

Appendix D: Pricing analysis methodology and additional findings

D.1 This appendix sets out:

- (a) Our methodology for analysing the retail prices of infant formula and follow-on formula products (as presented in Section 4 Market Outcomes: Retail pricing in the main report); and
- (b) Additional findings from our analysis relating to: (i) monthly average selling prices of 800g (or 900g for some brands) and individual ready-to-feed bottles (200ml or 250ml) of infant formula and follow-on formula;¹ (ii) annual average prices and price changes for 800g (or 900g for some brands) powder and 200ml or 250ml ready-to-feed infant formula and follow-on formula; (iii) a comparison of retail prices to recommended retail prices (RRPs); (iv) pricing at discount retailers (Aldi, Iceland, and Lidl); and (v) pricing of special milks.

Methodology

D.2 We requested from 13 of the largest UK retailers of infant formula (Aldi, Amazon, Asda, Boots, Co-op, Iceland, Lidl, Morrisons, Ocado, Sainsbury's, Superdrug, Tesco, and Waitrose) data on products they supply in the UK within the following product categories: infant formula, follow-on formula, growing-up milk, and special milks (anti-reflux formula, comfort formula, and hungry baby formula). For these products, we requested data on (a) sales volumes, and (b) average selling prices, on a monthly basis for the period from January 2019 to November 2024.

D.3 We appended each submission into a single dataset, which we checked and cleaned (for example, to label the same products consistently across retailers).² In instances where the retailer had two entries corresponding to the same product (for example where a product had been renamed by the manufacturer), we combined them into a single product entry.³

D.4 We focused our analysis of prices on:

- The five largest retailers of infant formula in the UK (Asda, Boots, Morrisons, Sainsbury's, and Tesco) and three of the largest discounters (Aldi, Iceland,

¹ For ease, in this appendix we refer to '800g' powder to include 900g powder products where applicable and '200ml' bottles to include 250ml bottles where applicable.

² We matched the products listed across retailers, using the product information provided (ie product category, manufacturer, brand and sub-brand, size, and format).

³ For example, 'Aptamil Profutura' was renamed to 'Aptamil Advanced' in February 2022. In some cases, this was also evident from the pattern of sales: the sales of the first product falling to zero rapidly at the same time as sales of the other product rose rapidly and stabilised at the level of the first.

and Lidl). We estimate that these retailers account for a combined [60-70%] of sales revenues of baby milks in the UK in 2023.⁴

- The largest brands of infant formula in the UK: Danone's Aptamil (including separately the Aptamil Advanced sub-brand) and Cow & Gate; Kendal's Kendamil (including separately the Kendamil Organic sub-brand) and Bonyas; Nestle's SMA (including separately the SMA Advanced sub-brand) and Little Steps; HiPP's HiPP Organic; and the own-label products - Aldi's Mamia and Lidl's Lupilu.
- The infant formula and follow-on formula product categories, and separately, three special milk categories (comfort formula, anti-reflux formula, and hungry baby formula).⁵
- 800g/900g powder products, which are the best-selling infant formula product format for each major brand, and 200ml/250ml ready-to-feed products, which are the best-selling ready-to-feed product format. We found that these two product formats account for a combined [80-90%] share of aggregate UK infant formula revenue across the major brands in 2023.⁶

D.5 Kendamil and Mamia were sold in 900g powder formats rather than 800g as their standard product size for part of the time period 2019 to 2024. In our analysis, we have pro-rated the price of 900g products to an 800g-equivalent price, for ease of comparison. Kendamil and HiPP Organic were sold in 250ml ready-to-feed formats rather than 200ml for all or part of this time period. We have not pro-rated the price of these products to a 200ml-equivalent price, since these products are generally intended as single-use products and must be refrigerated and used within 24 hours once opened, unlike powder products which can be stored for up to four weeks. Where a product changed size within the period, we have plotted the initial size as a dotted line on our charts.

D.6 We calculated the average annual price for each product at each retailer. To do this, we took an average of its monthly average selling price in every month over the year, weighted by sales volumes in each month.^{7,8}

⁴ CMA analysis based on manufacturers' data on sales revenue channels.

⁵ We have not analysed products intended for infants with specific allergies (eg lactose-free formula) or certain other types of formula such as goat's milk or soya-based, as these have very low sales volumes and there is more limited data available. In addition, we do not analyse the pricing of products that are available only on prescription, as these are outside the scope of this market study.

⁶ CMA analysis based on manufacturers' sales revenues data. The 800g infant formula products (including Kendamil and Mamia 900g products) represented [70-80%] of aggregate infant formula revenues in 2023, and the 200ml products (including Kendamil 250ml products) represented [10-20%] of aggregate infant formula revenues in 2023.

⁷ For 2024, we produced this statistic based on data for January to November. Tesco was not able to supply data for January and February 2019, so its average annual price in 2019 does not include January and February.

⁸ Illustrative calculation for a given product: Average selling price in 2023 = ((Sales in January 2023 x Average selling price in January 2023) + (Sales in February 2023 x Average selling price in February 2023) + ... + (Sales in December 2023 x Average selling price in December 2023)) / (Sales in January 2023 + Sales in February 2023 + ... + Sales in December 2023).

D.7 In much of our analysis below (and in the main report), for simplicity we show only Tesco’s price as representative of the wider market, given that it is the largest UK groceries retailer and prices do not usually vary substantially between the five largest retailers.

Reference tables and additional findings

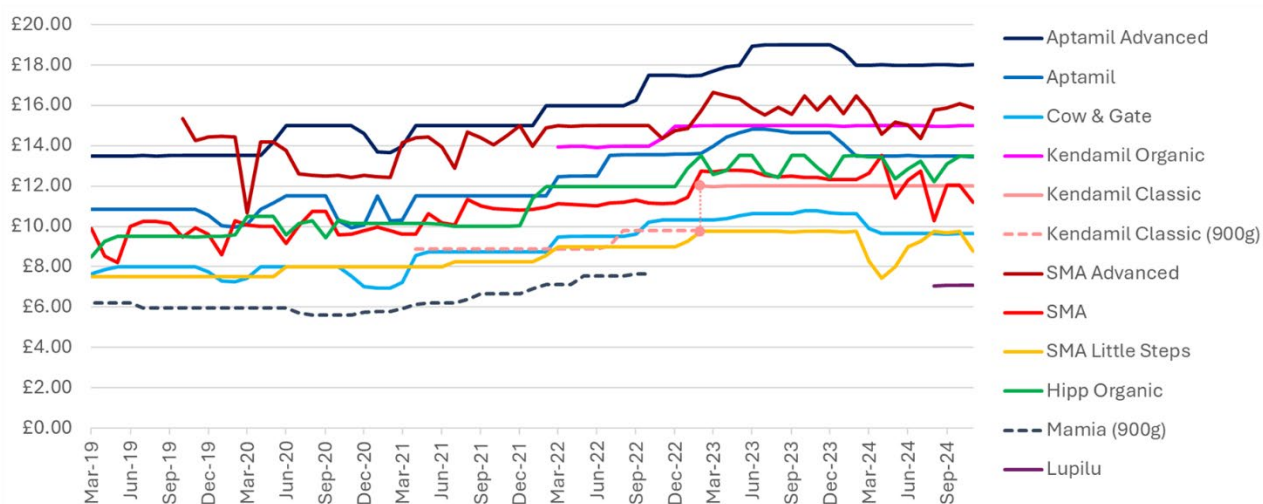
Monthly pricing of infant formula and follow-on formula

D.8 For analysis of infant formula monthly prices, see Section 4 Market outcomes: Retail pricing in the main report. Here we present additional findings for follow-on formula (not shown in full in the main report).

Follow-on formula

D.9 Retail prices of follow-on formula have followed largely the same pattern as those of infant formula, albeit with more volatility arising from price promotions. The average selling price of all major brands’ 800g/900g follow-on formula products rose between January 2019 and December 2023, and then fell in 2024 for several brands (and stabilised for others). In 2024, the price of Cow & Gate 800g follow-on formula fell at several retailers, despite no price falls for the corresponding infant formula product.

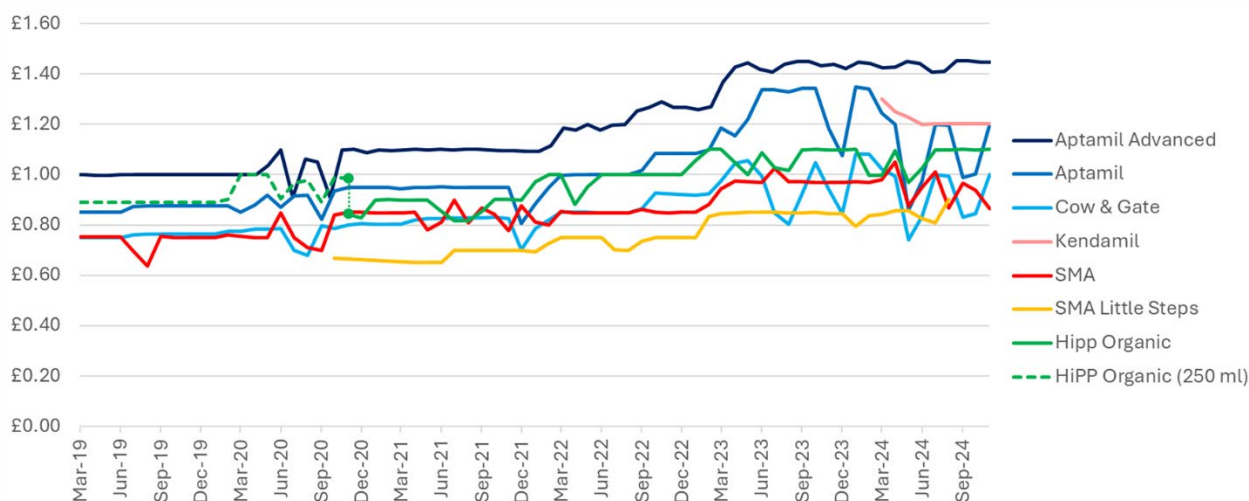
Figure D.1 Follow-on formula 800g products: Monthly average selling prices, March 2019–November 2024



Source: CMA analysis based on retailers’ monthly average selling price data.

