

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NO. 6017

20 March 2025

NOTIFICATION TO APPROVE WITH CONDITIONS THE TRANSACTION INVOLVING:

MARS, INCORPORATED

AND

KELLANOVA

CASE NUMBER: 2024NOV0074

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:

Background

1. On 28 November 2024, the Competition Commission ("the Commission") received notice of an intermediate merger whereby Mars, Inc. ("Mars"), intends to acquire the entire issued share capital of Kellanova ("Kellanova"). Post-merger, Kellanova will be a wholly owned subsidiary of Mars.
2. The primary acquiring firm, Mars, is duly incorporated under the laws of Delaware, USA. Mars is the ultimate parent company of the Mars group of companies ("the Mars Group") and is ultimately owned by the Mars family.
3. Mars controls a number of firms globally. Specifically, Mars controls the following South African firms -
 - 3.1. Arcturus Manufacturing Proprietary Limited ("Arcturus");
 - 3.2. Mars Consumer Products Africa (Pty) Limited ("Mars Consumer Products Africa"); and
 - 3.3. Royal Canin South Africa Proprietary Limited ("RC SA").
4. Mars and its subsidiaries will henceforth be referred to as Mars, the "Mars Group" and/or "Acquiring Group".

5. The parties submit that none of the shares of the Acquiring Group are held by historically disadvantaged persons (“HDPs”).
6. The primary target firm is Kellanova (“Kellanova”), a company also duly incorporated under the laws of Delaware, USA. Kellanova is publicly listed on the New York Stock Exchange and is thus not controlled by any single shareholder. In South Africa Kellanova controls the following firms –
 - 6.1. Kellogg Company of South Africa (Pty) Limited (“Kellogg South Africa”); and
 - 6.2. Kellogg Tolaram South Africa (Pty) Limited (“Kellogg Tolaram South Africa”).
7. Kellanova and its subsidiaries will henceforth be collectively referred to as Kellanova and/or the “Target Group”.
8. The merging parties submit that none of the shares of the Target Group are held by HDPs.
9. The Mars Group is a family-owned supplier of confectionery, food products, pet food and animal care services, with more than 150 000 workers worldwide. The Mars Group operates its business in 3 (three) segments, namely, (i) Snacking, (ii) Food and Nutrition and (iii) Petcare.
10. Kellanova, (formerly Kellogg Company), primarily manufactures and markets snacks such as crackers, savoury snacks, toaster pastries, granola, snack bars and bites. Kellanova further manufactures convenience foods such as ready-to-eat (“RET”) cereals, frozen waffles, veggie foods and noodles. Kellanova has a presence in 180 countries and employs approximately 23 000 workers in four operating segments, namely, snacks, cereal, frozen, noodles and others.

Competitive assessment

11. The Commission found that the proposed transaction is unlikely to lead to a substantial prevention or lessening of competition in any relevant market.

Public interest considerations

- 12 To address public interest concerns, the merging parties have tendered supply and enterprise development commitments as set out in **Annexure A**.

Conclusion

- 13 Based on the foregoing, the Commission approves the merger with conditions attached as **Annexure A**.

ANNEXURE A
MARS, INCORPORATED
AND
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CASE NUMBER: 2024NOV0074

CONDITIONS

1. DEFINITIONS

The following terms have the meaning assigned to them below, and cognate expressions have corresponding meanings –

- 1.1 **“Acquiring Firm”** means Mars, Incorporated;
- 1.2 **“Approval Date”** means the date referred to in the Commission’s decision;
- 1.3 **“Arcturus”** means Arcturus Manufacturing South Africa Proprietary Limited, a private company incorporated in South Africa, controlled by the Acquiring Firm;
- 1.4 **“Business Day”** means any calendar day which is not a Saturday, a Sunday or an official public holiday in South Africa;
- 1.5 **“Commission”** means the Competition Commission of South Africa;
- 1.6 **“Commission Rules”** means the Rules for the Conduct of Proceedings in the Commission;
- 1.7 **“Competition Act”** means the Competition Act, No. 89 of 1998 (as amended);
- 1.8 **“Conditions”** means these conditions;
- 1.9 **“HDPs”** means historically disadvantaged persons as contemplated in section 3(2) of the Competition Act;
- 1.10 **“Implementation Date”** means the date, occurring after the Approval Date, on which the Acquiring Firm acquires control of the Target Firm;
- 1.11 **“Kellanova South African subsidiaries”** means Kellogg South Africa and Kellogg Tolaram South Africa;

