

**ANTICIPATED  
ACQUISITION BY  
ASSOCIATED BRITISH  
FOODS PLC (THROUGH  
ABF GRAIN PRODUCTS  
LIMITED) OF HOVIS GROUP  
LIMITED**

**Supplementary Interim Report**

ME/7129/25  
21 May 2026



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The Competition and Markets Authority has excluded from this published version of the Supplementary Interim Report information which the inquiry group considers should be excluded having regard to the three considerations set out in section 244 of the Enterprise Act 2002 (specified information: considerations relevant to disclosure). The omissions are indicated by [✂]. Some numbers have been replaced by a range. These are shown in square brackets.

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# SUMMARY

1. On 26 March 2026, the Inquiry Group issued its Interim Report on the anticipated acquisition (the **Merger**) by Associated British Foods plc (**ABF**) (via its wholly-owned indirect subsidiary ABF Grain Products Limited) of Hovis Group Limited (**Hovis**), which is ultimately owned by Endless LLP (**Endless**). In our Interim Report we provisionally found that the Merger may be expected to result in a substantial lessening of competition (**SLC**) in the supply of bread and certain other bakery products in Northern Ireland (**NI**).
2. To assess the impact a merger may be expected to have on competition, we consider what would be the most likely conditions of competition in the relevant markets if it did not take place (the counterfactual). In assessing the impact of the Merger, we have considered whether the appropriate counterfactual is one in which ABF's UK bakery business, Allied Bakeries (**AB**), exits the markets – a so-called exiting firm scenario. Where the exiting firm scenario applies, a merger may not be expected to give rise to an SLC, as regardless of whether the merger goes ahead or not, the constraint from the exiting firm as a separate competitor would be lost.
3. In our Interim Report we provisionally found that the exiting firm scenario applied in relation to AB's business in Great Britain (**GB**). However, we provisionally found that, absent the Merger, there would have been an alternative, less anti-competitive purchaser for AB's bakery operations in NI (**AB NI**), that would have operated it as a competitor to Hovis. We therefore provisionally found that the exiting firm scenario did not apply in relation to AB NI, and that the appropriate counterfactual for NI was one in which conditions of competition were broadly in line with the current conditions of competition.
4. Since publication of our Interim Report, we have received further submissions from ABF and undertaken additional evidence-gathering (which has included requesting financial data from ABF, and internal documents such as emails between ABF, its financial advisers and potential purchasers of AB NI), third-party engagement, and analysis. Having considered the totality of the evidence before us, our revised provisional conclusion in relation to NI is that the most likely counterfactual is one in which AB would have exited, and there would not have been an alternative, less anti-competitive purchaser for AB NI that would have operated it as a competitor to Hovis. Therefore, our revised provisional conclusion is that the exiting firm scenario applies in relation to AB NI, as well as to AB's GB business. Consequently, our provisional conclusion is that the Merger may not be expected to result in an SLC in either GB or NI, as regardless of whether the Merger goes ahead or not, the constraint from AB as a separate competitor to Hovis would be lost.

# FINDINGS

## 1. INTRODUCTION

- 1.1 On 26 March 2026, the Inquiry Group appointed to consider the Merger issued its Interim Report.<sup>1,2</sup>
- 1.2 The Interim Report set out our provisional finding that the Merger, if implemented, will result in the creation of a relevant merger situation (**RMS**). In relation to whether the Merger may be expected to result in an SLC, the Interim Report set out (i) our provisional finding that the exiting firm scenario applied in relation to AB's business in GB and, accordingly, the Merger may not be expected to result in an SLC in GB and (ii) our provisional finding that the exiting firm scenario did not apply in relation to AB NI and that the Merger may be expected to result in an SLC in the supply of bread and certain other bakery products in NI.<sup>3</sup>
- 1.3 On 17 April 2026 the Parties submitted their written response to the Interim Report,<sup>4</sup> on 21 April 2026 we held a main party hearing with ABF, and on 29 April 2026 we held a remedies meeting with ABF.
- 1.4 Following the Interim Report, ABF also made a number of additional submissions.<sup>5</sup> This information focussed on AB NI's financial situation and updates on the ongoing sales process for AB NI (the **AB NI Sales Process**).<sup>6</sup>
- 1.5 Since we published the Interim Report, we have continued to collect evidence from ABF and third parties, and analyse the evidence received during our investigation. In particular:

