

Completed acquisition by Riviera Bidco Limited of Dental Partners Group Limited

Summary of the CMA's decision on relevant merger situation and substantial lessening of competition

ME/6990/22

SUMMARY

1. The Competition and Markets Authority (**CMA**) has found that the completed acquisition by Riviera Bidco Limited (**Riviera**) of Dental Partners Group Limited (**Dental Partners**) (the **Merger**) gives rise to a realistic prospect of a substantial lessening of competition (**SLC**) as a result of horizontal unilateral effects in the provision of NHS general dental treatments in two local areas in England.
2. Riviera, which owns and controls Rodericks Dental Limited (**Rodericks**), and Dental Partners are together referred to as **the Parties** or the **Merged Entity**.
3. Rodericks and Dental Partners are two of a small number of large corporate dental groups active in the UK. They have grown in recent years, partly as a result of acquisitions. Over the last two years, for example, Rodericks acquired 46 dental practices and Dental Partners acquired eight dental practices. Rodericks and Dental Partners are the fourth and eighth largest corporate dental groups in the UK (by number of practices), respectively. Both Parties provide general and specialist dental treatment to NHS patients, as well as private patients.
4. The CMA had jurisdiction to review the Merger because Rodericks and Dental Partners have a combined share of supply of over 25% (measured by share of sites or share of NHS treatments) in several local areas in the UK in which they overlap.
5. The CMA assessed the potential impact of the merger on competition for patients at the local and national level, as well as on competition between dental practices for NHS contracts tendered at the regional level. In relation to national competition for patients, the CMA found that the Parties would have a relatively small combined share of supply, and that there would remain several strong competitors (including

other large corporate dental services groups operating at the national level). In relation to competition for regional NHS contracts, the CMA found that the Parties would have a low combined share of supply of contracts, that they are not close competitors (they rarely bid for the same contracts), and that there would remain plenty of other competitive bidders post-merger. The CMA therefore focused its assessment primarily on competition for NHS and private patients at the local level.

6. At the local level, the CMA considered the impact of the Merger on competition in the areas surrounding each of the Parties' dental practices (four miles for general dental treatments and five miles for specialist dental treatments). The CMA found that competition concerns would arise in any local area where the Parties overlap and would have a combined share of (i) 35% or more of the NHS dental treatments in the area, or (ii) 30% or more of sites offering private treatments in the area.
7. The CMA found that it is or may be the case that the Merger has resulted, or may be expected to result, in an SLC as a result of horizontal unilateral effects in relation to the provision of NHS general dental treatments in each of two local areas defined as the areas within 4 miles of (i) Rodericks' Amber Valley dental practice and (ii) Dental Partners' Conisbrough dental practice.
8. The Parties accepted that the test for reference is met in respect of the provision of NHS general dental treatments in these two areas and requested that the CMA fast-track the case to a discussion of undertakings in lieu of a reference (**UILs**). The CMA accepted this request.
9. The CMA is therefore considering whether to accept undertakings under section 73 of the Enterprise Act 2002 (the **Act**). Riviera has until 31 August 2022 to offer an undertaking to the CMA that might be accepted by the CMA. If no such undertaking is offered, then the CMA will refer the Merger pursuant to sections 22(1) of the Act.