



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: LM246Jan19

In the matter between

SM Holdco (Pty) Ltd

Primary Acquiring Firm

And

SmartMatta (Pty) Ltd

Primary Target Firm

Panel	: Norman Manoim (Presiding Member)
	: Enver Daniels (Tribunal Member)
	: Mondo Mazwai (Tribunal Member)
Heard on	: 27 February 2019
Order Issued on	: 27 February 2019
Reasons Issued on	: 25 March 2019

REASONS FOR DECISION

Approval

- [1] On 27 February 2019, the Competition Tribunal ("Tribunal") unconditionally approved the proposed transaction in terms of which SM Holdco (Pty) Ltd ("SM Holdco") is acquiring control over SmartMatta (Pty) Ltd ("SmartMatta").
- [2] The reasons for the approval of the proposed transaction follow.

Parties to the transaction

- [3] The primary acquiring firm, SM Holdco is a new entity established specifically for the proposed transaction, and as such does not conduct any business activities. SM Holdco is jointly controlled by Corvest 12 (Pty) Ltd (Corvest) and Anthill Mid Cap Fund I (Pty) (Anthill). Anthill is jointly controlled by Corvest and Anthill Capital Fund Manager (Pty) Ltd, a BEE private equity firm that has partnered with First Rand Ltd.¹ Apart from SM Holdco and Anthill, Corvest does not control any firm. Corvest is ultimately controlled by First Rand. First Rand and all its subsidiaries, including SM Holdco, will be collectively referred to as the acquiring group.
- [4] The primary target firm is SmartMatta, which is wholly-owned by SmartMatta Holdings (Pty) Ltd. SmartMatta Holdings is in turn wholly-owned by Barloworld Logistics Africa (Pty) Ltd, which is ultimately controlled by Barloworld Ltd, a company listed on the Johannesburg Stock Exchange.
- [5] SmartMatta provides on-site waste management solutions, off-site recycling facilities, supply chain and logistics and advisory services to a diversified and blue-chip customer base. SmartMatta is active throughout South Africa, except in the Northern Cape and North-West provinces. SmartMatta also exports unprocessed recyclable waste from time to time to various countries depending on demand.

Proposed transaction

- [6] SM Holdco intends to acquire the entire issued share capital in SmartMatta. Post-merger, SM Holdco will solely control SmartMatta.

Relevant market and impact on competition

- [7] The Commission found that the proposed transaction does not result in a horizontal overlap because the acquiring group is not active in the service-based waste management and recycling business. Further, the Commission found that the proposed transaction does not raise any vertical overlaps as there is no pre-existing business relationship between SmartMatta and the acquiring group. In view of the above, the Commission concluded that the

¹ See Transcript, Page 5.

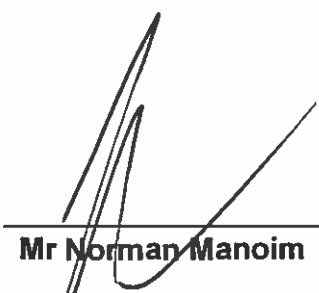
proposed transaction is unlikely to substantially prevent or lessen competition in any market. We find no reason to disagree with the Commission.

Public interest

[8] The proposed transaction does not raise any public interest concerns.

Conclusion

[9] In view of the above, we concluded 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 approved the proposed transaction unconditionally.



Mr Norman Manoim

25 March 2019**Date**

Mr Enver Daniels and Ms Mondo Mazwai concurring.

Tribunal Case Manager : Kgothatso Kgobe

For the Merging Parties : L Odendaal of Falcon & Hume

For the Commission : Z Siyo