COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No.: LM185Feb26

In the matter between:

Pick n Pay Retailers (Pty) Ltd	**Primary Acquiring Firm**
And	
Topaz Sky Trading 259 (Pty) Ltd	**Primary Target Firm**

Panel:	A Wessels (Presiding Member) A Ndoni (Tribunal Member) I Valodia (Tribunal Member)
Heard on:	08 June 2026
Decided on:	08 June 2026
Reasons issued on:	29 June 2026

REASONS FOR DECISION

Introduction

[1] On 8 June 2026, the Competition Tribunal ("Tribunal") conditionally approved the large merger in terms of which Pick n Pay Retailers (Pty) Ltd ("PnP Retailers") intends to acquire Topaz Sky Trading 259 (Pty) Ltd ("Topaz") in respect of PnP Family Meadowlands and PnP Liquor Meadowlands ("PnP Meadowlands") as a going concern.

[2] Post-merger, PnP Retailers will solely control PnP Meadowlands.

Parties and their activities

Primary acquiring firm

[3] The primary acquiring firm, PnP Retailers, is duly registered under the laws of South Africa. PnP Retailers is wholly controlled by Pick n Pay Stores Limited

("PnP Stores"). PnP Stores is publicly listed on the JSE Limited and thus its shares are widely traded, and it is not controlled by any single shareholder.

[4] PnP Stores controls several firms. Relevant for the purposes of assessing the proposed transaction are its Pick n Pay retail network stores, which include Pick n Pay Hypermarkets, Pick n Pay Supermarkets, Score Supermarkets Trading (Pty) Ltd and Boxer Retail Ltd.

[5] PnP Retailers, PnP Stores and all the firms directly and indirectly controlled by them will be referred to as the "Acquiring Group" or "PnP Group".

[6] PnP Group is active as a multi-format, multi-channel retailer which operates retail stores in a variety of formats ranging from large hypermarkets to smaller convenience stores, which offer fast moving consumer goods, clothing and alcoholic beverages. It operates across both a corporate-owned and franchise basis.

Primary target firm

[7] The primary target firm, PnP Meadowlands, is controlled by Topaz, a company duly registered under the laws of South Africa. Topaz's shares are [redacted]% held by Mr Morgan Makhubela and [redacted]% is held by Ms Rejoice Mapule Makhubela.

[8] PnP Meadowlands will be referred to as the "Target Business" and Topaz, including its controllers, will be referred to as the "Seller".

[9] The Target Business operates as a franchisee PnP Family Supermarket and PnP Liquor Store. It forms part of the broader Pick n Pay multi-format, multi-channel retail offering to consumers in South Africa.

Description of the transaction

[10] The proposed transaction occurs following a High Court judgment in favour of the PnP Group pursuant to the Seller having executed a general notarial bond ("Meadowlands GNB") in the PnP Group's favour in 2008. As the Meadowlands

GNB has become executable, the PnP Group is entitled to discharge the Seller's liabilities to it by selling the business of the Seller and any of its assets.

Competition assessment

[11] The Competition Commission ("Commission") considered the activities of the merging parties and found that their activities overlap horizontally as they both operate supermarkets and liquor stores which offer products or services that can be regarded as interchangeable.

[12] The Commission further found that the activities of the merging parties have a vertical overlap in that the Target Firm purchases stock from the suppliers which are approved and recommended by Pick n Pay, as well as from Pick 'n Pay distribution centres.

[13] The Commission assessed the proposed transaction in respect of the following relevant product markets: (i) the retail of grocery products; and (ii) the retail of liquor.

[14] The Commission was of the view that the geographic markets for the retail of grocery products and liquor appear to be similar, as liquor outlets typically operate adjacent to supermarkets since major retailers include liquor outlets adjacent to their grocery stores. Accordingly, the Commission assessed the merging parties' retail of grocery products and retail of liquor activities in a radius of not more than 3km, without necessarily concluding on the definitive relevant geographic market.

[15] Having regard to the above, the Commission found that the Target Business is the only PnP branded grocery/liquor business within a 3km radius of the Target Business. The other PnP Family and PnP liquor stores are located in Maponya (11km from the Target Business), Protea Glen (14.9km from the Target Business) and Bara City (8.9km from the Target Business), all of which are located more than 10km from the Target Business.

