

Anticipated Acquisition by Vandemoortele Group of Délifrance S.A.

Decision on relevant merger situation and substantial lessening of competition

ME/2244/25

The Competition and Markets Authority's decision on relevant merger situation and substantial lessening of competition under section 33(1) of the Enterprise Act 2002 given on 8 December 2025. Full text of the decision published on 22 December 2025.

The Competition and Markets Authority (**CMA**) has excluded from this published version of the decision information which the CMA considers should be excluded having regard to the three considerations set out in section 244 of the Enterprise Act (specified information: considerations relevant to disclosure). The omissions are indicated by [§<]. Some numbers have been replaced by a range, which are shown in square brackets.

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SUMMARY

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.

ASSESSMENT

1. PARTIES, MERGER, AND MERGER RATIONALE

16. Vandemoortele is a European food group headquartered in Ghent, Belgium which supplies frozen bakery products (including breads, frozen morning goods, and frozen savoury snacks). The turnover of Vandemoortele in the financial year ending December 2024 was £[<] worldwide and £[<] in the UK.¹
17. Délifrance is a global manufacturer and supplier of frozen bakery products (including frozen bread, frozen morning goods and frozen savoury snacks) to retail and foodservice customers. Délifrance is a part of and solely controlled by the Vivescia Group, a French co-operative group. The turnover of Délifrance in the financial year ending June 2025 was £[<] worldwide and £[<] in the UK.²
18. On 12 June 2025, Vandemoortele NV, through its wholly owned subsidiary Vamix NV, agreed to acquire sole control over Délifrance from Vivescia Group pursuant to the SPA.^{3, 4}
19. The Parties submitted that the main strategic rationale for the Merger is the creation of a major Europe-based global supplier with combined revenues of £[<], providing a solid basis to enter new and growing markets such as the United States and Asia, and to accelerate ambitious sustainability plans and enhance the Parties' competitiveness.
20. Other rationales for the Merger stated by the Parties include strengthening their retail and foodservice offerings and improving access to distribution networks in more European countries, bringing innovation and value-added services and solutions to retail and foodservice partners, expanding product offerings, and upgrading and expanding Délifrance's production facilities.⁵
21. The CMA considers that the Parties' internal documents support the Parties' stated Merger rationale.⁶

¹ Final Merger Notice submitted to the CMA on 8 October 2025 (FMN), paragraphs 2.1, 2.2, and Table 2.

² FMN, paragraphs 2.15, 2.16, and 2.46. Délifrance's submission to the CMA, 3 December 2025, Table 3.

³ FMN, paragraph 2.26.

⁴ The Parties informed the CMA that the Merger is also the subject of review by the European Commission and [<]. FMN, paragraph 2.43.

⁵ FMN, paragraph 2.42.

⁶ Vandemoortele's Internal Document, Annex VDM-00000025 to the FMN, 'Annex 008-022 - [<]', 20 March 2025, page 4.

2. PROCEDURE

22. The CMA commenced its phase 1 investigation on 10 October 2025, and the statutory 40 working day deadline for a decision is therefore 8 December 2025.⁷ As part of its phase 1 investigation, the CMA received and reviewed the Parties' submissions and internal documents. The CMA also gathered evidence from other market participants, including customers and competitors. Where necessary, this evidence has been referred to within this Decision.
23. The Merger was considered at a Case Review Meeting.⁸

3. JURISDICTION

24. Each of Vandemoortele and Délifrance is an enterprise. As a result of the Merger, these enterprises will cease to be distinct.
25. The UK turnover of Délifrance exceeded £100 million in the financial year ending June 2025, so the turnover test in section 23(1)(b) of the Enterprise Act 2002 (the **Act**) is satisfied.
26. The CMA therefore believes that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation.

4. COUNTERFACTUAL

27. The CMA assesses a merger's impact relative to the situation that would prevail absent the merger (ie the counterfactual).⁹
28. In an anticipated merger, the counterfactual may consist of the prevailing conditions of competition, or conditions of competition that involve stronger or weaker competition between the parties to a merger than under the prevailing conditions of competition.¹⁰ In determining the appropriate counterfactual, the CMA will generally focus only on changes to the prevailing conditions of competition where there are reasons to believe that those changes would make a material difference to its competitive assessment.¹¹
29. In this case, the CMA has not received submissions (or other evidence) suggesting that the Merger should be assessed against an alternative counterfactual. Therefore, the CMA believes the prevailing conditions of

⁷ Section 34ZA(3) of the Act.

⁸ [Mergers: Guidance on the CMA's jurisdiction and procedure \(CMA2\)](#), 2 January 2025, page 47.

⁹ [Merger Assessment Guidelines \(CMA129\)](#), March 2021, paragraph 3.1.

¹⁰ [CMA129](#), paragraph 3.2.

¹¹ [CMA129](#), paragraph 3.9.

competition to be the relevant counterfactual. The CMA's assessment of the counterfactual does not seek to ossify the market at a particular point in time. An assessment based on the prevailing conditions of competition can reflect that, absent the merger, the position of the merging parties and their competitors would have continued to evolve in the market.¹²

5. COMPETITIVE ASSESSMENT

5.1 Background and nature of competition

30. The Parties submitted that bakery products are made of dough or batter, using a combination of raw ingredients such as flour and fats (eg butter, margarine, and blends). Bakery products may comprise both savoury and sweet products, and are generally differentiated by their preparation process, shape, filling, intended final use and consumption occasion.¹³
31. Both Parties are active in the business-to-business supply of frozen bakery products to retail and foodservice customers in a 'frozen' state, to be thawed or baked, before being resold to the end consumers as fresh products.^{14, 15} Frozen bakery products may be classified into the following broad categories:
- (a) Frozen bread – which includes standard white bread, special bread, as well as soft and toast bread, and flatbreads.¹⁶
 - (b) Frozen morning goods (**FMG**), also known as 'Viennoiserie'¹⁷ – which include laminated dough¹⁸ products, and risen dough products such as brioche.¹⁹ Within FMG, the two sub-categories the CMA considers further below are:
 - (i) Frozen laminated dough (**LD**) products – which include French laminated dough products, Danish pastries, and puff pastries, among others.²⁰
 - (ii) Frozen French LD (**FLD**) products – a sub-category which includes croissants (plain and filled), pains au chocolat and pains au raisin.²¹

¹² [CMA129](#), paragraph 3.3.

¹³ FMN, paragraph 11.1.

¹⁴ FMN, paragraph 5.

¹⁵ These products are also referred to as Bake-Off Products. FMN, paragraphs 11.6 and 14.34.

¹⁶ FMN, paragraph 11.2.

¹⁷ FMN, paragraph 11.104.

¹⁸ Laminated dough involves repeated layering of dough and fat (usually butter, margarine, or a blend of both) to create a flaky, airy texture upon baking. FMN, paragraph 11.3.

¹⁹ FMN, paragraph 11.2.

²⁰ FMN, paragraph 11.2.

²¹ FMN, paragraph 11.2.

- (c) Frozen patisserie – which includes cakes, tarts and pies, chou pastries, and multi-layered cream pastries. This category also encompasses frozen American sweet bakery items such as brownies, muffins and cookies.²²
- (d) Frozen savoury snacks – which include salty and savoury products (eg pizzas and topped baguettes) and puff and laminated products (ie sausage rolls and savoury puff pastries).²³

- 32. The Parties' main overlap is in LD products and, more specifically, the frozen FLD category, where the Parties' combined UK share of supply exceeds 25%.²⁴ In all other overlap areas, such as other frozen bakery products (eg bread, patisserie, savoury snacks), and wider FMG products (eg donuts), the Parties' combined shares of supply are low.^{25, 26}
- 33. The starting point of the CMA's assessment is the Parties' overlap in the supply of LD products, and in particular FLD products.

5.1.1 LD products

- 34. The production process for LD products (including FLD products) involves industrial production lines that are equipped with specific tooling to roll, shape, laminate, cut and in some cases fill dough depending on the product required.²⁷
- 35. The Parties' primary customers of LD products are active in the retail and foodservice sectors. They bake-off or thaw the products and market them to end consumers.²⁸ Customers procure LD products in a number of ways with no uniform approach to contracting and tendering; for example, some prefer to maintain informal long-term relationships, whilst others tender frequently. Ultimately, the CMA has found that this varies between each individual customer, with no discernible differences in preferred contracting between each sales channel.²⁹
- 36. The CMA has found that the parameters of competition are broadly consistent across both retail and foodservice sales channels, as explained further at paragraph 50 below.

²² FMN, paragraph 11.2.

²³ FMN, paragraph 11.2.

²⁴ FMN, paragraph 9, 12, and 14.118.

²⁵ FMN, paragraph 9–12, 11.108, and 14.118.

²⁶ Additionally, only Délifrance is active in the supply of fresh bakery products, packaged ambient bakery products, and packaged bakery products 'to bake' at home. Therefore, the Parties' activities do not overlap here. FMN, paragraph 14.8.

²⁷ FMN, paragraph 11.22.

²⁸ FMN, paragraph 11.6.

²⁹ Note of call with a third party, June 2025, paragraph 8; note of call with a third party, June 2025, paragraph 5; note of call with a third party, June 2025, paragraph 12; note of call with a third party, June 2025, paragraph 17; and note of call with a third party, June 2025, paragraph 9.

5.2 Market definition

37. Where the CMA makes a substantial lessening of competition (**SLC**) finding, this must be ‘within any market or markets in the United Kingdom for goods or services’. An SLC can affect the whole or part of a market or markets. Within that context, the assessment of the relevant market(s) is an analytical tool that forms part of the analysis of the competitive effects of the merger and should not be viewed as a separate exercise.³⁰
38. Market definition involves identifying the most significant competitive alternatives available to customers of the merger parties and includes the sources of competition to the merger parties that are the immediate determinants of the effects of the merger.³¹
39. Product market definition starts with the relevant products of the merging parties.³² Therefore, as a starting point, the CMA considered the product market for FLD products, which is the Parties’ primary overlap in the UK.
40. While market definition can be an important part of the overall merger assessment process, the CMA’s experience is that in most mergers, the evidence gathered as part of the competitive assessment, which will assess the potentially significant constraints on the merger parties’ behaviour, captures the competitive dynamics more fully than formal market definition.³³

5.2.1 Product market

5.2.1.1 *Parties’ submissions*

41. The Parties submitted that the most plausible relevant product market is the market for frozen bakery products (ie industrial frozen bake-off products to the exclusion of industrial fresh bakery products, packaged ambient bakery products, and packaged bakery products ‘to bake’ at home), potentially further segmented on the basis of the product category and customer type. Specifically, the Parties identified:
- (a) Four product categories, ie (i) frozen bread, (ii) FMG (‘viennoiserie’), (iii) frozen patisserie, and (iv) frozen savoury snacks; and
 - (b) Two customer segments, ie (i) retail, and (ii) foodservice.³⁴

³⁰ [CMA129](#), paragraph 9.1.

³¹ [CMA129](#), paragraph 9.2.

³² [CMA129](#), paragraph 9.6.

³³ [CMA129](#), paragraph 9.2.

³⁴ FMN, paragraph 11.104.

42. The Parties submitted that there is no absolute delineation between and within these product categories. For instance, the Parties submitted that morning goods or viennoiserie products are often presented alongside other products such as bread rolls, muffins, scones, brownies or cakes which reflects a degree of substitutability.³⁵ The Parties also submitted the results of reports produced by Kantar which show that end consumers view other bakery goods as substitutes for LD products.³⁶
43. On the supply-side, the Parties submitted that industrial bakers could reconfigure their production lines to produce similar types of frozen bakery products using the same equipment.³⁷ However, while feasible, the Parties accept that, outside of LD products, capacity conversion across frozen bakery product categories is not common in practice.³⁸
44. The Parties submitted that further segmentation within FMG is not appropriate but that the narrowest possible product market is the production and supply of laminated dough-based FMG (ie both French and Danish laminated dough-based products).³⁹ They submitted this was due to the supply-side substitutability between these products, as production lines which produce FLD products can be easily switched to producing Danish and puff pastries, and that this happens regularly in practice.⁴⁰

5.2.1.2 *Internal documents*

45. The Parties' internal documents appear to refer most frequently to LD products⁴¹ as being separate from other frozen bakery products such as frozen bread, patisserie, or other savoury products.⁴² Internal documents regularly separate donuts and other sweet treats from LD products. For example:
- (a) Vandemoortele documents that provide a commercial outlook for the UK distinguish between LD products (referred to as 'pastry'), sweet treats (including donuts), patisserie, bread, and Italian savoury⁴³ and these

³⁵ FMN, paragraph 11.106.

³⁶ Vandemoortele's Internal Document, Annex VDM-00000139 to the FMN, 'Annex 044 – [REDACTED]', May 2025, slides 62 and 67; see also Vandemoortele's Internal Document, Annex VDM-00000145 to the FMN, 'Annex 045 – [REDACTED]', September 2025, slide 40.

³⁷ FMN, paragraph 11.12.

³⁸ FMN, paragraph 11.13.

³⁹ FMN, paragraph 11.108.

⁴⁰ FMN, paragraphs 11.29–11.41.

⁴¹ The exact terminology varies and is often referred to as either Pastry, Sweet Pastry, or viennoiserie. Nevertheless, the products included in the term are broadly the same and are as defined by the CMA as Laminated Dough based products.

⁴² Vandemoortele's Internal Document, Annex VDM-00000002 to the FMN, 'Annex 06, [REDACTED]', May 2025, pages 11, 23, 39, 40, 50; Vandemoortele's Internal Document, Annex VDM-00000144 to the FMN, 'Annex 36, [REDACTED]', March 2023, slides 13–15; and Vandemoortele's Internal Document Annex VDM-00000142 to the FMN, 'Annex 41, [REDACTED]', March 2023, page 11.

