

**DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION**

NO. 6011

20 March 2025

**NOTIFICATION TO APPROVE WITH CONDITIONS THE TRANSACTION INVOLVING:****ACR AUTO COATINGS INTERMEDIATE LLC****AND****THE AUTOMOTIVE BUSINESS COMPRISING THE MANUFACTURING AND SALE OF BUMPER  
SYSTEMS, EXTERIOR SYSTEMS AND FUNCTIONAL SYSTEMS FOR THE AUTOMOTIVE  
INDUSTRY CONDUCTED BY REHAU AUTOMOTIVE SE & CO. KG****CASE NUMBER: 2024NOV0019**

The Competition Commission hereby gives notice, in terms of Rule 38 (3)(c) of the 'Rules for the Conduct of Proceedings in the Competition Commission', that it has approved the transaction involving the abovementioned firms subject to conditions set out below:

1. On 12 November 2024, the Competition Commission (the "Commission") received notice of an intermediate merger wherein ACR Auto Coatings Intermediate LLC ("NewCo"), intends to acquire the automotive business comprising the manufacturing and sale of bumper systems, exterior systems and functional systems for the automotive industry conducted by REHAU Automotive SE & Co. KG (the "Primary Target Business"). After implementation of the proposed merger, NewCo will acquire sole control over the Primary Target Business.
2. The primary acquiring firm is NewCo, a special purpose vehicle set up for the purposes of the proposed transaction. NewCo is ultimately wholly controlled by funds managed and/or advised by Atlas Holdings LLC ("Atlas Holdings"), a private equity firm incorporated in the United States of America. Atlas Holdings is ultimately controlled by two natural persons.
3. NewCo and all the firms controlling NewCo, are collectively referred to as the "Acquiring Group".

4. The Acquiring Group does not have shareholding held by Historically Disadvantaged Persons (“HDPs”) as contemplated in the Competition Act No.89 of 1998, as amended (the “Act”).
5. The Acquiring Group comprises of companies engaged in a variety of industries including metals, wire and cable, automotive, building materials, construction products and services, energy, food, industrial machinery and services, packaging, printing, pulp, paper and tissue and trading/distribution.
6. The Primary Target Business comprises of the following firms: REHAU Automotive; REHAU Polymer (Pty) Ltd (“REHAU Polymer”); REHAU Management SE; REHAU Montage-und Logistik-Center Gesellschaft mit beschränkter Haftung; REHAU Automotive s.r.o.; REHAU Automotive kft; REHAU s.r.o.; REHAU Polymer Industrie GmbH; Pro-X Automotive AG; REHAU Automotive LLC; and REHAU Entreprise SARL.
7. The Primary Target Business does not have any shareholding held by HDPs.
8. The Primary Target Business provides automotive solutions to car manufacturers globally. In South Africa, the Primary Target Business manufactures and assembles a variety of componentry and large painted parts (i.e., bumpers, rocker panels, spoilers and covers).

#### **Competition Assessment**

9. The Commission found that the proposed transaction is unlikely to result in any substantial prevention or lessening of competition in any market.

#### **Public interest considerations**

10. To address public interest concerns arising from the proposed transaction, the parties have tendered the conditions set out in **Annexure A**.

#### **Conclusion**

11. The Commission approves the proposed merger subject to the conditions set out in **Annexure A** hereto.

**ANNEXURE A**  
**ACR AUTO COATINGS INTERMEDIATE LLC**  
**AND**  
**THE AUTOMOTIVE BUSINESS COMPRISING THE MANUFACTURING AND SALE OF BUMPER**  
**SYSTEMS, EXTERIOR SYSTEMS AND FUNCTIONAL SYSTEMS FOR THE AUTOMOTIVE**  
**INDUSTRY CONDUCTED BY REHAU AUTOMOTIVE SE & CO. KG**

**CASE NUMBER: 2024NOV0019**

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**CONDITIONS**

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**1. DEFINITIONS**

In this document, the following expressions shall bear the meanings assigned to them below and related expressions bear corresponding meanings:

- 1.1. **“Atlas Holdings”** means Atlas Holdings LLC (together with all other indirectly controlled portfolio companies);
- 1.2. **“Approval Date”** means the date referred to in the Commission's decision;
- 1.3. **“Commission”** means the Competition Commission of South Africa, a statutory body duly established under the Competition Act;
- 1.4. **“Commission Rules”** means the Rules for the Conduct of Proceedings in the Commission;
- 1.5. **“Competition Act”** means the Competition Act No. 89 of 1998 (as amended);
- 1.6. **“Conditions”** means these conditions;
- 1.7. **“Days”** means any calendar day other than a Saturday, a Sunday, or an official public holiday in the Republic of South Africa (i.e., business days);

