive constraint on Uniphar following implementation of the Proposed Transaction.

⁵³ The parties provided the following information in the merger notification form in respect of this pharmacy: "Uniphar holds a 19.99% indirect interest in Colman O'Flynn Limited, the company which owns and operates this outlet. This stake is held through Uniphar's 19.99% shareholding in Inischem DAC ("Inischem")."

⁵⁴ In addition, the Commission notes that the closest pharmacies to the *Bradley's Pharmacy* in Carlingford include the following: Village Pharmacy Carlingford, Dundalk Street, Carlingford (0.16km away); and, Omeath Pharmacy, Station Road, Co Louth (7.4km away). These pharmacies will act as a competitive constraint on Uniphar following implementation of the Proposed Transaction.



Bradley's Pharmacy in Carlingford, Co. Louth, there is no geographic overlap between the parties.

Market Street, Ardee, Co. Louth

44. The Bradley Group of Companies currently operates a pharmacy in Ardee, Co. Louth which trades as *Bradley's Pharmacy*. Uniphar currently has a minority shareholding in Colman O'Flynn Limited, trading as the *O'Flynn Allcare Pharmacy* within Ardee, Co. Louth.⁵⁵ Thus, on the basis of a geographic market comprising a catchment area of within a radius of 2km from *Bradley's Pharmacy* in Ardee, Co. Louth, there is a potential horizontal overlap between the parties. Following completion of the Proposed Transaction, there will remain at least 2 other fascia of retail pharmacies active within a radius of 2km from *Bradley's Pharmacy* in Ardee Co. Louth which will continue to exert a competitive constraint on Uniphar.

Table 3: Analysis of the pharmacies which are located within a radius of 2km of the *Bradley's Pharmacy* in Ardee, Co. Louth.

Brand	Pharmacy location	Distance from Bradleys Pharmacy
<i>Bradley's Pharmacy</i>	Market Street, Ardee, Co. Louth	-
<i>O'Flynn Allcare Pharmacy</i>	9 Castle Street, Ardee, Co. Louth	0.23km
<i>Ardee Pharmacy</i>	27 Market Street, Cappocksgreen, Ardee	0.05km
<i>McGoey's Pharmacy</i>	66 Market Street, Cappocksgreen, Ardee	0.12km

Source: The Commission based on Commission information and information provided by the parties.

44. In addition, the Commission notes that Dundalk town and Drogheda town are both typically within a 20-25 minute drive-time from the *Bradley's Pharmacy* in Ardee, Co. Louth. According to the Register of Pharmacies (published by the Pharmaceutical Society of Ireland), there are currently 23 retail pharmacies in Dundalk, Co. Louth and 22⁵⁶ retail pharmacies in Drogheda, Co. Louth.⁵⁷ The Commission notes that these pharmacies will exert a competitive constraint on Uniphar, following implementation of the Proposed Transaction. Therefore, the Commission considers that the Proposed Transaction will not substantially lessen competition in the supply of prescription and non-prescription medicines in retail pharmacies in the potential local market comprising the local area around *Bradley's Pharmacy* in Ardee, Co. Louth.

⁵⁵ The parties provided the following information in respect of this pharmacy: "*Uniphar's indirect stake in COF [Colman O'Flynn Limited] is 19.99%. Similarly to Ballychem, COF is a [...] owned subsidiary of Inischem, in which Uniphar holds a 19.99% stake*".

⁵⁶ The Commission notes that this number excludes the *Bradley's Pharmacy* in Drogheda.

⁵⁷ For more information, please see <https://www.thepsi.ie/gns/Search-the-Registers.aspx>.



New Street, Killarney, Co. Kerry

45. The Bradley Group of Companies currently operates a pharmacy in Killarney, Co. Kerry which trades as *Bradley's Pharmacy*. Uniphar does not currently own or operate a pharmacy within Killarney. The nearest Uniphar pharmacy to the *Bradley's Pharmacy* in Killarney, Co. Kerry is *Tarbert Allcare Pharmacy* located on Main Street, Tarbert in North Kerry, a distance of approximately 64.9km.⁵⁸ Thus, on the basis of a geographic market comprising a 2km radius from the *Bradley's Pharmacy* in Killarney, Co. Kerry, there is no geographic overlap between the parties.

