



COMPETITION COMMISSION OF INDIA
(Combination Registration No C-2020/12/798)

10th February 2021

Notice under Section 6(2) of the Competition Act, 2002 given by Siemens Healthineers Holding I GmbH

CORAM:

Mr. Ashok Kumar Gupta
Chairperson

Ms. Sangeeta Verma
Member

Mr. Bhagwant Singh Bishnoi
Member

Order under Section 31(1) of the Competition Act, 2002

1. On 15th December 2020, the Competition Commission of India (**‘Commission’**) received a Notice under Section 6(2) of the Competition Act, 2002 (**‘Act’**), given by Siemens Healthineers Holding I GmbH (**‘SHS GmbH’**) and Falcon Sub Inc. (**‘Falcon Sub’**) (**‘Acquirers’**). The Notice was filed pursuant to the execution of Agreement and Plan of Merger (**‘Merger Agreement’**) dated 2nd August 2020, executed, *inter alia*, by and amongst SHS GmbH, Falcon Sub and Varian Medical Systems Inc. (**‘Varian/Target’**).
2. The Proposed Combination envisages acquisition of 100% shares of common stock and sole control of the Target by SHS GmbH, which is a wholly-owned subsidiary of Siemens



Healthineers AG (**‘Siemens Healthineers’**). [Hereinafter, SHS GmbH and Varian are collectively referred to as **‘Parties’**].

3. In terms of Regulations 14(3) of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, *vide* letter dated 23rd December 2020, the Acquirers were required to furnish certain information and clarifications. In response, the Acquirers filed their written submission on 11th January 2021.
4. SHS GmbH is a company organised under the laws of Germany. Falcon Sub is a company organised under the laws of Delaware, United States of America (USA). It is a special purpose vehicle (**‘SPV’**) set up for the purposes of the Proposed Combination, as a direct wholly owned subsidiary of SHS GmbH. Both SHS GmbH and Falcon Sub are not engaged in any business.
5. Siemens Healthineers is a public company (Aktiengesellschaft) listed on the Frankfurt Stock Exchange and headquartered in Erlangen (Germany). It is a global provider of healthcare solutions and services, and is active in over 70 countries worldwide. Globally, its business is divided into three business segments *viz.*: (i) *Imaging*: It consists of imaging products, services and solutions, such as equipment including magnetic resonance imaging (**MRI**), computed tomography (**CT**), X-ray systems, nuclear imaging (**NI**), and ultrasound (**U/S**); (ii) *Laboratory diagnostics*: It comprises in-vitro diagnostic products and services offered to healthcare providers in laboratory, molecular, and point-of-care diagnostics. It offers a broad spectrum of products such as immunoassay, chemistry and hematology testing systems, to serve the needs of laboratories; and (iii) *Advanced therapies*: It consists of integrated products, solutions, and services that facilitate image guided minimally invasive treatments in areas such as cardiology, interventional radiology, surgery, and radiation oncology. This segment does not include the actual



oncology treatment solutions as Siemens Healthineers AG does not offer oncology treatment solutions. In India, Siemens Healthineers is present through its subsidiaries, viz. Siemens Healthcare Private Limited; PETNET Radiopharma Solutions Private Limited; SHS India LLP and Fast Track Diagnostics Asia Private Limited.

6. Varian is a public company listed on the New York Stock Exchange, headquartered in Palo Alto (California, USA). Varian is a global provider of medical devices and software solutions for treating cancer with radiation therapy and other advanced treatments. Globally, Varian primarily operates in three main business segments, viz.: (i) *Oncology systems*: It designs, manufactures, sells and services hardware and software products for treating cancer with different treatments such as radiation therapy using external beams, and brachytherapy. Solutions include treatment equipment such as linear accelerators (Linacs) and brachytherapy equipment, oncology information systems (OIS), and treatment planning software (TPS); (ii) *Proton solutions*: It develops, designs, manufactures, sells and services products and systems for delivering proton therapy, another form of external beam radiation therapy (EBRT), using proton beams, for the treatment of cancer; and (iii) *Interventional solutions*: It offers products for interventional oncology procedures and treatments, including cryoablation, microwave ablation, and embolisation. Varian has presence in India through its four subsidiaries, viz. American Institute of Pathology and Laboratory Sciences Private Limited; Artmed Healthcare Private Limited; Cancer Treatment Services Hyderabad Private Limited and Varian Medical Systems International (India) Pvt. Limited.
7. The Commission notes that the activities of Parties do not exhibit horizontal overlap. However, the medical imaging and laboratory diagnostics business of Siemens Healthineers and the interventional oncology solutions, radiation therapy equipment, oncology software and treatment, pathology/laboratory services and general acute care hospital of the Target, could be considered to exhibit vertical or complementary



overlap(s). It is observed that the upstream segment for diagnostic imaging equipment is characterised by the presence of known players such as GE Healthcare and Philips with considerable market position. The upstream segment of laboratory diagnostic equipment appears to be fragmented with the presence of several known players such as Thermo Fisher Scientific Inc., Agilent Technologies, Waters Corporation, Shimadzu Corporation, *etc.* The downstream segment in both these verticals is also characterised with the presence of various players with significant market share as compared to the Target. After considering the presence of the several players in each of these segments, it appears that the Parties, at present stage, do not have the ability to foreclose competition at any level.

8. The Commission further observed that Varian operates a hospital and fourteen oncology centres across 12 cities in India. Imaging equipment of Siemens Healthineers could be used by Varian in its hospitals and oncology centres. Therefore, it becomes relevant whether Siemens could refuse supply of such equipment to the competitors of Varian. However, the market share of Varian is less than 1% in the overall segment for oncology treatment. It is further apparent that Varian faces competition from other known hospitals such as Fortis, Max and Apollo as well as standalone oncology centres such as Tata Memorial Centre and Rajiv Gandhi Cancer Institute and Research Centre. Thus, the parties does not appear to have incentives to engage in any anti-competitive conduct on account the said vertical interface between their activities.
9. Considering the material on record including the details provided in the notice and the assessment of the Proposed Combination based on the factors stated in Section 20(4) of the Act, the Commission is of the opinion that the Proposed Combination is not likely to have any appreciable adverse effect on competition in India. Therefore, the Commission approves the Proposed Combination under Section 31(1) of the Act.
10. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.



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11. The information provided by the Acquirer shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
12. The Secretary is directed to communicate to the Acquirer accordingly.