



MERGER DECISION NO 17: 2025

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

DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF 100% OF THE ISSUED SHARE CAPITAL IN NTS HOLDINGS PROPRIETARY LIMITED BY PICK N' PAY RETAILERS PROPRIETARY LIMITED

Introduction of the Merging Parties

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 relation to the proposed acquisition of 100% of the issued share capital in NTS Holdings (Pty) Ltd ("NTS Holdings" or the "Target Enterprise") by Pick n Pay Retailers (Pty) Ltd ("PnP Retailers" or the "Acquiring Enterprise").

The Acquiring Enterprise is a company incorporated in accordance with the Laws of South Africa. PnP Retailers is wholly owned and controlled by Pick n Pay Stores Limited ("PnP Limited"), a company incorporated in accordance with the Laws of South Africa. In addition, the Target Enterprise is a company duly incorporated according to the Laws of Botswana. NTS Holdings' shareholding is held by the following persons/entities: Flight Centre Botswana (Pty) Ltd; Kaya Retailers Limited; and Bruce John Milne.

Relevant Markets

The merger assessment findings indicate that the PnP Group is a (multi-format and multi-channel retailer) retail trade business in the fast-moving consumer goods ("FMCG") industry – operating stores in multiple countries across Africa. The PnP Group provides its customers with a range of food, grocery, clothing, liquor and general merchandise products. In Botswana, the PnP Group does not directly provide any products or services, but it does make sales of stock to the Target Enterprise (as it does for all its franchisees). For completeness, the PnP Group operates through a franchise arrangement with 19 stores being established across the country.

Correspondingly, the Target Enterprise has been in operation since 2009, and it operates through a territorial agreement to develop, own and trade Pick n Pay branded franchise stores in Botswana. NTS Holdings currently controls 13 retail stores, and six (6) Pick n Pay branded liquor stores in Botswana. Accordingly, NTS Holdings operates in the retail trade industry providing customers with food, grocery, clothing, liquor and general merchandise products. For completeness, each of the Target Enterprises' subsidiaries operates a Pick n Pay franchise store.

Competitive Analysis and Public Interest

Based on the assessment findings, the structure of the relevant market is not expected to significantly change upon implementation of the proposed merger as the proposed transaction is not likely to result in a substantial lessening of competition, nor endanger the continuity of service in the market under consideration. However, the proposed merger poses negative effects on public interest matters in Botswana as per the provisions of section 52(2) of the Competition Act 2018 in terms of employment and an indirect citizen empowerment.

Where the citizen minority shareholders are concerned, it is important to note that NTS jointly owns two (2) of its subsidiaries with some minority citizen shareholders where NTS owns 60% and the minority shareholders own 40% of the shares. Based on the aforementioned, the Merged Enterprise has undertaken to employ its endeavours to facilitate the acquisition of control by minority shareholders in the partially-owned subsidiary businesses (stores) wherein NTS has joint ventures with citizens Minority Shareholders, and in any transaction in terms of which such businesses may be sold to the relevant citizen Minority Shareholders and notified to the Authority in terms of the requirements of the Competition Act ("Minority Transactions").

The Determination

The Authority determined through the analysis of the facts of the merger that the structure of the relevant market will not significantly change in Botswana upon the implementation of the proposed merger. However, to guard against merger specific retrenchments, the Authority has approved the proposed acquisition of 100% of the issued share capital in NTS Holdings (Pty) Ltd by Pick n Pay Retailers (Pty) Ltd, subject to the following conditions:

- 1) There shall be no merger specific retrenchments or redundancies of employees at the Merged Enterprise in Botswana for a period of three (3) years from the Approval date and/or the Implementation date. For clarity, merger specific retrenchments or redundancies do not include (the list is not exhaustive):
 - i. voluntary retrenchment and/or voluntary separation arrangements;
 - ii. voluntary early retirement packages;
 - iii. unreasonable refusals to be redeployed;
 - iv. resignations or retirements in the ordinary course of business;
 - v. retrenchments lawfully effected for operational requirements unrelated to the Merger; and
 - vi. terminations in the ordinary course of business, including but not limited to, dismissals as a result of misconduct or poor performance.
- 2) The Acquiring Enterprise shall inherit all employees of the Target Enterprise on the same or better terms and conditions of employment;

- 3) The Merged Enterprise shall provide details (Full Name; Identification Number; Gender; Position; and contact number) of the current employees of the Target Enterprise within thirty (30) business days from the Approval date;
- 4) The Merged Enterprise shall share a copy of the conditions of approval with all employees of the Target Enterprise and/or their respective representatives within thirty (30) business days from the Approval date;
- 5) The Merged Enterprise shall inform the Authority of the date of implementation within thirty (30) business days, post-implementation date; and
- 6) The Merged Enterprise shall for a period of (three) 3 years from the implementation date submit to the Authority, a report on each anniversary of the implementation date, detailing its compliance with the above-mentioned conditions.

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 26th day of May 2025.

Gomolemo Ratsie, Acting Chief Executive Officer, Competition and Consumer Authority, P/Bag 00101, Gaborone, Plot 28, Matsitama Road, Tel: 3934278 Fax: 3121013