Fosterstown, Trim, Co. Meath

46. The Bradley Group of Companies currently operates a pharmacy in Fosterstown, Trim, Co. Meath, which trades as *Bradley's Pharmacy*. Uniphar does not currently own or operate a pharmacy within Trim, Co. Meath. The nearest Uniphar pharmacy to the *Bradley's Pharmacy* in Trim is *Breen's Allcare Pharmacy* located on the Main Street in Slane, Co. Meath, a distance of approximately 27.9km.⁵⁹ Thus, on the basis of a geographic market comprising a 2km radius from the *Bradley's Pharmacy* in Trim, Co. Meath, there is no geographic overlap between the parties.

Main Street, Carrickmacross, Co. Monaghan

47. The Bradley Group of Companies currently operates a pharmacy in Carrickmacross, Co. Monaghan which trades as *Bradley's Pharmacy*. Uniphar does not currently own or operate a pharmacy within Carrickmacross, Co. Monaghan. The nearest (partly-owned) Uniphar pharmacy to the *Bradley's Pharmacy* in Carrickmacross, Co. Monaghan is *O'Flynn's Allcare Pharmacy* located at 9 Castle Street, Ardee, Co. Louth, a distance of approximately 18.9km.⁶⁰ Thus, on the basis of a geographic market comprising a 2km radius from the *Bradley's Pharmacy* in Carrickmacross, Co. Monaghan, there is no geographic overlap between the parties.

46 Main Street Arklow, Co. Wicklow

48. The Bradley Group of Companies currently operates a pharmacy in Arklow, Co. Wicklow which trades as *Bradley's Pharmacy*. Uniphar does not currently own or operate a pharmacy within Arklow, Co. Wicklow. The nearest Uniphar pharmacy to the *Bradley's Pharmacy* in Arklow, Co. Wicklow is *Roche's Allcare Pharmacy*⁶¹ located in Gorey, Co.

⁵⁸ In addition, the Commission notes that the closest pharmacies to the *Bradley's Pharmacy* in Killarney include the following: Kennelly's Pharmacy and Opticians, 33 New Street, Killarney (0.049km away); O'Sullivan's Pharmacy, 81 New Street, Killarney (0.057km away); and, Sewell's Pharmacy, 2 New Street, Killarney (0.23km away). These pharmacies will act as a competitive constraint on Uniphar following implementation of the Proposed Transaction.

⁵⁹ In addition, the Commission notes that the closest pharmacies to the *Bradley's Pharmacy* in Trim include the following: *McGrane's Pharmacy*, 1 Patrick Street, Trim (1.0km); *Farrell's Pharmacy Trim*, Finegans Way, Trim (1.1 km); and *Adrian Dunne Pharmacy*, Market Street, Townparks South, Trim (1.3km). These pharmacies will act as a competitive constraint on Uniphar following implementation of the Proposed Transaction.

⁶⁰ In addition, the Commission notes that the closest pharmacies to the *Bradley's Pharmacy* in Carrickmacross include the following: Carrick Pharmacy, Carrickmacross Shopping Centre (0.002km); R S Eakin Limited, 21 Main Street, Carrickmacross (0.055km); and Connolly's Pharmacy, 13 O'Neill Street, Carrickmacross (0.16km). These pharmacies will act as a competitive constraint on Uniphar following implementation of the Proposed Transaction.

⁶¹ The parties provided the following information in relation to this pharmacy: "This outlet is owned and operated by C.P. Roche & Co. Limited, a wholly-owned subsidiary of Uniphar".



Wexford, a distance of approximately 17.7km.⁶² Thus, on the basis of a geographic market comprising a 2km radius from the *Bradley's Pharmacy* in Arklow, Co. Wicklow, there is no geographic overlap between the parties.

