Advancing Regional Integration through Competitive Markets and Empowered Consumers

Case File No. CCCC/MER/06/26/2026

Decision[1] of the 7th Meeting of the Panel Responsible for Determinations Regarding the Proposed Acquisition of Joint Control of Recordati Industria Chimica E Farmaceutica S.P.A. by Black Mountain S.À. R.L alongside CVC Capital Partners Plc and certain of its Subsidiaries

ECONOMIC SECTOR: Pharmaceuticals

COMPETITION AND CONSUMER COMMISSION
28 JUL 2026
COMESA

28 July 2026

[1] In the published version of this decision, the COMESA Competition and Consumer Commission has omitted or replaced information by ranges of figures or a general description, due regard had to the legitimate interest of undertakings in the protection of their business secrets, pursuant to Rule 37 of the COMESA Competition and Consumer Protection Rules 2025.

The Panel Responsible for Determinations,

The Panel Responsible for Determinations ("**Panel**") established pursuant to Regulation 20 of the COMESA Competition and Consumer Protection Regulations, 2025 (the "**Regulations**"):

Desirous of the overriding objective of strengthening and achieving convergence of COMESA Member States' economies through the attainment of full market integration as enshrined in the Treaty Establishing the Common Market for Eastern and Southern Africa (the "**Treaty**");

Cognisant of Article 55 of the Treaty;

Having regard to the Regulations, and in particular Chapter Four thereof;

Recalling the overriding need to establish a Common Market;

Recognising that anti-competitive mergers may constitute an obstacle to the achievement of economic growth, trade liberalization and economic efficiency in the COMESA Member States;

Considering that the continued growth in regionalization of business activities correspondingly increases the likelihood that anti-competitive mergers in one Member State may adversely affect competition in another Member State;

Determines as follows:

Introduction and Relevant Background

1. On 15 June 2026, the COMESA Competition and Consumer Commission (the "**Commission**") received a notification regarding the proposed acquisition of joint control of Recordati Industria Chimica e Farmaceutica S.p.A. ("**Recordati**" or "**Primary Target Firm**") by Respighi Bidco S.p.A, a newly incorporated investment vehicle indirectly controlled by funds or vehicles advised and/or managed by affiliates of CVC Capital Partners Plc ("**CVC Funds**", together with its affiliates, CVC Capital Partners Plc ("**CVC Plc**") and its subsidiaries, "**CVC**"), and Black Mountain S.à r.l ("**Black Mountain**" or the "**Primary Acquiring Firm**"), a wholly owned indirect subsidiary of Groupe Bruxelles Lambert SA (together with its subsidiaries, "**GBL**", and together with its controlling shareholders and their controlled subsidiaries, the "**GBL Group**"), pursuant to Regulation 42(1) of the Regulations.

2. Pursuant to Regulation 47 of the Regulations, the Commission is required to determine whether or not the merger is likely to substantially lessen competition and/or is likely to significantly affect public interest in the Common Market.

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The Parties

Black Mountain (the "Primary Acquiring Firm")

3. Black Mountain is a private limited liability company incorporated in Luxembourg. It serves as an investment vehicle and is a wholly owned indirect subsidiary of GBL, a publicly listed investment holding company headquartered in Brussels, Belgium.

4. The parties submitted that the GBL Group invests globally across various sectors, primarily in Europe, focusing on structurally growing industries aligned with sustainability while partnering with founders and management teams. The GBL Group, through its globally controlled portfolio company, Canyon, is active in the development, production, and sale of various bicycle types (mountain, road, triathlon, and urban), components, accessories, and apparel. The GBL Group is primarily active in the supply of bicycles through Canyon and speciality minerals (pharmaceutical-grade talc, and precipitated calcium carbonates) through Imerys in the Common Market.

5. In the Common Market, the GBL Group operates in Burundi, the Democratic Republic of Congo (the "**DRC**"), Egypt, Eswatini, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Tunisia, Zambia and Zimbabwe.