Price shown is that at Tesco, except for own-label products Mamia and Lupilu where the price shown is that at Aldi and Lidl respectively, and SMA Advanced where the price shown is that at Asda (as SMA Advanced was not sold at Tesco across the period). For ease of comparison, the prices of 900g products have been pro-rated to 800g-equivalent prices. Note that Kendamil ‘Classic’ follow-on formula resized from 900g to 800g in this period – the 900g product is shown (with a dotted line) until the 800g product entered Tesco.

Figure D.2 Follow-on formula 200ml ready-to-feed products: Monthly average selling prices, March 2019-November 2024



Source: CMA analysis based on retailers' monthly average selling price data.

Price shown is that at Tesco, except for Aptamil Advanced which is the price at Sainsbury's (as Aptamil Advanced was not sold at Tesco across the period). The prices of 250ml ready-to-feed products have not been pro-rated.

Note that HiPP Organic ready-to-feed infant formula resized from 250ml to 200ml in this period – the 250ml product is shown (with a dotted line) until the 200ml product entered Tesco.

Average annual retail prices

Infant formula

D.10 Between 2019 and 2023, the average annual retail price of 800g infant formula rose each year for every brand, with three exceptions: Mamia (900g) in 2020; SMA Advanced in 2020; and Cow & Gate in 2020. Between 2019 and 2023, the average annual retail price of 800g/900g infant formula rose by 6-49% across brands.⁹

D.11 In the first 11 months of 2024, the average annual retail prices of several brands have fallen: Aptamil Advanced, Aptamil, SMA (only at Tesco), Little Steps, and Mamia. Despite these price falls, the average annual prices in 2024 were still above their level in 2022, for all brands except Little Steps and Mamia.

Table D.1 Average annual prices of 800g/900g powder infant formula products at selected retailers, 2019-2024

Manufacturer	Brand	2019	2020	2021	2022	2023	2024 YTD
Danone	Aptamil Advanced	£13.50	£14.33	£15.01	£16.28	£18.50	£18.05
	Aptamil	£10.85	£11.22	£11.39	£12.56	£14.25	£13.54
	Cow & Gate	£8.00	£8.00	£8.55	£9.54	£10.45	£10.50
Kendal	Kendamil Organic	-	-	-	£14.18	£14.99	£14.99

⁹ This range includes Kendamil Organic, whose average annual price increased by 6%; it entered only in 2022.

	Kendamil	-	-	£8.89	£9.25	£11.67	£12.01
	Bonya	-	-	-	-	-	£8.44
	SMA Advanced	£15.22	£13.93	£14.67	£14.99	£16.53	£17.30
Nestle	SMA	£10.00	£10.45	£11.06	£12.09	£13.68	£13.04
	Little Steps	£7.50	£7.77	£8.13	£8.91	£9.71	£8.33
HiPP	HiPP Organic	£9.02	£10.33	£10.50	£11.95	£13.47	£13.50
Mamia contract manufacturer [X]	Mamia	£6.07	£5.79	£6.28	£7.42	£8.17	£7.37
Lupilu contract manufacturer [X]	Lupilu	-	-	-	-	-	£7.06

Source: CMA analysis based on retailer sales volumes and average selling price data, from January 2019 to November 2024. Data used is from Tesco, except for own-label products Mamia and Lupilu where the data used is from Aldi and Lidl respectively, and SMA Advanced where the data used is from Asda (as SMA Advanced was not sold at Tesco across the period).

Prices shown are annual average prices, calculated using monthly average selling prices and weighting each month by sales volumes. Kendamil and Mamia products were sold originally in 900g size, then in 800g size in Tesco from February 2023 and June 2024 respectively. As such, this table uses the data for the 900g product (pro-rated to 800g equivalent) up until the month in which the 800g product was introduced, and uses the data for the 800g product from then onwards.

Average annual prices in 2019 (except Mamia, Lupilu, and SMA Advanced) include the months from March to December 2019 as we do not have Tesco data for January and February 2019. Average annual prices for 2024 include the months from January to November 2024 (year to date).

Table D.2 Percentage change in average annual prices of 800g/900g powder infant formula products at selected retailers, 2019-2024

Manufacturer	Brand	2019-20	2020-21	2021-22	2022-23	Overall 2019-23	Overall 2019-24
	Aptamil Advanced	6.1%	4.7%	8.5%	13.6%	37.0%	33.7%
Danone	Aptamil	3.4%	1.6%	10.3%	13.5%	31.3%	24.7%
	Cow & Gate	0.0%	6.9%	11.5%	9.6%	30.7%	31.2%
	Kendamil Organic	-	-	-	5.7%	5.7%*	5.7%*
Kendal	Kendamil	-	-	4.1%	26.2%	31.3%†	35.2% †
	Bonya	-	-	-	-	-	-
	SMA Advanced	-8.5%	5.3%	2.2%	10.2%	8.6%	13.7%
Nestle	SMA	4.5%	5.8%	9.3%	13.2%	36.7%	30.4%
	Little Steps	3.6%	4.5%	9.7%	9.0%	29.5%	11.1%
HiPP	HiPP Organic	14.5%	1.7%	13.8%	12.7%	49.3%	49.7%
Mamia contract manufacturer [X]	Mamia	-4.6%	8.4%	18.1%	10.1%	34.5%	21.3%
Lupilu contract manufacturer [X]	Lupilu	-	-	-	-	-	-

Source: CMA analysis based on retailer sales volumes and average selling price data, from January 2019 to November 2024. Data used is from Tesco, except for own-label products Mamia and Lupilu where the data used is from Aldi and Lidl respectively, and SMA Advanced where the data used is from Asda (as SMA Advanced was not sold at Tesco across the period).

The 2019-23 and 2019-24 columns show the percentage change between the average annual 2019 price and the 2023 and 2024 prices respectively, except when noted otherwise.

* Kendamil Organic 800g infant formula was introduced in Tesco in March 2022; figures displayed are the percentage changes in the average annual price from 2022-23 and 2022-24.

† Kendamil 900g (then subsequently 800g) infant formula was introduced in Tesco in April 2021; figures displayed are percentage changes in the average annual price from 2021-23 and 2021-24.

D.12 For ready-to-feed infant formula, the average annual retail prices of 200ml/250ml products rose each year from 2019 to 2023 for every brand, and did not fall for any

brand in any year. Between 2019 and 2023, the average annual retail prices of 200ml/250ml products rose by 25-49% across brands.¹⁰

D.13 In the first 11 months of 2024, the average annual retail prices of some brands have fallen, including for Aptamil and Kendamil. Despite these price falls, the average annual retail prices in 2024 were still above their level in 2022, for all brands.

Table D.3 Average annual prices of 200ml/250ml ready-to-feed infant formula products at selected retailers, 2019-2024

<i>Manufacturer</i>	<i>Brand</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024 YTD</i>
Danone	Aptamil Advanced	£1.00	£1.06	£1.10	£1.21	£1.45	£1.45
	Aptamil	£0.87	£0.92	£0.95	£1.02	£1.29	£1.22
	Cow & Gate	£0.77	£0.81	£0.83	£0.87	£1.05	£1.01
Kendal	Kendamil	-	-	-	£1.14	£1.43	£1.21
Nestle	SMA	£0.76	£0.81	£0.88	£0.96	£1.05	£1.04
	Little Steps	-	£0.65	£0.68	£0.74	£0.84	£0.85
HiPP	HiPP Organic	£0.75	£0.86	£0.90	£1.01	£1.11	£1.10

Source: CMA analysis based on retailer sales volumes and average selling price data, from January 2019 to November 2024. Data used is from Tesco.

Prices shown are annual average prices at Tesco, calculated using monthly average selling prices and weighting each month by sales volumes. Kendamil was sold originally in 200ml size, then in 250ml size in Tesco from December 2022 onwards. As such, this table uses the data for the 200ml product up until December 2022, and uses the data for the 250ml product (*not* pro-rated) from then onwards.

Average annual prices in 2019 include the months from March to December 2019 as we do not have Tesco data for January and February 2019. Average annual prices for 2024 include the months from January to November 2024 (year to date).