⁴³ Vandemoortele's Internal Document, Annex VDM-00000162 to the FMN, 'Annex 76, [REDACTED]', Q1 2024, slides 4 and 9-11; and Vandemoortele's Internal Document Annex VDM-00000163 to the FMN, 'Annex 77, [REDACTED]', February 2025, slide 4.

documents provide separate in-depth analyses for the LD segment and the donut segment.⁴⁴

- (b) Délifrance documents outlining strategies for its largest UK customers consistently refer to 'viennoiserie' separately from other bakery products such as bread and patisserie.⁴⁵

46. The majority of the Parties' internal documents reviewed by the CMA did not distinguish in a significant way different product lines within LD products. Whilst market shares are typically analysed on a LD product basis, some internal documents analysed the performance, in terms of unit sales, of specific products or groups of products within the LD segment.⁴⁶

5.2.1.3 *Third party evidence*

47. The CMA asked the Parties' customers to what extent different frozen bakery products were good alternatives to FLD products in the UK to assess the extent of any demand-side substitution. For each bakery product, customers were asked to score the substitutability of the products on a scale from 'Not at all good' to 'Very good'. Out of all customers that responded to the question:

- (a) Over two-thirds submitted that Danish pastries are a good alternative to FLD products. Customers submitted that they have a similar taste profile and texture to FLD products and are merchandised alongside them.⁴⁷
- (b) Just over half of respondents submitted that puff pastries were a good alternative to FLD products. Two customers noted that they are also consumed at breakfast.⁴⁸
- (c) Less than a third of respondents considered patisserie products,⁴⁹ risen dough or brioches,⁵⁰ or savoury products⁵¹ to be good alternatives to FLD products.
- (d) Only one customer considered either donuts or bread to be a 'good' alternative to FLD products, with all other customers who responded describing them as either 'not good' or 'not at all good'.⁵² One major retail

⁴⁴ Vandemoortele's Internal Document, Annex VDM-00000162 to the FMN, 'Annex 076 – [redacted]', slides 5-28; and Vandemoortele's Internal Document, Annex VDM-00000163 to the FMN, 'Annex 77, [redacted]', February 2025, slides 5-13.

⁴⁵ Délifrance's response to the CMA's section 109 Notice, 7 October, Annex 1, '[redacted]', slides 3, 13, 14, 15 and 18; and Délifrance response to the CMA's section 109 Notice, 7 October, Annex 4, '[redacted]', slides 3, 5, 6, and 22.

⁴⁶ Vandemoortele's Internal Documents Annex VDM-00000162 to the FMN, 'Annex 076 – [redacted]', slide 7; and Délifrance's Internal Document, VAD-000000004 to the FMN, '[redacted]', July 2025, pages 4 and 7.

⁴⁷ Response to the CMA questionnaire from a number of third parties, October 2025, question 5.

⁴⁸ Response to the CMA questionnaire from a number of third parties, October 2025, question 5.

⁴⁹ Response to the CMA questionnaire from a number of third parties, October 2025, question 5.

⁵⁰ Response to the CMA questionnaire from a number of third parties, October 2025, question 5.

⁵¹ Response to the CMA questionnaire from a number of third parties, October 2025, question 5.

⁵² Response to the CMA questionnaire from a third party, October 2025, question 5.

customer stated that donuts are sold as sweet treats rather than pastries and tend to sell throughout the day, as opposed to pastries, which sell predominantly in the morning.⁵³

48. In order to assess the extent of any supply-side substitutability between these products, the CMA asked the Parties' competitors how often the equipment used to manufacture different frozen bakery products are also used to manufacture FLD products. Of all competitors that responded to the question:
- (a) Half submitted that the equipment used to make Danish pastries and puff pastries was often used to also make FLD.⁵⁴ However, others submitted that it never or rarely happened.⁵⁵ One additional competitor stated on a call with the CMA that Danish pastries are often margarine based which requires less temperature control than the butter used in FLD products.⁵⁶
 - (b) Half (and the same competitors who submitted equipment may be used to make Danish pastries, puff pastries and FLD), submitted that savoury snack equipment was sometimes used to make FLD, although these suppliers noted this was only the case for some savoury snack equipment and other suppliers submitted that it never happened.⁵⁷
 - (c) Most submitted that the equipment used to make risen dough / brioche is never used to make FLD products.⁵⁸
 - (d) All competitors submitted that the equipment used to make donuts, patisserie products, and bread is never used to make FLD products.⁵⁹ One supplier submitted that it would be impossible as a different process is used.
49. To establish whether there are any differences between the retail and foodservice channels, the CMA asked frozen bakery product suppliers to identify the types of customers they supply to. In response, most respondents to this question stated that they supply their full catalogue of products to both retail and foodservice customers.⁶⁰ Calls with third parties provided mixed evidence as to whether there are marked differences between the two channels. One supplier told the CMA that the line between retail and foodservice channels is blurry and that mostly the same suppliers compete across both channels.⁶¹ The supplier also said that at the same time, there are slight differences in the product specifications between retail and

⁵³ Response to the CMA questionnaire from a third party, October 2025, question 5.

⁵⁴ Response to the CMA questionnaire from a number of third parties, October 2025, question 4.

⁵⁵ Response to the CMA questionnaire from a number of third parties, October 2025, question 4.

⁵⁶ Note of a call with a third party, June 2025, paragraph 10.

⁵⁷ Response to the CMA questionnaire from a number of third parties, October 2025, question 4.

⁵⁸ Response to the CMA questionnaire from a number of third parties, October 2025, question 4.

⁵⁹ Response to the CMA questionnaire from a number of third parties, October 2025, question 4.

⁶⁰ Response to the CMA questionnaire from a number of third parties, October 2025, question 2.

⁶¹ The supplier stated that there is some additional competition in relation to foodservice customers where some smaller, speciality viennoiserie suppliers bid on certain tenders. Note of a call with a third party, June 2025, paragraphs 15 and 23.

foodservice customers, though the products are ultimately similar.⁶² Another supplier told the CMA that there are differences between the supply arrangements for the foodservice and retail channel.⁶³ In internal documents assessing the UK market, Vandemoortele sets out UK market shares on the basis of a total UK market combining retail and foodservice, and then also separates out markets shares for each segment.⁶⁴

50. The CMA considered evidence on any differences in the parameters of competition between retail and foodservice customers. All customers, regardless of the sales channel, identified price, product quality, service level, supplier's capacity, track record, and the treatment and labelling of allergens as either 'important' or 'very important' parameters of competition for LD products.⁶⁵ Similarly, when asked to list suppliers that are active in LD products, the competitor set identified by third parties was broadly consistent across both retail and foodservice. In particular, the Parties, Bridor, and Lantmännen were the most commonly identified and most highly rated alternatives by both foodservice and retail customers.⁶⁶

5.2.1.4 CMA's assessment

51. The boundaries of the relevant product market are generally determined by reference to demand-side substitution alone. However, there are circumstances where the CMA may consider supply-side factors if: (a) firms routinely use their existing production assets to supply a range of different products that are not demand-side substitutes; and (b) the same firms compete to supply these different products, and the conditions of competition are the same for each product.⁶⁷
52. The CMA considered whether it is appropriate, in light of the overlap between the Parties, to treat the supply of FLD products as the relevant product market. However, third party evidence indicates that Danish pastries and puff pastries are generally considered a good alternative to FLD products by most customers. Accordingly, based on demand side substitution, the CMA considers the relevant product market is the supply of LD products, comprising of FLD, Danish pastries, and puff pastries.
53. The CMA considers that the conditions of competition likely vary across the different products as shown by highly different shares of supply (see Table 1 below). In addition, the third party evidence indicates that Danish pastries and puff

⁶² Note of a call with a third party, June 2025, paragraph 24.

⁶³ Note of a call with a third party, June 2025, paragraph 9.

⁶⁴ Vandemoortele's Internal Document, Annex VDM-00000162 to the FMN, 'Annex 77, [§<]', February 2025, slides 9-10.

⁶⁵ Response to the CMA questionnaire from a number of third parties, October 2025, question 7.

⁶⁶ Responses to the CMA questionnaire from a number of third parties, October 2025, question 7. Note of a call with a third party, June 2025, paragraph 20. Further detail on the customers identified can be found in the competitive assessment, below.

⁶⁷ [CMA129](#), paragraph 9.8.

pastries are not supply-side substitutes for half of the suppliers and there are some differences in the cooking processes for each product. Nevertheless, in this case it has not been necessary to conclude on the degree of supply-side substitutability as the relevant products have been aggregated based on demand-side substitution which is the primary determinant of market definition.⁶⁸

54. In assessing whether a merger may give rise to an SLC, the CMA may take into account segmentation within the relevant market.⁶⁹ Consequently, while FLD, Danish pastries, and puff pastries are considered part of the same market, the CMA considered whether suppliers focusing on puff pastries and Danish pastries may place a weaker constraint on suppliers focusing on FLD, such as the Parties, in the competitive assessment.
55. The CMA also considered whether the relevant market should include other frozen bakery products such as risen dough / brioques, bread, savoury snacks and patisserie. However, from the demand-side substitutability perspective, no other frozen bakery products were generally considered to be a good or very good alternative to FLD by third parties. As noted above, the Parties' internal documents also frequently evaluate LD products separately to other bakery products.
56. The CMA considers that the available evidence does not suggest that firms routinely use their existing production assets for other bakery products to produce LD products. In addition, the estimated shares of supply vary significantly across the different categories of bakery products, implying different conditions of competition.⁷⁰ The CMA therefore does not consider it appropriate, on either demand or supply side substitutability, to evaluate a wider market comprising of LD products and other frozen bakery products.
57. The CMA does not consider it necessary to define separate relevant markets for retail and foodservice customers as the evidence suggests that: (i) there are no material differences in the key parameters of competition between retail and foodservice customers; and (ii) there is little difference in the competitor sets. Therefore, the CMA considers that the supply to foodservice and retail customers in the UK is the appropriate market definition which does not justify narrower segmentation.
58. Therefore, based on the evidence above, the CMA considers the relevant product market is the supply of LD products.

⁶⁸ [CMA129](#), paragraph 9.7.

⁶⁹ [CMA129](#), paragraph 9.4.

⁷⁰ FMN, Table 25.

5.2.2 Geographic market

59. The Parties submitted that the most plausible relevant geographic market is likely to be national.⁷¹ The Parties submitted that previous merger investigations had shown national differences in consumption, habits, taste, brands and pricing across different countries, with prices often negotiated on a national level.⁷²
60. However, the Parties also submitted that from a supply side perspective, a regional delineation offers a more accurate reflection of the competitive landscape and that this regional approach should include Belgium, Denmark, France, Germany, the Netherlands, and the UK.⁷³ They submitted that suppliers of frozen bakery products operate centralised production facilities that supply frozen bakery products to multiple countries. As products can be transported easily and competitively over distances of up to 1,400 km, competitive constraints are exerted by existing and potential cross-border suppliers.⁷⁴ To further support this, the Parties submitted that the UK is supplied in large part by plants located in Belgium, France, Germany, Denmark and the Netherlands, and that many suppliers do not operate production facilities in the UK.^{75, 76}
61. The CMA has therefore considered both if the relevant geographic market is wider than the UK or if it is narrower; in particular, if it should be segmented into separate geographic markets for Great Britain and Northern Ireland.
62. First, the CMA considers that the available evidence, on balance, points to a market that is no wider than the UK:
- (a) The Parties' internal documents are broadly supportive of a UK market definition showing country-specific market characteristics and national level customer negotiations. For example, Vandemoortele creates UK specific country commercial outlooks with UK-specific competitor analysis and UK wide market shares.⁷⁷ Another Vandemoortele market research document shows that there are country specific nuances to pastry preferences.⁷⁸

⁷¹ FMN, paragraph 11.111.

⁷² FMN, paragraph 11.110.

⁷³ FMN, paragraph 11.112.

⁷⁴ FMN, paragraph 11.111.

⁷⁵ Parties' submission to the CMA, 17 October 2025, Key Issues Paper, Section 1.

⁷⁶ The CMA notes that Vandemoortele supplies the vast majority of LD product volumes to UK customers from its plants in the UK ([redacted] %), Belgium ([redacted]%), and France ([redacted]%), and Délifrance supplies all UK volumes from France. CMA analysis of the Parties' data submitted to the European Commission, November 2025.

⁷⁷ Vandemoortele's Internal Document, Annex VDM-00000162 to the FMN, 'Annex 76, [redacted]', Q1 2024; and Vandemoortele's Internal Document, Annex VDM-00000163 to the FMN, 'Annex 77, [redacted]', February 2025.

⁷⁸ Vandemoortele's Internal Document, Annex VDM-00000132 to the FMN, 'Annex 036 - [redacted]', March 2023, slides 5-7, and 10.

Similarly, Délifrance submitted a series of UK-specific documents, which set out account plans for key UK customers.⁷⁹

- (b) While the CMA received third-party evidence that suppliers can (and do) supply into the UK from across Northern Europe,⁸⁰ there is also evidence that the conditions of competition may differ between countries. For example, Vandemoortele's merger rationale documents show that the Parties' market positions in the supply of bakery products vary significantly across Northern Europe. In these documents, the Parties' positions ranges from being among the strongest players in the UK to relatively weak players in Germany.⁸¹

- 63. Second, the CMA also considers that evidence points to a market that is no narrower than the UK. Based on evidence from customers⁸² and competitors⁸³ the CMA has not identified any material differences in the set of active suppliers between Great Britain and Northern Ireland.
- 64. Based on the evidence gathered, the CMA considers that the appropriate geographic market for the supply of LD products is UK-wide.⁸⁴ The potential competitive constraint posed by suppliers who do not currently supply the UK is considered as part of the competitive assessment.