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<sup>1</sup> On 8 January 2026, in exercise of its duty under [section 33\(1A\)](#) of the Enterprise Act 2002 (the **Act**), the Competition and Markets Authority (**CMA**), having concluded that the conditions to accept a fast-track reference request under [section 34ZF\(3\)](#) of the Act are met, and having accepted the fast-track reference request made by ABF, Hovis and Endless, made a reference to its Chair for the constitution of a Group of CMA Panel Members (the **Inquiry Group**) under [Schedule 4](#) to the Enterprise and Regulatory Reform Act 2013 in order that the group may investigate and report, within a period ending on 24 June 2026. ABF and Hovis are together referred to as the **Parties**, and for statements relating to the future where ABF acquires Hovis (if the Merger was to proceed), ABF and Hovis are referred to together as the **Merged Entity**. The relevant terms of reference can be found on the CMA website, see: CMA, [Terms of reference](#), 8 January 2026.

<sup>2</sup> The Interim Report (see CMA, [Interim Report](#), 26 March 2026) was notified to the Parties and published pursuant to the [CMA rules of procedure for merger, market and special reference groups \(CMA17\)](#), 2 January 2025, Rule 11.

<sup>3</sup> CMA, [Interim Report](#), 26 March 2026.

<sup>4</sup> Parties' response to the Interim Report, 17 April 2026.

<sup>5</sup> ABF's submissions following the remedies meeting, 6 May 2026; ABF email to the CMA, 8 April 2026; ABF email to the CMA, 10 April 2026; ABF follow-up email to the CMA, 10 April 2026; ABF email to the CMA, 16 April 2026; ABF email to the CMA, 20 April 2026; ABF email to the CMA, 27 April 2026; ABF email to the CMA, 1 May 2026; ABF email to the CMA, 7 May 2026; ABF email to the CMA, 11 May 2026; and ABF's 'Follow-up submission relating to final offers', 12 May 2026.

<sup>6</sup> A description of the AB NI operations that ABF is offering to divest is included in the [Invitation to comment on remedies \(ITCR\)](#), which was published on 10 April 2026 on the CMA's [inquiry webpage](#).

- (a) We received one response to our Interim Report from a third party, and six responses to our Invitation to Comment on Remedies (**ITCR**) from third parties (including three of the Parties' customers).<sup>7</sup>
- (b) We have issued information requests to the Parties, ABF's financial advisers ([REDACTED]) and a third party, covering financial data and internal documents, including emails between ABF, its financial advisers and potential purchasers.<sup>8</sup> The internal documents received provide evidence on, amongst other things, potential purchasers' reasons for choosing whether or not to participate in the AB NI Sales Process, the value of any offers made by potential purchasers for AB NI and the rationale for those offers, and, where relevant, the reasons for withdrawing from the process.
- (c) We have held calls with ABF's financial advisers and all the potential purchasers that attended site visits, four of whom ([REDACTED], [REDACTED], [REDACTED]<sup>9</sup> and [REDACTED]) submitted indicative bids for AB NI. Since our Interim Report, some of these potential purchasers have undertaken due diligence on AB NI.<sup>10</sup>

1.6 We have considered the above additional evidence received following the Interim Report, and all other evidence received to date, in the round.

1.7 This Supplementary Interim Report sets out our updated assessment of the evidence in relation to AB NI and our revised provisional conclusions.

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<sup>7</sup> Responses to the Interim Report and ITCR were published on the CMA's [inquiry webpage](#).

<sup>8</sup> Hovis' response to the CMA's RFI dated 14 April 2026; Parties' response to the CMA's RFI dated 17 April 2026; ABF's response to the CMA's RFI dated 29 April 2026; ABF's response to the CMA's section 109 notice dated 7 April 2026; ABF's response to the CMA's section 109 notice dated 20 April 2026; Third-party response to the CMA's RFI dated 22 April 2026; and ABF's financial advisers response to the CMA's section 109 notice dated 22 April 2026.

<sup>9</sup> [REDACTED]. [REDACTED] referred to as [REDACTED] in this Supplementary Interim Report.

<sup>10</sup> Third-party call note; Third-party call note; Third-party call note; Third-party call note; ABF internal document, Annex ABF007693 to ABF email to the CMA dated 29 April 2026; and Third-party internal document, annex to ABF's financial advisers response to the CMA's section 109 notice dated 22 April 2026.

