

COMPETITION TRIBUNAL OF SOUTH AFRICA

Case no: LM170Feb24

In the large merger between:

RMB Ventures Eight Proprietary Limited and Primary Acquiring Firms
Mohau Private Equity Fund 1 Proprietary Limited

And

Bulldog Group Holding Company Primary Target Firm

Panel:	A Wessels (Presiding Member) I Valodia (Tribunal Member) A Kessery (Tribunal Member)
Heard on:	26 March 2024
Order issued on:	26 March 2024
Reasons Issued on:	3 April 2024

REASONS FOR DECISION

Introduction

[1] On 26 March 2024, the Competition Tribunal (“the Tribunal”) unconditionally approved the large merger in terms of which RMB Ventures Eight Proprietary Limited (“RMBV”) and Mohau Private Equity Fund 1 Proprietary Limited (“Mohau”) intends to acquire █% of the shareholding in Bulldog Group Holding Company (“Bulldog Group”).

Primary acquiring firms

[2] The primary acquiring firms are RMBV and Mohau.

[3] RMBV is ultimately controlled by FirstRand Limited. It is a private equity investor that invests in African businesses across a range of sectors.

- [4] Mohau is a newly formed private equity fund that invests in strategic sectors and commercial networks to facilitate growth and expansion.

Primary target firm

- [5] The primary target firm is Bulldog Group. Bulldog Group is not controlled by any individual shareholder as its shareholding is held by various individuals. It is active in the distribution of paint and consumables directly to panel beaters; sells capital equipment to panel beaters; and renders distribution services to BASF Coatings Services Proprietary Limited.

Competition assessment

- [6] The Competition Commission (“Commission”) considered the activities of the merging parties and found that the proposed merger does not result in a horizontal overlap. This is because RMBV and Mohau are not involved in any activities that could be considered to be functionally substitutable with those offered by Bulldog Group.
- [7] The Commission also found no vertical overlap.
- [8] No third parties, whether customers or competitors, raised concerns about the proposed merger.
- [9] Given the above, the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant market.

Public interest

Employment

- [10] The merging parties submitted that there will be no adverse effects on employment as a result of the proposed transaction and that there will be no retrenchments.

Spread of ownership

- [11] The merger parties submitted that RMBV has 30.82% of its shareholding held by historically disadvantaged persons (“HDPs”) and that Mohau has 94.4% of its shareholding held by HDPs. Bulldog Group has █% of its shareholding held

by HDPs due to Mr Mace Moodley's ("Mr Moodley") having a █% shareholding in Bulldog Group. Post-merger, Mr Moodley's shareholding in Bulldog Group will increase from █% to █%.

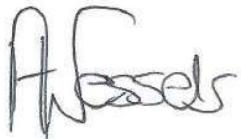
[12] Given the above, the Commission concluded that Bulldog Group's HDP ownership will significantly increase as a result of the proposed transaction. We concur.

Other public interest

[13] The proposed transaction raises no other public interest concerns.

Conclusion

[14] For the above reasons we unconditionally approve the proposed transaction.



03 April 2024

Mr A Wessels

Date

Prof Imraan Valodia and Adv. Anisa Kessery concurring

Tribunal Case Manager:	Theodora Michaletos
For the Merging Parties:	Lucinda Verster of Fairbridge Arderne & Lawton Inc
For the Commission:	Wiri Gumbie, Themba Mahlangu and Mishkah Abdool Sattar