



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No.: LM178Mar25

In the matter between:

Apex Capital Partners Limited

Primary Acquiring Firm

And

DRA Global Limited

Primary Target Firm

Panel:	I Valodia (Presiding Member) A Ndoni (Tribunal Member) T Vilakazi (Tribunal Member)
Heard on:	28 May 2025
Decided on:	28 May 2025
Reasons Issued on:	19 June 2025

REASONS FOR DECISION

Introduction

[1] On 28 May 2025, the Competition Tribunal (“Tribunal”) conditionally approved the large merger in which Apex Capital Partners Limited (“ACP”) intends to acquire up to 100% of the issued share capital of DRA Global Limited (“DRA Global”). Post-merger, ACP will have sole control over DRA Global.

Parties and activities

[2] The primary acquiring firm is ACP, a public company incorporated in South Africa. ACP is wholly owned and controlled by Apex Partners Holdings (Pty) Ltd (“Apex”), a private company incorporated in South Africa. Apex is controlled by Arzapart (Pty) Ltd (“Arzapart”), a private company incorporated in South Africa.

- [3] In addition to ACP, Apex controls, *inter alia*, Apex Management Services (Pty) Ltd¹, Apex Industrial Holdings (Pty) Ltd (“AIH”) and CBZ Solutions Holdings (Pty) Ltd.
- [4] ACP, all the firms controlling it and all the firms controlled by the firms that control it are collectively referred to as the “Acquiring Group”.
- [5] The Acquiring Group’s activities include investments in the industrial sector including, the provision of capital equipment for the mining, construction and quarrying industries, the supply of aftermarket spare parts and ground engaging tools for capital equipment and the provision of equipment, spares, service and aftermarket maintenance for boiler cleaning systems and materials handling systems.
- [6] The primary target firm is DRA Global, an unlisted disclosing company incorporated in Australia. DRA Global is not controlled by any person/s or firm/s.
- [7] DRA Global controls several firms globally. In South Africa, DRA Global controls, *inter alia*, the following firms: DRA Group Holdings (Pty) Ltd, DRA South Africa Group Holdings (Pty) Ltd, Mineral Operations Executive (Pty) Ltd (“Minopex”), DRA Projects SA (Pty) Ltd and DRA Plant Operations (Pty) Ltd.
- [8] DRA Global and all firms controlled by it are collectively referred to as the “Target Group”.
- [9] The Target Group is a multinational consulting engineering services and engineering procurement and construction management business that provides technical, project and operational support services to customers in mining, infrastructure, mineral processing, plant design and construction. The Target Group does not provide any construction activities as its services are limited to project management, operation and maintenance. In South Africa, the Target Group operates through EMEA Projects, Minopex and SENET.

¹ As to 100%.

Description of the transaction and rationale

[10] The proposed transaction entails the Acquiring Group, through ACP, [REDACTED] shareholding in DRA Global [REDACTED] 100%. The Competition Commission (“Commission”) notes that the proposed merger has been notified to the competition authorities of Namibia and Zimbabwe. The proposed merger will also be notified in due course to the competition authorities of Saudi Arabia, Tanzania and Morocco.

[11] For the Acquiring Group, the rationale for the transaction is [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[12] For the Target Group, the proposed transaction [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Competition assessment

[13] The merging parties submitted that the products and services offered by the Acquiring Group and Target Group are differentiated and provided at different levels of the value chain, such that there is no horizontal overlap in the activities of the merger parties in South Africa.

[14] The Commission considered the activities of the merging parties and found that the proposed transaction does not result in a horizontal overlap as the Acquiring Group does not provide Engineering, Procurement, and Construction (“ECP”) and Engineering, Procurement, and Construction Management (“ECPM”) services in competition with the Target Group.