Table D.4 Percentage change in average annual prices of 200ml/250ml ready-to-feed infant formula products at selected retailers, 2019-2024

<i>Manufacturer</i>	<i>Brand</i>	<i>2019-20</i>	<i>2020-21</i>	<i>2021-22</i>	<i>2022-23</i>	<i>Overall 2019-23</i>	<i>Overall 2019-24</i>
Danone	Aptamil Advanced	5.7%	4.1%	10.2%	19.5%	44.7%	45.0%
	Aptamil	6.4%	2.7%	7.1%	27.1%	48.7%	40.7%
	Cow & Gate	6.0%	1.6%	4.9%	20.8%	36.5%	32.0%
Kendal	Kendamil	-	-	-	25.3%	25.3%*	5.5%*
Nestle	SMA	7.3%	7.7%	9.3%	9.2%	38.1%	37.1%
	Little Steps	-	4.3%	9.9%	13.0%	29.5%†	30.6%†
HiPP	HiPP Organic	15.3%	4.1%	11.8%	10.1%	47.7%	47.0%

Source: CMA analysis based on retailer sales volumes and average selling price data, from January 2019 to November 2024. Data used is from Tesco.

The 2019-23 and 2019-24 columns show the percentage change between the average annual 2019 price and the 2023 and 2024 prices respectively, except when noted otherwise.

* Kendamil 200ml (then subsequently 250ml) ready-to-feed infant formula was introduced in Tesco in March 2022; figures displayed are the percentage changes in the average annual price from 2022-23 and 2022-24.

† Little Steps 200ml infant formula was introduced in Tesco in June 2020; figures displayed are the percentage changes in the average annual price from 2020-23 and 2020-24.

¹⁰ This range includes Kendamil, whose average annual price increased by 25%; it entered only in 2022.

Follow-on formula

- D.14 Between 2019 and 2023, the average annual retail prices of 800g/900g follow-on formula rose for most brands in most years, and for every brand between 2020 and 2023. During this period, the average annual retail prices of 800g/900g products rose by 6-39% across brands.¹¹
- D.15 In the first 11 months of 2024, the average annual retail prices of several brands have fallen: Aptamil Advanced, Aptamil, Cow & Gate, SMA Advanced, SMA, and Little Steps. Despite these price falls, the average annual prices in 2024 were still above their level in 2022, for all brands.

Table D.5 Average annual prices of 800g/900g powder follow-on formula products at selected retailers, 2019-2024

Manufacturer	Brand	2019	2020	2021	2022	2023	2024 YTD
Danone	Aptamil Advanced	£13.50	£14.24	£14.65	£16.27	£18.41	£18.04
	Aptamil	£10.82	£10.62	£11.27	£12.83	£14.40	£13.54
	Cow & Gate	£7.91	£7.66	£8.23	£9.57	£10.55	£9.85
Kendal Nutricare	Kendamil Organic	-	-	-	£14.21	£14.99	£14.98
	Kendamil	-	-	£8.89	£9.27	£11.72	£12.00
	Bonya	-	-	-	-	-	£8.45
Nestle	SMA Advanced	£14.55	£12.70	£13.85	£14.81	£15.90	£15.49
	SMA	£9.55	£9.83	£10.36	£11.11	£12.49	£12.04
	Little Steps	£7.50	£7.76	£8.12	£8.91	£9.71	£9.54
HiPP	HiPP Organic	£9.34	£10.03	£10.07	£11.92	£13.00	£13.16
Mamia contract manufacturer [X]	Mamia	£6.08	£5.80	£6.26	£7.37	£7.64	-
Lupilu contract manufacturer [X]	Lupilu	-	-	-	-	-	£7.07

Source: CMA analysis based on retailer sales volumes and average selling price data, from January 2019 to November 2024. Data used is from Tesco, except for own-label products Mamia and Lupilu where the data used is from Aldi and Lidl respectively, and SMA Advanced where the data used is from Asda (as SMA Advanced was not sold at Tesco across the period). Prices shown are annual average prices, calculated using monthly average selling prices and weighting each month by sales volumes. Kendamil was sold originally in 900g size, then in 800g size in Tesco from February 2023 onwards. As such, this table uses the data for the 200ml product up until February 2023, and uses the data for the 800g product from then onwards. Average annual prices in 2019 (except Mamia, Lupilu, and SMA Advanced) include the months from March to December 2019 as we do not have Tesco data for January and February 2019. Average annual prices for 2024 include the months from January to November 2024 (year to date).

Table D.6 Percentage change in average annual prices of 800g/900g powder follow-on formula products at selected retailers, 2019-2024

Manufacturer	Brand	2019-20	2020-21	2021-22	2022-23	Overall 2019-23	Overall 2019-24
Danone	Aptamil Advanced	5.5%	2.8%	11.1%	13.2%	36.4%	33.7%
	Aptamil	-1.9%	6.2%	13.8%	12.2%	33.0%	25.1%

¹¹ This range includes Kendamil Organic, whose average annual price increased by 6%; it entered only in 2022; and Kendamil, whose average annual price increased by 32%; it entered only in 2021.

Manufacturer	Brand	2019-20	2020-21	2021-22	2022-23	Overall 2019-23	Overall 2019-24
	Cow & Gate	-3.2%	7.5%	16.2%	10.2%	33.4%	24.5%
Kendal Nutricare	Kendamil Organic	-	-	-	5.5%	5.5%*	5.5%*
	Kendamil	-	-	4.3%	26.5%	31.9%†	35.0%†
	Bonya	-	-	-	-	-	-
	SMA Advanced	-12.7%	9.0%	6.9%	7.4%	9.3%	6.5%
Nestle	SMA	3.0%	5.4%	7.2%	12.4%	30.8%	26.2%
	Little Steps	3.5%	4.7%	9.7%	9.0%	29.5%	27.2%
HiPP	HiPP Organic	7.5%	0.3%	18.4%	9.1%	39.2%	40.9%
Mamia contract manufacturer [X]	Mamia	-4.6%	7.9%	17.8%	3.6%‡	25.6%	-
Lupilu contract manufacturer [X]	Lupilu	-	-	-	-	-	-

Source: CMA analysis based on retailer sales volumes and average selling price data, from January 2019 to November 2024. Data used is from Tesco, except for own-label products Mamia and Lupilu where the data used is from Aldi and Lidl respectively, and SMA Advanced where the data used is from Asda (as SMA Advanced was not sold at Tesco across the period).

The 2019-23 and 2019-24 columns show the percentage change between the average annual 2019 price and the 2023 and 2024 prices respectively, except when noted otherwise.

* Kendamil Organic 800g follow-on formula was introduced in Tesco in March 2022; figures displayed are the percentage changes in the average annual price from 2022-23 and 2022-24.

† Kendamil 900g (then subsequently 800g) follow-on formula was introduced in Tesco in April 2021; figures displayed are the percentage changes in the average annual price from 2021-23 and 2021-24.

‡ Mamia's 900g follow-on formula product was sold up to October 2022 by Aldi.

D.16 For ready-to-feed formula, the average annual retail prices of 200ml/250ml products rose each year from 2019 to 2023 for every brand (except for HiPP Organic, the price of which fell when it changed from 250ml to 200ml units – as explained above, note that we have not pro-rated the price of ready-to-feed bottles). Between 2019 and 2023, the average annual retail prices of 200ml/250ml products rose by 20-41% across brands.

D.17 In the first 11 months of 2024, the average annual retail price of several brands have fallen for some brands, including Aptamil. Despite these price falls, the average annual prices in 2024 were still above their level in 2022, for all brands.

Table D.7 Average annual prices of 200ml/250ml ready-to-feed follow-on formula products at selected retailers, 2019-2024

Manufacturer	Brand	2019	2020	2021	2022	2023	2024 YTD
Danone	Aptamil Advanced	£1.00	£1.02	£1.10	£1.12	£1.40	£1.44
	Aptamil	£0.87	£0.89	£0.92	£1.01	£1.21	£1.08
	Cow & Gate	£0.76	£0.76	£0.81	£0.86	£0.93	£0.91
Kendal	Kendamil	-	-	-	-	-	£1.22
Nestle	SMA	£0.73	£0.77	£0.84	£0.85	£0.95	£0.95
	Little Steps	-	-	£0.68	£0.73	£0.84	£0.83
HiPP	HiPP Organic	£0.89	£0.93	£0.88	£0.98	£1.07	£1.05

Source: CMA analysis based on Tesco and Sainsbury's sales volumes and average selling price data.

Prices shown are annual average prices at Tesco, calculated using monthly average selling prices and weighting each month by sales volumes. Annual average prices for Aptamil Advanced are calculated with data from Sainsbury's, as the product was not sold at Tesco during this period. HiPP was sold originally in 250ml size, then in 200ml size in Tesco from November 2020 onwards. As such, this table shows the price of the 250ml size until 2020 (not pro-rated), and then the 200ml size from 2021 onwards.

Average annual prices for 2019 (except Aptamil Advanced) include the months March to December 2019 as we do not have Tesco data for January and February 2019. Average annual prices for 2024 include the months January to November 2024 (year to date). Kendamil 250ml follow-on formula was introduced into Tesco in March 2024.

