



MERGER DECISION NO 09: 2021

Notice in Terms of Section 53(4) (a) (ii) of the Competition Act 2018

DECISION ON THE PROPOSED ACQUISITION OF THE SOLE CONTROL OF G4S PLC BY ALLIED UNIVERSAL TOPCO LLC (THROUGH ATLAS UK BIDCO LIMITED)

Introduction of the Merging Parties

- i. Pursuant to Section 53(4)(a)(ii) of the Competition Act 2018 ("the Act"), notice is hereby given on the decision made by the Competition and Consumer Authority ("The Authority") in respect of the proposed acquisition of the sole control of G4S PLC by Allied Universal Topco LLC (through Atlas UK Bidco Limited). The transaction was notified to The Authority on 15th December 2020 and the merger assessment was completed on 29th January 2021.
- ii. The Acquiring Enterprise, Allied Universal, is a company incorporated under the Laws of the State of Delaware, United States of America ("USA"). Allied Universal, is jointly controlled by affiliates of Warburg Pincus LLC ("Warburg Pincus") and Caisse de Dépôt et Placement du Québec ("CDPQ"). Warburg Pincus, is a company incorporated under the Laws of the State of New York, USA and CDPQ was established by an act of the provincial legislative body of Québec, Canada. Warburg Pincus and CDPQ, through their controlled portfolio companies, control a number of firms globally, some of which have activities in Botswana. It is equally important to highlight that these controlled portfolio companies of CDPQ and Warburg do not have physical presence in Botswana; as such, they export their services into Botswana.
- iii. Allied Universal, is a security services and facilities management company which provides the following: (i) integrated security solutions incorporating manned guarding and security technologies; (ii) cleaning and maintenance services; (iii) risk advisory and consulting services; and (iv) temporary and permanent staffing solutions to customers across a variety of business sectors. Allied Universal provide services to airports, colleges and universities, commercial real estate, corporate campuses, distribution/manufacturing facilities, educational facilities, financial institutions, government facilities, healthcare facilities, chemical/petrochemical facilities, residential communities, retail centres and shopping centres and malls.

- iv. Allied Universal has no activities in Botswana; however, is predominantly active in the USA and, to a lesser extent, in Canada, Honduras, Mexico, Nicaragua and the United Kingdom.
- v. The Target Enterprise, G4S, is a public company incorporated in accordance with the Laws of England and Wales, United Kingdom. G4S has its primary listing on the London Stock Exchange and has a secondary listing on the NASDAQ OMX Exchange in Copenhagen. G4S is a global integrated security company, offering a broad range of security services worldwide; its core business divisions are (i) Secure solutions and risk consulting and security technology solutions and (ii) conventional cash and retail technology solutions. G4S trades primarily through its subsidiaries and joint ventures in numerous jurisdictions including Botswana.
- vi. In Botswana, G4S has offices in Gaborone, Francistown, Selebi-Phikwe, Jwaneng, Lobatse, Palapye, Maun, Orapa, Mahalapye, Mochudi and Kasane offering services to clients across the country; through its three (3) subsidiaries being: (i) G4S (Botswana) Ltd ["G4S Botswana"], listed on Botswana Stock Exchange; (ii) Fidelity Cash Management Services (Botswana) (Pty) Ltd ["FCMS BW"] and (iii) G4S Facilities Management Botswana (Pty) Ltd ["G4S FMBW"].
- vii. G4S Botswana deals with Manned Security services customised to client's individual needs, using an on-site appropriate combination of manned guarding and security technologies as well as Electronic Security. This service entails security monitoring and response through a national control centre in Gaborone. The surveillance caters for a wide range of individually identifiable signals, including, but not limited to: security alarms, electric fences, fire alarms, medical emergency alarms, illegal access signals, vehicle tracking, low battery power alerts, portable panic buttons, CCTV remote images and access control.
- viii. FCMS BW, is in the business of Cash Solutions which provides integrated cash management solutions in Botswana. The division specialises in the secure transportation and storage of cash and valuables, cash counting, cash processing as well as ATM replenishment and maintenance for a multitude of financial institutions.
- ix. G4S FMBW, is a Facilities Management division which ensures that facilities are aesthetically appealing and health and safety regulation compliant. G4S cleaning services offer clients professional and specialised cleaning services as a component of a comprehensive range of facilities management services. These companies are all registered in Botswana.

Relevant Markets

- i. In terms of the relevant market, the assessment of the proposed transaction revealed that the Acquiring Enterprise and the Target Entity are both global

integrated security companies, offering a broad range of security services worldwide. The Acquiring Entity has no direct presence in Botswana except through portfolio companies which are controlled by its parent companies (Warburg Pincus and CDPQ). Still, these portfolio companies in Botswana are active in a different line of businesses to that of the Merging Parties.

- ii. On the contrary, the Target Enterprise trades primarily through its subsidiaries and joint ventures in numerous jurisdictions including Botswana. In Botswana, the Target Entity offers services to clients across the country; through G4S Botswana (manned security services); FCMS BW (cash solutions business) and G4S FMBW (facilities management division).
- iii. In light of the above, there is horizontal overlap in the activities of the Merging Parties without geographical presence. Therefore, the transaction is not expected to change the market structure post-merger due to the absence of geographical overlap. The Authority does not envisage the proposed transaction to likely result in a substantial lessening of competition, nor endanger the continuity of service, in the relevant market in Botswana.

Competitive Analysis and Public Interest

- i. The Authority's assessment did not reveal any substantial lessening of competition concerns that would arise as result of the proposed transaction; and the Merged Entity is not expected to attain any dominant position post-merger due to the absence of geographic overlap in the activities of the Merging Parties.

The Determination

- i. The Authority determined through the analysis of the facts of the merger, that the proposed transaction is not likely to result in a substantial lessening of competition, nor endanger the continuity of service, in the relevant market in Botswana. Furthermore, there is no acquisition of market dominance post-merger; nor any negative effect on public interest in Botswana identified, in relation to the provisions of the section 52 of the Competition Act 2018.
- ii. Pursuant to the provision of Section 53 of the Competition Act, the Authority has decided to unconditionally approve the proposed acquisition of the sole control of G4S PLC by Allied Universal Topco LLC (through Atlas UK Bidco Limited).

However, as stated under Section 61 of the Act, this approval does not override or negate any other mandatory statutory approvals or processes that any of the parties to this merger must comply with under the Laws of Botswana.

Dated at Gaborone on this 29th day of January 2021.

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