



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No.: LM069Aug25

In the matter between:

Holistics Remedies Proprietary Limited

Primary Acquiring Firm

And

Avroy Shlain Cosmetics Proprietary Limited

Primary Target Firm

Panel	:	T Vilakazi (Presiding Member)
	:	G Budlender (Tribunal Member)
	:	A Ndoni (Tribunal Member)
Heard on	:	26 September 2025
Order issued on	:	26 September 2025
Reasons issued on	:	27 October 2025

REASONS FOR DECISION

Introduction

- [1] On 26 September 2025, the Competition Tribunal (“Tribunal”) unconditionally approved the large merger wherein Holistics Remedies Proprietary Limited (“Holistics”), intends to acquire 51% of the issued share capital in Avroy Shlain Cosmetics Proprietary Limited (“Avroy”).
- [2] Post-merger, Holistics will have sole control over Avroy.

Parties and their activities

Primary Acquiring Firm

- [3] The primary acquiring firm is Holistics, a firm incorporated in South Africa. The issued share capital in Holistics is held by [REDACTED], none of which [REDACTED]
[REDACTED].

- [4] Holistics controls various companies.¹ Holistics and all the firms it controls will be referred to as the “Acquiring Group”.
- [5] The Acquiring Group is broadly active in the market for the manufacture and distribution of personal and home care categories. Of relevance to the proposed transaction is that the Acquiring Group produces male and female fragrances, bath care products, skin care products, deodorants, colour cosmetics, natural haircare products and face care products under brands such as Playboy, Playgirl, Mousson, Clere, English Leather, Bronx, Easy Waves and Cuticura.
- [6] The main focus of the Acquiring Group is on the supply of body care, deodorants and natural haircare products.

Primary Target Firm

- [7] The primary target firm is Avroy, a firm incorporated in South Africa. Avroy is jointly controlled by JLP Investment Holdings Proprietary Limited and Trinitas Beauty Partnership.
- [8] Avroy wholly controls two firms in South Africa, namely, [REDACTED]
[REDACTED]
[REDACTED].
- [9] Avroy develops, markets and supplies its own personal care and beauty products, under the Avroy Shlain principal brand name, directly to the end consumers through independent beauty advisors across South Africa. Avroy operates a central warehouse located in Midrand (Gauteng). Of relevance to the proposed transaction is that Avroy produces male and female fragrances, bath care products, skin care products, deodorants, colour cosmetics, natural haircare products and face care products under brands such as Black Diamond, Exotic

¹ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Fire, Lovelt, Body Essence, Perfect, Colour Fun, Afri Moisture and Avroy Pure Skin.

- [10] The main focus of Avroy is on the supply of fragrances.

Competition assessment

- [11] The merger parties are both involved in the manufacture and supply of various personal care products such as fragrances, skin care and hair care products. The Commission found that the parties supply their personal care products nationally.

Horizontal analysis

- [12] Without taking a definitive view given the lack of concerns, the Commission assessed the impact of the merger using the relevant markets defined using product segments² being the national markets for the manufacture and supply of male fragrances; female fragrances; bath care products; skin care products; deodorants; colour cosmetics; natural hair products; and face care products.
- [13] To assess the structure of the markets concerned, the Commission's analysis relied on various sources of information including independent industry assessments (Euromonitor, Circana and Nielsen), competitors in the market, and the merging parties' submissions.
- [14] In each of the above relevant markets, the merger parties' combined market shares are small³ and/or do not change significantly, with accretions in market share of less than █%. Various other major brands and suppliers operate in these markets. Furthermore, competitors identified that there have been several new entrants in the broader personal care industry over the last five years such as The Ordinary, Innovation Nest and Tailored Perfumes.

² Consistent with the findings of the Tribunal in prior transactions including *Tiger Brands Ltd and Designer Group Holdings Ltd* (Case No. 77/LM/Sep06) and *Unilever PLC and Unilever N.V and Sara Lee Corporation* (Case No. 14/LM/Mar10). In these transactions, markets were considered to be national in geographic scope for competition analysis purposes, and defined according to product segments.

³ The highest combined shares are in the natural hair care (approximately █%) and bath care (█%) segments – however, in these segments, accretion in market shares is negligible.

