

MERGER DECISION NO 23 OF 2025**DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF THE BUSINESS OF GABS BEDDING PROPRIETARY LIMITED BY MASTER PRODUCTS 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 respect of the proposed acquisition of the business of Gabs Bedding Proprietary Limited ("Gabs Bedding" or "Target Enterprise") by Master Products Proprietary Limited ("Master Products" or "Acquiring Enterprise").

The Acquiring Enterprise, Master Products, is a company incorporated in accordance with the Laws of Botswana. The Acquiring Enterprise is a wholly owned subsidiary of Sleep Group (Pty) Ltd ("Sleep Group"), a company incorporated in South Africa. The Acquiring Enterprise does not directly or indirectly control any enterprise in Botswana.

The Target Enterprise, Gabs Bedding, is a company incorporated in accordance with the Laws of Botswana. It is controlled by Sivaramakrishnan Guruvayur Krishnan, Sindhu Mathews, Bronwyn Michelle Morgan. The Target Enterprise does not directly or indirectly control any enterprise in Botswana.

Relevant Markets

In terms of the relevant markets, the assessment of the Proposed Transaction revealed that the Acquiring Enterprise is currently not operational. However, its parent company Sleep Group, manufactures mattresses and base sets in South Africa and Namibia and exports these products into Botswana. On the flipside, the Target Enterprise manufactures base sets, mattresses, lounge suites, kitchen sponge products, household furniture and other related products. These products are manufactured in a factory situated in Phakalane, Gaborone. The Target supplies its products to large retailers such as Pepkor Lifestyle, Shoprite and Furnmart in Botswana.

Based on the description of the activities of the merging parties, there is no product overlap since the acquirer is not operating. However, the parent company, Sleep Group is active in the same market as the Target and its products are imported into Botswana. In addition, the Target Firm is a small player

in the relevant market in Botswana, with an estimated market share of 6%, which is significantly below the dominance threshold of 25%. As a result, the Acquirer will be inheriting only a minimal market share.

The Acquirer will be a new entrant into the relevant market for manufacturing mattresses and base sets in Botswana. This market is highly contestable, with a wide range of participants including individual carpenters, companies, and imports. These players will pose competitive constraints to the Merged Entity post-merger. Consequently, the proposed merger is not expected to alter the relevant market post-implementation, as the status quo will be maintained. As such, no competition concerns are expected to arise due to the merger post-implementation.

Competitive Analysis and Public Interest

The Authority has established that the Proposed Transaction is not likely to result in a substantial lessening of competition, nor endanger the continuity of service in the market relevant in Botswana. Furthermore, the proposed merger will not have any negative effect on public interest matters in Botswana as per the provisions of section 52(2) of the Competition Act 2018.

The Determination

Pursuant to the provision of section 53 of the Competition Act, the Authority has decided to unconditionally approve the proposed acquisition of the business of Gabs Bedding Proprietary Limited by Master Products Proprietary 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 11th day of July 2025.

Gideon G. Nkala, Chief Executive Officer, Competition and Consumer Authority,
P/Bag 00101, Gaborone, Plot 28, Matsitama Road, Tel: 3934278 Fax: 3121013