

Anticipated Acquisition by Vandemoortele Group of Délifrance S.A.

Decision on relevant merger situation and substantial lessening of competition

ME/2244/25

OVERVIEW OF THE CMA'S DECISION

1. The Competition and Markets Authority (**CMA**) has found that the acquisition by Vandemoortele Group (**Vandemoortele**) of Délifrance S.A. (**Délifrance**) gives rise to a realistic prospect of a substantial lessening of competition (**SLC**) as a result of horizontal unilateral effects in the supply of frozen Laminated Dough (**LD**) products to retail and foodservice customers in the UK.
2. Vandemoortele has agreed to acquire Délifrance pursuant to a Share Purchase Agreement (**SPA**) signed on 12 June 2025. The CMA refers to this acquisition as the **Merger**. Vandemoortele and Délifrance are together referred to as the **Parties** and, for statements relating to the future, the **Merged Entity**.
3. As the CMA has found that the Merger gives rise to a realistic prospect of an SLC, the Parties have until Monday 15 December to offer an undertaking in lieu of a reference (**UILs**) to the CMA that will remedy the competition concerns identified. If no such undertaking is offered, then the CMA will refer the Merger pursuant to sections 33(1) and 34ZA(2) of the Enterprise Act 2002 (the **Act**).

Who are the businesses and what products/services do they provide?

4. Vandemoortele and Délifrance each supply frozen bakery products, such as croissants and pain au chocolats, to both retail and foodservice customers. The retail or foodservice customers then bake these products on their premises and sell or serve them to end consumers.

Why did the CMA review this Merger?

5. The CMA's primary duty is to seek to promote competition for the benefit of consumers. It has a duty to investigate mergers that could raise competition concerns in the UK, provided it has jurisdiction to do so. In this case, the CMA has concluded that the CMA has jurisdiction to review this Merger on the basis of the turnover test; the target Délifrance has revenues in the UK in excess of £100 million.
6. The Merger is conditional on receiving merger control clearance from relevant competition authorities including from the CMA.

What evidence has the CMA looked at?

7. In assessing this Merger, the CMA considered a wide range of evidence in the round.
8. The CMA received several submissions and responses to information requests from the Parties. The CMA gathered information about the products and services provided by the Parties and the competitive landscape in which they operate.
9. The CMA also examined the Parties' own internal documents, which show how they run their business and how they view their rivals in the ordinary course of business.
10. The CMA spoke to and gathered evidence from customers and competitors of the Parties to understand better the competitive landscape, to get their views on the impact of the Merger and gather market share data.

...about the effects on competition of the Merger?

11. The CMA looked at whether the Merger would lead to an SLC in the supply of frozen LD products to retail and foodservice customers in the UK.
12. After assessing the Parties' internal documents, bidding data and speaking to – and gathering data from – third parties, the CMA found that the Parties are currently close competitors, and the Merged Entity would become the largest supplier of frozen LD products in the UK by a considerable margin. The CMA is concerned that the Merger would substantially lessen competition in the market for frozen LD products by combining two major players that already enjoy strong respective market positions and exert a strong constraint on one another. While there is a broader range of competitors primarily active in continental Europe, the CMA has not seen evidence that this broader competitor set is relevant in the UK and would act as a sufficient competitive constraint on the Merged Entity post-Merger.

13. The CMA also examined other product markets where both Parties compete, including frozen bread, frozen patisserie, and frozen savoury snacks. The Parties, however, have a limited overlap in these markets in the UK. As such, the CMA found there was sufficient competition in these markets and the Parties would continue to face a robust constraint from large, sophisticated and, in some cases, UK-based players in the supply of these products.

...about any entry or expansion?

14. The CMA considered whether entry or expansion into the market of frozen LD from either competitors or customers would be sufficient to mitigate the initial effect of the Merger on competition. When speaking to third parties, the CMA found that barriers to entry are generally significant and include the time and cost associated with purchasing new or extending old production lines and facilities. Additionally, the CMA's market testing found no evidence of material new entry on either the UK or EU basis.

What happens next?

15. As a result of these concerns, the CMA believes the Merger gives rise to a realistic prospect of SLC in the supply of frozen LD products to retail and foodservice customers in the UK. The Parties have until Monday 15 December 2025 to offer an undertaking which might be accepted by the CMA to address the SLC. If no such undertaking is offered, or the CMA decides that any undertaking offered is insufficient to remedy its concerns to the phase 1 standard, then the CMA will refer the Merger for an in-depth phase 2 investigation pursuant to sections 33(1) and 34ZA(2) of the Act.