Westmount Clinic, Church Hill, Wicklow, Co. Wicklow

49. The Bradley Group of Companies currently operates a pharmacy in Wicklow town, Co. Wicklow, which trades as *Bradley's Pharmacy*. Uniphar does not currently own or operate a pharmacy within Wicklow town. The nearest (partly-owned) Uniphar pharmacy to the *Bradley's Pharmacy* in Church Hill, Co. Wicklow is *Roche's Allcare Pharmacy*⁶³ located in Greystones, Co. Wicklow, a distance of approximately 20.9km.⁶⁴ Thus, on the basis of a geographic market comprising a 2km radius from the *Bradley's Pharmacy* in Wicklow town, there is no geographic overlap between the parties.

Conclusion on Local Market Analysis

50. For the reasons set out above, the Commission considers that the Proposed Transaction will not substantially lessen competition in the supply of prescription and non-prescription medicines in retail pharmacies within a 2km radius from the Target Pharmacies in the State.

(ii) The supply of prescription and non-prescription medicines in retail pharmacies in the State

51. On a national level, the Proposed Transaction raises no competition concerns in the potential market for supply of prescription and non-prescription medicines in retail pharmacies. Information provided by the parties estimated that Uniphar held an estimated 1.24%⁶⁵ share of the total number of retail pharmacies in the State in 2018 and that the Target Pharmacies held an estimated 1%.⁶⁶ Thus, on a national level, Uniphar's increased share of the total number of retail pharmacies in the State as a result of the Proposed Transaction will be minimal.

Vertical Relationship

52. There are currently three vertical relationships between Uniphar and the Bradley Group of Companies in the State in relation to: (i) the full-line wholesale supply of pharmacy-

⁶² In addition, the Commission notes that the closest pharmacies to the *Bradley's Pharmacy* in Arklow include the following: Adrian Dunne Pharmacy, 41 Main Street, Arklow, Co. Wicklow (0.038km); Ferrybank CarePlus Pharmacy, Ferrybank, Arklow (0.45km); and, O'Mearas CarePlus Pharmacy, 30 Upper Main Street, Arklow (0.45km). These pharmacies will act as a competitive constraint on Uniphar following implementation of the Proposed Transaction.

⁶³ The parties provided the following information in relation to this pharmacy: "Uniphar owns a 19.99% indirect stake in Roscare Chemists Limited, the company which owns and operates this outlet. This shareholding is held through Uniphar's 19.99% stake in Inischem."

⁶⁴ In addition, the Commission notes that the closest pharmacies to the *Bradley's Pharmacy* in Church Hill include the following: Michael Collins Pharmacy, Wentworth Villas, Abbey Street (0.45km); Wicklow CarePlus Pharmacy, Church Street, Wicklow Town (0.65km); and Butlers Medical Hall, Wicklow (0.8km). These pharmacies will act as a competitive constraint on Uniphar following implementation of the Proposed Transaction.

⁶⁵ This market share estimate accounts for the number of retail pharmacies which Uniphar currently solely controls in the State.

⁶⁶ Market share estimates were provided by the parties and based on the number of pharmacies as reported by the Pharmaceutical Society of Ireland. Please see the Register of Pharmacies (published by the Pharmaceutical Society of Ireland) which reported that as of 2 October 2018 there were approximately 1,850 community pharmacies in the State: <https://www.thepsi.ie/gns/Search-the-Registers.aspx>



only human pharmaceutical drugs in the State; (ii) the supply of common management/branding services to pharmacies in the State; and, (iii) the supply of logistics services in respect of pharmacy-only human pharmaceutical drugs in the State.