## 2. NI COUNTERFACTUAL

### Introduction

- 2.1 This chapter sets out our assessment and revised provisional conclusion on the appropriate counterfactual for the Merger in NI.
- 2.2 This chapter is structured under the following headings:
- (a) Framework for assessing the counterfactual;
  - (b) ABF's submissions on the counterfactual following the Interim Report;
  - (c) The AB NI Sales Process:
    - (i) Overview of the AB NI Sales Process;
    - (ii) Our assessment of the AB NI Sales Process;
  - (d) Our assessment of the counterfactual in NI:
    - (i) ABF's incentives to sell AB NI;
    - (ii) AB NI's financial performance;
    - (iii) Third-party views on the attractiveness of AB NI; and
    - (iv) Our revised provisional conclusion on the counterfactual for AB NI.

### Framework for assessing the counterfactual

- 2.3 At phase 2, the CMA will select the most likely conditions of competition as its counterfactual against which to assess the merger.<sup>11</sup> The CMA needs to form an overall judgment on the most likely conditions of competition absent the merger, taking into account all the relevant factors and its evaluation of all of the evidence.<sup>12</sup>
- 2.4 As set out in the Interim Report, in determining the counterfactual we may consider whether, absent the merger, one of the merger firms is likely to have exited the market.<sup>13</sup> In forming a view on an exiting firm scenario, the CMA will use the following framework:<sup>14</sup>

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<sup>11</sup> CMA, [Merger Assessment Guidelines \(CMA129\)](#), 18 March 2021, paragraph 3.13.

<sup>12</sup> [Spreadex Limited v CMA, 19 March 2026, CAT 24](#) at paragraphs 55 and 69.

<sup>13</sup> [CMA129](#), paragraph 3.16(b).

<sup>14</sup> [CMA129](#), paragraphs 3.21, 3.26 and 3.30.

- (a) whether one of the firms would have exited the market absent the merger (**Limb 1**).
- (b) whether there would have been an alternative, less anti-competitive purchaser for the firm or its assets to the acquirer in question that would have operated the business as a competitor (**Limb 2**).

2.5 When considering whether there were alternative purchasers for the purpose of Limb 2, the CMA will seek to identify who the alternative purchaser(s) might have been and take this into account when determining the counterfactual. The CMA may consider the marketing process for the target firm as well as offers received for it. The CMA will not restrict its analysis to alternative purchasers who were willing to pay the same or similar price that was agreed in the merger under investigation, but rather the CMA will assess whether there was an alternative purchaser willing to acquire the firm at any price above liquidation value.<sup>15</sup> Importantly, the CMA will consider alternative purchasers that would have operated the business as a competitor.<sup>16</sup>

2.6 Where the CMA concludes that one of the merger firms would exit absent the merger and there would have been no alternative, less anti-competitive purchaser for the firm or its assets, it will not find an SLC.<sup>17</sup>

## **ABF's submissions on the counterfactual following the Interim Report**

2.7 ABF disagreed with our provisional conclusion on the counterfactual in the Interim Report on the basis that, in its view, Limb 2 of the exiting firm framework is met for NI.<sup>18</sup> ABF submitted that the most likely counterfactual in NI is one in which AB would have exited the market and there would not be an alternative less anti-competitive purchaser willing to acquire AB NI at a price above liquidation value.<sup>19,20</sup> ABF made further submissions on the costs and risks facing a potential buyer, and provided information gathered from the ongoing AB NI Sales Process which, in its view, demonstrates that the acquisition of AB NI would likely be an uneconomical and risky transaction for a purchaser. In particular, ABF submitted that:

- (a) The CMA's assessment of AB NI's profitability did not take proper account of central costs, and when these are appropriately allocated AB NI is loss-

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<sup>15</sup> We use 'liquidation value' as an analytical tool to mean the value associated with winding up or otherwise ceasing to operate the business. It may not necessarily involve a formal liquidation process. The liquidation value can be positive or negative depending on whether the realisable sale value of a firm's assets exceeds its outstanding liabilities.

<sup>16</sup> [CMA129](#), paragraph 3.30.

<sup>17</sup> [CMA129](#), paragraph 3.23.

<sup>18</sup> [Parties' response to the Interim Report](#), 17 April 2026, paragraph 2.1.

<sup>19</sup> [Parties' response to the Interim Report](#), 17 April 2026, paragraph 2.4; and ABF Main Party Hearing (**MPH**) transcript, 21 April 2026, page 76, lines 19-25.

