

DETERMINATION OF MERGER NOTIFICATION M/23/003 – JOHN LAING / VALLEY HEALTHCARE

Section 21 of the Competition Act 2002

Proposed acquisition by KKR & Co. Inc, through John Laing Group Limited, of the entire issued share capital of Valley Healthcare Fund

Dated: 13 February 2023

1. On 23 January 2023, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission received a notification of a proposed acquisition whereby John Laing Group Limited (“John Laing”), a company incorporated in England which is indirectly managed by various subsidiaries of KKR & Co. Inc. (together with its subsidiaries, “KKR”), would acquire the entire issued share capital of Valley Healthcare Fund (“Valley”) (the “Proposed Transaction”).¹
2. The Proposed Transaction is to be implemented by way of a Share Purchase Agreement, dated 22 December 2022, pursuant to which John Laing will indirectly acquire the entire issued share capital of Valley from the Irish Infrastructure Fund² through Valley Holdco B.V., a special purpose vehicle indirectly owned by John Laing. As a result of the Proposed Transaction, KKR (through John Laing) will ultimately acquire indirect sole control of Valley.
3. The parties are involved in the following business activities:

John Laing

- John Laing is an international investor and asset manager which invests in a range of infrastructure sectors (including transport, social infrastructure, energy, accommodation and digital infrastructure) in the UK, Europe, North America, Latin America and Australia.

¹ Valley is the only sub-fund of the Infrastructure Investment Fund ICAV, an Irish collective asset management vehicle.

² The Irish Infrastructure Fund is a sub-fund of the Irish Infrastructure Trust, which is managed by AMP Capital Investors (UK) Limited.

- John Laing does not currently have any infrastructure investments in the State.

KKR

- KKR is a global investment firm that offers alternative asset management as well as capital markets and insurance solutions. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds.

Valley

- Valley is active in the acquisition and development of real estate assets for healthcare use. Its portfolio of 20 operational primary care centres (“PCCs”) in the State has been assembled through a combination of acquisitions, construction and development projects.³
 - Valley is not active in the operation or management of the PCCs, and has long-term, inflation-linked leases in place with the Health Service Executive (“HSE”). These long-term leases last for a period of 25 years (with 5-year extension options), in respect of each PCC that Valley owns. The HSE is therefore the primary tenant of, and operates and manages, all of the PCCs owned by Valley.
 - In addition to the existing operational units, Valley has a pipeline of [...] PCCs at various stages of development.
4. After examination of the notification, the Commission has considered that the Proposed Transaction falls within the scope of paragraph 2.1 of the Simplified Merger Notification Procedure Guidelines for assessing certain notifiable mergers or acquisitions under section 18(1)(a) of the Act since:
- none of the undertakings involved in the merger or acquisition are active or potentially active in the same product and geographic markets, or in any market(s) which is upstream or downstream to a market(s) in which another undertaking is active or potentially active;⁴ and

³ PCCs provide access to primary care teams, made up of multidisciplinary healthcare professionals, in a single location.

⁴ This is the case in respect of John Laing and Valley.

- where one or more undertakings involved in the merger or acquisition are active in any market(s) which is upstream or downstream to a market(s) in which another undertaking involved is active, but the market share of each in each market is less than 25%.⁵

5. In the light of this, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

6. No ancillary restraints are notified.

⁵ This is the case in respect of the potential for KKR's portfolio companies to provide services to Valley and/or its PCCs in the ordinary course of business (e.g. the provision of software or other IT services).

Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition whereby KKR & Co. Inc, through John Laing Group Limited, would acquire the entire issued share capital of Valley Healthcare Fund will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

Ibrahim Bah

Director

Competition Enforcement and Mergers