



Media Statement

For Immediate Release

03 November 2022

STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Tuesday, 01 November 2022, to review and take decisions on matters brought before the Commission by members of the public and corporate applicants, in terms of the Competition Act (89 of 1998) as amended. These matters include but are not limited to complaints, mergers, and acquisitions.

1. MERGERS AND ACQUISITIONS

1.1 Eutelsat Communications S.A. (“Eutelsat”)/ OneWeb Holdings Limited (“OneWeb”)

The Commission has approved the transaction whereby Eutelsat intends to acquire OneWeb, without conditions.

The primary acquiring firm is Eutelsat, a public company incorporated under the laws of France. Eutelsat is not controlled by a single firm. In South Africa, Eutelsat has one subsidiary, namely – Konnect South Africa (Pty) Ltd (“Konnect”).

Eutelsat is a satellite network operator (“SNO”). It provides one-way satellite communication services, which account for the larger part of the satellite communication services industry and are mainly used for broadcast (e.g., television and radio) purposes, as well as two-way satellite communication services, which allow end-to-end exchanges of voice and data between several terminals. In South Africa, Eutelsat operating through Konnect provides raw satellite capacity for video; raw satellite capacity for fixed data; the sale of managed services for wholesale distributors; and the sale of connectivity / managed services.

The primary target firm is OneWeb, a private limited company incorporated under the laws of England and Wales. OneWeb is not controlled by a single firm. In South Africa, OneWeb controls WorldVu South Africa (Pty) Ltd (“WorldVu”).

OneWeb is an SNO and is expected to commence operations in the second half of 2023. Once fully operational OneWeb will operate a global satellite communications network to enable universal internet access providing two-way satellite communication services (“2WSCS”). The first-generation OneWeb

network will consist of a constellation of 600+ low-earth orbit (“LEO”) satellites, a form of non-geostationary orbit satellites (“NGSO”), to deliver high-speed, low-latency connectivity to customers throughout the world.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any substantial public interest concerns.

1.2 Seriti Green (Pty) Ltd (“Seriti Green”)/ Windlab South Africa (Pty) Ltd (“WDSA”)/ Windlab East Africa (“WEA”)

The Commission has approved the transaction whereby Seriti Green intends to acquire WDSA and majority shareholding of WEA, without conditions.

The primary acquiring firm is Seriti Green. Seriti Green is wholly owned by Seriti Resources. Seriti Green, Seriti Resources and all firms directly or indirectly controlled by Seriti Resources shall collectively be referred to as the “Acquiring Group”.

Seriti Green is newly incorporated and has not commenced any activities, whilst Seriti Resources is primarily a producer of thermal coal through its ownership of eight thermal coal mining complexes.

The primary target firms are WDSA and WEA. WDSA and WEA shall collectively be referred to as “Target Firms”. The Target Firms and all firms directly and indirectly controlled by the Target Firms are collectively referred to as the “Target Group”.

The Target Group is involved in renewable energy development through various wind and solar photovoltaic energy projects in Africa. Particularly, the Target Firms are involved in the planning (consulting), development and production of wind and solar energy facilities.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.3 Libstar Operations Proprietary Limited (“Libstar”)/ Cape Foods Proprietary Limited (“Cape Foods”)

The Commission has approved the transaction whereby Libstar intends to acquire Cape Foods, without conditions.

The primary acquiring firm, Libstar, is wholly owned by Libstar Holdings Limited (“Libstar Holdings”). Libstar Holdings, Libstar and all its subsidiaries (including unincorporated business divisions) will collectively be referred to as the “Acquiring Group”.

The Acquiring Group manufactures and distributes branded and private-label consumer products in the food, beverage, household and personal care industries, as well as providing various food and beverage solutions.

The primary target firm, Cape Foods, is controlled by its majority shareholder the GL Martin Familie Trust. Cape Foods does not control any firm.

Cape Foods is a manufacturer of a wide range of sauces, herbs, spices and seasoning blends as well as certain other food products.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.4 Senosi Group Investments Holdings Proprietary Limited ("SGIH")/ Sobotshane Investments Proprietary Limited ("Sobotshane")

The Commission has approved the transaction whereby SGIH intends to acquire Sobotshane, without conditions.

The primary acquiring firm is SGIH, a private company ultimately controlled by a historically disadvantaged person.

The Acquiring Group conducts the business of coal mining through both opencast and underground coal mining operations in South Africa.

The primary target firm is Sobotshane.

Sobotshane is a logistics services provider specializing in the transportation and handling of bulk commodities servicing largely the coal mining industry in South Africa with its fleet concentrated in the Mpumalanga Province.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.5 Legacy Africa Capital Partners Fund 1 ("LACP Fund")/ Kelpack Investment Holdings (Pty) Ltd ("Kelpack")

The Commission has approved the transaction whereby LACP Fund intends to acquire Kelpack, without conditions.