Table D.8 Percentage change in average annual prices of 200ml/250ml ready-to-feed follow-on formula products at selected retailers, 2019-2024

<i>Manufacturer</i>	<i>Brand</i>	<i>2019-20</i>	<i>2020-21</i>	<i>2021-22</i>	<i>2022-23</i>	<i>Overall 2019-23</i>	<i>Overall 2019-24</i>
Danone	Aptamil Advanced	1.9%	7.9%	1.6%	25.7%	40.5%	44.0%
	Aptamil	2.5%	4.0%	9.1%	20.7%	40.3%	24.8%
	Cow & Gate	1.0%	5.4%	7.0%	8.0%	23.0%	20.2%
Kendal	Kendamil	-	-	-	-	-	-
Nestle	SMA	5.5%	8.0%	1.2%	12.8%	30.1%	29.0%
	Little Steps	-	-	7.3%	14.0%	22.3%*	20.9%*
HiPP	HiPP Organic	4.5%	-5.8%	12.0%	8.7%	19.9%	18.4%

Source: CMA analysis based on retailer sales volumes and average selling price data, from January 2019 to November 2024. Data used is from Tesco, except for Aptamil Advanced where the data is from Sainsbury's (as Aptamil Advanced was not sold at Tesco across the period).

The 2019-23 and 2019-24 columns show the percentage change between the average annual 2019 price and the 2023 and 2024 prices respectively, except when noted otherwise.

* Little Steps 200ml follow-on formula was introduced in Tesco in April 2021; figures displayed are the percentage changes in the average annual price from 2021-23 and 2021-24.

Retail prices across retailers and versus RRP

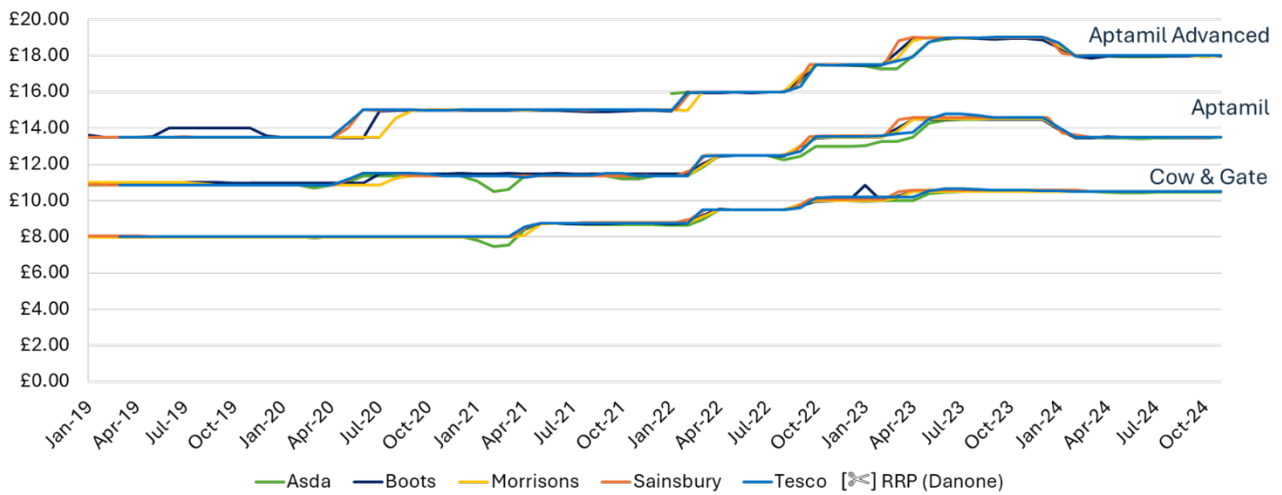
Infant formula

D.18 As noted in Section 7 Competition in the market: Competition between retailers, we have found that retail prices for infant formula have tended to closely follow RRP. ¹² As such, there has generally been low variation in the price for any given product across retailers. When retailers have diverged from RRP (and from each other), they have usually done so by holding their price constant for a few months following an RRP increase, before moving to the (higher) RRP a few months later.

D.19 However, in 2024, there was a clear instance of multiple retailers moving below the RRP for Little Steps 800g infant formula. See further discussion of this in the main report Section 7 Competition in the market: Competition between retailers.

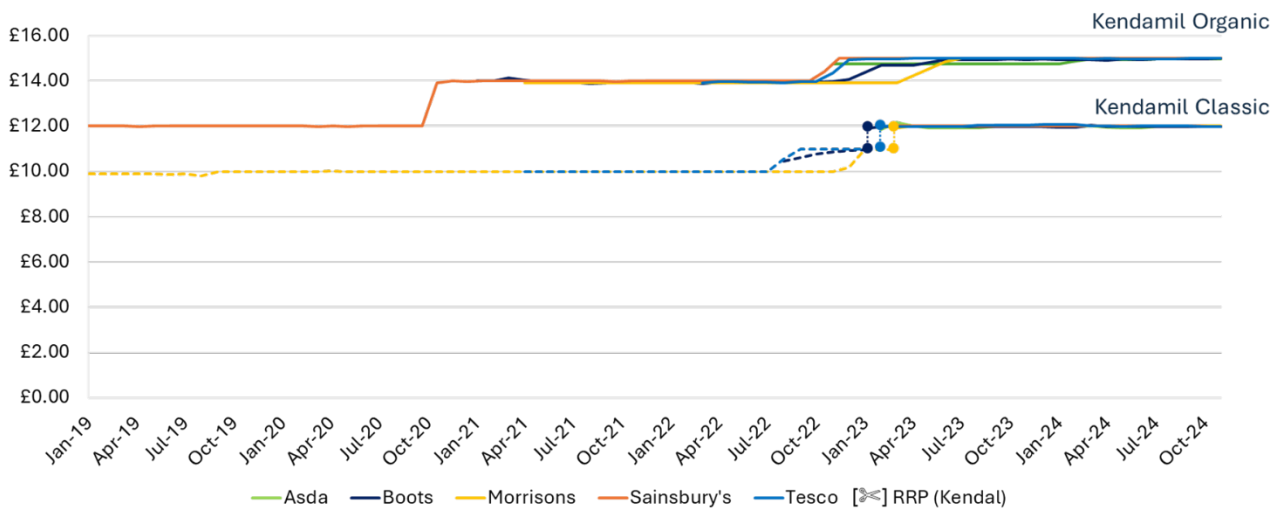
¹² Based on CMA analysis comparing monthly retail pricing data submitted by retailers and RRP submitted by manufacturers for the period January 2019 to November 2024.

Figure D.3 Danone 800g infant formula products (Aptamil, Aptamil Advanced, Cow & Gate): Monthly retail prices and RRP, January 2019–November 2024



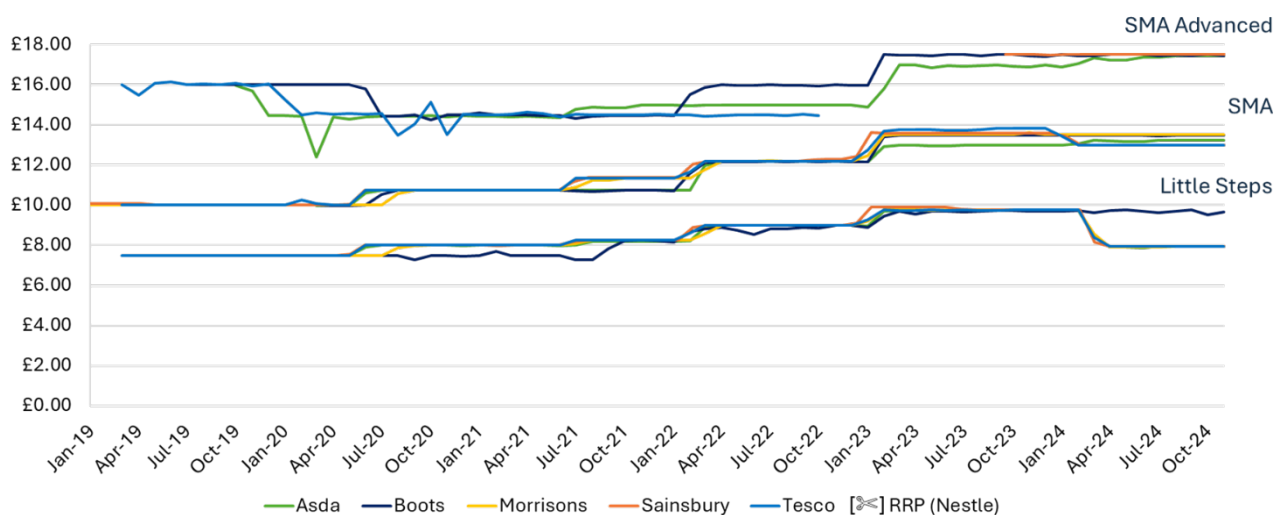
Source: CMA analysis based on retailer monthly average selling price data, and manufacturer RRP data. Note that Tesco data begins March 2019.