<sup>20</sup> The Parties also submitted that they agreed with the provisional conclusions in our Interim Report with regards to Limbs 1 and 2 for GB, and Limb 1 for NI (see [Parties' response to the Interim Report](#), 17 April 2026, paragraph 1.1).

making by approximately £[X] million in FY2025. Furthermore, feedback received from potential purchasers engaged in the AB NI Sales Process provides evidence that potential purchasers have concerns around AB NI's loss-making financial position.<sup>21</sup>

- (b) Any synergies that can be achieved are insufficient to justify a purchase of AB NI, even for other plant bread suppliers and third parties active in adjacent markets.<sup>22</sup>
- (c) Material investment is required to return AB NI to profitability and evidence from potential purchasers in the AB NI Sales Process indicates that they would not be prepared to take the risk of funding such investment.<sup>23</sup>
- (d) It would not be cost effective for a potential purchaser to supply into GB from NI. ABF only does so because it is a UK-wide supplier and it helps to balance its production between sites for operational reasons. The requirement for direct to store (**DTS**) delivery in the GB market heightens this issue for NI-based suppliers.<sup>24</sup>
- (e) Wider aspects of the NI market make this an unattractive opportunity, including: the decline in the plant bread market and consumers shifting into other types of bakery goods;<sup>25</sup> higher input costs;<sup>26</sup> labour cost inflation;<sup>27</sup> the competitiveness of the market, with a number of other brands already present;<sup>28</sup> the presence of GB retailers which constrains prices;<sup>29</sup> and that NI is an expensive place to service.<sup>30</sup>

2.8 ABF further submitted that, in the counterfactual, even in the best-case scenario the financial benefit to ABF of selling the business as compared to liquidating it would be small, such that the potential financial upside from the sale would be outweighed by the additional execution risk associated with pursuing such a sale. Therefore, ABF submitted that it is more likely that ABF would have liquidated AB NI than seek to sell.<sup>31</sup>

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<sup>21</sup> [Parties' response to the Interim Report](#), 17 April 2026, paragraphs 2.6-2.10; ABF MPH transcript, 21 April 2026, page 72, lines 20-24; and ABF MPH presentation slides, 21 April 2026, slides 14-17 and 28.

<sup>22</sup> [Parties' response to the Interim Report](#), 17 April 2026, paragraph 2.9; and ABF MPH transcript, 21 April 2026, page 70, line 26 to page 71, line 20.

<sup>23</sup> [Parties' response to the Interim Report](#), 17 April 2026, paragraph 2.10; and ABF MPH transcript, 21 April 2026, page 73, line 4.

<sup>24</sup> [Parties' response to the Interim Report](#), 17 April 2026, paragraph 2.11; and ABF MPH presentation slides, 21 April 2026, slide 18.

<sup>25</sup> ABF MPH transcript, 21 April 2026, page 50, lines 7-12.

<sup>26</sup> [Parties' response to the Interim Report](#), paragraph 2.6; and ABF MPH transcript, 21 April 2026, page 76, lines 15-16.

<sup>27</sup> ABF MPH transcript, 21 April 2026, page 50, line 23 to page 51, line 2.

<sup>28</sup> ABF MPH transcript, 21 April 2026, page 76, lines 7-18.

<sup>29</sup> ABF MPH transcript, 21 April 2026, page 44, lines 23-24.

<sup>30</sup> ABF MPH transcript, 21 April 2026, page 46, lines 6-12.

<sup>31</sup> ABF MPH transcript, 21 April 2026, page 67, line 14 to page 69, line 20.

2.9 Following ABF's receipt at the beginning of May 2026 of further non-binding offers for AB NI from potential purchasers ([REDACTED], [REDACTED] and [REDACTED]), which were still subject to varying degrees of due diligence, ABF submitted that:

- (a) All the offers received, if accepted, would involve greater costs to ABF than the costs of liquidating AB NI, which is evidence that Limb 2 of the exiting firm framework is met for NI.<sup>32</sup>
- (b) With regards to [REDACTED] offer, ABF submitted that the total cost to ABF if it were to accept this would be at least £[REDACTED] million. Costs to ABF included retaining ABF liabilities, separation and transaction costs, TSA costs, capex funding requirements and a commitment to maintain the Basco basket requirements of the potential purchaser for [REDACTED]. Other elements of [REDACTED] offer such as volume and delisting protections could add further unquantified costs to ABF.<sup>33</sup>
- (c) With regards to [REDACTED] offer, ABF submitted that the total cost to ABF if it were to accept this would be at least £[REDACTED] million. Costs to ABF included retaining ABF liabilities, separation and transaction costs, TSA requirements, capex funding requirements and a redundancy indemnification. ABF submitted that there is also substantial risk that [REDACTED] would not be able to finance AB NI, as evidenced by [REDACTED] offer to pay the £[REDACTED] million consideration over a three-year period. In addition, this deferred payment would create a financial link between ABF and [REDACTED] for the three-year duration.<sup>34</sup>
- (d) With regards to [REDACTED] offer, ABF submitted that the total cost to ABF if it were to accept this would be at least £[REDACTED] million. Costs to ABF consist of separation and transaction costs. Further, ABF submitted that [REDACTED] offer lacked clarity and is still subject to red flag due diligence, which may give rise to additional costs including working capital requirements, liability retention and TSA requirements. While ABF acknowledged that the offer from [REDACTED] is closer to the cost of liquidating AB NI than the other offers received, ABF submitted that there are reasons to doubt the seriousness of this offer as it is still subject to red flag due diligence over the next eight weeks, was received late, and lacks significant detail despite [REDACTED] being a part of the AB NI Sales Process since December 2025. ABF also submitted that this offer could yet materially worsen and whether [REDACTED] is even prepared to proceed with a transaction remains far from certain.<sup>35</sup>

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<sup>32</sup> ABF's follow-up submission relating to final offers, 12 May 2026, paragraphs 1.1-1.2.

<sup>33</sup> ABF's follow-up submission relating to final offers, 12 May 2026, paragraphs 1.1-1.2 and 2.1-2.2.

<sup>34</sup> ABF's follow-up submission relating to final offers, 12 May 2026, paragraphs 1.1-1.2 and 3.2-3.3.

<sup>35</sup> ABF's follow-up submission relating to final offers, 12 May 2026, paragraphs 1.1. 1.3-1.4 and 4.1-4.3.

- (e) For all three offers, ABF also submitted that there are unquantified costs for IT which may worsen the offers.<sup>36</sup>
- (f) Finally, ABF submitted that the feedback the CMA has received from potential purchasers, including in response to the Interim Report and ITCR, demonstrated that it is more likely than not that there is no potential purchaser for AB NI.<sup>37</sup>

## The AB NI Sales Process

2.10 Our Interim Report noted that ABF has been running the AB NI Sales Process in parallel to our investigation and that this is unlikely to be an exact proxy for the situation absent the Merger.<sup>38</sup> The AB NI Sales Process has continued since the publication of our Interim Report, and we have received further evidence related to it. In this section we provide an overview of the AB NI Sales Process and our assessment of the AB NI Sales process.

### Overview of the AB NI Sales Process

- 2.11 ABF's financial advisers put together a list of 15 potential purchasers.<sup>39</sup> This list included a combination of bakery and plant bread suppliers that are active in the UK or the Republic of Ireland (**ROI**), and other international producers that may be interested in entering the NI market.
- 2.12 In December 2025, ABF's financial advisers contacted 14 of the potential purchasers it had identified, providing a high-level overview of the opportunity to gauge interest and offer further details.<sup>40</sup> One of the potential purchasers ([REDACTED]) on the list was not contacted at this time, as it had already attended a site visit and declined to make an offer.<sup>41</sup> More than half of those initially contacted did not respond ([REDACTED] and [REDACTED]) or declined to participate in the AB NI Sales Process ([REDACTED], [REDACTED], [REDACTED], [REDACTED] and [REDACTED]).<sup>42</sup>

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<sup>36</sup> ABF's follow-up submission relating to final offers, 12 May 2026, paragraph 2.1, 3.2 and 4.2.

<sup>37</sup> ABF's follow-up submission relating to final offers, 12 May 2026, paragraphs 1.1-1.2 and 5.1.

<sup>38</sup> CMA, [Interim Report](#), 26 March 2026, paragraphs 6.222-6.223.

<sup>39</sup> Third-party internal document, annex to ABF's financial advisers response to the CMA's section 109 notice dated 22 April 2026. Prior to this, in March 2024, [REDACTED] was approached by ABF in relation to a potential acquisition by [REDACTED] of AB NI. As part of this [REDACTED] signed a non-disclosure agreement, and attended a site visit in May 2025, but declined to make an offer for AB NI. [REDACTED] did not consider that the AB NI assets were new enough, and [REDACTED] did not need manufacturing operations in NI at that time. Parties, Final Merger Notice (**FMN**), 18 December 2025, paragraphs 24.79-24.83; ABF MPH transcript, 21 April 2026, page 12, line 18 to page 13, line 8; and ABF MPH presentation slides, 21 April 2026, slides 4-5.

