

Completed acquisition by Bestway Panacea Holdings Limited of Lexon UK Holdings Limited and Asurex Limited

SUMMARY

1. On 14 April 2023, Bestway Panacea Holdings Limited (**Well**) completed the acquisition of Lexon UK Holdings Limited (**Lexon**) and Asurex Limited (**Asurex**) (together, the **Targets**) (the **Merger**). Well, Lexon and Asurex are together referred to as the **Parties**.
2. The Parties overlap in the operation of retail pharmacies in certain local areas in the UK.
3. In this case, the Parties waived certain procedural rights, including their right to an issues meeting, and to challenge the substantial lessening of competition (**SLC**) finding at phase 1, and requested that the case be fast tracked to the consideration of undertakings in lieu of reference (**UILs**).
4. Although the price of prescribed medicines is fixed by regulation, the CMA is concerned that the Merger might lead to worse outcomes in relation to other parameters on which pharmacies can compete, including the quality and speed of service, opening hours (over and above those set out by the regulatory body), the stocks of medicines that the pharmacy has and waiting times. The CMA considered how geographically proximate the Parties' pharmacies are to each other and how many competing pharmacies are in each local area. Based on this evidence, the CMA found that the Merger gives rise to a realistic prospect of an SLC in the operation of retail pharmacies in 12 local areas in the UK, which are listed in the Annex to this decision.
5. While the Parties also overlap in the supply of pharmaceutical wholesaling, the CMA has found that the Merger will not give rise to an SLC in this market as both Parties have a limited presence and face several alternative suppliers.
6. The CMA is therefore considering whether to accept UILs under section 73 of the Enterprise Act 2002 (the **Act**). Well has until 22 June 2023 to offer undertakings that might be accepted by the CMA. If no such undertakings are

offered, then the CMA will refer the Merger pursuant to sections 22(1) and 34ZA(2) of the Act.