CVC Funds

6. CVC Funds is a global alternative investment manager focused on private equity, credit, infrastructure, and secondaries with a global network of 29 local offices and €209 billion assets under management.

7. The parties submitted that CVC Funds' (the CVC network) portfolio companies engage in a broad spectrum of global activities ranging from advanced technology and software services, including cybersecurity, digital advertising, and enterprise management systems, to comprehensive healthcare and pharmaceutical production involving diagnostic equipment, medical treatments, and sight-restorative implants.

8. The CVC network maintains a strong industrial presence through logistics, aerospace component supply, water engineering, and industrial automation distribution, while simultaneously operating in the consumer sector via global tea and food production, specialized apparel retail, and personal care products.

9. In the Common Market, CVC Funds operates in Burundi, Comoros, DRC, Djibouti, Egypt, Eritrea, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Tunisia, Uganda, Zambia and Zimbabwe.

Recordati (the "Primary Target Firm")

10. Recordati is an international pharmaceutical group headquartered in Milan, Italy, with its shares listed on the Milan Stock Exchange. It is dedicated to the research, development, manufacturing and marketing of pharmaceuticals.

11. The parties submitted that Recordati has operations in Europe, as well as in Turkey, North Africa, the United States of America, Canada, Mexico, some South American Countries, Japan, Australia, New Zealand, China and South Korea. The parties further submitted that Recordati operates in the rest of the world through licensing agreements with pharmaceutical companies.

12. The parties submitted that Recordati is active in the manufacture and supply of finished dose pharmaceutical products and offers a range of pharmaceutical products across two segments, namely:

    (i) Specialty and Primary Care, including cardiovascular, urology, gastroenterology, and "cough and cold" products; and

    (ii) Rare Diseases, including endocrinology, hema-oncology, and metabolic treatments.

13. In the Common Market, Recordati operates in the DRC, Djibouti, Egypt, Kenya, Libya, Madagascar, Mauritius, Tunisia, Uganda and Zambia.

Jurisdiction of the Commission

14. Regulation 42(1) of the Regulations requires a 'notifiable merger' to be notified to the Commission prior to its implementation. Only mergers that satisfy the prescribed thresholds pursuant to Regulation 41(5) and 41(8) of the Regulations are regarded as notifiable mergers. The merger notification thresholds are prescribed under Rule 23(1) of the Rules which provides that:

    Pursuant to Chapter Four of the Regulations, a merger shall be notifiable if:

    a) the combined annual turnover or combined value of assets, whichever is higher, in the Common Market of all parties to a merger equals or exceeds COM$60 million; and

    b) the annual turnover or value of assets, whichever is higher, in the Common Market of each of at least two of the parties to a merger equals or exceeds COM$10 million, unless each of the parties to a merger achieves at least two-thirds of its aggregate turnover or assets in the Common Market within one and the same Member State.

15. The undertakings concerned have operations in two or more Member States. The undertakings concerned derived turnover of more than the threshold of USD60 million in the Common Market and they each derived turnover of more than USD10

million in the Common Market. In addition, the parties do not derive/hold more than two-thirds of their respective aggregate turnover or asset value in one and the same Member State. The Panel was thus satisfied that the transaction constitutes a notifiable transaction within the meaning of Regulation 41(5) and 41(8) of the Regulations.

Details of the Merger

16. The notified transaction entails a shift from sole to joint control of Recordati by CVC Funds and GBL, the latter acting through its subsidiary Black Mountain. Following the implementation of the proposed transaction, Recordati will be indirectly jointly controlled by CVC Funds and GBL through Black Mountain.

Competition Analysis

Consideration of the Relevant Markets

17. In the determination of the relevant market, which is divided into relevant product and relevant geographic markets, the Panel is guided by the COMESA Guidelines on Market Definition and other authorities on the subject.

