



Mergers: Commission clears acquisition of Varian by Siemens Healthineers, subject to conditions

Brussels, 19 February 2021

The European Commission has approved, under the EU Merger Regulation, the proposed acquisition of Varian Medical Systems by Siemens AG, through its subsidiary Siemens Healthineers. The approval is conditional on full compliance with the commitments offered by Siemens to ensure the interoperability of the companies' medical imaging and radiotherapy solutions with third-party solutions.

Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said: *"High quality medical imaging and radiotherapy solutions are crucial to diagnose and treat cancer. The efficiency and safety of treatment relies on the ability of these products to work together. Our decision will make sure that radiotherapy patients receive the best possible treatment by ensuring that the rivals of Siemens Healthineers and Varian will have all the information and help they need to make their products work smoothly with those of the parties and to continue innovating. With the interoperability commitments, the merger can go ahead whilst preserving competition and innovation in these markets."*

Siemens Healthineers is the leading supplier of medical imaging solutions used to support the planning and delivery of radiotherapy. **Varian** is the leading supplier of radiotherapy solutions used to plan and deliver radiotherapy treatment. Radiotherapy is an oncology treatment that uses high doses of radiation to kill cancer cells and shrink tumours. Radiotherapy involves the exchange of images and data between medical imaging and radiotherapy solutions, which are highly complementary and part of an integrated ecosystem. As a result, the interoperability between imaging and radiotherapy solutions is crucial. Such interoperability is currently facilitated by a *de facto* industry-wide standard (called DICOM).

The Commission's investigation

The Commission's investigation covered both the EEA and the UK as the transaction was notified on 23 December 2020, before the end of the transition period laid down in the Withdrawal Agreement between the UK and the EU.

The Commission had concerns that the transaction, as originally notified, would have led to the foreclosure of competitors in the European Economic Area (EEA) and the UK on the markets for:

- (i) the supply of **medical imaging solutions**, namely computed tomography scanners, magnetic resonance imaging scanners and positron emission tomography scanners; as well as
- (ii) the supply of **radiotherapy solutions**, including radiotherapy equipment used to deliver the treatment (namely linear accelerators, brachytherapy equipment and proton therapy equipment), oncology software (namely treatment planning software and oncology information system) and motion management devices.

In particular, the Commission's investigation found that the combination of Siemens Healthineers, the largest supplier of medical imaging solutions, with Varian, the largest supplier of radiotherapy solutions, could lead to foreclosure of the parties' rivals in the EEA and the UK. This could happen through the degradation of the interoperability

- (i) between Siemens Healthineers' imaging solutions and third-party radiotherapy solutions, as well as
- (ii) between Varian's radiotherapy solutions and third-party medical imaging solutions.

The foreclosure of competitors resulting from the acquisition would therefore have likely led to reduced choice in products and loss of innovation to the detriment of customers and patients.

The proposed remedies

To address the Commission's competition concerns, Siemens Healthineers committed to continue adhering to the *de facto* industry-wide interoperability standard (DICOM) and to ensure interoperability between (i) its medical imaging solutions and rivals' radiotherapy solutions and (ii) its radiotherapy solutions and rival's imaging solutions, by providing the relevant information and technical assistance to third parties and customers. The commitments will run for an initial term of ten years, which the Commission may decide to extend by an additional five years if necessary.

These commitments fully address the Commission's competition concerns.

The Commission therefore concluded that the proposed transaction, as modified by the commitments, would no longer raise competition concerns in the EEA and the UK. The decision is conditional upon full compliance with the commitments.

Companies and products

Siemens AG, headquartered in Germany, is a technology group active worldwide and focusing on various areas including medical technology and digital healthcare services. Its subsidiary **Siemens Healthineers** provides healthcare solutions and services worldwide, including among others imaging healthcare solutions.

Varian, headquartered in the US, is a global provider of medical devices and software solutions for treating cancer and other medical conditions with radiotherapy and other advanced treatments.

Merger control rules and procedures

The transaction was notified to the Commission on 23 December 2020.

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 effective 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). This deadline is extended to 35 working days in cases where remedies are submitted by the parties, such as in this case.

More information will be available on the competition website, in the Commission's [public case register](#) under the case number [M.9945](#).

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