Figure D.4 Kendal 800g/900g infant formula products (Kendamil, Kendamil Organic): Monthly retail prices and RRP, January 2019–November 2024



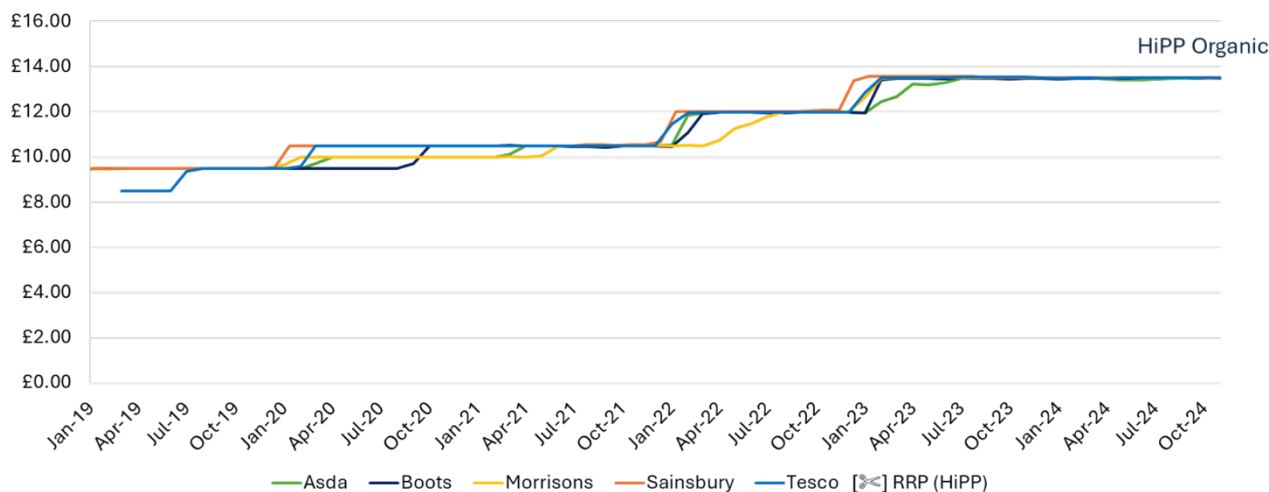
Source: CMA analysis based on retailer monthly average selling price data, and manufacturer RRP data. During the period, Kendal stopped producing Kendamil Classic 900g infant formula, and started producing 800g infant formula in its place. The price of Kendamil 900g products are shown with dotted lines. This price has not been pro-rated. Note that Tesco data begins March 2019.

Figure D.5 Nestle 800g infant formula products (SMA Advanced, SMA, Little Steps): Monthly retail prices and RRP, January 2019–November 2024



Source: CMA analysis based on retailer monthly average selling price data, and manufacturer RRP data.
 Note that Tesco data begins March 2019. Due to data limitations, we have truncated the series showing the price of SMA Advanced at Tesco.

Figure D.6 HiPP 800g infant formula product (HiPP Organic): Monthly retail prices and RRP, January 2019–November 2024

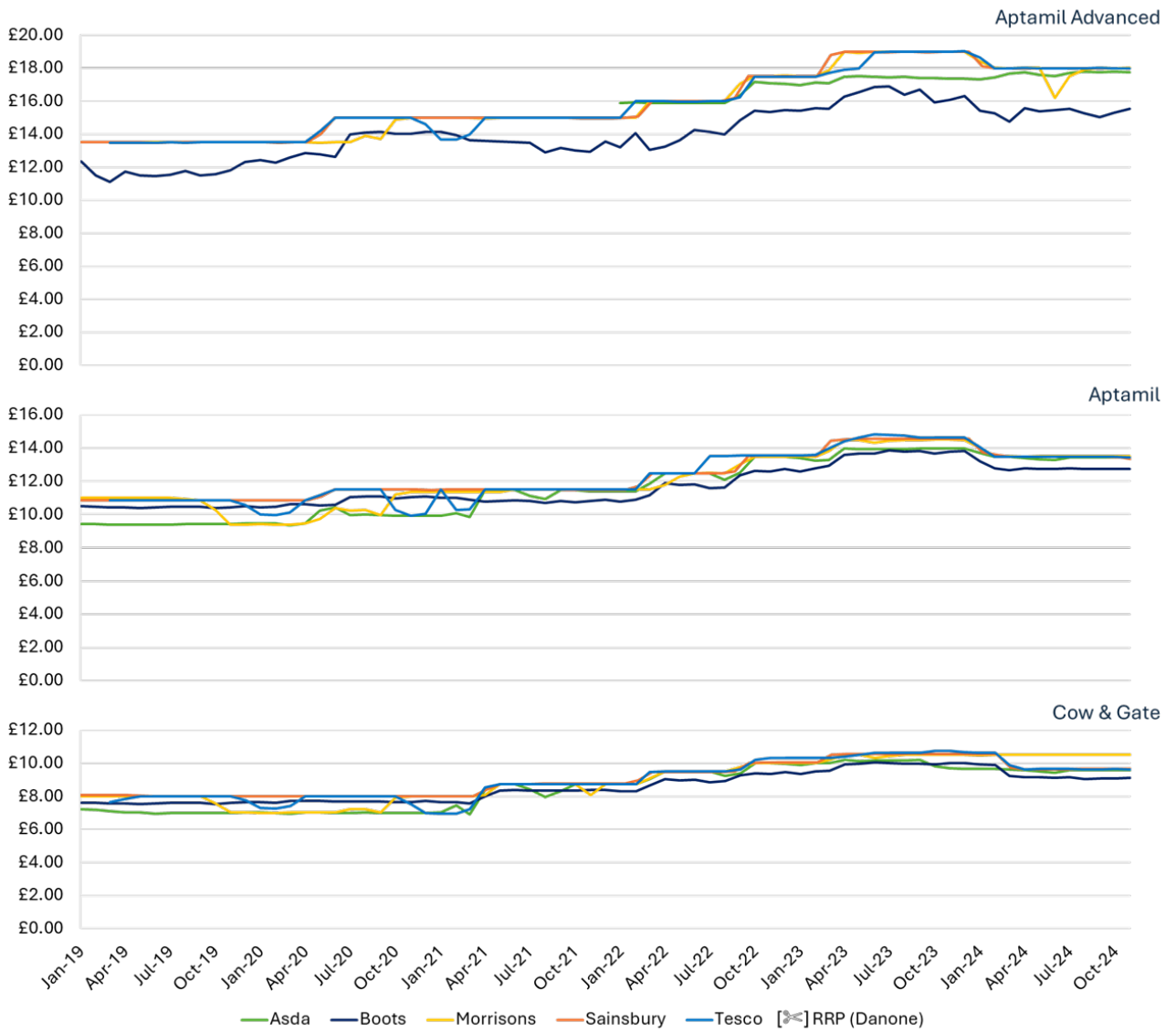


Source: CMA analysis based on retailer monthly average selling price data, and manufacturer RRP data.
 Note that Tesco data begins March 2019.

Follow-on formula

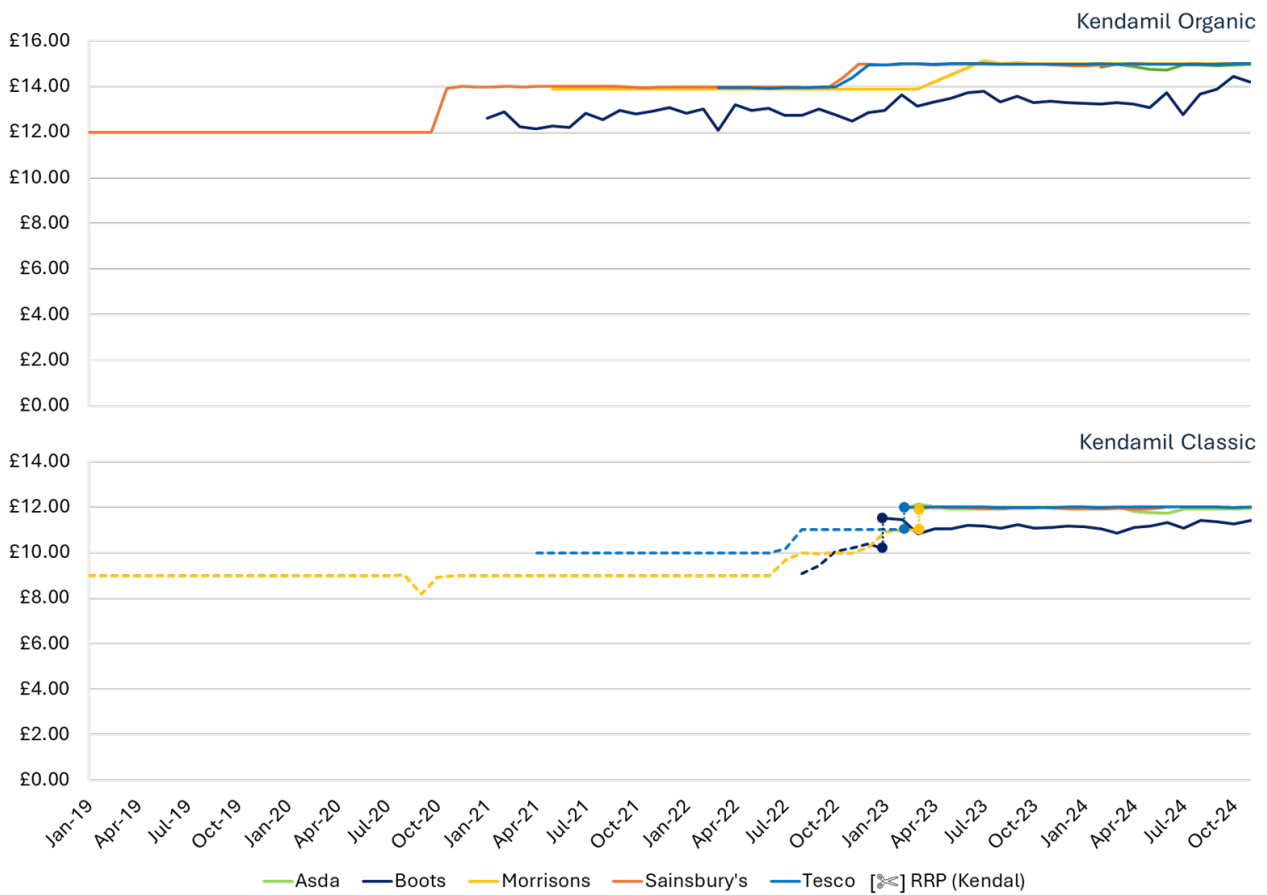
D.20 For follow-on formula, retail prices have also generally followed RRP; however, there has been greater divergence than for infant formula. This appears to have mainly arisen due to temporary price promotions, which lowered the price at a retailer for a short period of time, and occasionally due to differences in the non-promotional (base) price. Boots has generally priced the 800g follow-on formula products it sells below their RRP, and therefore generally below the other major retailers' prices.