Relevant Product Market

18. The Panel noted that, "**a relevant product market comprises all those products and/or services which are regarded as interchangeable or substitutable by the consumer, by reason of the products' characteristics, their prices and their intended use**".[2]

19. The Panel noted that the GBL Group is primarily active in the manufacture and sale of various bicycle types (such as mountain, road, triathlon, urban), components, accessories, and apparel. Further, the GBL Group manufactures pharmaceutical-grade talc, which is used as an input for the manufacturing of pharmaceuticals as a lubricant, diluent, or bulking agent in medications. Further, the GBL Group manufactures precipitated calcium carbonates, which can serve as an active pharmaceutical ingredient in certain finished dose pharmaceutical products.

20. The Panel further noted that the current controller of Recordati, CVC, through its controlled portfolio companies operates across a diverse range of industries, including technology and digital services; healthcare and pharmaceuticals; logistics and industrial solutions; food and consumer goods; and professional services. The Panel also noted that Recordati is active in the manufacture and supply of finished dose pharmaceutical products, specifically specialty and primary care; and rare disease products.[3]

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[2] Paragraph 7 of the COMESA Guidelines on Market Definition.

[3] The Commission noted that Recordati manufactures APIs at its pharmaceutical chemical plants in Italy and Ireland, which are used mainly in Recordati's own internal pharmaceutical manufacturing process, although some are also sold to third-party pharmaceutical

21. The Panel noted that the proposed transaction was unlikely to give rise to horizontal overlaps given that the parties' activities were not similar. However, the Panel observed that the transaction presented a vertical overlap given the GBL Group's active pharmaceutical ingredients (that is, pharmaceutical grade talc and precipitated calcium carbonates) products were an input for the manufacture of finished dose pharmaceutical products of the Target Firm.

22. Therefore, the Panel focused its assessment of the product market on the manufacture and supply of finished dose pharmaceutical products; and active pharmaceutical ingredients where the vertical overlap arises.

Manufacture and supply of active pharmaceutical ingredients (APIs)

23. The Panel noted that APIs are the specific molecules used to manufacture finished dose pharmaceutical products. APIs include any substance or mixture of substances intended to be used in the manufacture of a pharmaceutical dosage form and that, when so used, becomes an active ingredient of that pharmaceutical dosage form.[4]

24. The Panel observed that the production of APIs falls at the upstream level in the value chain for pharmaceutical manufacturing.[5] Pharmaceutical companies, such as the Primary Target Firm, use APIs for their in-house production of finished products, and also supply them both to their licensees (under a specific licensee contract, to be used in the final product covered by the licence) in addition to limited and minimal sales to third parties.

25. The Panel observed that firms firstly convert raw materials into APIs and thereafter create final formulations by mixing APIs and excipients (other non-active ingredients), pressing the mixture into tablets, or filling capsules or preparing solutions, and then packaging the product for the consumer market.[6] Accordingly, the Panel considered that the market for APIs was a distinct upstream market from the finished dose pharmaceuticals product market.

26. The Panel further observed that segmentation may potentially exist within the broader category of the APIs market as each input may apply to a specific purpose. The Panel noted the submission by the parties that the GBL Group manufacture and supplies pharmaceutical-grade talc and precipitated calcium carbonates (PCCs), which can be used as APIs in some finished dose pharmaceuticals. The Panel further noted that talc is used as an input in the pharmaceutical industry either as a

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companies. The parties added that Recordati's API sales in the Common Market are minimal [redacted]. However, the Commission observed that Recordati's activity in these ingredients is not likely to raise horizontal concerns since its engagement on these inputs is for internal usages though there are limited and minimal occasional sales to third party.

[4] See NPRA, accessed on 28 July 2026.

[5] See *Economies* 2023, *11*(1), 25; https://doi.org/10.3390/economies11010025, accessed on 28 July 2026.

