competitiontribunal
SOUTH AFRICA

COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No.: LM054Jul25

In the matter between:

Bidvest Services (Pty) Ltd	**Primary Acquiring Firm**
And	
Aquatico Capital (Pty) Ltd and Aquatico Investments	**Primary Target Firm**

Panel	:	T Vilakazi (Presiding Member)
	:	G Budlender (Tribunal Member)
	:	A Ndoni (Tribunal Member)
Heard on	:	30 September 2025
Order issued on	:	09 October 2025
Reasons issued on	:	06 November 2025

REASONS FOR DECISION

Introduction

[1] On 09 October 2025, the Competition Tribunal ("Tribunal") unconditionally approved a large merger in which Bidvest Services Proprietary Limited ("Bidvest Services" or the "Acquiring Firm") intends to acquire 100% of the issued share capital of Aquatico Capital Proprietary Limited ("Aquatico Capital") and Aquatico Investments Proprietary Limited ("Aquatico Investments", and collectively referred to as the "Target Firms"). Post-merger, Bidvest Services will control the Target Firms.

The parties and their activities

[2] The primary acquiring firm is Bidvest Services. Bidvest Services is a wholly owned subsidiary of Bidvest Group Ltd ("Bidvest Group"). Bidvest Group is a public company listed on the Johannesburg Stock Exchange and is not controlled by a single shareholder.[1]

[3] The Bidvest Group controls Synerlytic Group Holdings Proprietary Limited, which is the holding company of WearCheck Group ("WearCheck").

[4] The Bidvest Group operates in a range of sectors, including consumer and industrial products, electrical products, financial services, freight management, office and print solutions, outsourced hard and soft services, travel and aviation services, and automotive retailing. Its operations are organised into six divisions: Services South Africa[2], Services International, Freight, Commercial Products, Automotive, and Bidvest Branded Products. Bidvest Group's South African services, trading, and distribution operations span the same sectors.

[5] Of relevance to the proposed transaction are the activities of WearCheck, as a part of the testing, inspection and certification ("TIC") cluster and a global provider of condition monitoring and predictive maintenance services. WearCheck also specialises in testing and analysing used oil and other fluids from mechanical and electrical systems.

[6] The Acquiring Firm, all the firms that control it and all firms that are controlled by the Acquiring Firm, will be referred to as the "Acquiring Group".[3]

[1] Bidvest Group's largest shareholders are Government Employee Pension Fund (20,56%); GIC Asset Management Pte Ltd (5.04%) and WGI Emerging Markets Fund LLC (3.77%).

[2] The Services South Africa division, which is of relevance to the proposed transaction, is split into five clusters namely security and aviation, allied, travel, hospitality, catering services and testing, inspection and certification.

[3] In terms of the rationale for the proposed transaction, Bidvest Services states tha[redacted]. It is also Bidvest's [redacted]e in the South African market.

[7] The Target Firms are Aquatico Capital and Aquatico Investments.

[8] Aquatico Investments does not control any firms, and it operates as a property holding company.

[9] Aquatico Capital, on the other hand, directly and indirectly controls the following entities: Aquatico Scientific Proprietary Limited, Aquatico Monitoring Proprietary Limited, Aquatico Laboratories Proprietary Limited, and Aquatico Analytical Proprietary Limited.

[10] Aquatico Capital operates an environmental monitoring and testing laboratory business with a proven track record in the segments of water and microbiological analysis, dust monitoring, occupational hygiene, geochemical and mineral waste monitoring. It conducts projects across all nine South African provinces, in the rest of Africa, and, more recently, internationally.

[11] Aquatico Capital operates in four main segments, namely: (i) Water and Microbiological; (ii) Dust Deposition; (iii) Geochemical; and (iv) Occupational Hygiene. It provides fieldwork, laboratory testing, and scientific reporting services, and considers itself a fully integrated service provider, notwithstanding that not all clients engage it for the full range of services offered.

Transaction

[12] The proposed transaction envisages Bidvest Services acquiring one hundred percent (100%) of the issued share capital of Aquatico Capital and Aquatico Investments including all of the shares in the subsidiaries of Aquatico Capital, except fifty-one percent (51%) of the shares held by a third party in Aquatico Analytical Proprietary Limited.

[13] The Commission considered that the proposed transaction involves common sellers and a common purchaser, being Bidvest Services. It also considered the terms of the Sale Agreement which render the sale of the two target firms,

that are involved in the same line of business as the purchaser, inter-conditional. The Commission therefore determined that the proposed transaction can be assessed as an indivisible transaction in line with the Commission's Indivisibility Guidelines and Tribunal precedent.

[14] We agree with the Commission's assessment in this regard.

Competition assessment

[15] The proposed transaction gives rise to a horizontal overlap in the market for the provision of water testing services in laboratories; however, it does not give rise to any vertical overlap.

[16] The Competition Commission ("Commission") found that although WearCheck procured certain additional water-related tests from Aquatico Capital on occasions where it lacked the relevant capabilities. This is regarded as a standard commercial relationship and was not assessed further by the Commission.

[17] In assessing the relevant product market, the Commission considered the market for the provision of water analysis services, as both merging parties are active in water sampling and water analysis. In this regard, the Commission had regard to approaches adopted by competition authorities internationally that have previously considered such markets.[4] However, without reaching a definitive conclusion on both the relevant product market or geographic market, the Commission proceeded to assess the effects of the proposed transaction in the national market for the provision of water testing services.

[18] The Commission engaged various market participants, including competitors and customers of the merging parties, the majority of whom did not raise concerns regarding the proposed transaction.

[4] European Commission in *Stiftelsen Det Norske Veritas / Germanischer Lloyd SE*, Case No: COMP/M.6885; and Finnish Competition and Consumer Authority in *Eurofins Product Testing Lux Holding SARL|VTT Expert Services Oy|Labtium* Oy, Case No: KKV/2/14.00.10/2018.