**Figure D.7 Danone 800g follow-on formula products (Aptamil Advanced, Aptamil, Cow & Gate):
Monthly retail prices and RRP, January 2019–November 2024**



Source: CMA analysis based on retailer monthly average selling price data, and manufacturer RRP data.
Note that Tesco data begins March 2019.

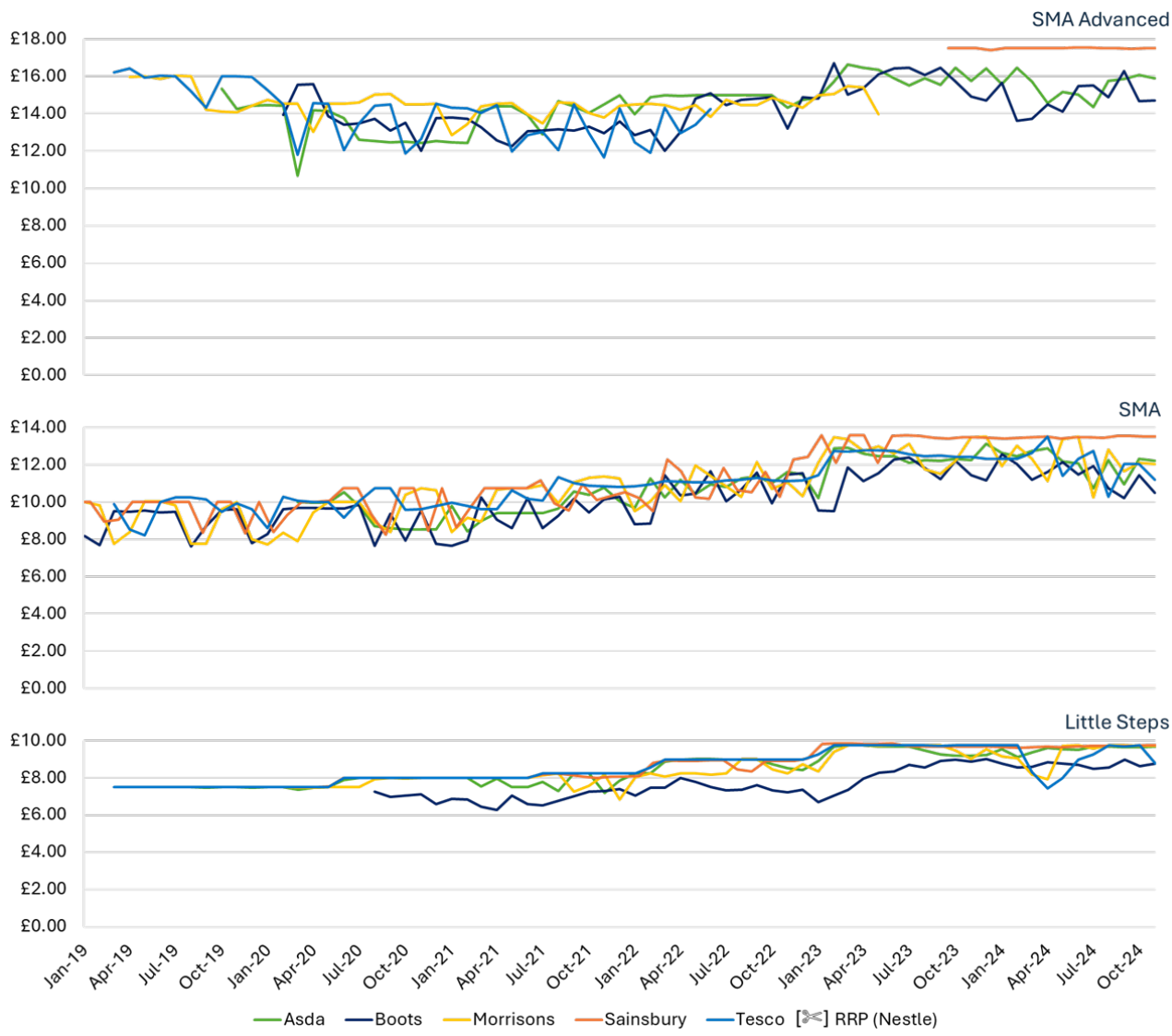
Figure D.8 Kendal 800g follow-on formula products (Kendamil Organic, Kendamil Classic): Monthly retail prices and RRP, January 2019–November 2024



Source: CMA analysis based on retailer monthly average selling price data, and manufacturer RRP data.

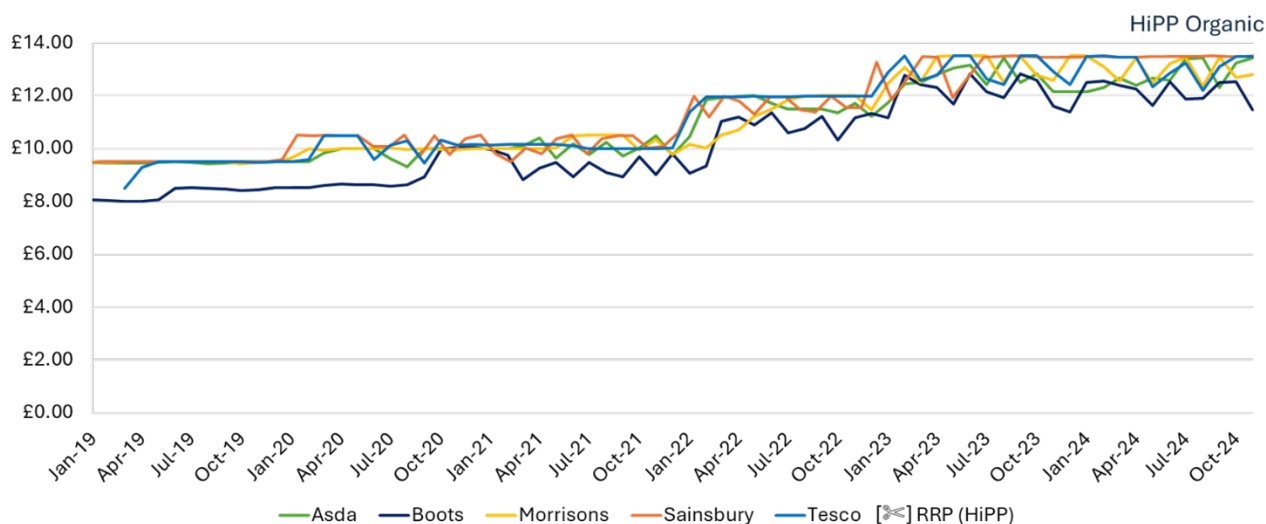
During the period, Kendal stopped producing Kendamil Classic 900g follow-on formula, and started producing 800g follow-on formula in its place. The prices of the Kendamil Classic 900g product are shown with dotted lines. This price has not been pro-rated. Note that Tesco data begins March 2019.

Figure D.9 Nestle 800g follow-on formula products (SMA Advanced, SMA, Little Steps): Monthly retail prices and RRP, January 2019–November 2024



Source: CMA analysis based on retailer monthly average selling price data, and manufacturer RRP data.
 Note that Tesco data begins March 2019. Due to data limitations, we have truncated the series showing the prices of SMA Advanced at Morrisons and Tesco.