[6] See World Bank Document, accessed on 28 July 2026.

lubricant or diluent in tablet and capsule formulations while PCCs are used as an API or bulking agent in certain powders.

27. The Panel considered that any possible narrower market segments within APIs would not alter the competitive assessment of the transaction given the absence of horizontal overlaps.

28. In light of the above and for purposes of assessing the transaction, the Panel defined the relevant product market as **the manufacture and supply of APIs products (with a possible segmentation by type of APIs).**

The manufacture and supply of finished dose pharmaceutical products

29. The Panel noted the decisional practice of the Committee Responsible for Initial Determinations (the "**CID**"),[7] which considered that pharmaceutical products can broadly be classified as pharmaceutical products for human use and pharmaceuticals for animal use. In its decision, the CID observed that there is limited substitutability between these segments as products formulated for human consumption are unsuitable for animal use and vice versa.

30. The Panel further noted that according to the World Health Organization (WHO), a finished dose pharmaceutical product is defined as the final, ready-to-consume pharmaceutical product.[8] The Panel observed the submission of the parties that finished dose pharmaceutical products are pharmaceutical products that have undergone all stages of the production process, including packaging in the final container, labelling and are thus ready to be used by customers. The Panel further observed that these pharmaceutical products are characterised by the inclusion of one or more active ingredients intended to treat a particular medical condition, which fundamentally restricts their therapeutical substitutability with other pharmaceutical products.[9] The Panel noted that this category of pharmaceutical products encompass specialised formulations utilised in both modern and traditional medicines for the treatment of conditions in humans and animals. [10]

31. The Panel noted that the Primary Target Firm's operations were confined to the manufacture and supply of pharmaceutical products for human consumption. Therefore, the Panel limited its assessment to this market segment.

32. The Panel observed that finished dose pharmaceutical products for human use comprise of a broad range of therapeutical categories that may be considered distinct on account of their intended uses and physical characteristics. For instance, the Panel noted that the WHO's Anatomical Therapeutical Chemical (ATC)

[7] See Decision of the 117th Meeting of CID on CFAO Healthcare and Africa Chemist & Beauty Care Inc.; Decision of the 74th Meeting of the CID on Adwia Company S.A.E. and Zanzibar Pharma Limited; and decision of the 78th Meeting of the CID on Ultra Welfare Ltd and Amoun Pharmaceutical Company S.A.E.
[8] See WHO GMP Finished Dosage Forms - Salvavidas Pharma, accessed on 28 July 2026.
[9] See Decision of the 4th Meeting of the Panel on Actis Medis Holding Limited and Growth Health Investments; Decision of the 117th Meeting of the CID on CFAO Healthcare and Africa Chemist & Beauty Care Inc., and the Decision of the 95th Meeting of the CID on Elgon Healthcare Limited and Westlands Heights Limited.
[10] See WHO EMRO - Pharmaceutical products, accessed on 28 July 2026.

classification system categorises medicinal products based on their therapeutic use, indication, composition, and mode of action.[11] This system employs a hierarchical structure to classify active substances with increasing specificity.

33. In light of the above, the Panel considered that the market for the finished dose pharmaceutical products for human usage could be further segmented according to the ATC classification systems. Notwithstanding the possibility for further segmentation, the Panel considered that in the absence of any horizontal overlaps, any other alternative narrower market was not likely to alter the competitive assessment of the transaction. Therefore, the Panel considered that the relevant market was the manufacture and supply of finished dose pharmaceutical products for human usage.

34. Based on the foregoing assessment, and without prejudice to the Panel's approach to similar cases in future, the relevant product markets were identified as:

    a. **The manufacture and supply of APIs products (with a possible segmentation by API types); and**

    b. **The manufacture and supply of finished dose pharmaceutical products for human usage**.

