COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No.: LM057Jul25

In the matter between:

Malan and Buys Proprietary Limited	**Primary Acquiring Firm**
And	
Aptekor Sneldiens Proprietary Limited and Aptekor Wholesale Proprietary Limited	**Primary Target Firm**

Panel	:	A Wessels (Presiding Member)
	:	G Budlender (Tribunal Member)
	:	A Ndoni (Tribunal Member)
Heard on	:	14 October 2025
Order issued on	:	21 October 2025
Reasons issued on	:	1 December 2025

REASONS FOR DECISION

[1] On 21 October 2025, the Competition Tribunal ("Tribunal") unconditionally approved a large merger in terms of which Malan and Buys Proprietary Limited ("M&B") intends to acquire 100% of the issued shares of Aptekor Sneldiens Proprietary Limited ("Aptekor Sneldiens") and Aptekor Wholesale Proprietary Limited ("Aptekor Wholesale"), collectively referred to as the "Target Firms".

[2] Post-merger, M&B will exercise sole control over the Target Firms.

Parties and their activities

[3] The primary acquiring firm is M&B. M&B is a wholly owned subsidiary of SPAR Health Proprietary Limited[1] ("SPAR Health"). SPAR Health is a wholly owned

[1] Formerly named S Buys Holdings (Pty) Ltd.

subsidiary of SPAR Group Limited ("SPAR Group"). The shares of SPAR Group are listed on the JSE Limited, and it is not controlled by any firm/s.

[4] SPAR Group directly and indirectly controls numerous firms. Relevant to the proposed transaction is SPAR Health, which controls S Buys (Pty) Ltd, S Buys Academy (Pty) Ltd and Forefront (Pty) Ltd. M&B does not control any firm.

[5] M&B, its controlling firms and the firms controlled by its controlling firms are collectively referred to as "the SPAR Group".

[6] Of relevance to the competition assessment of the proposed transaction are the SPAR Group's pharmacy-related activities conducted through SPAR Health comprising:

6.1. supply and supporting the Pharmacy at SPAR retail chain of approximately 120 independent stores across South Africa, which offer a wide range of prescription and nonprescription medication and related products, script collection and dispensing, mother and child clinic services, family planning services, immunisations, health screening and wound care and first aid;

6.2. operating a full-line pharmaceutical wholesaler through M&B with its distribution centre in Carletonville, Gauteng. M&B services pharmacies, hospitals, and health care professionals, as well as Government and various NGOs;

6.3. operating Scriptwise Specialised Pharmacy, a single pharmacy located in Carletonville, which manages patient-specific prescriptions for high value highly specialised medicines delivered to patients, specialist doctors and specialty clinic facilities throughout South Africa; and

6.4. operating the S Buys Academy, a training academy accredited with the South African Pharmacy Council and delivering training to pharmacy support staff.

[7] The primary target firms are Aptekor Sneldiens and Aptekor Wholesale. The Target Firms are each controlled by the trustees of the Aptekor Trust ("Aptekor Trust") who are [redacted], [redacted] and [redacted]

[8] Aptekor Wholesale is a pharmaceutical product wholesaler (business to business only) that services pharmacies, health shops, farm stalls, general retailers and other retailers in the Western Cape and the Northern Cape provinces. Aptekor Sneldiens operates primarily as the internal courier service for Aptekor Wholesale, servicing Aptekor Wholesale predominantly, but not exclusively.

Competition Assessment

Horizontal overlap

[9] The proposed transaction results in a horizontal overlap in relation to the wholesale distribution of pharmaceutical products. The Competition Commission ("Commission") assessed the competitive effects of the proposed transaction in the wholesale distribution of pharmaceutical products, focusing specifically on the geographic areas in which the Target Firms operate, namely (i) the Western Cape; and (ii) the Northern Cape.

[10] After investigating and assessing the above markets, the Commission found the following:

10.1 In a national market for the wholesale distribution of pharmaceutical products, the merged entity will have a national market share of less than 10%.

10.2 In the regional market for the wholesale distribution of pharmaceutical products in the Western Cape, the Commission noted that there are no publicly available sources of market share data. However, it found that the proposed transaction is unlikely to significantly alter the structure of this regional market because the merger parties are relatively small players in this market. Market participants estimate that the merged entity will have a market share of less than 10% post-merger in the Western Cape regional market.

10.3 Regarding the regional market for the wholesale distribution of pharmaceutical products in the Northern Cape, the Commission relied upon market participants' estimates of market shares that the merged entity will have a post-merger market share of less than 10% in this regional market. In addition, none of the market participants contacted raised concerns with the proposed transaction.

Vertical overlap

[11] The proposed transaction results in a vertical overlap, since M&B uses third-party delivery services while Aptekor Sneldiens supplies delivery services to other pharmaceutical wholesalers in the Western and Northern Cape.

