



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: LM122Oct16

In the matter between:

**EOH INTELLIGENT INFRASTRUCTURE PROPRIETARY
LIMITED**

Acquiring Firm

And

PIA SOLAR SA PROPRIETARY LIMITED

Target Firm

Panel	: Yasmin Carrim (Presiding Member)
	: Medi Mokuena (Tribunal Member)
	: Mondo Mazwai (Tribunal Member)
Heard on	: 16 November 2016
Order Issued on	: 16 November 2016
Reasons Issued on	: 12 December 2016

Reasons for Decision

Approval

- [1] On 16 November 2016, the Competition Tribunal approved the large merger between EOH Infrastructure (Pty) Ltd. ("EOH") and PIA Solar SA (Pty) Ltd ("PIA") without conditions.
- [2] The reasons for the approval follow.

Parties to the transaction and their activities

Primary Acquiring Firm

- [3] The primary acquiring firm is EOH, a company incorporated in accordance with the laws of the Republic of South Africa. EOH is controlled by EOH Holdings Limited ("EOH Holdings"), a company listed on the Johannesburg Securities Exchange. EOH Holdings possesses various subsidiaries and it, along with its subsidiaries will be collectively referred to as the acquiring group. The acquiring group is an investment and management company which provides consulting, technology and outsourcing services. It engages primarily in developing business and IT strategies, supplying and implementing solutions and managing enterprise-wide business systems and processes for medium to large clients.

Primary Target Firm

- [4] The target firm is PIA, a firm incorporated in terms of the laws of the Republic of South Africa. PIA manufactures and installs photovoltaic (PV) substructures which are used to fix solar panels on surfaces such as roofs, building facades or the ground. PIA designs, manufactures and installs the PV substructures on a per project basis. The substructures are then supplied to customers and, where necessary, installed by PIA or sub-contractors.

Proposed transaction and rationale

- [5] In terms of the proposed transaction, EOH will acquire 100% of the issued share capital of PIA. Post-transaction, PIA will be controlled by EOH.
- [6] EOH submits that the transaction represents a solid business investment which provides EOH with a strong management team in the field, increased capacity, new customers and new product solutions in the area of IT hardware implementation and support.

- [7] PIA submits that the transaction presents an opportunity for PIA's shareholders to recoup their investment and provides it with better growth opportunities as a result of a greater access to resources.

Relevant markets and impact on competition

- [8] The Competition Commission ("Commission") found that the acquiring group is active in the provision of information technology services whilst the target firm is active in the provision of solar photovoltaic substructures and there was no overlap in the merger parties' activities. Thus the proposed transaction was unlikely to raise any competition law concerns.
- [9] We concur with the Commission's conclusion that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market.

Public interest

- [10] The merging parties submitted, which was confirmed by the Commission, that the proposed transaction will not have a negative effect on employment because PIA will continue to operate as is post-merger.
- [11] The proposed transaction further raised no other public interest concerns.

Conclusion

- [12] In light of the above, we conclude that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market. In addition, no public interest issues arise from the proposed transaction. Accordingly, we approve the proposed transaction unconditionally.



Ms Yasmin Carrim

12 December 2016
Date

**Mrs Medi Mokuena and Ms Mondo Mazwai
concurring**

Tribunal Researcher: Alistair Dey-Van Heerden

For the Merging Parties: Lee Christie of EOH Holdings

For the Commission: Nolubabalo Myoli