The primary acquiring firm is LACP Fund. LACP Fund is controlled by Legacy Africa Capital Partners (Pty) Ltd (“LACP”), a company incorporated in South Africa. LACP is in turn controlled by Legacy Africa Fund Managers (Pty) Ltd (“LAFM”). LACP is a private equity fund and controls Penflex (Pty) Ltd (“Penflex”), Continuous Power Africa (Pty) Ltd (“Continuous Power”), Lonsa Everite (Pty) Ltd (“Everite”), Swartland Investment (Pty) Ltd, and Swartland Insulation (Pty) Ltd.

Penflex conducts business in the field of plastic injection moulding and offers three product lines, namely blind components, writing instruments and plastic homeware products. Continuous Power is a provider of remote monitoring services and power solutions to the telecommunications industry. Everite conducts business as a supplier of a range of building products for the South African building industry. The Swartland group conducts business as a manufacturer and distributor of windows and doors across South Africa, as well as into parts of Europe and the United States.

The primary target firm is Kelpack. Kelpack is a holding company that controls Kelpack Manufacturing (Pty) Ltd. Kelpack Manufacturing in turn controls Westpack Contract Packers (Pty) Ltd and Nhlayisa Nutritional Solutions (Pty) Ltd.

Kelpack Manufacturing and Westpack conduct business as control food packers for third-party customers. This involves combining and packaging wet and dry food products into containers for its customers. The finished packaged food products are then ready for distribution to wholesalers or retailers.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.6 Danube AG (Danube or the Acquiring Firm)/ Koninklijke DSM N.V. (“DSM”)/ Firmenich International SA (“Firmenich”)

The Commission has approved the proposed transaction whereby Danube intends to acquire DSM and Firmenich without conditions.

The primary acquiring firm is Danube, a company incorporated under the laws of Switzerland. Danube is currently a wholly owned subsidiary of DSM, a public limited liability company incorporated under the laws of the Netherlands. DSM is listed on the Euronext Amsterdam Stock Exchange and is not controlled by any single firm or individual. Danube does not trade as it has recently been established and incorporated for the purpose of facilitating the proposed transaction.

The primary target firms are DSM and Firmenich. DSM is the controlling company of the acquiring firm. Firmenich is a privately owned company incorporated in accordance with the laws of Switzerland.

DSM is the ultimate parent company of an international group active in nutrition, health, and bioscience. DSM has two subsidiaries in South Africa, namely Biomin Animal Nutrition (Pty) and DSM Nutritional Products South Africa (Pty) Ltd. Globally, DSM has three market-focused business groups in which it organises its activities namely animal nutrition & health; health, nutrition & care; and food & beverages. In South Africa, DSM supplies enzymes, cultures, vitamins and savoury ingredients.

Globally, Firmenich is mainly active in the production and commercialisation of aroma chemicals, fragrances, and flavours. Firmenich has two subsidiaries within South Africa, namely, Firmenich (Pty) Ltd and Firmenich Production (Pty) Ltd. In South Africa, Firmenich only provides flavours, fragrances and sweeteners.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.7 4PL Group (Pty) Ltd (“4PL Group”)/ 4PL Logistics

The Commission has approved the proposed transaction whereby 4PL Group intends to acquire 4PL Logistics, without conditions.

The primary acquiring firm is 4PL Group. 4PL Group is controlled by Vuna Partners Fund 1 (Pty) Ltd (“Vuna Fund”). Vuna Fund is a private equity fund under the ultimate management control of Vuna Partners Proprietary Limited (“Vuna Partners”). 4PL Group is a holding company of the 4PL Group of companies.

The nature of the business of 4PL Group is to hold investments in firms that are active in the transport and logistics sectors. Vuna Partners is a South African-based private equity firm which is aimed at identifying quality medium-sized businesses with high growth potential. Other than 4PL Group, Vuna Partners does not control any firms active in the logistics and transport market.

The primary target firm is 4PL Logistics. 4PL Logistics is jointly controlled by 4PL Group and an individual shareholder. 4PL Logistics does not control any firm.

4PL Logistics is active within the transport and logistics sector. 4PL Logistics is the provider of third-party logistics (outsourced logistics brokers/ contractors) and fourth-party logistics (long-term integrated supply chain management) services. It provides general cargo transportation services for customers across different industries throughout South Africa. Their customers include FMCG market participants.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

[ENDS]

Issued by:

Siyabulela Makunga, Spokesperson

On behalf of: The Competition Commission of South Africa

Tel: 012 394 3493 / 067 421 9883

Email: SiyabulelaM@compcom.co.za

Find us on the following social media platforms:

Twitter: @CompComSA

Instagram: Competition Commission SA

Facebook, LinkedIn and YouTube: The Competition Commission South Africa