5.3 Theory of harm

- 65. The CMA assesses the potential competitive effects of mergers by reference to theories of harm. Theories of harm provide a framework for assessing the effects of a merger and whether or not it could lead to an SLC relative to the counterfactual.⁸⁵
- 66. In its investigation of this Merger, the CMA considered the following theory of harm:

⁷⁹ Délifrance's response to the CMA's section 109 Notice, 7 October, Annex 2, '[<]'; Délifrance's response to the CMA's section 109 Notice, 7 October, Annex 6, '[<]'; and Délifrance's response to the CMA's section 109 Notice, 7 October, Annex 4, '[<]'.

⁸⁰ Responses to the CMA questionnaire from a number of third parties, October 2025, question 6.

⁸¹ Vandemoortele's Internal Document, Annex VDM-00000006 to the FMN, 'Annex 008-003 - [<]', 11 September 2024, slide 7; Vandemoortele's Internal Document, Annex VDM-000000023 to the FMN, 'FMN Annex 8-020 - [<]', 17 February 2025, slide 30.

⁸² Responses to the CMA questionnaire from a number of third parties, October 2025, question 7. Of the customers active in Northern Ireland and Great Britain, none submitted that there was a difference in the set of suppliers available in NI; one customer submitted that their NI suppliers use the same suppliers, and another submitted that there was no difference in NI compared to GB. However, one customer did submit that its Northern Ireland business is covered by its European division, rather than its Great Britain division.

⁸³ Responses to the CMA questionnaire from a number of third parties, October 2025, question 8. Of the suppliers active in Northern Ireland two submitted that the set of suppliers is the same/similar between GB and NI. One submitted that there may be some additional local players, while another noted that Aryzta may be a stronger player as they have a facility in Ireland.

⁸⁴ The Parties agreed with a UK-wide geographic market in their response to the Issues Letter. Parties' response to the Issues Letter, 17 November 2025, paragraph 3.14.

⁸⁵ [CMA129](#), paragraph 2.11.

- (a) Horizontal unilateral effects in the supply of LD products to retail and foodservice customers in the UK.

67. This theory of harm is considered below.

5.3.1 Horizontal unilateral effects in the supply of frozen Laminated Dough products to retail and foodservice customers in the UK

68. Horizontal unilateral effects may arise when one firm merges with a competitor that previously provided a competitive constraint, allowing the merged entity profitably to raise prices or to degrade quality on its own and without needing to coordinate with its rivals.⁸⁶ Horizontal unilateral effects are more likely when the parties to a merger are close competitors.⁸⁷
69. However, closeness of competition is a relative concept. The CMA will consider the overall closeness of competition between the merger firms in the context of the other constraints that would remain post-merger. Where there is evidence that competition mainly takes place among few firms, any two would normally be sufficiently close competitors that the elimination of competition between them would raise competition concerns, subject to evidence to the contrary.⁸⁸ In addition, where one merger firm has a strong position in the market, even small increments in market power may give rise to competition concerns.⁸⁹
70. The CMA assessed whether it is or may be the case that the Merger has resulted, or may be expected to result, in an SLC as a result of horizontal unilateral effects in the supply of frozen LD products to retail and foodservice customers in the UK. In its assessment the CMA considered evidence from:
- (a) The Parties' submissions;
 - (b) Shares of supply;
 - (c) Bidding data;
 - (d) Third-party evidence; and
 - (e) Internal documents.

5.3.1.1 Parties' submissions

71. The Parties made a range of submissions to the CMA on various topics throughout the course of the phase 1 investigation, including in response to the CMA's issues

⁸⁶ [CMA129](#), paragraph 4.1.

⁸⁷ [CMA129](#), paragraph 4.8.

⁸⁸ [CMA129](#), paragraph 4.10.

⁸⁹ [CMA129](#), paragraph 4.12(a).

letter. These submissions are considered throughout this decision, with the CMA's response also provided, based on the category of evidence to which the submissions relate. However, two core submissions of the Parties are firstly summarised below.

5.3.1.1.1 *Parties' submissions on competitive landscape in LD products*

72. The Parties estimated shares of supply based on their own data and data from GIRA⁹⁰ for the supply of Laminated Dough-based frozen Morning Goods for 2022–2024. According to these estimates, by volume, the Parties' combined market share in retail for 2024 was [50-60]% with an increment of [20-30]%. In foodservice, the Parties' combined market for 2024 was [50-60]% with an increment of [20-30]%.⁹¹ Combining retail and foodservice, the combined market share was [50-60]% with an increment of [20-30]%.⁹²
73. The Parties submitted that these shares may underestimate the market power and presence of other suppliers in the market because of limitations in GIRA's methodology.⁹³ The Parties therefore also submitted refined shares of supply for the retail segment, based on a bottom-up analysis of major UK retailers' tender volumes and projected demand. According to this analysis, the Parties' combined share of supply, by volume in LD products in the UK is [40-50]% with an increment of [20-30]%.⁹⁴ The Parties further submitted that the Parties' shares of supply at a Northwestern European level, across both channels combined (including the UK, Belgium, France, Germany, Denmark and the Netherlands), drops to [30-40]% with an increment of [10-20]%.⁹⁵ When reflecting on the shares estimated by the CMA, the Parties submitted that the shares are evidence that not less than seven alternatives compete in the UK market and undermines the suggestion that the market is highly concentrated.⁹⁶
74. The Parties also submitted that market shares, more broadly, are a poor proxy for market power given they fail to reflect:⁹⁷
- (a) The highly competitive, tender driven environment in both retail and foodservice where losing a single tender can lead to large swings in market shares;

⁹⁰ Gira & Associates SAS are a research and consulting company specialising in the food and drink sector worldwide.

⁹¹ FMN, Table 29.

⁹² CMA analysis of the Parties' volume estimates.

⁹³ FMN, paragraph 14.120.

⁹⁴ The Parties' combined share of supply in retail is [40-50]% with an increment of [20-30]%. In foodservice, the combined market share is [40-50]% with a [20-30]% increment. Parties' submission to the CMA, 3 December 2025.

⁹⁵ Parties' submission to the CMA, 17 October 2025, Key Issues Paper, paragraphs 1.2–1.3.

⁹⁶ Parties' submission to the CMA, 3 December 2025.

⁹⁷ FMN, paragraphs 14.124–14.127.

- (b) The continued ability of customers to play suppliers off against each other; and
 - (c) The impact of significant capacity expansion underway in the market.
75. The Parties submitted that Vandemoortele and Délifrance are not particularly close competitors. The Parties submitted that they have different value propositions, distinct product focuses and serve different customers.⁹⁸ For instance, the Parties submitted that Délifrance has a focus on puff pastries.⁹⁹
76. The Parties also stated that the Merged Entity will continue to face competition from a large number of well-established and well-resourced competitors who will remain credible bidders and alternative suppliers.¹⁰⁰ This includes UK market leaders Bridor and Lantmännen as well as Aryzta, Europastry, Neuhauser, La Lorraine, and Gourmand.¹⁰¹ The Parties submitted that each of these suppliers have the relevant characteristics to compete in the UK,¹⁰² and that their competitive strength is evidenced by internal documents where these competitors are frequently monitored.¹⁰³
77. Specifically with regard to Aryzta and Europastry, the Parties submitted that:
- (a) Europastry is one of the most dynamic competitors in the UK market currently and has recently been successful in winning key [X] volumes from [X].¹⁰⁴ The Parties submitted that Europastry recently won the [X] croissant and pain-au-chocolat lines from [X], and that the loss of these premium lines reflects the constraint posed by Europastry. The Parties provided evidence that this quality-based loss had been noticed by other customers across the industry.¹⁰⁵
 - (b) Aryzta is a key supplier to the largest retailer of LD products in the UK ([X]), and this relationship has enabled it to build a significant market share.¹⁰⁶ The Parties also submitted that they have limited visibility of Lidl volumes, which has caused them to historically underestimate Aryzta's competitive strength.
78. The Parties also submitted that the Parties are subject to significant competitive pressure from bakery manufacturers active in adjacent product categories and / or

⁹⁸ FMN, paragraphs 14.199–14.200; and Parties' submission to the CMA, 17 October 2025, Key Issues Paper, Section 4.

⁹⁹ Parties' submission to the CMA, 3 December 2025.

¹⁰⁰ FMN, paragraph 14.140.

¹⁰¹ Parties' response to the Issues Letter, 17 November 2025, section 5.

¹⁰² Parties' response to the Issues Letter, 17 November 2025, table 3. The relevant characteristics to compete in the UK submitted by the Parties are: (i) expertise in laminated products; (ii) high product & service quality; (iii) LD relationships with UK customers; (iv) other relationships with UK customers; (v) dedicated UK sales team; (vi) NW Europe production presence with sufficient capacity; (vii) plant(s) with BRC accreditation; and (viii) logistics / supply into UK.

¹⁰³ Parties' submission to the CMA, 17 October 2025, Key Issues Paper, Section 4.

¹⁰⁴ Parties' response to the Issues Letter, 17 November 2025, paragraph 5.12.

¹⁰⁵ Vandemoortele's Internal Document, Annex 25 to the Parties' response to the Issues Letter, 17 November 2025.

¹⁰⁶ Parties' response to the Issues Letter, 17 November 2025, paragraph 5.12.

geographic areas.¹⁰⁷ The Parties submit this is due to the high degree of supply-side substitutability in bakery manufacturing¹⁰⁸ as well as the ease with which frozen baked goods can be imported into the UK.¹⁰⁹

79. Moreover, the Parties submitted that customers across both retail and foodservice in the UK are highly sophisticated and enjoy considerable buyer power.¹¹⁰ They submit that customers will continue to be able to threaten to switch, which will deter the Merged Entity from (hypothetically) raising prices or reducing quality.¹¹¹ The Parties provided examples of recent customer negotiations as evidence of the customer pressure they face.¹¹² The CMA's assessment of the Parties' submissions on buyer power is covered in further detail in the Buyer Power section, below.

5.3.1.1.2 Parties' submissions that a static view of the past is not a reliable indicator of current and future competitive dynamics.

80. The Parties submitted that the period 2022-2024 is not an appropriate period to evaluate the impact of the transaction and that, in 2025, a confluence of three factors means the market is now entering a period of increasing excess capacity.¹¹³ These are:

- (a) A sharp fall in butter prices, a key input of LD products;
- (b) Lower demand for LD products in Europe and UK than expected, with no year-on-year growth in demand; and
- (c) Additional capacity coming online, following investments made following the COVID-19 pandemic in anticipation of greater demand.

81. The Parties submitted that these changes are already resulting in: (i) even more aggressive negotiations on price, commercial terms and quality and service levels;¹¹⁴ and, critically (ii) the opportunity for customers to re-think their entire sourcing strategy, as exemplified by the recent uptick in (very large and, in some cases, international) tenders, contested by multiple bidders, as well as recent and customer switching (eg [redacted] on its core pastry products).¹¹⁵

¹⁰⁷ FMN, paragraph 14.208.

¹⁰⁸ FMN, paragraph 14.210.

¹⁰⁹ FMN, paragraph 14.211.

¹¹⁰ FMN, paragraph 14.190.

¹¹¹ Parties' submission to the CMA, 17 October 2025, Key Issues Paper, paragraph 5.2.

¹¹² Parties' response to the Issues Letter, 17 November 2025, paragraphs 4.4 – 4.7.

¹¹³ Parties' response to the Issues Letter, 17 November 2025, section 2 and 2.10.

¹¹⁴ For example, Vandemoortele provided examples of customers raising the falls in butter prices when discussing pricing. Parties' response to the Issues Letter, 17 November 2025, paragraph 4.6(e); Vandemoortele's Internal Document, Annex 14 to the Issues Letter Response, '[redacted] 22 January 2025'; and Vandemoortele's Internal Document, Annex 15 to the Issues Letter Response, '[redacted]'.

¹¹⁵ Parties' response to the Issues Letter, 17 November 2025, section 2.2.

82. In addition, the Parties submitted that their competitors already have a large manufacturing footprint in the UK and/or Europe and are expected to have surplus capacity which will enable them to meet any increased UK demand.¹¹⁶ Moreover, the Parties provided analysis showing that many of these companies are currently investing in increasing their capacity.¹¹⁷
83. The Parties argued that there is therefore sufficient market capacity to enable even their largest customers to partially or fully shift volumes away from the Merged Entity to defeat any hypothetical increase in prices or deterioration in quality.¹¹⁸ The Parties also argued that in periods of growing and excess capacity, sophisticated retailers and foodservice customers benefit from increased bargaining power and take the opportunity to launch new tender rounds.^{119,120}
84. To support this, the Parties submitted additional evidence sourced from the manufacturers of LD production lines on the number of production lines and corresponding capacity installed in the EU and UK over the last two years. This data shows that approximately 1,100 kT of manufacturing capacity has been installed in each of the last two years across the EU and the UK.¹²¹
85. The Parties submitted that these significant investments and expansions are further increasing market capacity. The Parties submitted market intelligence of competitor investments in capacity and estimate that over 100 kT of capacity has been added in 2024-2025 and that further expansions and investments are planned or ongoing by essentially all main players.¹²² The Parties submitted that many of these expansions in capacity are in areas well suited to supply the UK market.¹²³

5.3.1.1.2.1 *CMA assessment of the Parties' claim that a static view of the past is an unreliable indicator of current and future competitive dynamics.*

86. The CMA addresses each of the trends identified by the Parties in turn.
87. First, with regards to the Parties' submission that raw material costs are decreasing, the CMA does not consider there is any direct link between butter prices declining and the impact of the Merger given these conditions would apply

¹¹⁶ FMN, paragraph 14.142

¹¹⁷ FMN, Table 7; and Parties' submission to the CMA, 17 October 2025, Key Issues Paper, Section 3.

