



**DETERMINATION OF MERGER NOTIFICATION M/14/007 –**

**Cinven / Medpace**

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**Section 21 of the Competition Act 2002**

**Proposed acquisition of control of Medpace Holdings Inc by Cinven Capital Management (v) General Partners Limited.**

**Dated 20 March 2014**

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**Introduction**

1. On 26 February 2014, in accordance with Section 18 of the Competition Act, 2002 (“the Act”), the Competition Authority (the “Authority”) received a notification of a proposed acquisition of sole control by Cinven Capital Management (V) General Partner Limited (“Cinven”), through Scioto Acquisition, Inc., a company controlled by funds managed by Cinven, of Medpace Holdings Inc (“Medpace”).

**The Undertakings**

*Cinven*

2. Scioto Acquisition Inc is an acquisition vehicle incorporated for the purposes of the transaction and ultimately controlled by the Cinven.<sup>1</sup> Cinven manages the limited partnerships that comprise the Fifth Cinven Fund and, together with its associated company, Cinven Limited comprise part of the wider ‘Cinven Group’.
3. The Cinven Group is a European private equity group providing investment management advice and services to a number of private equity funds that control portfolio companies active in a wide variety of sectors including: business services, consumer, financial services, healthcare, industrials, and technology, media and telecommunications.
4. [Cinven is active within the State via a number of portfolio companies which generate revenue in sectors as diverse as niche speciality pharmaceuticals, the operation of restaurants and aircraft leasing].<sup>2</sup>
5. The parties have confirmed to the Authority that none of the Cinven Group portfolio companies are active in the provision of contract research services such as those undertaken by Medpace.
6. For the financial year ending 2013, Cinven had a worldwide turnover of approximately [...] and a turnover in the State of approximately [...].<sup>3</sup>

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<sup>1</sup> Cinven proposes to acquire sole control through Scioto Acquisition, Inc. and Scioto Merger Sub, Inc., both of which are controlled by Scioto Holdings Inc. Scioto Holdings Inc. is ultimately controlled by Cinven.

<sup>2</sup> These entities include: [...].

<sup>3</sup> Status: 25 February 2014. For some portfolio companies revenues may not be available. In some cases, revenues may have been converted at different exchange rates. For some companies the financial year ends at dates other than 31 December. Revenues are subject to change as funds of the Cinven Group continuously buy and sell portfolio companies.

## *Medpace*

7. Medpace is a global contract research organisation (“CRO”) headquartered in Ohio in the United States.<sup>4</sup> Medpace has 23 key offices in 19 countries worldwide and operations in 45 countries across Europe, Asia, Australia, South Africa, and the Americas. Medpace is currently majority owned and controlled by funds managed by CCMP Capital Advisors, LLC and its affiliates.<sup>5</sup>
8. Medpace is involved globally in providing the following services to pharmaceutical, biotechnology and medical device companies:
  - Phase II-IV clinical trial management services) with lab equipment to support worldwide trials;
  - Central reference, bioanalytical and imaging laboratory services; and
  - Clinical human pharmacological units for early phase clinical trials.
9. Medpace has limited activity within the State and currently provides services to [...].<sup>6</sup>
10. For the financial year ending 31 December 2013, Medpace had a worldwide turnover of approximately [...] and a turnover in the State of approximately [...].<sup>7</sup>

### **Rationale for the Proposed Acquisition**

11. Cinven states that the proposed transaction reflects its strategy to invest in companies with proven track records in their respective industries and stable prospects for mid-to-longer-term growth.

### **Third Party Submissions**

12. No third party submission was received.

### **Competitive Analysis**

13. The parties submit that the industry sector involved is the clinical CRO sector. CROs are organisations that provide outsourced drug discovery and development services to the pharmaceutical, biotechnology and medical devices industries.<sup>8</sup>
14. The parties submit that while Medpace is engaged in CRO Sector neither Cinven nor any of the portfolio companies controlled by funds managed by affiliates of the Cinven Group are active in the CRO sector either globally or within the State. Thus the parties submit that there is no horizontal overlap between the activities of the parties.
15. In addition, the proposed transaction will not alter the current competitive position of Medpace or its competitors. Medpace estimates that its market share is less than [0-5]% and post transaction it will

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<sup>4</sup> For more information on the activities of Medpace please see: [www.medpace.com](http://www.medpace.com)

<sup>5</sup> For information on CCMP Capital see: [www.ccmpcapital.com](http://www.ccmpcapital.com)

<sup>6</sup> Converted using the average ECB exchange rate for 2013 of €1 = US\$1.3281.

<sup>7</sup> Ibid.

<sup>8</sup> For information on CROs see: [http://en.wikipedia.org/wiki/Contract\\_research\\_organization](http://en.wikipedia.org/wiki/Contract_research_organization).

continue to face competition from other players with larger market shares such as Quintiles (15%), Covance (9%), Parexel (8%) and PRA International (7-8%).<sup>9</sup>

16. The transaction raises no vertical competition concerns either globally or within the State.
17. In light of the above the proposed transaction will not result in a substantial lessening of competition in any market for goods or services in the State.

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<sup>9</sup> Competitor Market Shares information has been provided by the notifying parties.

## **DETERMINATION**

The Competition Authority, in accordance with section 21(2)(a) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition whereby Scioto Acquisition, Inc., a company controlled by funds managed by Cinven Capital Management (V) General Partner Limited, would acquire sole control of Medpace Holdings Inc., will not be to substantially lessen competition in markets for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

**For the Competition Authority**

**Stephen Calkins**  
**Member of the Competition Authority**  
**Director, Mergers Division**