[19] In determining its market share estimates, the Commission relied on submissions from the merging parties and information provided by their competitors, as no independent industry source for market share data was available.

[20] WearCheck holds a small estimated market share of less than [redacted]% (based on revenues in 2024), consistent with those shares estimated by the merging parties. The Target Firms hold a moderate combined estimated share of less than [redacted]%.

[21] Post-merger, the merged entity is expected to continue to face significant competitive constraints from other market participants active in this market. In this regard, the merging parties would account for less than 10 of the 300 SANAS accredited water testing laboratories in South Africa.

[22] We noted the concerns raised by two competitors[5] of the merging parties, as reflected in the Commission's recommendation and merger record. The Tribunal enquired with the third parties as to whether they wished to make any further submissions for the Tribunal's consideration. No further submissions were received.

[23] The concerns raised by third parties during the Commission's investigation related to the alleged position of market power that the merged entity would acquire post-merger, enabling it to marginalise small competitors and reduce competition in the market, particularly given the significant financial resources of the Bidvest Group.

[24] However, based on the responses from both the Commission and the merging parties, we concluded that no further intervention was warranted, as the concerns were neither merger-specific nor supported by the evidence before us.

[5] Regen Waters Laboratory and Talbot Laboratories.

[25] In line with the Commission's recommendation, and having considered the activities of the merging parties, we find that the proposed transaction does not give rise to a significant change in the structure of the market, taking into account that there are several other significant players that compete with the merging parties. We also considered the evidence on recent market entry, and the fact several competitors and customers of the merging parties did not raise concerns.

[26] We therefore concluded that the transaction is unlikely to substantially prevent or lessen competition in any relevant market.

Creeping merger assessment

[27] The Commission noted that the proposed transaction is Bidvest Group's third acquisition within the TIC sector in the past two years. It therefore considered whether the transaction raises any creeping mergers concerns. However, it found that this is the Bidvest Group's first transaction in the market for the provision of water testing services.

[28] The Commission indicated that it will continue to monitor the Bidvest Group's future acquisitions within the TIC sector and will assess any potential concentration concerns that may arise from creeping mergers.

[29] Accordingly, the Commission concluded that the proposed transaction does not result in any increase in concentration in the affected market. We agree with the Commission assessment and findings.

Public interest assessment

Effect on employment

[30] The merging parties submitted that there would be no retrenchments or job losses as a result of the proposed transaction.

[31] The Minister of Trade, Industry and Competition, through the Department of Trade, Industry and Competition ("the dtic"), filed a Notice of Intention to Participate[6]. The dtic requested that the merging parties consider enhancing the conditions of employment for the transferring workers of the Target Firms by providing employer-based medical aid and provident fund contributions, which they currently do not receive. The dtic further requested that the merged entity aim to achieve at least fifty percent (50%) representation of historically disadvantaged persons ("HDPs") in senior management within 36 months of implementing the merger.

[32] The merging parties confirmed that employer-based medical aid and provident fund benefits would be made available to the transferring employees upon their transfer to Bidvest Services.

[33] The Commission engaged with the employee representatives of Bidvest Services, WearCheck, and the Target Firms, who confirmed that the employees had been duly notified of the proposed transaction and had not raised any concerns.

[34] The Commission accordingly concluded that the proposed transaction is unlikely to give rise to any employment concerns. Similarly, we did not find that any of the issues raised warranted further intervention.

Effect on the promotion of a greater spread of ownership

[35] The Bidvest Group has 46.63% of its shareholding held by HDPs. Aquatico Capital has [redacted]% of its shareholding held by HDPs and Aquatico Investments has [redacted]% of its shareholding held by HDPs.

[36] The proposed transaction results in a dilution of HDP ownership in Aquatico Capital of approximately [redacted]%, and a concomitant increase of HDP ownership in Aquatico Investments of [redacted]%.

[6] Minister's Notice of Intention to Participate, Merger Record at page 530.

[37] The dtic requested that the merging parties consider specific initiatives that are incremental and further promote Broad-Based Black Economic Empowerment within their supply chain, including support for historically disadvantaged operators, particularly small- and medium-sized businesses owned by black women and other designated groups. It also requested that the merging parties consider implementing an employee share ownership programme ("ESOP") of at least 5% for the benefit of their South African employees within thirty-six months of the approval of the proposed transaction.

[38] In response to the dtic's concerns and proposals, the merging parties acknowledge a [redacted]% dilution of HDP interests in Aquatico Capital but emphasise the positive outcomes for HDP shareholders resulting from the proposed transaction. Regarding the ESOP, the merging parties submit that its imposition would significantly compromise the commercial viability of the transaction.

[39] Having had regard to the various submissions and the particular facts of this matter, we did not find that the changes arising through the proposed transaction were substantial and warrant further intervention.

[40] We are satisfied that the proposed merger does not raise any substantial public interest issues.

Conclusion

[41] For the reasons set out above, we concluded that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market, nor does it raise substantial public interest concerns.

[42] We therefore approved the proposed transaction unconditionally.

Signed by:Thando Vilakazi
Signed at:2025-11-06 16:27:54 +02:00
Reason:Witnessing Thando Vilakazi

Thando Vilakazi

Prof. Thando Vilakazi	**06 November 2025**
	Date

Adv Geoff Budlender SC and Ms Andiswa Ndoni concurring.

Tribunal Case Manager:	Sinethemba Mbeki
For the Merger Parties:	Derushka Chetty and Wade Graaff of ENSafrica Attorneys
For the Commission:	Tshehla Mathe, Billy Mabatamela and Grashum Mutizwa