¹¹⁸ FMN, paragraph 14.197

¹¹⁹ Parties' response to the Issues Letter, 17 November 2025, paragraph 2.10.

¹²⁰ The Parties also submitted that there has been an increase in international tenders, which increases the competitive pressure from European suppliers and enables them to gain market share in the UK, eg Aryzta and Neuhauser with Lidl, see Parties' response to the Issues Letter, 17 November 2025, paragraph 4.9. The CMA has not received evidence international tenders are likely to increase further, but the extent to which it means alternative suppliers are stronger competitors has been covered in the competitive assessment below.

¹²¹ Parties' submission to the CMA, 17 October 2025, Key Issues Paper, Section 3; and Parties' submission to the CMA, 17 October 2025, Key Issues Paper, '[§<] – Statement on pastry equipment (29 October 2025).pdf'.

¹²² FMN, paragraph 11.61.

¹²³ Parties' response to the Issues Letter, 17 November 2025, Table 2.

equally in the counterfactual. That price negotiations may result from the reduction in commodity prices gives limited insight into the competitive constraints the Parties face in the market and how that may change as a result of the Merger.¹²⁴ Rather, it is the identity of the alternative suppliers being considered by customers as part of any such negotiations that is relevant and the CMA has seen no evidence that this is likely to change materially.

88. Second, with regards to the Parties' submission that demand is softening, there is some evidence that volume demand for Pastries has slowed this year. The Parties' internal documents show that recent volume growth has been low, albeit the overall growth in spend on LD products has remained strong with 8.6% growth in the 12 months to 10 August 2025.¹²⁵ While there are limitations in the IRI data submitted by the Parties (it excludes several major UK retailers and does not cover the food service market), this data does show a reduction in volume growth. However, documents that identified the slowdown in demand did not show an expectation of a material resulting effect on either capacity or competition.
89. Third, with regards to the Parties' submission that, due to these factors and additional capacity being brought online, there is, and will be, significant excess capacity in the market, CMA 129 recognises that the extent of available capacity can be relevant to the likelihood of an SLC as a result of horizontal unilateral effects. In particular, where firms have significant spare capacity, they may be better able to compete. Conversely, firms facing capacity constraints may not be able to serve customers switching away from rivals and may provide a less effective constraint.¹²⁶
90. In this case, the CMA notes that the Parties' submissions relate to potential additional capacity or increases in capacity that are not related to the Merger (this includes the additional c. [X] kT of capacity the Parties reported they are adding).¹²⁷ As a result, the CMA considered that they are most appropriately considered as part of the CMA's competitive assessment, rather than as countervailing entry or expansion in response to the Merger.
91. The presence of excess capacity does not in itself prevent the realistic prospect of an SLC arising as a result of a merger. As noted above, markets with greater excess capacity are likely to be more competitive than markets with less excess capacity because suppliers have a greater incentive to compete when they have more excess capacity. However, if customers have a limited number of options,

¹²⁴ As noted in footnote 114, Vandemoortele provided an example of a customer raising butter prices during pricing negotiations. The evidence provided is not sufficient to allow the CMA to determine if price negotiations have increased or changed in tone due to the changes in butter prices.

¹²⁵ Vandemoortele's Internal Document, Annex 28 to the Parties' response to the Issues Letter, 17 November 2025, slide 45.

¹²⁶ [CMA129](#) at paragraph 4.12(c) and 4.38(c) in the context of differentiated and undifferentiated markets, respectively.

¹²⁷ Vandemoortele's response to the CMA's section 109 Notice, 7 October 2025, Table 1; and Délifrance's response to the CMA's section 109 Notice, 7 October 2025, dated 20 October 2025, Table 1.

and the Merger removes an important option within the market, then an SLC can still arise, especially where such excess capacity is held by suppliers that are not considered credible options by customers in the UK, or if the excess capacity was (disproportionately) held by the merging parties.

92. Nevertheless, the CMA has considered the extent to which (a) there is current excess capacity in the market; and (b) that additional capacity is being brought online. The CMA has then considered the extent to which this affects the competitive dynamics in the UK.
93. The CMA has received evidence on the extent to which excess capacity is currently available in the market:
- (a) Most competitors that responded to the CMA's market testing submitted that their plants are running at, or close to, full capacity or that, due to regulatory requirements, only a relatively small amount of capacity is available for the UK market.¹²⁸ One supplier submitted that there is a significant capacity constraint in the market, and though there are a number of EU based players investing to increase their capacity, the rate of growth in demand for LD products will outstrip the ability to provide additional capacity in the market.¹²⁹ This was a trend that it submitted seemed likely to continue over a period of several years. In addition, the CMA notes that the Parties' own production sites for LD products are running at, or close to, capacity with none of the Parties' sites running below [X]<] % utilisation.¹³⁰
 - (b) While limited, some evidence from customers also suggests that there may be capacity constraints:
 - (i) A major grocery retailer submitted that it considers the whole viennoiserie market to be capacity constrained.¹³¹
 - (ii) A major grocery retailer submitted that it can be hard to get the necessary capacity in the market and that there tends to be a lack of available volume in the UK. It further submitted that it does not think it has an alternative supplier it could switch its volumes to in the short term.¹³²
 - (iii) A major grocery retailer submitted that it would be difficult to switch suppliers in part due to limited capacity.¹³³

¹²⁸ Response to the CMA questionnaire from a number of third parties, October 2025, question 5.

¹²⁹ Note of a call with a third party, June 2025, paragraph 29.

¹³⁰ FMN, Tables 10, 11, and 13.

¹³¹ Note of a call with a third party, July 2025, paragraph 10.

¹³² Note of a call with a third party, July 2025, paragraphs 22, 23, and 38.

¹³³ Response to CMA questionnaire by a third party, October 2025, question 8.

- (c) Some of the Parties' internal documents also support the existence of capacity constraints in the market for LD products and suggest that demand for LD products is expected to increase.¹³⁴ For example:
- (i) A Vandemoortele internal document from February 2025 estimates that UK pastry consumption is growing between [X]% per year and that it requires an 'incremental [X] kT per year from 2025 to maintain Market Share'.¹³⁵
 - (ii) A Délifrance internal document from January 2024 that describes their strategy for a UK customer highlights how [X] is a key requirement to win the customer.¹³⁶
 - (iii) A Délifrance account plan for a UK customer from January 2024 identifies [X].¹³⁷
- (d) While the production line installation data submitted by the Parties suggests some increase in capacity, there is limited evidence to indicate that it is suited to (eg based on location), or will be used to supply, the UK market (and, as noted above, this is not supported by evidence from competitors). With regards to the LD production line data provided by the Parties, one of the three manufacturers ([X]) submitted that of the [X] kT of capacity installed over the last two years, only [X] kT (c.10%) was actual growth / new production with the rest replacing manual or existing production.¹³⁸ Investment in new production lines therefore does not necessarily mean there is a substantial increase in new capacity. On this basis it is not clear that this installation data for both the EU and UK represents a significant growth in capacity, relative to total EU and UK demand, that would serve to constrain the Merged Entity post-Merger.
94. Regarding the Parties' claim that in 2025, there have been significant additional increases in market capacity coming online,¹³⁹ the CMA has sought to test these submissions, however, in many cases evidence gathered by the CMA is inconsistent with those submissions.
- (a) Those suppliers who responded to the CMA's question about planned capacity investments have not submitted significant capacity expansion plans.¹⁴⁰ One third party submitted that extending capacity is both an

¹³⁴ As described above in paragraph 80(b), the Parties submitted that demand for LD products in the UK has unexpectedly been flat in 2025 in contrast to previous expectations that forecast strong growth in demand.

¹³⁵ Vandemoortele's Internal Document, Annex VDM-00000162 to the FMN, 'Annex 77, '[X]', February 2025, slide 6.

¹³⁶ Délifrance's response to the CMA's section 109 Notice, 7 October 2025, Annex 2, '[X]', slide 17.

¹³⁷ Délifrance's response to the CMA's section 109 Notice, 7 October 2025, Annex 3, '[X]', slide 32.

¹³⁸ Parties' submission to the CMA, 17 October 2025, Key Issues Paper, 'Key issues paper, Annex 4 – [X] Statement – 9 October 2025'.

¹³⁹ Parties' response to the Issues Letter, 17 November 2025, Section 3.

¹⁴⁰ Response to the CMA questionnaire from a number of third parties, October 2025, question 5.

expensive and time-consuming process and that constructing a line could cost upwards of 25 million euros.¹⁴¹

- (b) Some areas in which the Parties submitted additional capacity was being developed do not supply material quantities of LD products to the UK (eg Salt Lake City, or Eastern Europe). Furthermore, some of the examples cited by the Parties were R&D centres rather than general production centres and these centres either had fewer lines than the Parties submitted or had production lines that were not new capacity.
- (c) The CMA has been unable to verify the Parties' claims based on publicly available sources of recent and planned investments in expansions of LD plants in Western Europe of key UK rivals but notes that in most cases it is unclear whether the investment relates to LD products or other bakery products or whether the plant is located in an area that could directly impact supply in the UK market (eg Salt Lake City, or Eastern Europe). While some of the examples show expansion that could in theory be used to supply LD customers in the UK, others do not. For example, of the Northwest Europe examples submitted in the Parties refined capacity expansion analysis:¹⁴²
 - (i) A 2024 Aryzta investment in Eisleben is a product innovation centre featuring R&D facilities, quality monitoring areas, and pilot machines for the company's bread and baked foods segment.¹⁴³ These are not new production lines and do not appear to significantly increase Aryzta's capacity. Similarly, the 2025 Aryzta investment the Parties cite from an industry website is non-specific and only refers to how the company 'outlined investments in new lines to increase the production of laminated and artisan products in Switzerland, Germany and Malaysia.'¹⁴⁴
 - (ii) Based on the Parties' claim that capacity takes roughly two years to come online,¹⁴⁵ the 2021/22 Europastry expansion should already be online and accounted for in the current evidence base.
 - (iii) The 2024 'Cereal' R&D centre in Barbera des Valles is only two production lines, not four as the Parties state, and makes cakes as well as pastries.¹⁴⁶

¹⁴¹ Note of a call with a Third Party, June 2025, paragraph 31.

¹⁴² Parties' response to the Issues Letter, 17 November 2025, Table 2.

¹⁴³ Parties' response to the Issues Letter, 17 November 2025, Table 2. [Aryzta investing in German production site | Baking Business](#), last accessed on 5 December 2025.

¹⁴⁴ Parties' response to the Issues Letter, 17 November 2025, Table 2, [ARYZTA announces new mid-term targets - Baking & Biscuit](#), last accessed on 5 December 2025.

¹⁴⁵ Parties' response to the Issues Letter, 17 November 2025, paragraph 2.1.

¹⁴⁶ [Europastry Annual Report 2023](#), page 50, last accessed on 5 December 2025.

- (iv) The 2023 La Lorraine investment article does not show that the investment is for LD products.¹⁴⁷

95. While the inconsistencies with regards to the information in the Parties' submissions on capacity expansion mean that the CMA cannot rely on those submissions, the CMA considers that there is some additional capacity that either has entered the market or will enter the market. There is, however, limited evidence in the Parties' internal documents that significant capacity is coming online or that they are concerned about the prospect of increased capacity from a competition perspective.
96. The evidence that the CMA has obtained therefore does not suggest that excess capacity is playing a material role in competition in the UK market, of that it is expected to do so in the near future.¹⁴⁸
97. Consequently, the CMA is attributing limited weight to the Parties' submissions regarding current or future excess capacity in the market mitigating the likelihood of an SLC. The CMA's assessment of the likelihood of an SLC is set out further below.
98. More generally on the Parties' submission that 2022-2024 is not an appropriate period of comparison, the CMA has not received evidence that the conditions of competition in 2025 have changed so fundamentally since 2022-24 that they do not have evidentiary value. The third-party evidence in particular that the CMA obtained was gathered in October 2025 and is therefore reflective of current market conditions. The CMA has therefore considered the evidence available to it when coming to its decision, including evidence from the period 2022-2024.

5.3.1.2 *Shares of supply*

99. Shares of supply can be useful evidence when assessing closeness of competition, particularly when there is persuasive evidence as to which potential substitutes should be included or excluded or when the degree of differentiation between firms is more limited. In such circumstances, a firm with a higher share of supply is more likely to be a close competitor to its rivals.¹⁴⁹
100. The CMA recreated the market based on the Parties' data and third party sales volumes. Table 1 below shows the CMA's estimates of shares of supply in the supply of LD products in the UK in 2024.¹⁵⁰

¹⁴⁷ [Erpe-Mere La Lorraine bolsters presence in Belgium with €200 m investment | BBM Magazine](#), last accessed on 5 December 2025.

¹⁴⁸ Parties' response to the Issues Letter, 17 November 2025, paragraph 2.1.

¹⁴⁹ [CMA129](#), paragraph 4.14.