(i) The full-line wholesale supply of pharmacy-only human pharmaceuticals drugs in the State

53. Uniphar currently operates as the Target Pharmacies' primary full-line wholesaler of pharmacy-only human pharmaceutical drugs in the State. The parties informed the Commission that the Target Pharmacies also obtain pharmacy-only human pharmaceutical drugs from *United Drug*, logistics service providers and short-line wholesalers in the State.⁶⁷ Following implementation of the Proposed Transaction, Uniphar informed the Commission that it is intended that the Target Pharmacies will purchase the majority of their pharmacy-only human pharmaceutical drugs from Uniphar, i.e., *"Post-transaction, the Target will likely purchase the bulk of its requirements of human pharmaceuticals from Uniphar"*.
54. The Commission considers that the Proposed Transaction does not give rise to any vertical foreclosure concerns in the State in relation to the wholesale supply of pharmacy-only human pharmaceuticals for the following reasons:
- i. Customer foreclosure: On the basis of the Register of Pharmacies (published by the Pharmaceutical Society of Ireland), the Target Pharmacies account for approximately 1% of the total number of pharmacies in the State.⁶⁸ As previously mentioned, Uniphar currently operates as the Target Pharmacies' full-line wholesaler of pharmacy-only human pharmaceutical drugs in the State. Therefore, the Proposed Transaction will ultimately result in Uniphar and the Target Pharmacies internalising and possibly increasing⁶⁹ existing supply arrangements. Therefore, the Proposed Transaction increment⁷⁰ is unlikely to significantly affect Uniphar's share in the full-line wholesale supply of pharmacy-only human pharmaceutical drugs in the State. In addition, there will remain alternative pharmacies and hospitals to which the other full-line wholesaler of pharmacy-only human pharmaceuticals in the State, i.e., *United Drug*, can supply full-line wholesale services;
 - ii. Input foreclosure: information provided by Uniphar noted that it currently holds a [45-50]% share in the full-line wholesale supply of pharmacy-only human pharmaceuticals in the State.⁷¹ As previously mentioned, there is just one other full-line wholesaler of pharmacy-only human pharmaceutical drugs in the State, i.e., *United Drug*. *United Drug* holds a [50-55]% share in the full-

⁶⁷ In addition, Uniphar provided the following information to the Commission: *"Uniphar has no access to information on the extent to which the Target procures products from other suppliers"*.

⁶⁸ Please see footnote 66 for market share estimate description.

⁶⁹ As previously mentioned in paragraph 53, although Uniphar is currently the Target Pharmacies full-line pharmacy-only human pharmaceutical drugs in the State, the Target Pharmacies also obtain pharmacy-only human pharmaceutical drugs from *United Drug*, logistic service providers and short-line wholesalers in the State. Post-transaction, it is intended that the Target Pharmacies will purchase the majority of their pharmacy-only human pharmaceutical drugs from Uniphar.

⁷⁰ As previously mentioned, Uniphar noted that *"Uniphar has no access to information on the extent to which the Target procures products from other supplier"*.

⁷¹ Market share estimates were provided by Uniphar and based on data (dated September 2018) provided by IMS Health Ireland ("IMS"), a provider of data on sales of medicinal/pharmaceutical products in Ireland.



line wholesale supply of pharmacy-only human pharmaceuticals in the State.⁷² There are also a number of short-line wholesalers/parallel importers (e.g., *PCO Manufacturing*, *iMED Healthcare*, *Eurodrug* and *Lexon*) which will exert a competitive constraint on Uniphar, following implementation of the Proposed Transaction. In addition, Uniphar provided the Commission with the following reasons as to why it would not have an incentive to reduce supplies to third-party community pharmacies competing with the Target Pharmacies and/or the 23 community pharmacies controlled by Uniphar in order to strengthen the position of Uniphar-owned community pharmacies in the State/in certain local areas:

“there would be no incentive for Uniphar to do so and this would never be a rational course of action for Uniphar. Uniphar’s primary business is full-line wholesaling. It derives the majority of its annual global EUR 1.267 billion turnover from this activity. By contrast, the Target is a very minor part of the community pharmacy sector in the State, with total annual turnover of approximately EUR [...], and with low market shares even on narrow local markets. Third-party pharmacies could readily obtain supplies from United Drug (and short-line wholesalers/LSPs) were Uniphar to withhold supplies and there would thus be no benefit in Uniphar pursuing such a strategy. In any event, any increase in Uniphar’s sales via its owned community pharmacies would never compensate for the loss of revenue at wholesale level from such a strategy (which would have to involve withholding supplies from many third-party community pharmacies in order to benefit a small number of Uniphar-owned pharmacies).”

