Anticipated Acquisition by Greencore Group plc of Bakkavor Group plc

NOTICE UNDER PARAGRAPH 2(1) OF SCHEDULE 10 TO THE ENTERPRISE ACT 2002 (THE ACT) – CONSULTATION ON PROPOSED UNDERTAKINGS IN LIEU OF REFERENCE PURSUANT TO SECTION 73 OF THE ACT.

ME/2257/25

Please note that [✂] indicates figures or text which have been deleted for reasons of commercial confidentiality.

Contents

1. INTRODUCTION

1. Greencore Group plc (**Greencore**) has agreed to acquire Bakkavor Group plc (**Bakkavor**) (the **Merger**). Greencore and Bakkavor are together referred to as the **Parties** and, for statements relating to the future, the **Merged Entity**.

2. On 27 October 2025, the Competition and Markets Authority (**CMA)** decided under section 33(1) of the Enterprise Act 2002 (the **Act**) that it is or may be the case that the Merger consists of arrangements that are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation, and that this may be expected to result in a substantial lessening of competition (**SLC**) within a market or markets in the United Kingdom (the **SLC Decision**). The text of the SLC Decision is available on the CMA webpages.[1]

3. On 3 November 2025, Greencore offered undertakings in lieu of reference to the CMA for the purposes of section 73(2) of the Act.

4. On 7 November 2025, the CMA gave notice to Greencore, pursuant to section 73A(2)(b) of the Act, that it considers that there are reasonable grounds for believing that the undertakings offered, or a modified version of them, might be accepted by the CMA under section 73(2) of the Act and that it is considering Greencore's offer (the **UIL Provisional Acceptance Decision**).

2. THE UNDERTAKINGS OFFERED

5. As set out in the SLC Decision, the CMA found a realistic prospect of an SLC in relation to horizontal unilateral effects in the supply of own-label chilled sauces in the UK.

6. As set out in the UIL Provisional Acceptance Decision, to address the SLC identified by the CMA, Greencore has offered undertakings to divest Greencore's entire chilled soups and sauces production facilities which comprise a single manufacturing facility in Bristol and related assets and employees (the **Divestment Business**). The text of the undertakings is available on the CMA webpages (the **Proposed Undertakings**).[2]

7. Greencore have also offered to enter into an agreement for the sale and purchase of the Divestment Business with an upfront buyer, before the CMA finally accepts the Proposed Undertakings (**the Upfront Buyer Condition**). Greencore has proposed The Compleat Food Group (Holdings) Limited (**Compleat**) as the upfront buyer. On 14 November 2025, Greencore and Compleat entered into a share purchase agreement for the Divestment Business. This agreement will be

[1] See Greencore / Bakkavor merger inquiry - GOV.UK.
[2] See Greencore / Bakkavor merger inquiry - GOV.UK .

conditional on acceptance by the CMA of the Proposed Undertakings, including approval of Compleat as the buyer of the Divestment Business.

3. CMA ASSESSMENT

8. The CMA currently considers that, subject to responses to the consultation required by Schedule 10 of the Act, the Proposed Undertakings will resolve the SLC identified in the SLC Decision in a clear-cut manner, ie the CMA currently does not have material doubts about the overall effectiveness of the Proposed Undertakings or concerns about their implementation.[3] This is because they would remove the entire overlap between the Parties in the supply of own-label chilled sauces in the UK. As such, the Proposed Undertakings may result in replacing the competitive constraint the Parties imposed on each other in the supply of own-label chilled sauces that would otherwise be lost following the Merger.

9. Furthermore, while the Divestment Business forms part of a broader business at present, the CMA currently considers that the manufacturing facility included in the Divestment Business contains the necessary manufacturing assets and personnel to continue to supply Greencore's own label chilled sauces and chilled soups. The CMA considers that functions not included within the Divestment Business will be able to be provided by a suitable purchaser.

10. The CMA also believes at this stage that the Proposed Undertakings may be capable of ready implementation. This is because the Divestment Business is comprised of assets that are capable of being transferred to an upfront buyer, the Divestment Business has already drawn interest from a variety of potential purchasers and that the sale of production facilities is not uncommon within the industry. The proposed purchaser, Compleat, has also acquired production facilities from other chilled food manufacturers in the recent past, including the acquisition of three food manufacturing plants in 2024-2025.

11. The CMA considers that an Upfront Buyer Condition is necessary because the Divestment Business forms part of a broader company at present. However, the CMA considers that the Upfront Buyer Condition mitigates the resulting asset, composition and related purchaser risk, as the CMA would accept the Proposed Undertakings only if the Parties have entered into an agreement with a nominated buyer that the CMA considers to be suitable in order to ensure that the Divestment Business, as operated by such buyer, can replace the competitive constraint that would otherwise be lost as a result of the Merger.

12. For the CMA to consider a nominated buyer to be suitable, it would need to demonstrate that it has experience in supplying own label chilled food to

[3] Merger remedies guidance (**CMA87**), December 2018, paragraph 3.28.

established grocery retailers in the UK (with a significant track record), it is an established and committed player in the food production space and has the ability to negotiate supply agreements as well as having a credible business plan for successfully commercialising chilled sauces and soups in the UK. The evidence available to the CMA indicates that Compleat fulfils the requirements set out in the previous sentence and would have sufficient staff, resources, experience and expertise to enable the Divestment Business to operate as a competitor to the Parties.

