



Media Statement

For Immediate Release

12 July 2023

STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meetings on 05 and 11 July 2023, 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 Komatsu Mining Corp. (“KMC”)/ GHH Group GmbH (“GHH”)

The Commission has recommended that the Competition Tribunal (“Tribunal”) approve the proposed transaction whereby KMC intends to acquire GHH, with conditions.

The primary acquiring firm is KMC, a company incorporated in accordance with the laws of the United States of America. The ultimate parent company of KMC is K.K Komatsu Seisakusho (“Komatsu”), a public company listed on the Tokyo Stock Exchange. Komatsu is not controlled by any firm or any individual shareholder as its shares are widely held. KMC, all the firms controlled by KMC, all the firms controlling KMC, and all the firms controlled by those firms are hereby collectively referred to as ‘Komatsu or the Acquiring Group’.

Komatsu is a global manufacturer of construction, mining, and forestry equipment as well as diesel engines and industrial machinery. Komatsu’s activities which are relevant for the purposes of the proposed transaction are those related to underground mining. The Acquiring Group develops and manufactures equipment for use in surface mining (e.g., dozers, draglines, excavators) and for underground hard and soft rock mining (such as shaft sinking equipment, bolters, drills, and underground hard rock haulage).

The primary target is GHH, a German company. GHH is wholly controlled by Schmidt, Kranz & Co. Gesellschaft mit beschränkter Haftung (“Schmidt”). Schmidt is incorporated in Germany. GHH has operations in various countries worldwide. GHH (directly and indirectly) controls several firms in South Africa.

GHH develops and manufactures vehicles for underground hard and soft rock mining applications as well as for tunnelling. A key focus of GHH's activities is the production of load haul dumpers ("LHDs"), dump trucks, scalers, and other utility vehicles for underground mining and tunnelling. Aftermarket support and services are also offered in respect of the products supplied by GHH in South Africa.

The Commission found that the proposed transaction is unlikely to result in substantial prevention or lessening of competition in any relevant markets.

To promote the greater spread of ownership, KMC has agreed to remedies to promote skills development and to create employment.

The Commission further found that the proposed transaction does not raise any other public interest concerns.

1.2 Apex Consolidation Entity Limited ("ACEL")/ Efficient Group (Pty) Ltd ("Efficient Group")

The Commission has approved the proposed transaction whereby ACEL intends to acquire the Efficient Group, with conditions.

The primary acquiring firm, ACEL, is a company incorporated in accordance with the laws of England and Wales. ACEL is ultimately controlled by Apex Group Ltd. Apex Group Ltd is ultimately controlled by Genstar GP ("Genstar") which is ultimately controlled by Genstar Capital, a San Francisco-based private equity firm.

ACEL is a financial services provider. In South Africa, Apex Group through Apex Fund Services SA Proprietary Limited and Apex Fund Services Holdco SA Proprietary Limited are active in the provision of fund administration services. Further, Apex Group provides a range of independent third-party fund administration, transfer agency, and management company services.

The primary target firm is the Efficient Group. Efficient Group is not controlled by any firm. Efficient Group wholly owns Boutique Collective Investments (RF) Proprietary Limited ("BCI"), Boutique Investment Partners Proprietary Limited ("BIP"), Instit Proprietary Limited ("Instit"), and Skyblue Fund Managers Proprietary Limited ("Skyblue"). Efficient Group is a diversified financial services provider, which focuses on asset management services.

The Commission found that the proposed transaction is unlikely to result in substantial prevention or lessening of competition in any relevant markets.

To promote the greater spread of ownership, ACEL agreed to a number of conditions aimed at increasing the representation of suitably qualified HDPs in management, enterprise and supplier development, corporate social responsibility, skills development, and preferential procurement.

The Commission further found that the proposed transaction does not raise any other public interest concerns.

[ENDS]

Issued by:

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