[16] The Commission noted a PnP Express convenience store operating within 2.2km of the Target Business. However, that PnP Express does not likely exert a competitive constraint on the Target Business since it has a limited line of product

offerings, does not include liquor and operates on a 24-hour basis, for the convenience needs of travelling shoppers.

[17] Further, the Commission found that PnP Meadowlands competes with other retailers including Shoprite Meadowlands, Shoprite Dube, Shoprite Eyethu and Usave Mofolo which are within a 3km radius of the Target Business. The Commission found also that an independent liquor store, Ekhoneni Liquor Store, operates within the Meadowlands area. Based on this, the Target Business will continue to face competition from other retailers within this local area.

[18] From a vertical overlap perspective, the Target Business is currently supplied by "direct suppliers"[1] and a range of "approved suppliers".[2] PnP Group has submitted it does not contemplate discontinuing with this arrangement. It submitted that the Target Business will continue procuring from independent suppliers and service providers, including historically disadvantaged person-owned suppliers and/or service providers, subject only to objective requirements relating to food safety and quality requirements, and audit compliance.

[19] The Commission concluded that there are unlikely to be foreclosure concerns arising from the proposed transaction.

[20] Considering the above, we conclude that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market.

Public interest analysis

Employment

[21] The merging parties submitted that the proposed transaction will not have adverse effects on employment and will not lead to any retrenchments.[3]

[22] The Commission contacted the employee representative of the Target Business and he/she did not raise any employment concerns on behalf of employees.

[1] Contract suppliers contract directly with PnP, and PnP pays these suppliers directly, with the cost being invoiced to the franchisee on the franchisee's monthly statement.
[2] Approved suppliers are not contracted directly with PnP but are suppliers that have been audited and approved by PnP. Franchisees may purchase specified items directly from approved suppliers without requesting PnP's approval, as these suppliers would have been audited and approved by PnP.
[3] Merger Record at p15, para 5.1.

[23] The merging parties submitted that the Target Business has been in sustained financial distress and is indebted to the Acquiring Group. In light of this, there is a material risk that the Target Business would cease trading, which would negatively impact customers, employees, suppliers, and the broader local community. Accordingly, the merging parties submitted that absent the proposed transaction, there is an increased risk that the Target Business would continue to operate at a loss and ultimately cease operations completely. This, in turn, would result in the Target Business' [redacted] employees, most of whom are historically disadvantaged persons ("HDPs"), being subject to involuntary retrenchments.

[24] In order to preserve this positive public interest benefit brought about by the proposed transaction, the Commission proposed a three-year moratorium on the retrenchment of the employees of the Target Business. This means that the [redacted] jobs will be safeguarded.

[25] We are satisfied with the tendered condition that the merging parties shall not retrench any employees of the Target Business as a result of the proposed transaction during the three-year moratorium period.

Promotion of a greater spread of ownership, in particular to increase the levels of ownerships by historically disadvantaged persons ("HDPs") and workers in firms in the market

[26] The acquiring group is 22.18% held by HDPs, with 8.21% of the shares being held by black women. The Target Business is 100% held by HDPs. The Commission therefore found that the proposed transaction results in a dilution of the HDP shareholding of the Target Business. It requested the merging parties to proffer remedies towards addressing the negative impact on the greater spread of ownership.

[27] The merging parties however submitted that ownership remedies are neither feasible nor appropriate, given the Target Business' indebtedness and the need to prioritise operational stability. The Commission accepted this and concluded that no further intervention is warranted as the proposed transaction is meant to save the Target Business.

[28] We have no reason to disagree with the Commission’s assessment and conclusion.

Other public interest considerations

[29] The proposed transaction raises no other public interest issues.

Conclusion

[30] Considering the above, we concluded that the proposed transaction is unlikely to substantially prevent or lessen competition and that the imposed employment conditions are appropriate and satisfactory. We accordingly approved the proposed transaction on the basis of the conditions in **Annexure A** to our order dated 8 June 2026.

29 June 2026

Mr Andreas Wessels **Date**

Ms Andiswa Ndoni and Prof. Imraan Valodia concurring

Tribunal Case Manager:	Juliana Munyembate
For the Merger Parties:	Tamara Dini and Chiara Nefdt of Bowmans
For the Commission:	Rakgole Mokolo and Grashum Mutizwa