

# Completed acquisition by Riviera Bidco Limited of Dental Partners Group Limited

## NOTICE UNDER PARAGRAPH 2(1) OF SCHEDULE 10 TO THE ENTERPRISE ACT 2002 (THE ACT) – CONSULTATION ON PROPOSED UNDERTAKINGS IN LIEU OF REFERENCE PURSUANT TO SECTION 73 OF THE ACT.

ME/6990/22

### INTRODUCTION

1. On 29 April 2022, Riviera Bidco Limited (**Riviera**), which owns and controls Rodericks Dental Limited (**Rodericks**), acquired Dental Partners Group Limited (**Dental Partners**) (the **Merger**).
2. On 23 August 2022, the Competition and Markets Authority (**CMA**) decided under section 22(1) of the Act that it is or may be the case that the Merger constitutes a relevant merger situation<sup>1</sup> that has resulted or may be expected to result in a substantial lessening of competition (**SLC**) within a market or markets in the United Kingdom (the **SLC Decision**). The text of the SLC Decision is available on the CMA webpage.<sup>2</sup>
3. On 31 August 2022, CapVest Partners LLP (**CapVest**), the ultimate controller of Riviera offered undertakings in lieu of reference to the CMA for the purposes of section 73(2) of the Act.
4. On 7 September 2022, the CMA gave notice to CapVest, pursuant to section 73A(2)(b) of the Act, that it considers that there are reasonable grounds for believing that the undertakings offered, or a modified version of them, might be accepted by the CMA under section 73(2) of the Act and that it is considering CapVest's offer (the **UIL Provisional Acceptance Decision**).

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<sup>1</sup> Pursuant to section 25(4) of the Act the four-month period mentioned in section 24 of the Act is extended while the CMA is seeking undertakings in lieu of reference.

<sup>2</sup> See [Riviera Bidco Limited / Dental Partners Group Limited merger inquiry - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/riviera-bidco-limited-dental-partners-group-limited-merger-inquiry).

## THE UNDERTAKINGS OFFERED

5. As set out in the SLC Decision, the CMA found a realistic prospect of an SLC arising from horizontal unilateral effects in relation to the provision of National Health Service (**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 (the **SLC areas**).
6. As set out in the UIL Provisional Acceptance Decision, to address the SLC identified by the CMA, CapVest has offered undertakings to divest the (one) Rodericks dental practice in each of the SLC areas, or, in the alternative, the (one) Dental Partners practice in each SLC area (the **Divestment Practices**) to a suitable purchaser or purchasers. The Divestment Practices would be sold as going concerns on a cash-free debt-free basis via the sale of the relevant assets and will include: contracts with NHS England to provide general dental treatments to patients, site leases, key staff, and equipment.
7. CapVest has offered to use its best endeavours, to act in good faith and to effect to the satisfaction of the CMA, the divestment of the Divestment Practices within an agreed timeframe, unless otherwise agreed in writing with the CMA. The agreed timeframe takes into account the expected period needed to obtain the additional approvals required from the NHS and Care Quality Commission to effect the divestment (3 to 6 months and 12 weeks respectively).
8. CapVest has also offered to provide any transitional services the purchaser(s) considered necessary for the Divestment Practices to function immediately after the divestment.
9. Furthermore, the purchaser(s) of the Divestment Practices would need to be agreed with the CMA.
10. The text of the undertakings is available on the CMA webpage (the **Proposed Undertakings**).<sup>3</sup>
11. As set out at paragraph 15 of the UIL Provisional Acceptance Decision, the CMA does not consider it necessary to seek and approve the identity of the purchaser or purchasers in respect of the Divestment Practices prior to final acceptance of the undertakings.

## CMA ASSESSMENT

12. The CMA currently considers that, subject to responses to the consultation required by Schedule 10 of the Act, the Proposed Undertakings will resolve the SLC

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<sup>3</sup> See [Riviera Bidco Limited / Dental Partners Group Limited merger inquiry - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/riviera-bidco-limited-dental-partners-group-limited-merger-inquiry).

identified in the SLC Decision in a clear-cut manner, ie the CMA currently does not have material doubts about the overall effectiveness of the Proposed Undertakings or concerns about their implementation.<sup>4</sup> This is because they would eliminate the full overlap between the Parties in the SLC areas. As such, the Proposed Undertakings would restore the competitive constraint provided by Dental Partners on Rodericks (and vice versa) that would otherwise be lost in the SLC areas following the Merger.

13. The CMA also considers that the Proposed Undertakings would be capable of ready implementation. This is because the Divestment Practices executed their primary functions prior to the Merger on a stand-alone basis, with operational decisions made at the practice level. Furthermore, most key staff, such as dentists and dental nurses, are not shared with other parts/dental practices of the Rodericks or Dental Partners businesses. Evidence provided by CapVest to the CMA shows that several prospective purchasers have expressed an interest in acquiring the Divestment Practices.

### **Proposed decision and next steps**

14. For the reasons set out above, the CMA currently considers that the Proposed Undertakings are, in the circumstances of this case, appropriate to remedy, mitigate or prevent the competition concerns identified in the SLC Decision and form as comprehensive a solution to these concerns as is reasonable and practicable.
15. The CMA therefore gives notice that it proposes to accept the Proposed Undertakings in lieu of a reference of the Merger for a phase 2 investigation. The text of the proposed undertaking is available on the CMA web pages.<sup>5</sup>
16. Before reaching a decision as to whether to accept the Proposed Undertakings, the CMA invites interested parties to make their views known to it. The CMA will have regard to any representations made in response to this consultation and may make modifications to the Proposed Undertakings as a result. If the CMA considers that any representation necessitates any material change to the Proposed Undertakings, the CMA will give notice of the proposed modifications and publish a further consultation.<sup>6</sup>
17. Representations should be made in writing to the CMA and be addressed to:

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<sup>4</sup> [Mergers: Exceptions to the duty to refer and undertakings in lieu of reference guidance \(OFT1122\)](#), December 2010, Chapter 5 (in particular paragraphs 5.7–5.8 and 5.11). This guidance was adopted by the CMA (see Mergers: Guidance on the CMA’s jurisdiction and procedure (CMA2), January 2014, Annex D).

<sup>5</sup> See [Riviera Bidco Limited / Dental Partners Group Limited merger inquiry - GOV.UK \(www.gov.uk\)](#).

<sup>6</sup> Under paragraph 2(4) of Schedule 10 to the Act.

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**Deadline for comments: 6 October 2022**