Figure D.10 HiPP 800g follow-on formula product (HiPP Organic): Monthly retail prices and RRP, January 2019–November 2024



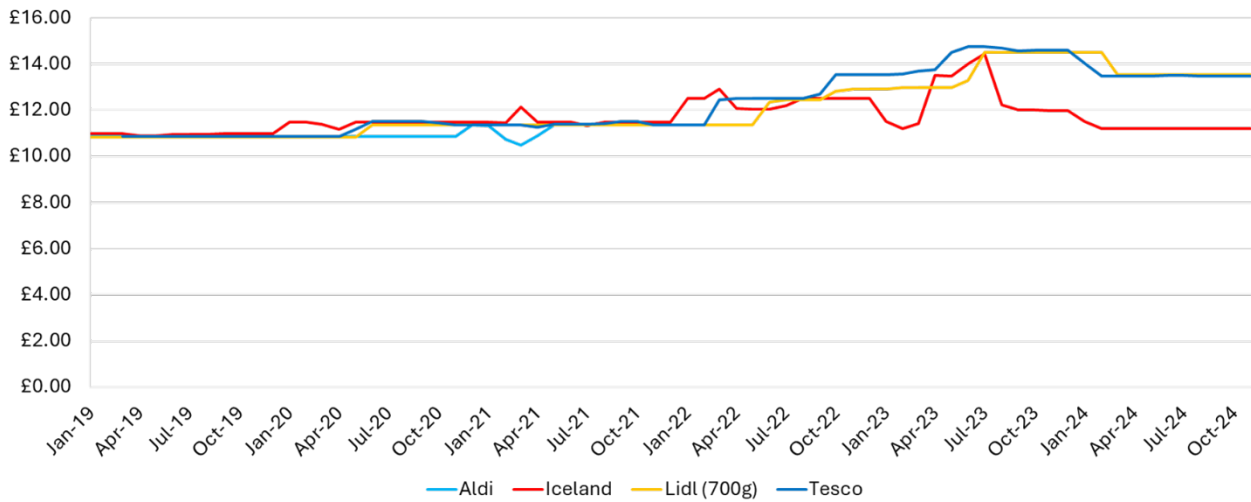
Source: CMA analysis based on retailer monthly average selling price data, and manufacturer RRP data. Note that Tesco data begins March 2019.

Discount retailers

- D.21 For most of the period since 2019, the prices of the major brands of infant formula were not generally lower at discount retailers (Aldi, Iceland, and Lidl).¹³
- D.22 However, since August 2023, the prices of some infant formula products have been substantially lower at Iceland than at the major retailers. As of November 2024, Aptamil 800g infant formula powder was over £2.00 cheaper at Iceland than at Tesco, and Cow & Gate was around £0.75 cheaper at Iceland than at Tesco. Since August 2023, Iceland began selling SMA and Little Steps, and set its price for each below the Tesco price. After Iceland launched Little Steps below RRP, the price of Little Steps at Asda, Morrisons, Sainsbury’s, and Tesco fell to match.

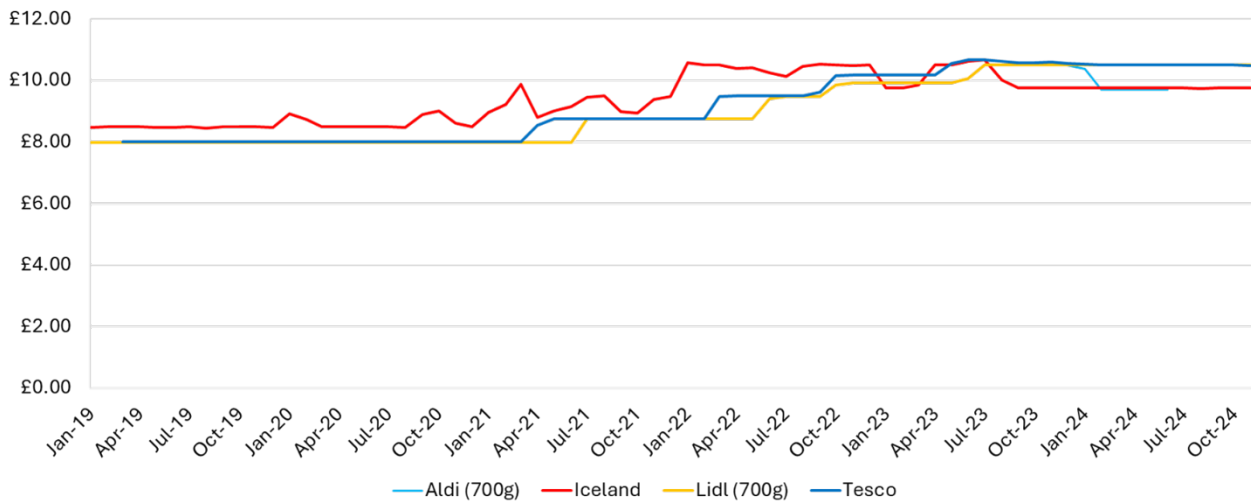
¹³ From 2023, Aldi de-listed brands of infant formula other than its own-label Mamia (with residual sales continuing until early 2024).

Figure D.11 Aptamil 800g infant formula – Monthly average selling price at Aldi, Iceland, Lidl, and Tesco, January 2019–November 2024



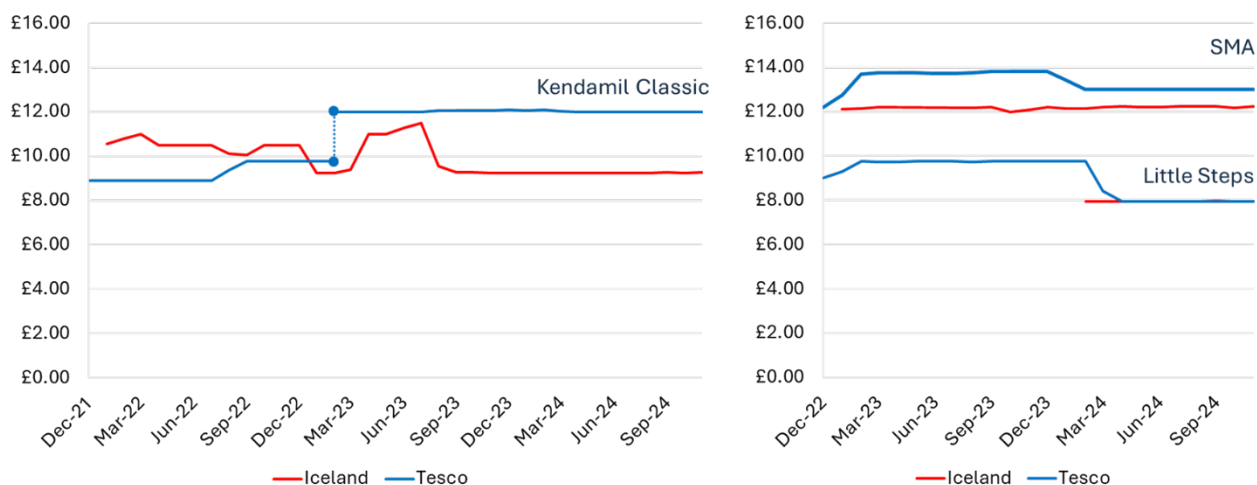
Source: CMA analysis based on retailers' monthly average selling price data.
 Note that Tesco data begins March 2019.
 Lidl did not sell Aptamil 800g infant formula products, but instead sold 700g products. These have been shown pro-rated to 800g-equivalent prices.
 Aldi sold Aptamil 800g infant formula until June 2021.

Figure D.12 Cow & Gate 800g infant formula – Monthly average selling price at Aldi, Iceland, Lidl, and Tesco, January 2019–November 2024



Source: CMA analysis based on retailers' monthly average selling price data.
 Note that Tesco data begins March 2019.
 Aldi and Lidl did not sell Aptamil 800g infant formula products, but instead sold 700g products. These have been shown pro-rated to 800g-equivalent prices.
 Aldi stopped selling Cow & Gate 700g infant formula in February 2024.

Figure D.13 Kendamil Classic, SMA, and Little Steps 800g infant formula – Monthly average selling price at Iceland and Tesco, January 2019-November 2024



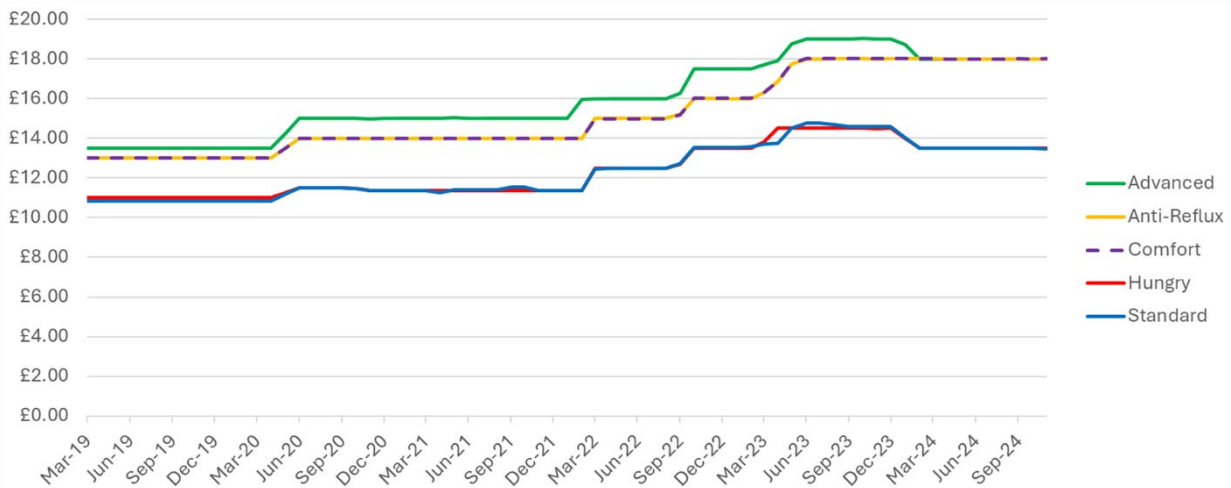
Source: CMA analysis based on retailer monthly average selling price data.