Relevant Geographic Market

35. The Panel noted that paragraph 8 of the Market Definition Guidelines defines the relevant geographic market as, ***"...the area in which the undertakings concerned are involved in the supply and demand of products or services, in which the conditions of competition are sufficiently homogeneous, and which can be distinguished from neighbouring areas because the conditions of competition are appreciably different in those areas".***

36. The Panel considered that the geographic market for the manufacture and supply of pharmaceutical products was likely to be broader than the Common Market because the products are largely sourced from global suppliers. The Panel also noted the decisional practice of the CID which considered the relevant geographic markets for the manufacture and supply of pharmaceutical products to be at least COMESA-wide given that a significant proportion of the products were sourced from various suppliers beyond national markets.[12] The Panel observed that licensing, registration, and importation requirements vary across jurisdictions, however, traders were generally not constrained in their ability to source products from the international market.

[11] See Anatomical Therapeutic Chemical (ATC) Classification, accessed on 28 July 2026.
[12] See Decision of the 4th Meeting of the Panel on Actis Medis Holding Limited and Growth Health Investment; and Decision of the 116th Meeting of the CID on Clayton, Dubilier & Rice Fund XII, L.P. and Opella Healthcare.

37. The Panel observed that the majority of pharmaceutical products consumed in Africa were mainly sourced from Asia,[13] which demonstrates that pharmaceutical suppliers operate as multinational entities with extensive global supply chains and procure products from a wide range of international manufacturers. The Panel considered that while suppliers were required to comply with national regulatory requirements to operate within specific jurisdictions, these requirements do not materially prohibit the global sourcing and supply of pharmaceutical products. The Panel further observed that initiatives such as the African Medicines Regulatory Harmonization were enabling streamlined approvals and market access.[14]

38. With respect to the manufacturing and supply of APIs products, the Panel observed that it was likely that the geographic scope for the manufacture and supply of APIs to be wider than the Common Market as the products were mostly standardised and sourced from the global supply chain. The Panel further observed that the WHO sets global health norms and publishes international guidelines for APIs including operating a pre-qualification programme that assesses APIs to ensure they meet the global safety and efficacy standards.[15]

39. The Panel observed that sub-Saharan African pharmaceutical manufacturers procure majority of their APIs from India and China,[16] demonstrating the global nature of the market for APIs.

40. In view of the foregoing considerations and recognising that the transaction was not likely to raise competition concerns under any alternative geographic market, the Panel considered that the relevant geographic market for the manufacture and supply of pharmaceutical products was at least COMESA-wide while the geographic market for APIs was global.

Conclusion on Relevant Markets

41. Based on the foregoing assessment, and without prejudice to the Panel's approach in similar future cases, the relevant markets were identified as:

    a. **The global market for the manufacture and supply of APIs (with a possible segmentation by API types); and**

    b. **The manufacture and supply of finished dose pharmaceutical products for human usage which was at least COMESA-wide.**

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[13] See https://unctad.org/publication/building-case-investment-local-pharmaceutical-production-africa, accessed on 18 June 2026.
[14] See https://www.researchandmarkets.com/reports, accessed on 28 July 2026.
[15] See https://extranet.who.int/prequal/medicines/active-pharmaceutical-ingredients, accessed on 28 July 2026.
[16] See World Bank Document, accessed on 18 June 2026.

Consideration of Substantial Lessening of Competition or "Effect" Test

Market Shares and Concentration

42. The Panel noted that with respect to the manufacture and supply of finished dose pharmaceutical products, Recordati provided estimated market shares for Tunisia only, the sole Member State where it has a manufacturing facility.[17] The Panel observed that the market for finished dose pharmaceutical products was global and comprised different major players such as Novartis, Pfizer, GlaxoSmithKline, Teva, Bayer, Viatris, and Cipla which will continue to compete with the merged entity post-merger. The Panel considered that given the absence of horizontal overlap and that the transaction would not result in market share accretion, the existing competitive dynamics would remain the same post-merger.