- 1.12 “**Kellogg South Africa**” means Kellogg Company of South Africa Proprietary Limited, a private company incorporated in South Africa, controlled by the Target Firm;
- 1.13 “**Kellogg Tolaram South Africa**” means Kellogg Tolaram South Africa Proprietary Limited, a private company incorporated in South Africa, jointly controlled by the Target Firm;
- 1.14 “**Mars Consumer Products Africa**” means Mars Consumer Products Africa Proprietary Limited, a private company incorporated in South Africa, controlled by the Acquiring Firm;
- 1.15 “**Mars South African subsidiaries**” means Arcturus, Mars Consumer Products Africa and Royal Canin South Africa;
- 1.16 “**Merger**” means the transaction in terms of which the Acquiring Firm will acquire control of the Target Firm;
- 1.17 “**Merging Parties**” means the Acquiring Firm and the Target Firm;
- 1.18 “**Royal Canin**” means Royal Canin South Africa Proprietary Limited, a private company incorporated in South Africa, controlled by the Acquiring Firm;
- 1.19 “**Target Firm**” means Kellanova;
- 1.20 “**Tribunal**” means the Competition Tribunal of South Africa; and
- 1.21 “**Tribunal Rules**” means the Rules for the Conduct of Proceedings in the Tribunal.

2. CONDITIONS TO THE APPROVAL OF THE MERGER

2.1. PROCUREMENT COMMITMENT

- 2.1.1 For a period of **[CONFIDENTIAL]**, the Mars South African Subsidiaries shall procure **[CONFIDENTIAL]** services from a business wholly owned by a female HDP and/or other HDPs, to the value of at least **[CONFIDENTIAL]**.
- 2.1.2 Over a period of **[CONFIDENTIAL]**, the Mars South African Subsidiaries and the Kellanova South African subsidiaries shall procure goods and/or services from SMEs and/or firms majority-owned or controlled by HDPs, to the value of **[CONFIDENTIAL]** or more.

2.2. PLACEMENT

- 2.2.1. From **[CONFIDENTIAL]**, the Mars South African Subsidiaries shall conduct a youth enterprise programme (registered with the Food and Beverages Manufacturing Sector Education and Training Authority) for the benefit of **[CONFIDENTIAL]** or more HDPs to the value of **[CONFIDENTIAL]** or more.
- 2.2.2. For a period of **[CONFIDENTIAL]**, the Kellanova South African subsidiaries shall conduct an internship programme to facilitate the introduction and upskilling of graduates into the workplace for the benefit of **[CONFIDENTIAL]** or more HDP graduates to the value of **[CONFIDENTIAL]** or more.

3. MONITORING OF COMPLIANCE WITH CONDITIONS

- 3.1 The Merging Parties shall inform the Commission in writing of the Implementation Date within 5 (five) Business Days of it becoming effective.
- 3.2 With respect to paragraph 2.1.1, within 30 Business Days of the end of the relevant calendar year, an affidavit deposited to by a representative of one of the Mars South African Subsidiaries shall be submitted, confirming compliance with the Condition set out in paragraph 2.1.1.
- 3.3 With respect to paragraph 2.1.2, within 30 Business Days of 31 December 2027, an affidavit deposited to by a representative of the Mars South African subsidiaries or the Kellanova South African subsidiaries shall be submitted, confirming compliance with the Condition set out in this paragraph 2.1.2.
- 3.4 With respect to paragraph 0, by 30 August 2026, an affidavit deposited to by a representative of one of the Mars South African Subsidiaries shall be submitted, confirming compliance with the Condition set out in paragraph 2.2.1.
- 3.5 With respect to paragraph 2.2.2, within 30 Business Days of the end of the relevant calendar year, an affidavit deposited to by a representative of one of the Kellanova South African Subsidiaries shall be submitted, confirming compliance with the Condition set out paragraph 2.2.2.

4. APPARENT BREACH

In the event that the Commission receives any complaint in relation to non-compliance with the above Conditions, or otherwise determines that there has been an apparent breach by the Merging Parties of these Conditions, that apparent breach shall be dealt with in terms of Rule 39 of the Commission Rules read together with Rule 37 of the Tribunal Rules.

5. VARIATION

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.

2. GENERAL

All correspondence in relation to the Conditions must be submitted to the following e-mail address: mergerconditions@compcom.co.za and 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.