The charts show the period in which the product was sold at Iceland: Kendamil Classic from January 2022, SMA from January 2023, and Little Steps from February 2024. These products were not sold at Aldi or Lidl in the period from January 2019 to November 2024. During the period, Tesco stopped selling Kendamil Classic 900g infant formula, and started selling 800g infant formula in its place. The price of the Kendamil 900g product at Tesco is shown with a dotted line, and has been pro-rated to an 800g-equivalent price.

Special milks

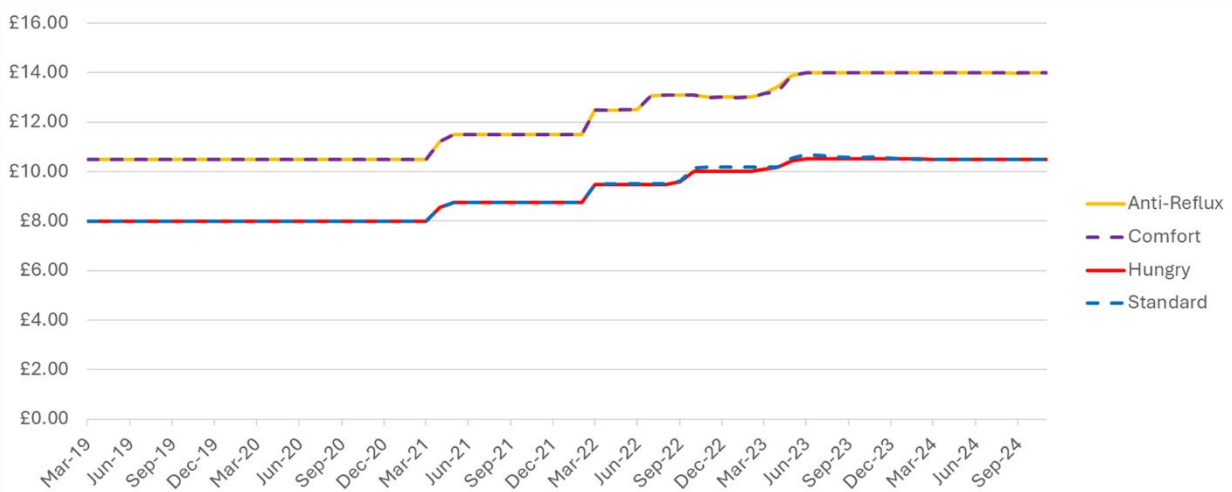
- D.23 Most of the major brands of infant formula offer one or more special milks. We have analysed pricing of three of the largest sub-categories of special milks: comfort formula, anti-reflux formula, and hungry baby formula – the first two of which manufacturers usually classify as ‘food for special medical purposes’ but the third of which they usually do not. All three product types are offered under the Aptamil, Cow & Gate, and SMA brands. HiPP Organic offers comfort and anti-reflux, but does not currently offer a hungry baby formula (after discontinuing it in October 2020). In January 2024, Kendal began supplying a Kendamil comfort formula (however, this is not shown in the charts below because there is currently only very limited sales data available).
- D.24 Hungry baby formula has usually been priced identically to the brand’s standard infant formula product. Comfort formula and anti-reflux formula have usually been priced at a premium above the standard formula. As of November 2024, for Aptamil this premium was £4.50, for Kendamil it was £3.50, for HiPP it was £3.00 (at Boots), and for Cow & Gate and SMA it was £2.50.

Figure D.14 Aptamil 800g special milks range: Monthly average selling prices, March 2019–November 2024



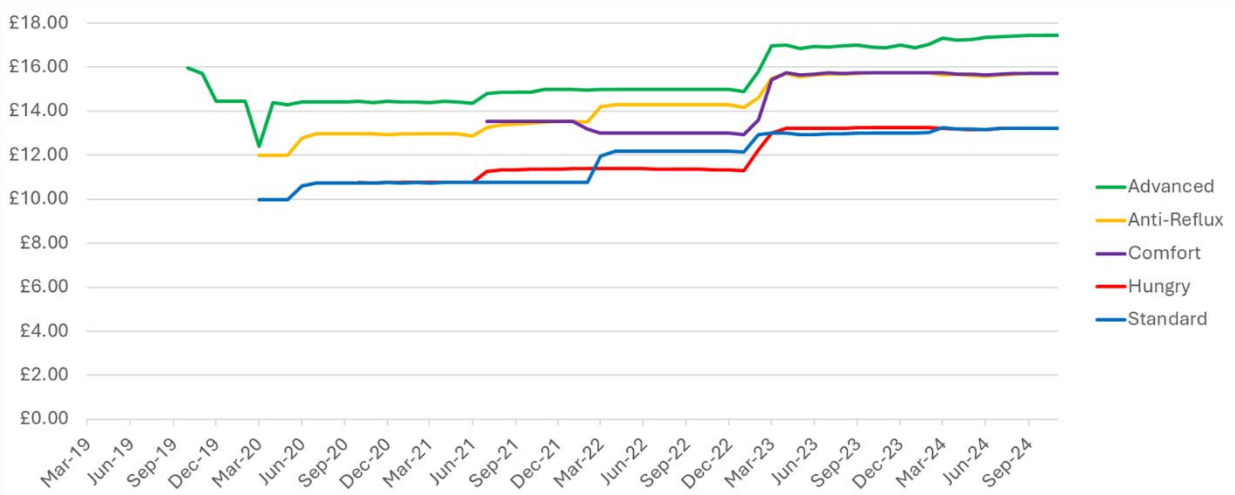
Source: CMA analysis based on monthly average selling price data from Tesco. Note that Tesco data begins March 2019. Aptamil santi-reflux and Aptamil comfort were priced the same throughout the period; Aptamil comfort has been plotted with a dotted line for visual clarity.

Figure D.15 Cow & Gate special milks range: Monthly average selling prices, March 2019–November 2024



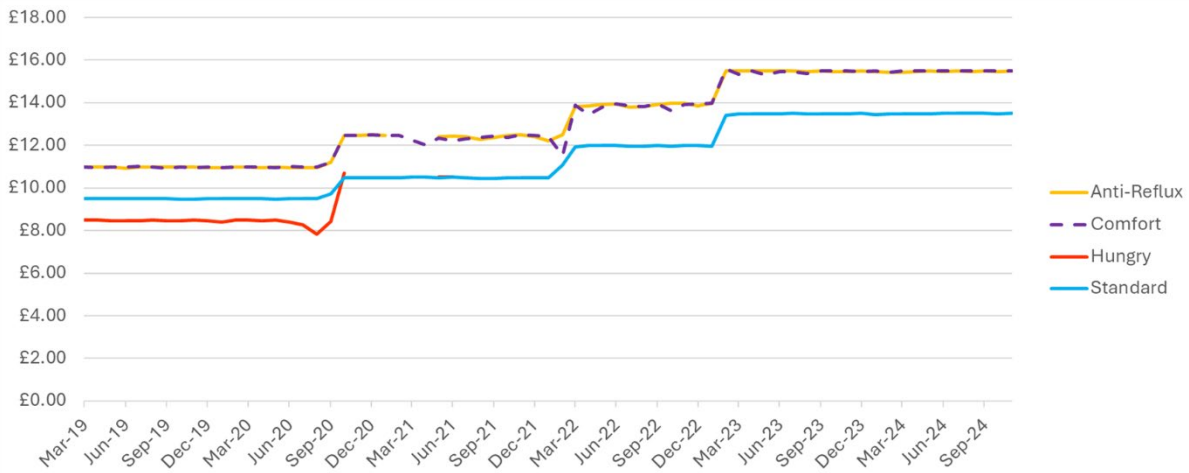
Source: CMA analysis based on monthly average selling price data from Tesco. Note that Tesco data begins March 2019. Cow & Gate anti-reflux and Cow & Gate comfort were priced the same throughout the period, and Cow & Gate standard and Cow & Gate hungry were priced the same throughout the period; Cow & Gate comfort and Cow & Gate standard have been plotted with dotted lines for visual clarity.

Figure D.16 SMA special milks range: Monthly average selling prices, March 2019-November 2024



Source: CMA analysis based on monthly average selling price data from Asda. We show the prices of SMA special milks in Asda, as the full range was not available in Tesco across the period.

Figure D.17 HiPP Organic special milks range: Monthly average selling prices, March 2019-November 2024



Source: CMA analysis based on monthly average selling price data from Boots. We show the prices of HiPP Organic special milks in Boots, as the full range was not available in other retailers across the period. Note that HiPP Organic hungry formula was discontinued by HiPP in October 2020. HiPP Organic anti-reflux and HiPP Organic comfort were priced the same throughout almost all of the period; HiPP Organic comfort has been plotted with a dotted line for visual clarity.