¹⁵⁰ These shares are based off: Vandemoortele's Internal Document, Annex 033 to the FMN, 'Annex [033] – [3<]' sheet 1; and Délifrance's Internal Document, Annex 01 to the FMN, '[3<]', 28 July, sheet 1; and Response to the CMA questionnaire from a number of third parties, October 2025, question 3. Some suppliers did not provide volume data to

Table 1: Frozen pastry shares of supply in the UK, 2024 (weight)

	<i>French laminated dough</i>	<i>Danish pastries</i>	<i>Puff pastries</i>	LD products overall
Vandemoortele	[20-30]%	[0-5]%	[10-20]%	[10-20]%
Délifrance	[10-20]%	[0-5]%	[20-30]%	[10-20]%
Combined	[40-50]%	[0-5]%	[40-50]%	[30-40]%
Lantmännen	[10-20]%	[80-90]%	[0-5]%	[20-30]%
Bridor	[20-30]%	[0-5]%	[40-50]%	[20-30]%
Aryzta	[5-10]%	[0-5]%	[0-5]%	[50-10]%
Neuhauser	[5-10]%	[0-5]%	[0-5]%	[0-5]%
Serafien	[0-5]%	[0-5]%	[5-10]%	[0-5]%
La Lorraine	[0-5]%	[0-5]%	[0-5]%	[0-5]%
Europastry	[0-5]%	[0-5]%	[0-5]%	[0-5]%
Sum	100.0%	100.0%	100.0%	100.0%

Source: CMA analysis of Parties data and response to the CMA questionnaire from a number of third parties, October 2025, question 3.

101. Table 1 shows that in LD products, the Parties have a combined share of [30-40]%. The Merger combines the third and fourth largest suppliers. Following the merger the Merged Entity will be the largest supplier of LD products in the UK. Lantmännen and Bridor are the first and second largest suppliers respectively, with shares of [20-30]% and [20-30]% respectively. There is then a tail of much smaller suppliers led by Aryzta ([5-10]%) and Neuhauser ([0-5]%). No other supplier has a share over [0-5]%.
102. Table 1 shows that FLD products make up over two thirds of the volumes of all LD products in the UK. In this segment of the market, the Merger combines the second and third largest suppliers with the Merged Entity having a combined share of [40-50]%. Bridor is the largest supplier of FLD products ([20-30]%) while Lantmännen is the fourth largest ([10-20]%). No other supplier has a share over [5-10]%.
103. The shares provided by both the Parties and estimated by the CMA show that the market for LD products is highly concentrated. The Parties are two of the four main suppliers of LD products in the UK and would be the largest supplier following the Merger by a considerable margin. No other supplier, including Aryzta, Neuhauser, or Europastry, has a significant share of supply.¹⁵¹
104. Moreover, the Parties' activities are mainly focused on FLD products where their individual and combined shares are higher than across all LD products. As neither the Parties nor Bridor supply significant volumes of Danish pastries the CMA

5.3.1.2.1 CMA's assessment

the CMA. The CMA calculated the volumes of these suppliers from volume data provided by their primary customers. Third party response to the CMA's section 109 Notice, 26 November 2025.

¹⁵¹ The Parties submitted that they had recently lost [3<] kT of sales to Europastry. Even if these volumes are assigned to Europastry, Europastry's share does not exceed [0-5]% in LD products.

considers that the Parties and Bridor compete more closely with each other than with Lantmännen, which has a very strong presence in Danish pastries and a slightly weaker presence in FLD.¹⁵² Aryzta and Neuhauser both have slightly higher shares in FLD products at [5-10]% and [5-10]% respectively. However, the CMA notes that these suppliers supply primarily to one customer that tenders on an international level.¹⁵³ Subsequently, their share may overestimate how competitive they are in UK tenders.

105. The CMA notes that these market shares are lower than those found in the Parties' internal documents which describe the commercial outlook for the UK; however both the shares prepared by the CMA and the shares in the Parties' internal documents show that the Merged Entity would have substantially the largest share of supply in the UK with a significant increment.¹⁵⁴ These documents show that, in February 2025, the Parties had a combined market share in Pastries of [50-60]% with an increment of [20-30]% and that these shares have been broadly consistent for the last two years.¹⁵⁵
106. As noted above, the Parties have submitted that shares of supply are a poor proxy for market power in this case. The CMA considers that whether shares of supply are a good proxy for market power in a market where there are tenders depends on the market dynamics. For example, shares of supply may not reflect competitive dynamics where there is a small number of large tenders. Where there is a small number of large tenders, a relatively competitive supplier may have a small share of supply simply because they marginally missed out on a small number of tenders.¹⁵⁶ This kind of dynamic may be reflected in large swings in shares of supply over time. In other tender markets with larger numbers of tender opportunities, shares of supply are more likely to reflect market power and are also more likely to be stable over time.
107. In this case, the CMA considers that the Parties' customers do not appear to be so large and tenders so infrequent such that shares of supply would not reflect competitive dynamics in the market. According to the Parties' bidding data, there have been at least 41 tender opportunities since October 2021.¹⁵⁷ The largest

¹⁵² Délifrance and Bridor have relatively high shares in puff pastry products. However, for Délifrance and Bridor, puff pastry products are only a small proportion of both their respective LD product production and the total market for LD products. Consequently, the CMA has not considered their puff pastry volumes as relevant to the closeness assessment. Moreover, the Délifrance production data shows that puff pastries are only [10-20]% of Délifrance's LD production and does not support that Délifrance has a focus on puff pastry products as submitted by the Parties.

¹⁵³ Parties' response to the Issues Letter, 17 November 2025, paragraph 4.9; Email from a third party to the CMA, 18 November 2025.

¹⁵⁴ Vandemoortele's Internal Documents, Annex VDM-00000163 to the FMN, 'Annex 78, '[3<]', February 2025, slide 4; Vandemoortele's Internal Document, Annex VDM-00000162 to the FMN, 'Annex 77 - [3<]', Q1 2024, slide 8.

¹⁵⁵ In these documents, 'Pastries' appears to refer to viennoiserie, Danish pastries, and puff pastries in line with the CMA's market definition of LD products.

¹⁵⁶ As a hypothetical if there are only three customers all of an equal size with one customer tendering per year, then even if there are four credible competitors considered by each customer then this may not be reflected in shares of supply as at least one of those competitors would always have a share of supply of 0% and any competitor's share may go from 33% to 0% from one year to the next by losing one contract.

¹⁵⁷ Parties' Internal Document, Annex VDM-00000039 to the FMN, 'Annex 016 – Bidding Data for the Parties', sheet 1.

Vandemoortele customer in 2024 represents [5–10]% of the overall market size, and no other customer volumes accounted for more than [0–5]% of the market size. Similarly, the two largest Délifrance customers each represent only [0-5]% of the market size.¹⁵⁸ Therefore, while such large customers switching would affect shares of supply, it is not clear that customers are sufficiently large such that shares of supply are not a good proxy for market power.

108. Moreover, the CMA considers that:

- (a) The Parties assess shares in their internal documents, suggesting that shares are commercially relevant and have informational value when considering competitive conditions;
- (b) Shares are in any case indicative of the Parties' having been successful at winning these tenders and therefore reflect their competitive strength over time. The CMA has received no evidence to suggest that the competitive strength of the Parties or competitors has changed significantly, or that the Parties are likely to lose any of these large tenders in the near future. For example, the volume data received by the CMA indicates that the Parties' market shares were almost identical in 2023 and 2024;¹⁵⁹ and
- (c) Shares of supply also appear to be consistent with other sources of evidence, including feedback from third-parties on the alternatives considered by customers (see paragraph 47), and the Parties' own internal documents.

109. In addition, as noted above the CMA does not consider that shares of supply are a poor proxy for market power due to the presence of current or future excess capacity or buyer power. The CMA's assessment of the Parties' submissions on excess capacity are set out above (paragraphs 80 to 85) and buyer power are set out below (paragraphs 167 to 168).

110. Consequently, and taking into account the CMA's approach outlined in paragraph 69 above, the CMA considers that the shares of supply suggest that the Parties are close competitors.

5.3.1.3 *Bidding Data*

111. The Parties submitted two bidding data analyses: (i) an analysis of data on losses; and (ii) an analysis of wider opportunities data.

¹⁵⁸ FMN, Tables 15 and 17.

¹⁵⁹ The Parties combined share in 2023 was [30-40]% compared to [30-40]% in 2024. The CMA did not receive 2023 volumes for all suppliers. Where 2023 volumes were not available, the CMA used 2024 volumes.

5.3.1.3.1 *Analysis of losses data*

112. The CMA received loss data from both Parties covering the timeframe between October 2021 and April 2025, including 13 UK LD opportunities that Vandemoortele lost and 17 UK LD opportunities that Délifrance lost.^{160,161}
113. However, the CMA considers that there are some notable limitations with the data:
- (a) The data only includes opportunities that the Parties lost and therefore gives no insight into the opportunities where either Party won;
 - (b) The data includes known winners for only nine of Vandemoortele's losses and other known bidders for only six;
 - (c) The data includes known winners for only 12 of Délifrance's losses and other known bidders for only one;
 - (d) As the Parties do not record tender data or switching data in the ordinary course of business, the information is sourced predominantly from recollections of local country managers and key account managers;¹⁶² and
 - (e) Each Parties' data has not been adjusted to reflect the other Party's views and therefore does not match opportunities where both Parties may have bid.
114. Focusing on Vandemoortele's UK bidding data with known winners, out of the nine opportunities that Vandemoortele lost:
- (a) Délifrance was the winner, or one of the winners, in a third of the opportunities and present in a further four;
 - (b) Bridor was the winner, or one of the winners, in over half the opportunities (5/9) and present in three others;
 - (c) Lantmännen was the winner, or one of the winners, in two opportunities; and
 - (d) Golden Bake, Country Style, Aryzta, and La Lorraine were each the winner or one of the winners in one opportunity.
115. Focusing on Délifrance's bidding data with known winners, out of the 12 opportunities that Délifrance lost:

¹⁶⁰ Vandemoortele's Internal Document, Annex VDM-00000161 to the FMN, 'Annex 074 - Vandemoortele – Délifrance Losses Database', September 2025, sheet 1.

¹⁶¹ The Parties submitted loss data for FMG opportunities in Belgium, France, Italy, the Netherlands, and the UK. The CMA considers the market to be LD products in the UK and has therefore only considered opportunities that match this market in its analysis.

¹⁶² FMN, paragraph 15.16.

- (a) Vandemoortele was the winner in three opportunities, including the two largest opportunities by volume;¹⁶³
- (b) Bridor was the winner in eight opportunities; and
- (c) Delice de France won one opportunity.

5.3.1.3.2 *Analysis of wider bidding data*

116. The Parties separately submitted bidding data covering UK opportunities for the period October 2021 to April 2025.¹⁶⁴ This data has similar limitations to those described above¹⁶⁵ but also includes opportunities that the Parties either retained or won.
117. Délifrance submitted data on 31 morning goods (excluding donuts) opportunities. Across these 31 opportunities:
- (a) Délifrance won new business nine times, including from Vandemoortele twice, and retained the contract 15 times.
 - (b) In 16 opportunities no alternatives to Délifrance were identified. Across the remaining 15 opportunities only Vandemoortele, Bridor and Lantmännen were identified. Specifically:
 - (i) Délifrance competed against Vandemoortele in five of these opportunities with Vandemoortele winning three;
 - (ii) Délifrance competed against Bridor for 11 opportunities with Bridor winning three; and
 - (iii) Délifrance competed against Lantmännen for two opportunities and Lantmännen did not win either opportunity.
118. Vandemoortele submitted data on 11 morning goods (excluding donuts) opportunities. Across those 11 opportunities:
- (a) Vandemoortele won new business twice and retained the contract once;
 - (b) Vandemoortele competed against Délifrance in six of the opportunities with Délifrance winning one of those opportunities;

¹⁶³ The CMA notes that the volume of the two opportunities won by Vandemoortele is greater than the rest of the opportunities with known winners combined.

¹⁶⁴ Parties' Internal Document, Annex VDM-00000039 to the FMN, 'Annex 016 – Bidding Data for the Parties', sheet 1.

¹⁶⁵ The Parties submitted this data was not complete as not all tenders are recorded in the ordinary course of business. They also noted that salespeople are more likely record won tenders than lost tenders. In the majority of tenders, and especially for Délifrance tenders, the names of other contenders are not recorded.

- (c) Vandemoortele competed against Bridor in ten of the opportunities with Bridor winning four and being the joint winner for two (once with Vandemoortele and once with Bridor);
- (d) Vandemoortele competed against Lantmännen three times with Lantmännen winning one opportunity alongside Bridor; and
- (e) Other suppliers identified as competing were Aryzta (three times), Europastry (twice), Delice de France (once) and La Lorraine (once). None of these suppliers were identified as winning an opportunity although the winners of two opportunities were unknown and one was just identified as 'European base [sic] of suppliers'.

119. The CMA asked customers for details of their recent tender rounds including the products tendered for, the winner of the tender and which suppliers were considered. The CMA only received a very limited response to this question and has therefore been unable to draw conclusions from or place any material weight on the third-party evidence received.

5.3.1.3.3 CMA's assessment

120. The CMA considers that the Parties' losses data indicates that where one of the Parties lost an opportunity, the other was one of two competitors (along with Bridor) most likely to win the opportunity. Other competitors competed less regularly and were less likely to win the opportunities.

121. Similarly, the CMA considers the Parties' bidding data indicates that the Parties primarily compete against, and lost opportunities to, each other and Bridor. The Parties also compete to a lesser extent against Lantmännen.

122. However, as described above, limitations with the data mean it is difficult to draw strong conclusions from the data. While the losses data is evidence that the Parties lose some contracts or opportunities to competitors, without corresponding win data it is not possible to judge whether these losses are significant. Similarly, the wider bidding data provided is incomplete and not a formal record of tenders. The CMA considers there are limits to the weight that can be placed on the opportunities data in isolation due to the limitations to the data as set out above. Therefore, the CMA considers the opportunity data in the round with other evidence and notes that it is broadly consistent with evidence on shares of supply, internal documents and third party views.

