



MERGER DECISION NO 16: 2021

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

DECISION ON THE PROPOSED ACQUISITION OF THE ENTIRE SHARES IN DSI-UNDERGROUND HOLDINGS S.A. R. L, FROM TENSION II ACQUICO S.A. R. L AND EMMERICK (PTY) LTD BY SANDVIK AKTIEBOLAG PLC

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 entire shares in DSI-Underground Holdings S.á. r. l ["DSI-Underground"], from Tension II AcquiCo S.á. r. l and Emmerick (Pty) Ltd by Sandvik Aktiebolag Plc ["Sandvik"]. The transaction was notified to the Authority on 19th March 2021 and the merger assessment was completed on 15th April 2021.
- ii. The Acquiring Enterprise, Sandvik, is a public limited company incorporated in accordance with the Laws of Sweden. Sandvik forms part of the wider Sandvik Group, which is ultimately listed on the Stockholm Stock exchange.
- iii. The Target Enterprise, DSI-Underground, is a company incorporated in accordance with the Laws of Luxembourg. DSI-Underground is controlled by Tension II Acquico S.á. r. l, a Fund Manager, registered in Luxembourg and Emmerick (Pty) Ltd, a company registered in Australia.

Relevant Markets

- i. In terms of the relevant market, the assessment of the Proposed Transaction revealed that globally, the Merging Parties activities horizontally overlap in provision of rock bolts in the mining industry. However, only the Target Entity supplies hard bolts into Botswana through Rocbolt. Whereas, the Acquiring Firm through Sandvik Botswana supplies mining equipment and aftermarket support into Botswana.

- ii. From the description of the activities of the Parties, it can be concluded that there is lack of product overlap in the activities of the Merging Parties in Botswana; and as such, the proposed transaction is not expected to alter the relevant market post-merger.

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 due to lack of lack of product 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 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 entire shares in DSI-Underground Holdings S.á. r. l, from Tension II AcquiCo S.á. r. l and Emmerick (Pty) Ltd by Sandvik Aktiebolag Plc.

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 15th day of April 2021.

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