- iii. The Commission considers that the Proposed Transaction will not significantly alter the market structure in respect of the full-line wholesale supply of pharmacy-only human pharmaceuticals in the State due to the minimal market share increment post-transaction.

55. In light of the above, the Commission considers that, following implementation of the Proposed Transaction, the parties will neither have the ability nor the incentive to: (i) foreclose any full-line wholesalers (and/or short line wholesalers/logistics service providers) in the State from supplying pharmacies with pharmacy-only human pharmaceutical drugs; and, (ii) foreclose any pharmacies from obtaining pharmacy-only human pharmaceutical drugs from alternative full-line wholesalers (and/or short line wholesalers/logistic service providers). Accordingly, the Commission considers that the Proposed Transaction is not likely to lead to any vertical foreclosure concerns in the State in relation to the full-line wholesale supply of pharmacy-only human pharmaceutical drugs in the State.

(ii) The supply of common management/branding services to retail pharmacies in the State

56. There is a potential vertical relationship between the Target Pharmacies and Uniphar in relation to the supply of common management/branding services to retail pharmacies

⁷² Please see footnote 71 for a description of market share estimates.



in the State.⁷³ As previously mentioned, Allcare provides a suite of professional management services⁷⁴ to community pharmacists in the State via Allcare services agreements or Allcare franchise agreements.⁷⁵ A pharmacy may elect to provide these services to itself, or may use one or more third-party providers.

57. The Commission considers that the Proposed Transaction does not give rise to any vertical foreclosure concerns in the State in relation to the supply of common management/branding services to retail pharmacies in the State for the following reasons:
- i. Customer foreclosure: Uniphar estimated that Allcare currently provides common management/branding services⁷⁶ to at least [0-5]% of retail pharmacies⁷⁷ in the State. Following implementation of the Proposed Transaction, it is intended that [...]. On the basis of the Register of Pharmacies (published by the Pharmaceutical Society of Ireland), the Target Pharmacies account for approximately 1% of the total number of retail pharmacies in the State.⁷⁸ However, an increase in Uniphar's share in the supply of common management/branding services to retail pharmacies – as a result of the Proposed Transaction – would reflect an intra-group self-supply arrangement rather than sales to third parties. Therefore, the Proposed Transaction increment is unlikely to significantly affect Uniphar's share in the supply of common management/branding services to retail pharmacies in the State. In addition, there will remain a significant number of alternative retail pharmacies in the State to which alternative suppliers of common management/branding services can supply such services;
 - ii. Input foreclosure: as previously mentioned, although there is no provider of the same suite of services as Allcare, there are various providers of buying group/franchise services to pharmacies in the State, e.g., *Haven*, *Lloyd's*

⁷³ For the avoidance of doubt, Uniphar does not currently provide any common management/branding services to the Target Pharmacies.

⁷⁴ As previously mentioned, the services provided by Allcare include the following: clinical support, development of new services and product ranges, procurement of goods and services from pharmaceutical wholesalers, category and planning management, property management, human resource management, information technology management and development, operational and financial controls, and marketing assistance.

⁷⁵ Uniphar noted the following in respect of these services: *"While there is no provider of the same suite of services as Allcare (of which Allcare is aware), there are various providers of buying group/franchise services to pharmacies in the State, such as Haven, Lloyd's Pharmacy, Total Health, and Care Plus."*

⁷⁶ The parties acknowledged the difficulty in estimating market share estimates in respect of this potential market, i.e., *"it is not possible to provide a meaningful estimate of Allcare's share in the supply of common branding/management services to pharmacies in the State" as "there is no provider of the same suite of services as Allcare (of which Allcare is aware)"*.