5.3.1.4 *Third party views*

5.3.1.4.1 *Competitive landscape in LD products*

123. The CMA asked the Parties' customers to list which suppliers of LD products would be able to meet their requirements. For each supplier, customers were asked to rate how well the supplier would meet their requirements on a scale from 'Not at all suitable' to 'Fully suitable'.
124. Out of the 12 customers that the CMA received responses from:
- (a) A large majority identified Vandemoortele as a 'very suitable' or 'fully suitable' supplier.¹⁶⁶ Reasons provided for Vandemoortele's suitability were that it has an extensive range of products, particularly on French laminated pastries.¹⁶⁷
 - (b) Half identified Délifrance as either 'very suitable' or 'fully suitable' and this increased to two thirds of customers when considering customers that identified Délifrance as 'moderately suitable'.¹⁶⁸ An additional customer did not identify and rate Délifrance in its questionnaire response, but does currently use Délifrance as a supplier of LD Products.¹⁶⁹ Reasons provided for Délifrance's competitiveness include that it has a strong track record and good capability.¹⁷⁰
 - (c) Two thirds identified Bridor as either 'very suitable' or 'fully suitable'.¹⁷¹ Reasons provided for Bridor's competitiveness include having higher quality than other suppliers and having strong capability in LD products. One customer said that it was 'very suitable', but likely 'too expensive'.¹⁷²
 - (d) A majority of customers identified Lantmännen as either 'very suitable' or 'fully suitable'.¹⁷³ However, one customer who identified Lantmännen as 'very suitable' also told the CMA that it assessed the taste / quality to be slightly below the level of Délifrance and Bridor. One large customer submitted that while Lantmännen is its supplier for Danish pastries, it is not considered a replacement to Vandemoortele or Délifrance for core morning good products.¹⁷⁴ Similarly, one customer was only able to comment on Lantmännen's Danish pastry offering and another indicated that Lantmännen had greater capability in Danish pastries.

¹⁶⁶ Response to the CMA questionnaire from a number of third parties, October 2025, question 10.

¹⁶⁷ Response to the CMA questionnaire from a number of third parties, October 2025, question 10.

¹⁶⁸ Response to the CMA questionnaire from a number of third parties, October 2025, question 10.

¹⁶⁹ Response to the CMA questionnaire from a third party, October 2025, questions 3 and 10.

¹⁷⁰ Response to the CMA questionnaire from a number of third parties, October 2025, question 10.

¹⁷¹ Response to the CMA questionnaire from a number of third parties, October 2025, question 10.

¹⁷² Response to the CMA questionnaire from a third party, October 2025, question 10.

¹⁷³ Response to the CMA questionnaire from a number of third parties, October 2025, question 10.

¹⁷⁴ Note of call with a third party, June 2025, paragraph 7(a).

- (e) A minority of customers identified Aryzta as either ‘very suitable’ or ‘fully suitable’.¹⁷⁵ One other large customer also identified Aryzta but noted that it has not been able to deliver on the necessary financials or quality requirements in past tenders.¹⁷⁶ [§<].¹⁷⁷
 - (f) A small minority of customers identified Europastry as either ‘very suitable’ or ‘fully suitable’.¹⁷⁸ An additional customer did not identify and rate Délifrance in its questionnaire response, but does currently use Délifrance as a supplier of LD Products.¹⁷⁹ In calls with the CMA, two other large customers identified Europastry as an alternative. One of these customers submitted that Europastry was only a supplier for its EU locations but was the same size as the Parties,¹⁸⁰ while another said it had not been able to deliver on the necessary financials or quality requirements in past tenders.¹⁸¹
125. Outside of these companies, no other supplier was described as very or fully suitable by more than two customers.
126. The CMA asked the Parties’ competitors to describe how closely they considered Vandemoortele and Délifrance to compete with each other in the supply of LD products in the UK. All competitors that responded to the question described them as either very close or moderately close competitors.¹⁸² One competitor told the CMA that this was particularly the case in relation to croissants and Danish pastries.
127. The CMA asked the Parties’ competitors to list their main competitors in the supply of LD products in the UK and provide a rating for each of them on how strong their offering is on a scale from ‘very weak’ to ‘very strong’.
128. Out of the competitors that identified suppliers of LD products:
- (a) Vandemoortele was identified by all competitors, and most that provided a rating identified it as strong or very strong.¹⁸³ Vandemoortele was described as a Top 5 UK player and being particularly strong in Retail and National accounts with viennoiserie and Danish pastries.
 - (b) Similarly, Délifrance was identified by all competitors and most that provided a rating described it as strong or very strong.¹⁸⁴ Délifrance was described by

¹⁷⁵ Response to the CMA questionnaire from a number of third parties, October 2025, question 10.

¹⁷⁶ Note of call with a third party, June 2025, paragraph 20 (v).

¹⁷⁷ Note of a call with a third party, June 2025, paragraph 30.

¹⁷⁸ Response to the CMA questionnaire a third party, October 2025, question 9.

¹⁷⁹ Response to the CMA questionnaire from a third party, October 2025, questions 3 and 10.

¹⁸⁰ Note of call with a third party, June 2025, paragraph 25 (g).

¹⁸¹ Note of call with a third party, June 2025, paragraph 20 (v).

¹⁸² Response to the CMA questionnaire from a number of third parties, October 2025, question 9.

¹⁸³ Response to the CMA questionnaire from a number of third parties, October 2025, question 7.

¹⁸⁴ Response to the CMA questionnaire from a number of third parties, October 2025, question 7.

one competitor as one of the top two viennoiserie and Danish pastry suppliers in the UK and top three in the puff pastry market.

- (c) Bridor was identified by all other competitors and all that provided a rating described it as strong or very strong.¹⁸⁵
- (d) Lantmännen was similarly identified by all other competitors however it was described as either moderate or weak by most suppliers that provided a rating.¹⁸⁶
- (e) Aрызta was identified by almost all other competitors and was described as either moderate or very strong by suppliers that provided a rating.¹⁸⁷
- (f) Europastry was identified by a minority of other competitors and was described as weak by those that provided a rating.¹⁸⁸
- (g) St Pierre Group, Country Style, Baker & Baker and David Wood were each identified by more than one other competitor.¹⁸⁹ However, Country Style was the only supplier to be described as strong or very strong and this only by a single competitor. The other rankings were all either moderate or weak.
- (h) A number of other suppliers¹⁹⁰ were each identified by at most one other competitor although only Delice de France was ranked as strong or very strong.

5.3.1.4.2 *Impact of the Merger*

- 129. Half of the Parties' customers who responded to the CMA's questionnaire considered that the impact of the Merger would be 'neutral',¹⁹¹ and a small minority of customers considered that the impact would be 'positive', pointing to increased capabilities and efficiencies.¹⁹² On the other hand, a minority of the Parties' customers considered that the impact of the Merger would be 'negative'.¹⁹³
- 130. From a qualitative perspective (ie in calls with the CMA or in narrative responses to the CMA's questionnaire), those customers who expressed a negative view of the merger in their response to the CMA's questionnaire (and two customers who considered that the overall impact of the merger would be 'neutral' in their

¹⁸⁵ Response to the CMA questionnaire from a number of third parties, October 2025, question 7.

¹⁸⁶ Response to the CMA questionnaire from a number of third parties, October 2025, question 7.

¹⁸⁷ Response to the CMA questionnaire from a number of third parties, October 2025, question 7.

¹⁸⁸ Response to the CMA questionnaire from a number of third parties, October 2025, question 7.

¹⁸⁹ Response to the CMA questionnaire from a number of third parties, October 2025, question 7.

¹⁹⁰ Response to the CMA questionnaire from a number of third parties, October 2025, question 7. The other suppliers identified were Bread Holdings, Delice De France, Mennissez, Mette Munk, European Bakery Group and La Lorraine.

¹⁹¹ Response to the CMA questionnaire from a number of third parties, October 2025, question 13.

¹⁹² Response to the CMA questionnaire from a number of third parties, October 2025, question 13.

¹⁹³ Response to the CMA questionnaire from a number of third parties, October 2025, question 13.

questionnaire response),¹⁹⁴ outlined the following concerns about the potential competitive impact of the Merger.¹⁹⁵

- (a) A major grocery retailer submitted that it was unclear there would be a European competitor capable of exerting sufficient competitive pressure (on the Merged Entity) and that there was no alternative supplier it could switch to in the short term.¹⁹⁶
- (b) A major grocery retailer submitted that the Merger would limit competition in ‘product and pricing’.¹⁹⁷
- (c) A major grocery retailer submitted that the Merger would create a supplier with a significant share and that there is a risk the Merger could have the potential to reduce competition.¹⁹⁸
- (d) A major foodservice customer submitted that the Merger combines its incumbent supplier and its ‘only viable secondary source’. The customer further noted that the Merger would remove a major competitor and that it would be difficult to switch to a new supplier given the limited number of players that can service its necessary volumes.¹⁹⁹
- (e) A major foodservice customer noted that the merger would likely ‘create problems’ for it. The Merger could mean it would lose its largest supplier which would limit competition and likely result in an increase in prices.²⁰⁰

131. Some competitors also submitted that the Merger would have a negative impact on competition.²⁰¹ These competitors submitted that it would increase market concentration and give the Parties the large majority share of the viennoiserie and Danish pastry market.

5.3.1.4.3 CMA’s assessment

132. The CMA considers that third party evidence suggests that both Parties are strong competitors in the supply of LD products in the UK. Consistent with the shares of supply, customers and competitors see the Parties as two of the four main suppliers in the UK along with Bridor and Lantmännen. Some customers

¹⁹⁴ Response to the CMA questionnaire from a number of third parties, October 2025, question 13.

¹⁹⁵ The CMA notes that a further customer that outlined a negative view on the impact of the Merger in their questionnaire response made broadly neutral qualitative comments about the competitive impact of the Merger.

¹⁹⁶ Note of call with a third party, June 2025, paragraphs 37–39.

¹⁹⁷ Response to the CMA questionnaire from a third party, October 2025, question 13.

¹⁹⁸ Response to the CMA questionnaire from a third party, October 2025, question 13.

¹⁹⁹ Note of call with a third party, June 2025, paragraphs 28-31; and response to the CMA questionnaire from a third party, October 2025, question 13.

²⁰⁰ Note of call with a third party, June 2025, paragraphs 22– 23.

²⁰¹ Response to the CMA questionnaire from a number of third parties, October 2025, question 10.

considered Lantmännen to be weaker in FLD products, where the Parties are strongest, than in Danish pastries.

133. Of the other suppliers, Aryzta is the next most identified albeit only by a minority of customers. The CMA also notes that two of the three customers that identified Aryzta as either 'very suitable' or 'fully suitable' tender on an international basis meaning that their UK supplier is determined as part of a wider, European tender. Consequently, the CMA considers that the fact that these customers that list Aryzta as a competitive supplier may reflect competitive dynamics in Europe as opposed to those in the UK market specifically.
134. Europastry was identified as a suitable supplier by only a small minority of customers and as a weak competitor by other suppliers.
135. Consequently, the Merger is between two firms that compete closely and will see the number of strong competitors reduced from four to three. Whilst other competitors are active in the market, third party evidence does not indicate that these companies represent a significant competitive constraint to offset the likely loss of competition resulting from the Merger.
136. Third party evidence also indicates that a number of the Parties' largest customers think the Merger would reduce competition in the LD market in the UK.

5.3.1.5 Internal documents

5.3.1.5.1 Evidential weight to be attributed to UK-specific internal documents compared to Europe-wide internal documents

137. The Parties submitted a range of internal documents together with their Merger Notice, in response to the CMA's requests for information and together with their response to the Issues Letter. While many of these documents primarily consider LD products²⁰² across Europe more generally, a number specifically focus on the UK.

5.3.1.5.1.1 Parties' submissions

138. The Parties have argued that, given suppliers of LD products (including the Parties) operate on a European basis, the Parties and their competitors view the UK market within a broader Europe frame of reference, such that it is not

²⁰² For the purpose of this section we refer to, 'Laminated Dough Products' or LD products as the market. The internal documents appear to refer to pastries, viennoiserie, Danish pastries, and puff pastries in line with the CMA's market definition of LD products.

appropriate for the CMA to assume that the UK-specific documents will be more informative and relevant than European documents.²⁰³

139. The Parties have further submitted that:

- (a) Documents prepared at country level cannot capture the broader dynamics and concentrate more narrowly on implementing company strategy, inevitably focusing on customers they are supplying or targeting at a given point in time;²⁰⁴
- (b) The country teams are faced with inherent difficulties in capturing data, such as market shares, and the overview commentary they produce is typically provided on a consolidated and summary basis;²⁰⁵
- (c) The local teams' limited visibility of market conditions is evidenced by market events which they did not anticipate, citing [X] the rapid growth of Lidl's in-store bakery offering (and by extension the strength of its LD suppliers: Aryzta and Neuhauser) and the 'surprise success' of Europastry in the recent [X] tender;²⁰⁶ and
- (d) The supply pool operates on a European scale, so monitoring of potential competitive threats is better conducted at the group level, which relies on Europe-wide analysis and systematic data sharing.²⁰⁷

5.3.1.5.1.2 CMA's assessment

140. The CMA notes that the relevant geographic market was identified as being UK-wide,²⁰⁸ which the Parties do not dispute.²⁰⁹ As set out in the CMA's Merger Assessment Guidelines, 'market definition involves identifying the most significant competitive alternatives available to customers of the merger firms and includes the sources of competition to the merger firms that are the immediate determinants of the effects of the merger'.²¹⁰ Accordingly, competitors active in the UK are likely to be a more significant source of competition than continental European competitors with no (or only a limited) UK presence.
141. The Parties submitted UK-specific documents, which were prepared for (or by) their senior management in the UK, that assess dynamics of competition and identify competitors in the UK, and which differ materially in their analysis of these factors (for example the competitors identified and their strengths and

²⁰³ Parties' response to the Issues Letter, 17 November 2025, paragraph 6.2.