Vertical analysis

- [15] Both merger parties are vertically integrated in that they both conduct manufacturing and distribution of personal care products.
- [16] The Commission found that each party only conducts manufacturing and distribution of its own personal care products and does not provide any manufacturing or distribution services to third parties. Therefore, the Commission concluded that the merger is unlikely to raise any foreclosure concerns.
- [17] In particular, pre-merger, both merger parties manufacture and distribute their own products directly into the relevant markets and do not rely on any third-party downstream distributors. Also, there are no third-party distributors downstream that procure from the merger parties as they either import or manufacture themselves. As such, there is no significant likelihood of input foreclosure.
- [18] Furthermore, the activities of Avroy downstream account for a negligible share of the market in each of the relevant markets. This small downstream presence means that the merged entity is unlikely to restrict the access of players in the upstream market to customers downstream. Consequently, customer foreclosure is unlikely to occur through the proposed transaction because the merged entity will have no ability or incentive to restrict upstream rivals' access to downstream customers.

Counterfactual

- [19] The Commission found that Avroy has suffered losses of approximately [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- [20] [REDACTED]
[REDACTED]
[REDACTED]

- [21] Considering the above, the Commission provided that absent the merger, the likely counterfactual is that [REDACTED] [REDACTED] as well as negatively impacting the network of approximately 50,000 distribution agents/advisors.

Views of third parties

- [22] No competitors raised any concerns.
- [23] Avroy supplies its products to customers through a network of beauty agents/advisors. These agents are not employees of Avroy but earn commission for sales of Avroy products made to customers. Only one of the agents indicated a concern that any change to Avroy's direct sales distribution model post-merger, would negatively impact their activities as an Avroy regional agent. In other words, should Avroy cease operating on a direct sales basis, agents would not have a business.
- [24] The Commission, however, submitted that this concern does not merit further intervention [REDACTED] [REDACTED] resulting in all of its agents being negatively impacted; post-merger, Avroy will continue with its direct distribution model and the merger does not change anything in this respect; and Avroy's direct distribution model is not unique since there are other cosmetics and personal care product suppliers which also operate on a direct distribution model basis. Therefore, it is unlikely that any current agents of Avroy would be precluded from viably conducting direct sales activities in future either through Avroy or otherwise.
- [25] We found no basis to disagree with this finding.

Conclusion on the competition assessment

- [26] In light of the above, we found that the proposed transaction is unlikely to lead to substantial prevention or lessening of competition in any of the relevant markets in South Africa.

Public interest assessment

Effect on a particular industrial sector or region

- [27] Absent the proposed merger, [REDACTED] [REDACTED]. Market participants in the relevant markets raised no concerns regarding the proposed merger.

Effect on employment

- [28] The merger parties provided an unequivocal undertaking that the proposed transaction merger will not have a negative impact on employment in South Africa.
- [29] The Commission found that the merger is likely to save approximately [REDACTED] [REDACTED] permanent jobs at Avroy and concluded that the merger does not raise any employment concerns that merit further intervention.
- [30] In light of the above, we are satisfied that the proposed transaction is unlikely to have a negative effect on employment.

Effect on the ability of small and medium businesses, or firms controlled or owned by historically disadvantaged persons, to effectively enter into, participate in or expand within the market

- [31] The Acquiring Group is 100% owned by historically disadvantaged persons (“HDPs”). Consequently, the proposed transaction will help the Acquiring Group, which is owned and controlled by HDPs, to further participate in and expand within the national market for the manufacture and supply of personal care products.

[32] Accordingly, we found that the proposed transaction will have a positive impact on section 12A(3)(c) of the Competition Act No. 89 of 1998 (as amended) ("Competition Act").

Effect on the promotion of a greater spread of ownership, in particular to increase the levels of ownership by HDPs and workers

[33] The Acquiring Group is 100% HDP owned, whereas Avroy is approximately █% HDP owned.

[34] Consequently, the proposed transaction will significantly increase the level of HDP ownership at Avroy by approximately █%.

Other public interest considerations

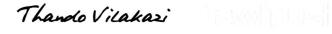
[35] The proposed transaction raises no other public interest concerns.

Conclusion

[36] For the reasons set out above, we concluded 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.

[37] We therefore unconditionally approved the proposed transaction.

Signed by:Thando Vilakazi
Signed at:2025-10-27 07:39:40 +02:00
Reason:Witnessing Thando Vilakazi



Prof. Thando Vilakazi

27 October 2025

Date

Adv. Geoff Budlender SC and Ms Andiswa Ndoni concurring

Tribunal Case Manager: Juliana Munyembate

For the Merger Parties: Vani Chetty and Seema Nunkoo of Vani Chetty
Competition Law (Pty) Ltd and Heather Irvine and
Lerato Nthathakane of Bowmans Gilfillan Inc

For the Commission: Dale Adams and Wiri Gumbie