⁷⁷ Uniphar noted that this market share estimate excludes *"the major pharmacy chains, which manage their own community pharmacies and use their own branding (i.e., they self-supply) and are therefore unlikely to rely on third parties such as Allcare to provide such services. In other words, this estimate relates to the estimated "contestable" portion of this sector"*. In addition the parties provided the following explanation of how this market share estimate was calculated: *"This estimate is calculated by dividing [...] (i.e., the number of third-party community pharmacies to which Allcare provides these services by 1,551 (i.e., the 1,850 community pharmacies in the State [based on the Register of Pharmacies (published by the Pharmaceutical Society of Ireland)] (see footnote 15 (page 4) of the Notification) minus the 299 community pharmacies controlled by the large chains (i.e., Lloyd's Pharmacy (87), Boots (84), Hickey's Pharmacy (33), Sam McCauley Chemists (32), McCabe's Pharmacy (21), Allcare's 23 wholly-owned stores and Bradley's 19 stores"*.

⁷⁸ Please see footnote 66 for market share estimate description.



Pharmacy, Total Health, and Care Plus. In addition, retail pharmacies can also self-provide the services which Allcare offers or they may use individual providers of the various services offered by Allcare, e.g., accountancy firms, recruitment firms, marketing, etc. Uniphar also noted that following implementation of the Proposed Transaction, Uniphar would not have an incentive to withhold common management/branding services from retail pharmacies in the State for the following reasons: *“Allcare is a minor provider of management services in the State – it would be neither rational nor profitable for it to withhold such services from other pharmacies outside the Target, nor would it have any adverse impact on competitive conditions in the State if it did so given the many competitors of Allcare in the State and the ability of pharmacies to “self-provide” the services supplied by Allcare.”*

- iii. The Commission considers that there will remain a sufficient number of competitors and customers following completion of the Proposed Transaction in all markets in which both the Target Pharmacies and Uniphar currently compete.

58. In light of the above, the Commission considers that, following implementation of the Proposed Transaction, the parties will neither have the ability nor the incentive to: (i) foreclose any providers of common management/branding services to retail pharmacies in the State; and, (ii) foreclose any retail pharmacies from obtaining common management/branding services from alternative service providers in the State. Accordingly, the Commission considers that the Proposed Transaction is not likely to lead to any vertical foreclosure concerns in the State in relation to the supply of common management/branding services to retail pharmacies in the State.

(iii) The supply of logistics services in respect of pharmacy-only human pharmaceutical drugs in the State

59. There is a potential vertical relationship between Uniphar and the Target Pharmacies in respect of the supply of logistics services in respect of pharmacy-only human pharmaceutical drugs in the State.
60. In its capacity as a logistics service provider, Uniphar’s contractual relationship is with the relevant manufacturer and not the consignee (e.g., the retail pharmacy), i.e., *“Uniphar LSP acts at the direction of manufacturers and thus has less control over supplies to community pharmacies than Uniphar Wholesale”*.⁷⁹ In other words, Uniphar does not provide logistics services in respect of pharmacy-only human pharmaceutical drugs to community pharmacies. The relevant services are provided to manufacturers and delivery of the pharmacy-only human pharmaceutical drugs to community pharmacies forms part of this service.⁸⁰ As such, the Proposed Transaction will not directly affect Uniphar's share in the provision of logistics services in respect of

⁷⁹ Information provided by Uniphar in the merger notification form and in response to an informal information request from the Commission.

⁸⁰ In addition, the parties provided the Commission with the following information in response to an information request: *“In addition, In Uniphar's experience, the vast majority of LSPs' turnover from the delivery/supply of pharmacy-only human pharmaceutical products is derived from deliveries to wholesalers rather than to community pharmacies.”*



pharmacy-only human pharmaceutical products. As a result, the Commission will not consider this potential vertical relationship any further in its assessment.

Conclusion

61. 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

62. No ancillary restraints were notified in the Investment Agreement.



Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, has determined that, in its opinion, the result of the proposed acquisition whereby Uniphar plc would acquire sole control of Pagni Pharmacies Limited and Pyramach Limited and thus sole control of the business assets of twenty retail pharmacies, trading as Bradley's Pharmacy, 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

Brian McHugh
Member
Competition and Consumer Protection Commission