²⁰⁴ Parties' response to the Issues Letter, 17 November 2025, paragraph 6.3.

²⁰⁵ Parties' response to the Issues Letter, 17 November 2025, paragraph 6.3.

²⁰⁶ Parties' response to the Issues Letter, 17 November 2025, paragraph 6.4.

²⁰⁷ Parties' response to the Issues Letter, 17 November 2025, paragraph 6.4.

²⁰⁸ See paragraph 64 of this Decision.

²⁰⁹ Parties' response to the Issues Letter, 17 November 2025, paragraph 3.14.

²¹⁰ [CMA 129](#), paragraph 9.2.

weaknesses) to Europe-wide documents, as is discussed further below. The UK-specific documents are, however, consistent with other key sources of evidence, including third party views, shares of supply and bidding data.

142. In these circumstances, the CMA considers that the UK-specific internal documents provide probative evidence about competitive conditions in the relevant geographic market the CMA is considering. Furthermore, these are the documents that the Parties' respective UK management teams consider when making decisions about operating the businesses in the UK. It is, therefore, appropriate for the CMA to consider that UK-specific documents are likely to be more informative and relevant to the CMA's assessment and to place more weight on such UK-specific internal documents than documents from a different geographic market, where the documents themselves suggest conditions vary compared to those identified in the UK.

5.3.1.5.2 *UK-specific internal documents*

143. The CMA considers that the Parties' UK-specific internal documents provide evidence of the following points.
144. First, the UK market for LD products is concentrated. The Parties are two of the largest suppliers and there are a limited number of alternative suppliers. In particular:
- (a) A Vandemoortele internal document analyses the commercial outlook for the UK market for 'pastry' as at Q1 2025 and estimates market shares for five suppliers as: Délifrance ([30-40]%), Vandemoortele ([20-30]%), Lantmännen ([10-20]%), Bridor ([10-20]%) and 'Other (Aryzta)' ([10-20]%). Therefore, by Vandemoortele's own estimates, the Parties are a similar size, and the Merged Entity would have a combined share of [50-60]%;²¹¹ and
 - (b) The same Vandemoortele internal document identifies two other suppliers, Bridor and Lantmännen (as well as Aryzta within the 'Other' category).²¹² These competitors are then specifically covered in more detail. While Aryzta is also mentioned, it does not receive the same level of competitor analysis.
145. Second, Vandemoortele typically monitors Délifrance and a limited number of other competitors.
- (a) The same Vandemoortele internal document setting out its UK country commercial outlook in Q1 2025 includes:

²¹¹ Vandemoortele's Internal Document, Annex VDM-00000163 to the FMN, 'Annex 77, '[3<]', February 2025, slide 5.

²¹² Vandemoortele's Internal Document Annex VDM-00000163 to the FMN, 'Annex 77, '[3<]', February 2025, slide 6.

- (i) A deep dive analysis of four competitors (Bridor, Délifrance, Lantmännen and Baker & Baker),²¹³ noting that the fact that Délifrance has the largest market share ‘makes them a key target for competitors’;²¹⁴
 - (ii) Long term growth plans in pastry and identifies a plan to ‘steal’ share from Délifrance in relation to [X] and [X] and to ‘steal’ share from Bridor in relation to [X].²¹⁵ This demonstrates a degree of focus on Délifrance customers notwithstanding the Parties’ submissions in response to the Issues Letter that Vandemoortele also noted that it may switch focus to [X] if unsuccessful in the [X] tender;²¹⁶ and
 - (iii) A reference to Délifrance progressively losing share in JS (Sainsbury’s) to Bridor and Vandemoortele.²¹⁷
- (b) A Vandemoortele internal document setting out its UK country commercial outlook as at Q1 2024 notes a plan to partner with [X] and identifies [X] (a Délifrance customer) and [X] (a Délifrance customer as at the date of the internal document) as targets.²¹⁸
- (c) Vandemoortele’s UK country commercial review from 2023 identifies:
- (i) Winning [X] viennoiserie business from Délifrance as a 2024 initiative that was part of its strategy to have the ‘No1 market position in pastry’.²¹⁹ A separate Vandemoortele internal document outlines its strategy for winning the [X] business from Délifrance.²²⁰ The Parties argue that this document describes Délifrance as ‘complacent’ and as having a ‘tired range’, and therefore not a close competitor to Vandemoortele.²²¹ Irrespective of Vandemoortele’s views on the strength of Délifrance’s offering, the fact remains that the document provides evidence of a commercial strategy to target Délifrance’s customers and therefore demonstrates a degree of closeness between the Parties;

²¹³ Evidence received by the CMA indicates that Baker & Baker are not substantively active in LD products but rather focus on American sweet bakery products such as donuts, cookies and muffins. Note of a call with a third party, June 2025, paragraph 2.

²¹⁴ Vandemoortele’s Internal Document Annex VDM-00000163 to the FMN, ‘Annex 77, ‘[X]’, February 2025, slides 15 and 22.

²¹⁵ Vandemoortele’s Internal Document Annex VDM-00000163 to the FMN, ‘Annex 77, ‘[X]’, February 2025, slide 54.

²¹⁶ Parties’ response to the Issues Letter, 17 November 2025, paragraph 6.9(c).

²¹⁷ Vandemoortele’s Internal Document Annex VDM-00000163 to the FMN, ‘Annex 77, ‘[X]’, February 2025, slides 6 and 54.

²¹⁸ Vandemoortele’s Internal Document, Annex VDM-00000162 to the FMN, ‘Annex 77, ‘[X]’, February 2025, slide 15.

²¹⁹ Vandemoortele’s Internal Document, Annex VDM-00000164 to the FMN, ‘FMN Annex 76 - [X]’, February 2023, slides 27-28.

²²⁰ Vandemoortele’s Internal Document, Annex VDM-00000212 to the FMN, ‘[X]’, 2023, slide 1.

²²¹ Parties’ response to the Issues Letter, 17 November 2025, paragraph 6.9(a).

- (ii) A 2024 initiative to win a greater share of [redacted] viennoiserie business, which is identified as having Délifrance as its key supplier;²²²
- (iii) A 2024 initiative to win [redacted] and [redacted] business from Bridor;²²³ and
- (d) Vandemoortele submitted its latest UK country commercial outlook (ie for Q3 2025) as an annex to the Parties' response to the Issues Letter. This document includes one page that assesses the competition in 'pastry', identifying Bridor, Lantmännen, Délifrance, Aryzta, Neuhauser, Europastry and La Lorraine.²²⁴ Notably:
 - (i) This document was prepared in Q3 of 2025 and was therefore after the Merger was agreed and once the CMA had commenced its review. This is relevant for the CMA's assessment of the evidentiary weight to be attached to such documents.²²⁵
 - (ii) In any event, when considering the analysis of each of the competitor, the document suggests that Vandemoortele considers that Aryzta, Neuhauser, Europastry and La Lorraine exert less of a competitive constraint than Bridor and Lantmännen. In particular:
 - (1) Although all four suppliers are noted as having relationships with UK focused retail (via the supply of bread to Tesco for Aryzta and Neuhauser, and via the supply of donuts for Europastry and La Lorraine), each are described as having an 'Unknown Pastry reputation in UK focussed retailers (exc Tesco)';
 - (2) Aryzta and Neuhauser are noted as having an [10-20]% combined market share, compared to Délifrance's [30-40]%; and
 - (3) The route to market for Europastry and La Lorraine is described as 'NA in 2025'.

146. During our investigation, Vandemoortele argued that Aryzta was a very significant competitor in LD products in the UK, and that Aryzta's importance was not reflected in its documents because it had been relying on a data set that did not include Aryzta and so had been unaware of its significance. We note, however, that in 2023 business documents, Vandemoortele identified Aryzta as the largest supplier of LD products in the retail segment with [20-30]% share driven by its role

²²² Vandemoortele's Internal Document, Annex VDM-00000164 to the FMN, 'FMN Annex 76 - [redacted]', February 2023, slides 27-28.

²²³ Vandemoortele's Internal Document, Annex VDM-00000164 to the FMN, 'FMN Annex 76 - [redacted]', February 2023, slides 27-28.

²²⁴ Vandemoortele's Internal Document, Annex 28 to the Issues Letter Response, '[redacted]', page 58.

²²⁵ Consistent with the approach outlined in [CMA 129](#), paragraph 2.29; the CMA is likely to attach more evidentiary weight to documents generated prior to the period in which a merger was in contemplation.

as the key supplier to Lidl.²²⁶ In that document, Aryzta's share appears in data sets alongside the shares of other competitors, but there are no further references to Aryzta, although there are, for example, references to targeting volumes sold by other specific competitors. Despite being aware of Aryzta's role in supplying Lidl, Vandemoortele does not identify Aryzta as a major competitor and its UK-specific documents include limited references to Aryzta. Moreover, despite Aryzta's long-term role as a supplier to Lidl (since at least 2021), its share of supply remains small (see Table 1) and third parties have not provided evidence of Aryzta providing a material constraint in the broader UK market.

147. Third, while Délifrance submitted relatively few UK-specific documents, those few documents also appear to identify a relatively limited range of suppliers, including Vandemoortele.
- (a) These documents are predominantly 'account plans' for key UK customers and, while limited in number, indicate that Délifrance monitors the following competing suppliers of LD products: Bridor, Lantmännen, Aryzta and Vandemoortele (as well a broader range of competitors for bread). By way of example:
 - (i) The [X] account plan outlines the risks for an upcoming tender and identifies only two other competitors besides Vandemoortele (Lantmännen and Bridor). Vandemoortele is identified as having 'aggressively competed in 24/25 Tender';²²⁷
 - (ii) The [X] account plan identifies Bridor as a competitor;²²⁸
 - (iii) The [X] account plan identifies Vandemoortele, Lantmännen and Aryzta as competitors;²²⁹ and
 - (iv) The [X] account plan identifies Bridor, Vandemoortele and Schulstard (owned by Lantmännen) as competitors.²³⁰
 - (b) Délifrance submitted a number of updated 'account plans' together with the Parties' response to the Issues Letter. Although these documents were prepared after the Merger was agreed and once the CMA had commenced its review, they are broadly consistent with the previous iterations of the documents submitted in response to the CMA's information request.
 - (c) As noted in the Parties' response to the Issues Letter, Délifrance identified Bridor, Lantmännen and Neuhauser as part of its assessment of 'Competitor

²²⁶ Vandemoortele's Internal Document, Annex VDM-00000164 to the FMN, 'FMN Annex 76 - [X]', February 2023, slides 26-27.

²²⁷ Délifrance response to the CMA's section 109 Notice, 7 October, Annex 2, '[X]', slide 20.

²²⁸ Délifrance response to the CMA's section 109 Notice, 7 October, Annex 6, '[X]', slide 6.

²²⁹ Délifrance response to the CMA's section 109 Notice, 7 October, Annex 4, '[X]', slides 22 and 29.

²³⁰ Délifrance response to the CMA's section 109 Notice, 7 October, Annex 1, '[X]', slide 8.

Threat' for the [X] FLD tender (whereas ultimately Europastry won the tender).²³¹ While Neuhauser is listed as a threat, the document was prepared in July 2025 and was after the Merger was agreed and once the CMA had commenced its review, which is relevant for the CMA's assessment of the evidentiary weight to be attached to such documents. In any event, the document notes Neuhauser's 'smaller portfolio' as a weakness and questions whether it could 'handle the uplift of business from [X]'.²³²

148. Fourth, Délifrance submitted a signed statement from its Managing Director for the UK & Ireland noting that [customer] indicated to Délifrance that it intends to issue a tender for the LD products that Délifrance currently supplies if Délifrance cannot give [customer] 'confidence of availability to 98.5% and adherence to technical BRC standards'.²³³ This statement notes that [customer] mentioned that there were 'competitors knocking on their door' after the Vandemoortele and Délifrance merger announcement, and that Délifrance assumes that Bridor, Lantmännen, Europastry and La Lorraine would be invited to tender if issued in 2026. There are two key factors that limit the weight that the CMA can attach to this evidence:
- (a) This statement was prepared for the CMA and is not contemporaneous evidence created in the ordinary course of business; and
 - (b) In any case, the statement itself is clear on its face that Délifrance is speculating as to the identity of the potential participants for a tender that may (or may not) take place in 2026.

5.3.1.5.3 *Europe-wide internal documents*

149. The CMA has also reviewed a number of internal documents relating to the Parties' activities at the Europe-wide level. These internal documents provide further evidence relevant to the CMA's assessment.
150. First, a Vandemoortele internal document considering the overall merger rationale identifies the Merged Entity being the '#1 player' in the UK.²³⁴
151. Second, the Europe-wide internal documents demonstrate that the competitor set active across continental Europe is broader than only the competitors identified in the UK-specific documents. In particular, one Europe-wide document refers to Bridor, Europastry, La Lorraine, Aryzta and Lantmännen as 'truly international competitors' that are 'assertively growing through M&A and CAPEX'.²³⁵ More

²³¹ Parties' response to the Issues Letter, 17 November 2025, paragraph 6.9(b).

²³² Vandemoortele's Internal Document, Annex 29 to the FMN, '[X]'.²³³

²³³ Délifrance's submission to the CMA, 17 November 2025, '[X]'.²³⁴

²³⁴ Vandemoortele's Internal Document, Annex VDM-00000023 to the FMN 'Annex 8-020 - [X]', February 2025, slide 30.