43. The Panel also observed that the market for the manufacture and supply of pharmaceuticals in Tunisia was fragmented and comprised of different players such as Les Laboratories Medis SA, Teriak, Sanofi, Saiph, and Philadelphia.[18] The Panel noted the submission by the parties that there were other major international pharmaceutical players including Novartis, Pfizer, GlaxoSmithKline, Teva, Bayer, Viatris, Cipla, and other generic pharmaceutical manufacturers that operated in the Common Market either directly or through licensing and distribution arrangements.

44. The Panel considered that access to the finished dose pharmaceutical products was expanding across Africa as multinational companies and local manufacturers target underserved regions. Further, cross-border trade agreements and regional harmonization were also helping to broaden the distribution of life-saving treatments.[19]

45. The Panel noted that there would be no market share accretion in the market for finished dose pharmaceuticals products and the merged entity would continue to face competitive pressure from other local and multi-national competitors.

46. With respect to the manufacture and supply of APIs, the Panel observed that the global market for the APIs, which was valued at USD245.26 billion in 2025, was characterised by the presence of various key global players such as Teva Pharmaceutical Industries Ltd (Israel), AbbVie Inc. (U.S.), Abbott (U.S.), Aurobindo Pharma (India), Cipla Inc. (India), Reddy's Laboratories Ltd (India), Sun Pharmaceutical Industries Ltd (India), Amgen Inc. (U.S.), Biocon (India), Mylan N.V. (U.S.), and Boehringer Ingelheim International GmbH (Germany).[20] The Panel considered that the market was fragmented and would remain competitive post-

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[17] The Anatomical Therapeutic Classification ("**ATC**") system is a hierarchical and coded four level system, which classifies medicinal products by class according to their indication, therapeutic use, composition and mode of action. ATC 1st level is based on anatomical or pharmacological group; ATC 2nd level is based on pharmacological or therapeutic subgroup; ATC 3rd level is in terms of their specific therapeutic indications (i.e. their intended use); ATC 4th level is in terms chemicals, pharmacological or therapeutic subgroup while ATC 5th level is in terms chemical substance.

[18] See Decision of the 4th Meeting of the Panel on Actis Medis Holding Limited and Growth Health Investments.

[19] See https://www.grandviewresearch.com/industry-analysis/africa-pharmaceuticals-market-report, accessed on 28 July 2026.

[20] See https://www.fortunebusinessinsights.com/active-pharmaceutical-ingredient-api-market-102656, accessed on 28 July 2026.

merger. The Panel considered that the merged entity would continue facing competition from the other players.

47. The Panel observed that the African finished dose pharmaceutical manufacturers relied heavily on imported inputs, including APIs. The Panel noted that an estimated 95% of the continent's API requirements were imported, primarily from India and China, which are the leading suppliers of APIs worldwide.[21] The Panel further noted that API production in Africa was limited, with South Africa and Egypt amongst the notable exceptions producing a limited range of APIs at commercial scale.[22]

48. The Panel considered that the merged entity will continue to face competition from numerous existing regional and global players in the market for the manufacture and supply of APIs. The Panel therefore considered that the proposed transaction was unlikely to negatively impact competition in the relevant markets.

Determination

49. The Panel was satisfied that, pursuant to Regulation 47, the merger was not likely to substantially lessen competition in the Common Market or a substantial part of it, nor would it significantly affect public interest.

50. The Panel, therefore, approved the merger pursuant to Regulation 48 of the Regulations.

Dated this 28th day of July 2026

Commissioner Mahmoud Momtaz (Chairperson)

Commissioner Lloyds Vincent Nkhoma Commissioner Luyamba Kizito Mpamba

[21] See https://au.int/sites/default/files/pages/32895-file-pmpa_business_plan.pdf, accessed on 28 July 2026.
[22] See https://unctad.org/system/files/official-document/diae2024d5_en.pdf, under page 29, accessed on 28 July 2026.