<sup>40</sup> Third-party internal document, annex to ABF's financial advisers response to the CMA's section 109 notice dated 22 April 2026. As noted at footnote 39, [REDACTED] had already been approached by ABF and declined to make an offer for AB NI ([Parties' response to the Interim Report](#), 17 April 2026, paragraph 2.17).

<sup>41</sup> See footnote 39 above for further details.

<sup>42</sup> We, however, were able to confirm that [REDACTED] did not wish to purchase AB NI. See CMA, [Interim Report](#), 26 March 2026, paragraph 6.199. Third-party internal documents, annexes to ABF's financial advisers response to the CMA's section 109 notice dated 22 April 2026.

- 2.13 Three other potential purchasers ([REDACTED], [REDACTED] and [REDACTED]) contacted by ABF's financial advisers in December 2025 signed non-disclosure agreements and received initial marketing materials but subsequently declined to submit an indicative offer for AB NI.<sup>43</sup>
- 2.14 The range of potential purchasers that either did not respond, or declined to participate in the AB NI Sales Process (either before or after receiving the initial marketing materials), included (i) well-resourced international bakery operators that in principle could have used AB NI as an entry point into the NI bakery market, (ii) existing UK bakery competitors to AB and Hovis that in principle could have expanded in, or entered into, NI through an acquisition of AB NI, and (iii) ROI competitors that in principle could have expanded into NI through an acquisition of AB NI.
- 2.15 For those potential purchasers that declined to participate in the NI Sales Process and explained to ABF and its financial advisers why, their reasons included:
- (a) They saw either limited or no synergies between their business and AB NI.<sup>44</sup>
  - (b) The acquisition was not a strategic or commercial fit.<sup>45</sup>
  - (c) The acquisition of AB NI was economically unviable due to lack of profitability.<sup>46</sup>
- 2.16 Only three ([REDACTED], [REDACTED] and [REDACTED]) of the 14 potential purchasers initially contacted by ABF's financial advisers made an indicative offer for AB NI.<sup>47</sup> Since the publication of our Interim Report, one of these potential purchasers ([REDACTED]) has withdrawn from the AB NI Sales Process.<sup>48</sup>
- 2.17 Following publication of our Interim Report and our ITCR, three additional third parties ([REDACTED], [REDACTED] and [REDACTED]) approached ABF about the AB NI Sales Process.<sup>49</sup> One of these potential purchasers ([REDACTED]) subsequently declined to make an

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<sup>43</sup> Third-party internal documents, annexes to ABF's financial advisers response to the CMA's section 109 notice dated 22 April 2026.

<sup>44</sup> Third-party internal documents, annexes to ABF's financial advisers response to the CMA's section 109 Notice dated 22 April 2026; and Third-party response to the CMA's RFI dated 5 February 2026.

<sup>45</sup> Third-party internal documents, annexes to ABF's financial advisers response to the CMA's section 109 Notice dated 22 April 2026.

<sup>46</sup> Third-party call note.

<sup>47</sup> Third-party internal documents, annexes to ABF's financial advisers response to the CMA's section 109 notice dated 22 April 2026. As noted in paragraph 2.60 below, one of these potential purchasers ([REDACTED]) did not engage further after making an initial offer, but chose to re-engage in the process after publication of our ITCR. Similarly, as noted in paragraphs 2.71 and 2.72 below, the other potential purchaser ([REDACTED]) stepped away from the process after attending a site visit, but later re-engaged in the process, submitting that it never intended to withdraw and this was the result of a miscommunication.

<sup>48</sup> Third-party internal document, annex to ABF's financial advisers response to the CMA's section 109 notice dated 22 April 2026.

<sup>49</sup> Third-party internal documents, annexes to ABF's financial advisers response to the CMA's section 109 notice dated 22 April 2026; and ABF internal document, annex ABF007678 to ABF email to the CMA, 29 April 2026.

indicative offer for AB NI.<sup>50</sup> This potential purchaser did not attend a site visit prior to withdrawing.