- 1.8. **“HDP”** means historically disadvantaged person as contemplated in section 3(2) of the Competition Act;
- 1.9. **“Implementation Date”** means the date, which follows the Approval Date, on which the Merger is implemented by the Merging Parties;
- 1.10. **“LRA”** means the Labour Relations Act No. 66 of 1995 (as amended);
- 1.11. **“Merged Entity”** means the combined South African operations resulting from the Merger between Atlas Holdings and the Primary Target Business;
- 1.12. **“Merger”** means the acquisition of control over the Primary Target Business by Atlas Holdings via a special purpose vehicle wholly owned and controlled by Atlas Holdings, namely ACR Auto Coatings Intermediate LLC;
- 1.13. **“Merging Parties”** means ACR Auto Coatings Intermediate LLC and the Primary Target Business;
- 1.14. **“Moratorium Period”** means the period between the Approval Date and the Implementation Date and thereafter, a period of 3 (three) years from the Implementation Date;
- 1.15. **“Primary Target Business”** means the automotive business comprising the manufacturing and sale of bumper systems, exterior systems and functional systems for the automotive industry in South Africa conducted by REHAU Automotive;
- 1.16. **“REHAU Automotive”** means REHAU Automotive SE & Co. KG;
- 1.17. **“SMMes”** means small, medium and micro enterprises;
- 1.18. **“Tribunal”** means the Competition Tribunal of South Africa, a statutory body duly established under the Competition Act; and

1.19. **“Tribunal Rules”** means the Rules for the Conduct of Proceedings in the Tribunal.

## 2. **CONDITIONS TO THE APPROVAL OF THE MERGER**

### 2.1. **EMPLOYMENT**

2.1.1. For the duration of the Moratorium Period, the Merged Entity shall not retrench any employees in South Africa as a result of the Merger.

2.1.2. For the sake of clarity, retrenchments for purposes of these Conditions do not include (i) voluntary retrenchment and/or voluntary separation arrangements; (ii) voluntary early retirement packages, (iii) unreasonable refusals to be redeployed in accordance with the provisions of the LRA; (iv) resignations or retirements in the ordinary course of business; (v) retrenchments lawfully effected for operational requirements unrelated to the Merger; (vi) terminations in the ordinary course of business, including but not limited to, dismissals as a result of misconduct or poor performance; (vii) any decision not to renew or extend a contract of a fixed-term third party contract employee or contract with a third party; or (viii) any transfer of employees to the employment of a third party as a result of any sale of business operations, including related assets and liabilities, or any joint venture or similar business arrangements.

### 2.2. **SUPPLIER AND SKILLS DEVELOPMENT**

In order to support HDPs in the local automotive industry supply chain, the Merged Entity shall commit to –

- 2.2.1. an aggregate investment of at least [confidential] towards enterprise and supplier development initiatives within a period of 5 (five) years from the Implementation Date. These initiatives may include one or more of the following - providing technical and financial assistance; and facilitating and hosting training workshops / mentorship programmes) to HDPs and/or SMMEs. The Merged Entity shall use its best endeavours to ensure that approximately [confidential] is contributed towards enterprise and supplier development initiatives per annum (for the duration of the Conditions); and
- 2.2.2. an aggregate investment of at least [confidential] towards skills development initiatives within a period of 5 (five) years from the Implementation Date. These initiatives may include one or more of the following - training and development of unemployed HDP youth in scarce skills through learnerships, apprenticeships and internships; upskilling and training of HDP employees; development programmes to develop HDP employees for promotion into highly skilled roles; bursaries for HDPs in scarce skills; and payment of school fees for HDP employees' children). The Merged Entity shall use its best endeavours to ensure that approximately [confidential] is contributed towards skills development initiatives per annum (for the duration of the Conditions).

### 2.3. CAPITAL EXPENDITURE

In order to maintain and grow the operations of the Primary Target Business, the Merged Entity shall commit to investing at least [confidential] in aggregate in capital expenditure in the South African operations of the Primary Target

Business within a period of 5 (five) years from the Implementation Date, including in the manufacturing facilities in the Eastern Cape.

**3. MONITORING PROCEDURES IN COMPLIANCE WITH THE CONDITIONS**

- 3.1. The Merging Parties shall inform the Commission in writing of the Implementation Date of the Merger within 5 (five) Days of its occurrence.
- 3.2. For the duration of the Conditions, the Merged Entity shall submit a report to the Commission on each anniversary of the Implementation Date, setting out its compliance with clause 2 of the Conditions. This report shall be accompanied by an affidavit or declaration attested to by a director or other suitable senior employee of the Merged Entity in South Africa, confirming the accuracy of the contents of the report.
- 3.3. The Commission may request such additional information from the Merged Entity, which the Commission may, from time to time, deem necessary for purposes of monitoring the extent of compliance with these Conditions.

**4. APPARENT BREACH**

An apparent breach by the Merging Parties of any of the Conditions shall be dealt with in terms of Rule 39 of Commission Rules, read together with Rule 37 of the Tribunal Rules.

**5. VARIATION OF THE CONDITIONS**

The Merging Parties may at any time, on good cause shown, apply to the Commission for the Conditions to be waived, relaxed, modified and/or substituted. Should a dispute arise in relation to the variation of the Conditions, the Merging Parties shall apply to

the Tribunal, on good cause shown and on notice to the Commission, for the Conditions to be waived, relaxed, modified and/or substituted.

**6. GENERAL**

All correspondence in relation to the Conditions shall be submitted to the following email addresses: [mergerconditions@compcom.co.za](mailto:mergerconditions@compcom.co.za) and [ministry@thedtic.gov.za](mailto:ministry@thedtic.gov.za).

Enquiries in this regard may be addressed to the Manager: Mergers and Acquisitions Division at Private Bag X23, Lynnwood Ridge, 0040. Telephone: (012) 394 3200.