²³⁵ Vandemoortele's Internal Document, Annex VDM-00000030 to the FMN, 'Annex 009-003 - [X]', July 2024, page 2; and Parties' response to the Issues Letter, 17 November 2025, paragraph 6.6(a).

generally, the Europe-wide documents refer to the following competitors that are not monitored on a regular basis in the UK-specific documents: Aryzta, Europastry, European Bakery Group, Gourmand, La Lorraine and Neuhauser.²³⁶

152. However, the Europe-wide documents do not provide evidence that this broader competitor set is relevant in the UK. In fact, the difference between the two categories of internal documents suggests that there are differences in competitive dynamics in the UK and Europe. The CMA has not seen evidence in the Europe-wide internal documents that suggests that the Parties' UK businesses have inaccurately understood competition in the UK or failed to reflect this accurately in the UK-specific internal documents.

5.3.1.5.4 CMA's assessment

153. The CMA considers that the Parties' internal documents are consistent with the wider evidence. The Parties are two of the largest suppliers in a highly concentrated market for the supply of LD products in the UK and are close competitors that monitor each other alongside a limited number of alternative competitors. While the Parties consider a broader range of competitors at the Europe-wide level, the internal documents do not indicate that competitors (other than Bridor and Lantmännen) are considered as material competitive constraints in market for the supply of LD products in the UK.

5.3.2 CMA's view on theory of harm 1

154. The CMA has assessed how closely the Parties compete with one another and whether the removal of the constraint that they place on each other would lead to a realistic prospect of an SLC in the supply of frozen LD products in the UK. The CMA has also assessed the current competitive constraints placed on the Parties by other suppliers.
155. For the reasons set out above, the CMA believes that the Parties are close competitors in the supply of LD products in the UK. The market for LD products in the UK is highly concentrated, and the Parties are two of the four largest suppliers of LD products as shown by shares of supply, internal documents and evidence from third parties. The Parties' focus on the FLD segment within the relevant market means they likely compete even more closely than shares for all LD products suggest. Bidding data provided by the Parties, whilst limited, supports that the Parties compete more closely with each other than most other suppliers.

²³⁶ See for example: Vandemoortele's Internal Document, Annex VDM-00000128 to the FMN, 'Annex 046 – [REDACTED]', October 2023; and Parties' response to the Issues Letter, 17 November 2025, paragraph 6.6(c); Vandemoortele's Internal Document, Annex VDM-00000141 to the FMN, 'Annex 042 – [REDACTED]', April 2024, slides 30 and 33; Délifrance's Internal Document, Annex VDM-00000069 to the FMN, 'Annex 010-005 - [REDACTED]', February 2025, slide 9; and Vandemoortele's Internal Document, Annex VDM-00000002 to the FMN, 'Annex 006 – [REDACTED]', May 2025, page 5.

156. The other two main suppliers of LD products in the UK are Bridor and Lantmännen. Evidence reviewed by the CMA suggests that Bridor is a close competitor of the Parties. Lantmännen is a less close competitor of the Parties as it has a weaker presence in the FLD segment and has a greater focus on Danish pastries. The bidding data also suggests that Lantmannen competes against the Parties much less frequently than Bridor. Nevertheless, third party evidence and internal documents indicate that Lantmannen is a strong competitor in the UK market.
157. There are several smaller alternative suppliers of LD products active in the market, notably Aryzta and Europastry. The CMA has considered the competitive constraint posed by these suppliers.
158. Evidence suggests that Aryzta and Neuhauser have a relatively small presence in the UK market for LD products with both having a share of supply less than [5-10]%. Neither Aryzta nor Neuhauser appear significantly in the Parties' bidding analysis, or internal documents which consider competitive dynamics in the UK and both were only considered a suitable supplier by a minority of customers. The CMA does not consider that Aryzta or Neuhauser will provide a significant competitive constraint on the Parties following the Merger.
159. Similarly, Europastry also has a small presence in the UK market with a share of supply less than [0-5]%. Europastry rarely appears in the Parties' internal documents assessing competition for LD products in the UK or in their bidding data and is not listed as the winner of any opportunities. The CMA notes that Europastry has recently won some volumes from [X] and therefore competes with the Parties. Moreover, there is some evidence that this quality-based loss was noticed by [X] customers, which suggests that Europastry may pose a degree of competitive constraint. However, the volumes involved in the tender are relatively small, and not necessarily indicative of an ability to compete on a wider scale in the UK market. Even with the additional volumes from the new tender, Europastry's share of supply does not exceed [0-5]%. Third party evidence also shows that Europastry is only considered a strong supplier by a small minority of third parties, and it rarely appears in the Parties' UK specific internal documents. The CMA does not consider that Europastry will provide a significant competitive constraint on the Parties following the Merger.
160. With regards to other competitors active in the supply of LD products, the evidence suggests that these suppliers have limited presence in the UK. Therefore, the CMA considers that they are unlikely to pose a material constraint on the Merged Entity, either individually or collectively.
161. The combination of the Parties' respective leading positions in LD products to create a clear market leader, alongside the small number of significant

competitors, indicates that the Merged Entity would face few material competitive constraints in the supply of LD products in the UK.

5.4 Conclusion

162. For the reasons set above, the CMA believes that the Merger gives rise to a realistic prospect of an SLC as a result of horizontal unilateral effects in the supply of frozen LD products to retail and foodservice customers in the UK.

6. ENTRY AND EXPANSION

163. Entry, or expansion of existing firms, can mitigate the initial effect of a merger on competition, and in some cases may mean that there is no SLC. The CMA will consider entry and/or expansion plans of rivals who do so in direct response to the merger as a countervailing measure that could prevent an SLC. Entry or expansion plans of rivals that occurs irrespective of whether the merger proceeds may be considered in the competitive assessment when appropriate.²³⁷ In assessing whether entry or expansion might prevent an SLC, the CMA considers whether such entry or expansion would be timely, likely and sufficient.²³⁸

6.1.1 Barriers to Entry and Expansion

164. With regards to barriers to entry and expansion irrespective of the Merger, the Parties submitted that barriers to entry and expansion are low for the supply of Laminated Dough-based FMG.²³⁹ The Parties submitted that:
- (a) Entry requires fairly limited capital investments and the technologies and inputs required are widely accessible;
 - (b) Scale is not important to be competitive; and
 - (c) there are low regulatory requirements and barriers to entry into the UK.
165. However, third party evidence on barriers to entry and expansion received by the CMA suggests that barriers to entry and expansion are generally high for LD products:
- (a) One supplier told the CMA that extending capacity is both expensive and time consuming with the cost of constructing a production line either exceeding 25 million euros if factory space is available or exceeding 40 million euros if a full factory is needed.²⁴⁰ The supplier also submitted that

²³⁷ [CMA129](#), paragraph 8.28.

²³⁸ [CMA129](#), from paragraph 8.40.

²³⁹ FMN, paragraph 22.2.

²⁴⁰ Note of a call with a third party, June 2025, paragraph 31.

construction would take up to two years and there is a long lead time associated with purchasing equipment to produce laminated products.

- (b) Another supplier submitted that entry and expansion is not possible without investment and lead time and would require over 10 million euros of investment. The supplier also noted that there have not been any significant new entrants to the UK market in recent years.²⁴¹
- (c) Another supplier submitted that it would be difficult for a small player to enter without a UK presence unless it has a solid background like the big players.²⁴²

166. The CMA has not received any evidence of entry or expansion being planned or occurring as a response to the merger and has considered the Parties' submissions, and related evidence, on planned capacity investments by competitors in paragraphs 86 to 98 of the competitive assessment above.

6.1.2 Buyer power

167. The Parties submitted that customers across both the retail and foodservice channels in the UK are highly sophisticated and enjoy considerable buyer power.²⁴³ The Parties submitted that customers will continue to be able to threaten to switch, which will deter the Merged Entity from (hypothetically) raising prices or reducing quality because of the following factors:²⁴⁴

- (a) The UK retail market is highly concentrated and both foodservice and retail customers feature a small number of powerful companies;
- (b) These retailers are well informed and price sensitive;
- (c) Retailers hold regular tenders specifically designed to maximise competitive outcomes;
- (d) Low switching costs, multi-sourcing strategies, and flexible contracts mean the threat of switching suppliers by retailers is both credible and routinely exercised;
- (e) If necessary, buyers can sponsor entry or expansion in a timely fashion; and
- (f) Customers maintain relationships with multiple competing suppliers across bakery categories and geographies, further enabling switching.

²⁴¹ Note of a call with a third party, June 2025, paragraph 13.

²⁴² Note of a call with a third party, June 2025, paragraph 13.

²⁴³ FMN, paragraph 14.190.

²⁴⁴ Parties' submission to the CMA, 17 October 2025, Key Issues Paper, paragraph 5.2.

168. As evidence, the Parties provided:
- (a) Customer data which shows that a small number of customers in both foodservice and retail are responsible for the majority of the Parties' revenues;^{245, 246}
 - (b) Recent examples of customers either switching from the Parties or considering switching away;^{247, 248} and
 - (c) Recent examples of customer pressure such as emails that show price negotiation or comparisons with other suppliers.²⁴⁹
169. The CMA considers that most forms of buyer power that do not result in new entry – for example, buyer power based on a customer's size, sophistication, or ability to switch easily – are unlikely to prevent an SLC that otherwise arise from the elimination of competition between the merger firms. This is because a customer's buyer power depends on the availability of good alternatives they can switch to, which in the context of an SLC will have been reduced.²⁵⁰
170. While the CMA recognises a degree of concentration in the customer base, the CMA has not seen evidence that this results in buyer power that would offset any loss of competition.
171. The CMA considers that the examples provided by the Parties of negotiations with retailers is evidence that price negotiations happen, as might be expected in the ordinary course of business, but is not in itself evidence that buyer power is sufficient to mitigate an SLC.²⁵¹ It is the identity of the alternative suppliers being considered by customers as part of any such negotiations that is relevant and the CMA considers evidence on the options considered by customers in the assessment of its theory of harm above. Furthermore, an internal document from August 2025, provided by Vandemoortele, shows that they have [§<] for two of the Parties' key contracts.²⁵² This indicates that any buyer power has not constrained the Parties [§<].
172. The CMA has also considered whether buyer power could result in new entry. Specifically, the CMA asked customers whether the following would be viable alternatives to using existing suppliers: (i) self-supply; or (ii) sponsoring entry and expansion.

²⁴⁵ FMN, Figures 38–41.

²⁴⁶ Parties' Issues Meeting presentation, 13 November 2025, slide 16.

²⁴⁷ FMN, Tables 40–43.

²⁴⁸ Parties' response to the Issues Letter, 17 November 2025, paragraph 5.12.

²⁴⁹ Parties' response to the Issues Letter, 17 November 2025, paragraphs 4.4 – 4.7.

²⁵⁰ [CMA129](#), paragraph 4.20.

²⁵¹ Parties' response to the Issues Letter, Annex 05, slide 3; Parties' response to the Issues Letter, Annex 06, page 1.

²⁵² Parties' response to the Issues Letter, Annex 28, slide 73.

173. With regard to self-supply, the vast majority of customers that responded to the question submitted that self-supply is not a viable option.²⁵³ Customers submitted that they did not have the manufacturing capability required to self-supply and that even if they did it would not be commercially feasible.
174. With regard to sponsored entry, some customers indicated that they were in theory open to the idea, but noted that it would not be a short term solution and would only be considered as part of a long-term strategic initiative.²⁵⁴ One customer submitted that the risk would be too great to give a single supplier such a sizable contract if they could not immediately supply the required volumes.²⁵⁵ Other customers submitted it would require unique capability from a supplier to make this commercially viable and attractive or require a sizable opportunity.²⁵⁶
175. For the reasons set out above the CMA does not consider that entry or expansion, driven by either suppliers or customers, would be sufficiently timely and likely to prevent a realistic prospect of an SLC as a result of the Merger.

7. CONCLUSION ON SUBSTANTIAL LESSENING OF COMPETITION

176. Based on the evidence set out above, the CMA believes that it is or may be the case that the Merger may be expected to result in an SLC as a result of horizontal unilateral effects in relation to the supply of frozen LD products to retail and foodservice customers in the UK.

²⁵³ Response to the CMA questionnaire from a number of third parties, October 2025, question 12.

²⁵⁴ Response to the CMA questionnaire from a number of third parties, October 2025, question 12.

²⁵⁵ Response to the CMA questionnaire from a third party, October 2025, question 12.

²⁵⁶ Response to the CMA questionnaire from a number of third parties, October 2025, question 12.

DECISION

177. Consequently, the CMA believes that it is or may be the case that (i) arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and (ii) the creation of that situation may be expected to result in an SLC within a market or markets in the United Kingdom.
178. The CMA therefore believes that it is under a duty to refer under section 33(1) of the Act. However, the duty to refer is not exercised whilst the CMA is considering whether to accept undertakings under section 73 of the Act instead of making such a reference.²⁵⁷ The Parties have until 15 December 2025²⁵⁸ to offer an undertaking to the CMA.²⁵⁹ The CMA will refer the Merger for a phase 2 investigation²⁶⁰ if the Parties do not offer an undertaking by this date; if the Parties indicate before this date that they do not wish to offer an undertaking; or if the CMA decides²⁶¹ by 22 December 2025 that there are no reasonable grounds for believing that it might accept the undertaking offered by the Parties, or a modified version of it.

Sorcha O’Carroll
Senior Director, Mergers
Competition and Markets Authority
8 December 2025

ⁱ Footnote 232 should be read as Délifrance’s Internal Document, Annex 29 to the FMN, ‘[§<]’.

²⁵⁷ Section [33\(3\)\(b\)](#) of the Act.

²⁵⁸ Section [73A\(1\)](#) of the Act.

²⁵⁹ Section [73\(2\)](#) of the Act.

²⁶⁰ Sections [33\(1\)](#) and [34ZA\(2\)](#) of the Act.

²⁶¹ Section [73A\(2\)](#) of the Act.