- 2.18 The four remaining potential purchasers ([REDACTED], [REDACTED], [REDACTED] and [REDACTED]) that have taken part in the process, whether initially contacted by ABF's financial advisers or having approached ABF following publication of our Interim Report and ITCR, have attended site visits and obtained access to additional information on AB NI via a virtual data room.<sup>51,52</sup> Following the site visit and access to the data room, all four made non-binding offers for AB NI.<sup>53</sup>

## **Our assessment of the AB NI Sales Process**

- 2.19 As set out above, we noted in our Interim Report that ABF was running the AB NI Sales Process in parallel to our investigation and that we considered it is unlikely to be an exact proxy for the situation absent the Merger.<sup>54</sup> Since the publication of our Interim Report we have considered further what weight we can place on the AB NI Sales Process for the purposes of assessing whether, absent the Merger, there would have been an alternative less anti-competitive purchaser for AB NI.
- 2.20 We note that ABF may have mixed incentives to find a potential purchaser through the AB NI Sales Process, since ABF submitted that Limb 2 of the counterfactual is met in relation to NI, and that it would seek to rely on the failure of the AB NI Sales Process to identify a purchaser as evidence that Limb 2 is met.<sup>55</sup> We also note that our investigation, and in particular the publication of our Interim Report (setting out our provisional finding in relation to NI) and ITCR tabling a potential divestiture remedy in NI may have incentivised potential purchasers to come forward and engage with the AB NI Sales Process in the expectation that ABF would be required to divest AB NI. Our assessment takes account of these possible incentives of the various parties involved in the AB NI Sales Process and the extent to which this may affect our assessment of the counterfactual.
- 2.21 Our assessment of the AB NI Sales Process draws on a wide range of evidence, including detailed correspondence exchanged between ABF's financial advisers and all the potential purchasers, as well as the information provided to bidders

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<sup>50</sup> [REDACTED] decided to withdraw from the sales process, as ABF's flour mill in NI was not available for purchase (Third-party internal document, annex to ABF's financial advisers response to the CMA's section 109 notice dated 22 April 2026).

<sup>51</sup> Third-party internal documents, annexes to ABF's financial advisers response to the CMA's section 109 notice dated 22 April 2026; Third-party call note; Third-party call note; ABF internal document, Annex ABF007726 to ABF's response to the CMA's section 109 notice dated 20 April 2026; Parties' MPH transcript, 21 April 2026, page 42, lines 8-10 and page 43, lines 10-12; ABF email to the CMA, dated 27 April 2026; and ABF email to the CMA, dated 1 May 2026.

<sup>52</sup> [REDACTED] provided an indicative offer via email on 15 January 2026 and then chose to step away from the process. On 10 April 2026, following publication of the ITCR, [REDACTED] contacted ABF's financial advisers, and reengaged in the AB NI Sales Process (Third-party internal documents, annexes to ABF's financial advisers response to the CMA's section 109 Notice dated 22 April 2026; and Third-party call note).

<sup>53</sup> Third-party internal document, annex ROT000865 to ABF's financial advisers response to the CMA's section 109 notice dated 22 April 2026; and ABF internal documents, annexes to ABF's email to the CMA dated 11 May 2026.

<sup>54</sup> CMA, Interim Report, 26 March 2026, paragraph 6.223.

<sup>55</sup> Parties' response to the 'Areas of focus' document, 29 January 2026, paragraphs 2.14 and 3.33.

(including the information disclosed in the virtual data room) and calls with potential purchasers.

- 2.22 With regard to the potential purchasers, our Interim Report noted that there may be a subset of potential purchasers for whom AB NI may represent an attractive strategic opportunity, namely ROI based producers looking to enter or expand in the NI market.<sup>56</sup> The evidence obtained indicates that the initial list of 14 potential purchasers contacted by ABF's financial advisers included all such potential purchasers, so we do not consider that the list contains any material omissions. We also note that the Merger has been well publicised during our investigation and additional potential purchasers could have identified that the AB NI Sales Process is ongoing, as evidenced by the fact that other potential purchasers approached ABF and its financial advisers following publication of our Interim Report and ITCR.<sup>57</sup> In our view, additional potential purchasers have therefore already had an opportunity to come forward if they were interested and have not done so. Moreover, even if there were any such purchasers, for the reasons set out at paragraph 2.56 below, we consider it unlikely that they would value the AB NI business materially differently to those who have engaged in the AB NI Sales Process.
- 2.23 As part of our investigation, we heard from potential purchasers that the sales materials prepared for the AB NI Sales Process were limited, for example they did not include a standalone profit and loss account for AB NI, nor did they contain separate financial projections specific to AB NI.<sup>58</sup> We also note that ABF's financial advisers for the Merger are the same as those that conducted the AB NI Sales Process, which may have affected their incentives to market AB NI relative to the efforts that would be made in the counterfactual. However, potential purchasers (including some that said the sales materials were limited) also indicated that ABF and its financial advisers had been responsive to requests for additional information and had provided further material where available, and this is supported by the internal documents (including emails) that we have seen.<sup>59,60</sup> Further, as detailed below, a key factor in the decision of these potential purchasers on whether they proceeded with the AB NI Sales Process or their valuation of AB NI was their assessment that AB NI is loss-making, which they were able to make notwithstanding any limitations in the process. Given this, we consider it unlikely that any changes to the process would have had a material

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<sup>56</sup> CMA, [Interim Report](#), 26 March 2026, paragraph 6.221.