Suitability of the proposed purchaser

13. In approving a purchaser, the CMA's starting position is that it must be confident without undertaking a detailed investigation that the proposed purchaser will restore pre-merger levels of competition:

(a) The acquisition by the proposed purchaser must remedy, mitigate or prevent the SLC concerned and any adverse effect resulting from it, achieving as comprehensive a solution as is reasonable and practicable.

(b) The proposed purchaser should be independent from and have no significant connection to the merger parties that may compromise the purchaser's incentives to compete with the merged entity (eg an equity interest, common significant shareholders, shared directors, reciprocal trading relationships or continuing financial assistance). It may also be appropriate to consider links between the purchaser and other market players.

(c) The purchaser must have sufficient capability, including access to appropriate financial resources, expertise (including managerial, operational and technical capability) and assets to enable the divested business to be an effective competitor in the market. This access should be sufficient to enable the divestiture package to continue to develop as an effective competitor.

(d) The CMA will wish to satisfy itself that the purchaser has an appropriate business plan and objectives for competing in the relevant market(s), and that the purchaser has the incentive and intention to maintain and operate the divested business as part of a viable and active business in competition with the merged entity and other competitors in the relevant market.

(e) Divestiture to the purchaser should not create a realistic prospect of further competition or regulatory concerns.[4]

14. The CMA also considers that, due to the asset, composition and purchaser risks mentioned in paragraph 19 of the UIL Provisional Acceptance Decision, the

[4] CMA87, Chapter 5, paragraphs 5.20 — 5.27.

proposed purchaser would need to demonstrate that it has experience in supplying own label chilled food to established grocery retailers in the UK, with a significant track record, it is an established and committed player in the food production space and has the ability to negotiate supply agreements as well as having a credible business plan for successfully commercialising chilled sauces and soups in the UK.

Compleat

15. Subject to the responses to this consultation, and having regard in particular to the criteria set out in paragraph 14 above, the CMA currently considers Compleat to be a suitable purchaser of the Divestment Business for the following reasons:

(a) Compleat is independent of the Parties. While Compleat does supply Greencore on an arm's length basis with some inputs for Greencore's finished food to go range, this represents a very minimal percentage of Compleat's total turnover [✂] and is not considered material.

(b) Compleat has substantial financial resources, being backed by a large investment firm, enabling it to acquire, operate and develop the Divestment Business on an ongoing basis.

(c) Compleat supplies the vast majority of established grocery retailers with both own-brand and branded products including own-label chilled food. In particular, it has established relationships with the main customers of the Divestment Business.

(d) It has a successful track record of acquiring businesses that supply own label products, integrating these businesses, growing its revenues and developing new products.

(e) Compleat provided a business plan to develop existing relationships, bring in new customers and grow its own-brand business, in particular in relation to chilled sauces and soups. It also has plans to make significant investments over the next five years in relation to the Divestment Business in order to improve operational efficiencies and increase the capacity of the site.

(f) The CMA currently considers that the acquisition of the Divestment Business by Compleat would not create a realistic prospect of further competition concerns. Compleat does not currently supply chilled soups and sauces to the major grocery retailers to any meaningful extent.[5] Accordingly, the CMA

[5] It supplies a branded soup to one major grocery retailer with negligible turnover [✂] and is in discussions with another grocery retailer for a chilled sauce under a third-party brand which has not yet completed and would also result in negligible associated turnover [✂].

currently considers that the acquisition of the Divestment Business by Compleat would not create a realistic prospect of an SLC.

4. PROPOSED DECISION AND NEXT STEPS

16. For the reasons set out above, the CMA currently considers that the Proposed Undertakings and the purchase of the Divestment Business by Compleat are, in the circumstances of this case, appropriate to remedy, mitigate or prevent the competition concerns identified in the SLC Decision and form as comprehensive a solution to these concerns as is reasonable and practicable.

17. The CMA therefore gives notice that it proposes to accept the Proposed Undertakings in lieu of a reference of the Merger for a phase 2 investigation. The text of the proposed undertaking is available on the CMA web pages.[6]

18. Before reaching a decision as to whether to accept the Proposed Undertakings, the CMA invites interested parties to make their views known to it. The CMA will have regard to any representations made in response to this consultation and may make modifications to the Proposed Undertakings as a result. If the CMA considers that any representation necessitates any material change to the Proposed Undertakings, the CMA will give notice of the proposed modifications and publish a further consultation.[7]

19. Representations should be made in writing to the CMA and be addressed to:

Lasse Burmester
Mergers Group
Competition and Markets Authority
The Cabot
25 Cabot Square
London
E14 4QZ

Email: lasse.burmester@cma.gov.uk
Telephone: 020 3738 6432

Deadline for comments: Wednesday 3 December 2025

[6] See Greencore / Bakkavor merger inquiry - GOV.UK .
[7] Under paragraph 2(4) of Schedule 10 to the Act.