Input foreclosure

[12] In respect of potential input foreclosure in the pharmaceutical delivery services market in (i) the Western Cape; and (ii) the Northern Cape, the Commission engaged with market participants to establish whether alternative providers exist. It found that there are numerous logistics service providers offering pharmaceutical delivery services in these geographic areas. As a result, Aptekor Sneldiens is unlikely to have the ability to exercise market power in the upstream market for the provision of pharmaceutical delivery services in each of these provinces. In addition, none of Aptekor Sneldiens' customers within the Western and Northern Cape raised concerns with the proposed transaction.

[13] We concur with the Commission finding that the proposed transaction is unlikely to raise input foreclosure concerns in the Western and Northern Cape.

Customer foreclosure

[14] The Commission found that M&B currently outsources the delivery of its wholesale pharmaceutical products in the Western Cape and Northern Cape to DPD Laser, a practice it has maintained since 2016. The merger parties submitted that M&B will continue to utilise DPD Laser in the Western Cape and Northern Cape, citing capacity constraints and service-level challenges that prevent M&B from exclusively relying on Aptekor Sneldiens for its delivery requirements in these regions.

[15] In light of the above, the Commission concluded that the proposed transaction is unlikely to give rise to customer foreclosure concerns.

[16] Given the above, we concur with the Commission's finding that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market in South Africa.

Public Interest

Effect on employment

[17] The merger parties submitted that the proposed merger would not result in any job losses, including retrenchments and redundancies.

[18] During the Commission's investigation, the National Education, Health and Allied Workers' Union ("NEHAWU") and the Motor Transport Workers Union ("MTWU") indicated that their members had concerns regarding potential retrenchments arising from the proposed transaction, as well as the merger's possible impact on their provident fund terms and conditions.

[19] The employee representative of Aptekor Sneldiens confirmed that none of the employees had raised any concerns regarding the proposed transaction.

[20] The Commission noted that the merger parties provided an unequivocal undertaking that the proposed transaction will not result in retrenchments[2], which the Commission considers to be binding upon the parties.

[21] We wrote to NEHAWU and MTWU (collectively, "the Unions") to ascertain whether they intend to participate in the Tribunal's proceedings, given the concerns they had raised during the Commission's investigation[3]. Both Unions indicated that their submissions to the Commission would suffice.

[22] Having regard to the above, including the merger parties' unequivocal undertaking that the proposed transaction will not result in retrenchments, we conclude that the proposed transaction is unlikely to raise employment concerns.

Effect on the promotion of a greater spread of ownership

[23] M&B is held 42.12% by historically disadvantaged persons ("HDPs"). The Target Firms do not have any shareholding held by HDPs. The proposed transaction therefore will result in an increase in the level of HDP ownership in the Target Firms.

Merger Parties' Undertakings

[24] During the Commission's investigation, the merger parties tendered the following capex and enterprise and supplier development commitments:

(i) Capex commitment:

24.1. M&B shall invest an aggregate amount of R[redacted] in capital expenditure into the Target Firms' business during the three-year period following the implementation of the merger. This will comprise a minimum capital expenditure spend during each such twelve-month period of R[redacted] in addition to the Target Firms' combined business

[2] See Record pages 531 and 533.
[3] Tribunal's correspondence to the Unions dated 13 October 2025.

capex programme of approximately R[redacted] per annum, thereby increasing its annual capex to approximately R[redacted] for a three-year period following the implementation of the proposed transaction.

(ii) *Enterprise and supplier development commitment:*

24.2. SPAR Health shall appoint a dedicated "Enterprise and Supplier Development Business Manager" within six months of the implementation date whose primary responsibility will be to endeavour to enhance the business capabilities, profitability and sustainability of all HDP-owned Pharmacies at SPAR (existing and new).

[25] The aforementioned undertakings were not tendered as conditions for the proposed transaction and the Commission recommended that the transaction be approved unconditionally.

[26] We sought clarity from the merger parties and the Commission in respect of the status and the monitoring and enforcement of the tendered commitments.

[27] The merger parties submitted that the undertakings would become effective upon the approval of the proposed transaction by the Tribunal. They further submitted that they regard the undertakings as binding and will comply with them accordingly. The merger parties confirmed that, once the proposed transaction is approved, they will adhere to the undertakings within the timeframes agreed with the Commission.[4]

[28] The Commission submitted that the undertakings were voluntarily tendered by the merger parties and accepted by the Commission as part of the merger approval framework. It further submitted that the undertakings are binding on the merger parties and that it has established monitoring and enforcement mechanisms to ensure adherence to the undertakings.[5]

[4] Email from the merger parties dated 14 October 2025.
[5] Commission's letter to the Tribunal dated 16 October 2025.

[29] We note the above undertakings of the merger parties and approve the proposed transaction unconditionally.

Conclusion

[30] For the reasons set out above, we approve the proposed transaction unconditionally.

Mr Andreas Wessels	**1 December 2025** **Date**

Adv Geoff Budlender SC and Andiswa Ndoni concurring.

Tribunal Case Manager: Sinethemba Mbeki

For the Merger Parties: Andrew Cadman of LHC Advisory (Pty) Ltd

For the Commission: Reabetswe Molotsi and Londiwe Senona