- [15] The Commission considered whether, post-merger, the merged entity would engage in a tying and bundling strategy by providing/supplying (i) capital equipment and (ii) EPC and EPCM services as a bundle.
- [16] The Merging Parties submitted that although the Target Group occasionally procures capital equipment on behalf of its clients for purposes of completing a project, the capital equipment procured by the Target Group on behalf of its clients is different from the capital equipment provided by the Acquiring group. To this end, the Acquiring Group would be incapable of providing the equipment required by clients of the Target Group.
- [17] In addition, the Commission submitted that the value of the transactions between the Acquiring Group and Target Group in South Africa are insignificant when considering the total revenue of both parties in South Africa.
- [18] As such, the proposed transaction will not result in any input or customer foreclosure and will not give rise to any vertical concerns. The Commission further submitted that the Target Group does not sell or use any capital equipment, itself. The proposed merger will not give rise to any vertical foreclosure concerns as well established competitors will continue to constrain the merged entity post-merger.

Conclusion on competition assessment

- [19] In light of the above, we concluded that the proposed transaction is unlikely to lead to a substantial prevention or lessening of competition in any relevant market.

Public interest assessment

Effect on employment

- [20] The Acquiring Group submitted that there will be no retrenchments or job losses as a result of the proposed transaction. ACP (the primary acquiring firm) does not have any employees.
- [21] The Commission nevertheless contacted employee representatives of both the Target Group and Acquiring Group to assess the likely effect of the transaction on employment. The employees of the Acquiring Group were notified of the proposed transaction and did not raise any concerns.
- [22] The employee representative of the Target Group requested that (i) the merging parties, the Acquiring Group and DRA Global, provide an unequivocal undertaking that the merger will not have a negative effect on employment and (ii) the undertaking must form part of the merger conditions, should the transaction be approved with conditions.
- [23] In response, the merging parties agreed to a moratorium on merger specific retrenchments for a period of 24 (twenty-four) months from the merger implementation date. The Commission accepted this employment condition.
- [24] In light of the above, we agree that the proposed transaction is unlikely to raise any employment concerns.

Promotion of a greater spread of ownership by HDPs and workers in firms in the market

- [25] ACP does not have any shareholding held by HDPs. However, AIH, has 26% shareholding held by HDPs. This is attributable to the [REDACTED]²
- [26] DRA Global does not have HDP shareholding, however, the DRA Global South African subsidiaries have 51.1% HDP shareholding attributed to [REDACTED]

² [REDACTED]

██████████³ The merging parties submitted the ██████████ shareholding will exist post-merger.

[27] Given the above, the Commission was of the view that the proposed merger does not promote a greater spread of ownership. To remedy this, the Commission requested the merging parties to implement an HDP transaction and/or establish an Employee Share Ownership Programme (“ESOP”) in the Acquiring Group or Target Group.

[28] The merging parties, in response, agreed to implement an ESOP that will acquire 5% Class B shares of Minopex Group.⁴ The Commission accepted the ESOP commitment.

[29] In the circumstances, we concluded that no further intervention is required.

[30] No other public interest issues arise from the proposed transaction.

[31] No third party expressed any further concerns regarding the proposed transaction.

Conclusion

[32] For the reasons set out above, we are satisfied that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market. Furthermore, the proposed transaction raises no public interest concerns.

[33] Accordingly, we approved the proposed transaction subject to the conditions contained in **Annexure A** attached to our order dated 28 May 2025.

³ ██████████

⁴ The ESOP shall hold 5% economic and voting rights of the Minopex Group.

Signed by:Imraan Valodia
Signed at:2025-06-19 21:43:05 +02:00
Reason:Witnessing Imraan Valodia

Imraan Valodia

19 June 2025

**Presiding Member
Prof. Imraan Valodia**

Date

Ms. Andiswa Ndoni and Prof. Thando Vilakazi concurring.

Tribunal Case Manager:

Karabo Orekeng

For the Merger Parties:

Susan Meyer, Lebohang Mabidikane,
Taigrine Jones and Robin Henney of
Cliffe Dekker Hofmeyr

For the Commission:

Nhlakanipho Mhense and Themba
Mahlangu