European Commission - Press release

Mergers: Commission approves Danaher's acquisition of GE Healthcare Life Sciences' Biopharma Business, subject to conditions

Brussels, 18 December 2019

The European Commission has approved, under the EU Merger Regulation, the proposed acquisition of General Electric's Healthcare Life Sciences Biopharma Business by Danaher Corporation. The approval is conditional on the divestiture of a remedy package.

Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said: "*The bioprocessing industry has brought us new medicines to treat diseases affecting many people, such as cancer, rheumatoid arthritis and multiple sclerosis. To develop and produce these medicines, the bioprocessing industry relies on instruments and consumables supplied by GE and Danaher, amongst others. Danaher offered to divest several businesses in order to preserve effective competition in the supply of inputs to the bioprocessing industry. This is to the benefit of patients."*

Danaher Corporation ("Danaher") and **General Electric's Healthcare Life Sciences Biopharma Business** ("GE Biopharma") are both active in the manufacturing of products and services used in the bioprocessing industries, such as single-use technology products (bioreactors, mixers or connectors), cell culture media and sera, microcarriers, bioprocessing filtration and chromatography products. The companies are also competitors in other life sciences areas, such as molecular characterisation, microscopy, high-content screening and laboratory filtration. Products and services in those areas are used for academic research, as well as applied research in the bioprocessing and other industries.

The Commission's investigation

The Commission reached out to customers and competitors to understand the competitive constraints that the merging companies exert on each other and the likely changes that would occur in that regard following the proposed transaction.

Following its investigation, the Commission had serious doubts that the transaction as notified would have reduced competition and resulted in higher prices, less innovation and the risk of discontinuation of certain products in the following markets:

- **Microcarriers** are consumables used in cell culture bioprocessing. They provide a surface for the anchorage of adherent cells in order to grow in cell culture vessels and bioreactors.
- **Bioprocess filtration** constitutes a method for separating components based on size. The transaction raised serious doubts for specific types of bioprocessing filtration hardware, namely Single Use Technology ("SUT") Tangential Flow Filtration systems ('TFF systems'), SUT flat sheet TFF systems and conventional hollow fibre TFF systems.
- **Chromatography** is used for purifying the cell mass created in upstream bioprocessing by separating and analysing the components or solutes with complex chemical mixtures. The companies' activities overlap only in the field of low pressure liquid chromatography ("LPLC"), as this is the only area in which GE Biopharma is active. Serious doubts were found for chromatography systems and certain chromatography resins.
- **Molecular characterisation** analyses characteristics of and interactions between molecules. The transaction raised serious doubts in label-free detection systems, which is a sub-segment of molecular characterisation that performs measurements without the aid of labels.

The Commission **did not find competition concerns** in several other markets part of the Single Use Technology, bioprocess filtration, chromatography areas, and as well other life sciences areas like microscopy or laboratory filtration.

The proposed remedies

In order to address the Commission concerns, Danaher committed to divest five of its businesses:

- The MolDev FortéBio molecular characterisation business, located in Fremont (US) and Shanghai (China);
- The Pall Biotech SoloHill microcarriers and particle validation standards business, located in Michigan (US);

- The Pall Biotech chromatography resins business, located in Cergy (France);
- The Pall Biotech chromatography hardware business located in Portsmouth (UK) and Westborough (US); and
- The Pall Biotech Single-Use Tangential Flow Filtration ("SUT TFF") systems, located in Portsmouth (UK) and Westborough (US) and stainless-steel Hollow-Fibre TFF ("SS HF TFF") systems business, located in Shanghai (China).

Danaher committed to sell these businesses to a purchaser with experience in the supply of biotech equipment and/or consumables in Europe, Middle East and Africa (EMEA), the Americas and Asia. The final sale of these businesses are conditional upon the Commission's approval of the buyer. In its buyer approval process, the Commission will ensure that the divestiture does not raise competition concerns and that the divested businesses will operate as a viable and competitive force.

On this basis, the Commission concluded that the transaction, as modified by the commitments, would no longer raise competition concerns. This decision is conditional on full compliance with the commitments.

Companies and products

Danaher, based in the US, is the ultimate holding company of a group that designs, manufactures and markets professional, medical, industrial and commercial products and services.

GE Biopharma is part of General Electric's Healthcare Life Sciences business unit, which is active globally. GE Biopharma supplies instruments, consumables and software for the research, discovery, process development and manufacturing workflows of biopharmaceutical drugs, such as monoclonal antibodies, vaccines, and cell and gene therapies.

Merger control rules and procedures

The transaction was notified to the Commission on 29 October 2019.

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the Merger Regulation) and to prevent concentrations that would significantly impede competition in the EEA or any substantial part of it.

The vast majority of notified mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has a total of 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II).

More information will be available on the competition website, in the Commission's public case register under the case number M.9331.

IP/19/6809

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