<sup>57</sup> Third-party internal documents, annexes to ABF's financial advisers response to the CMA's section 109 notice dated 22 April 2026; and ABF internal document, Annex ABF007678 to ABF's response to the CMA's section 109 notice dated 20 April 2026.

<sup>58</sup> Third-party call note; Third-party call note; and Third-party call note.

<sup>59</sup> Third-party call note; Third-party call note; and Third-party call note.

<sup>60</sup> See for instance, Third-party internal documents, annexes to ABF's financial advisers response to the CMA's section 109 Notice dated 22 April 2026.

impact on potential purchasers' levels of interest in participating in the AB NI Sales Process or the offers made.

- 2.24 Our provisional view remains that the AB NI Sales Process is unlikely to be an exact proxy for the situation absent the Merger. However, we consider that it has provided relevant evidence regarding the attractiveness of AB NI to potential purchasers, and the terms of potential offers they would be willing to make to ABF for AB NI.

## **Our assessment of the counterfactual in NI**

- 2.25 On the basis of the evidence available at the time of our Interim Report, we provisionally concluded that the most likely counterfactual is one in which there would be an alternative purchaser for AB NI that would operate the business as a competitor to Hovis in NI. Our provisional conclusion was based on evidence that (i) AB NI was profitable, although we recognised that the business may not be profitable once central costs are accounted for; and (ii) there may be potential purchasers who could generate the synergies required to operate the business profitably, which could include ROI and international suppliers looking to expand in NI.<sup>61</sup>
- 2.26 In this section, we assess the evidence received since our Interim Report, together with the evidence set out in our Interim Report, under the following headings:
- (a) ABF's incentives to sell AB NI;
  - (b) The financial performance of AB NI;
  - (c) Third-party views on the attractiveness of AB NI; and
  - (d) Revised provisional conclusion on the counterfactual for AB NI.

### **ABF's incentives to sell AB NI**

- 2.27 As set out in our Interim Report, in Limb 1 of our counterfactual analysis we provisionally concluded that absent the Merger ABF would likely exit AB NI.<sup>62</sup> Our provisional conclusion on Limb 1 has not changed.
- 2.28 When assessing whether Limb 2 is met, the CMA will consider if there would be an alternative purchaser willing to acquire the firm at any price above liquidation value.<sup>63</sup> We have therefore considered whether there would be a purchaser willing to acquire AB NI at a cost to ABF lower than the cost of liquidating the business.

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<sup>61</sup> CMA, [Interim Report](#), 26 March 2026, paragraph 32(a)-(f).

<sup>62</sup> CMA, [Interim Report](#), 26 March 2026, paragraph 6.173.

<sup>63</sup> [CMA129](#), paragraph 3.30.

- 2.29 In our Interim Report we estimated that the liquidation value of AB NI was approximately [X] (ie a cost to ABF of £[X] million).<sup>64</sup> As set out in our Interim Report, the liquidation model prepared internally by ABF and presented to the ABF board includes ‘bottom-up’ estimates of redundancy costs, contract exit costs calculated with reference to [X] and property asset valuations provided by [X].<sup>65</sup> The model also shows the net book value of [X].<sup>66</sup> The liquidation value is therefore based on ABF’s internal documents, but has been adjusted by the CMA using information provided by ABF to reflect the AB machinery<sup>67</sup> that could be used in [X]. In response to our Interim Report, the Parties submitted that this figure was similar to their own estimate of the liquidation value of AB NI.<sup>68</sup>
- 2.30 Since the publication of our Interim Report, the Parties submitted that there are additional costs and risks involved in selling AB NI, such as separating it into a standalone business and transaction costs, including the costs of financial advisers and legal costs (see paragraph 2.9 above). However, we note that there may also be additional costs and risks associated with liquidation which are not factored into the model prepared by ABF. While liquidation is likely to also involve some additional costs that have not been factored into our estimate of the liquidation value, we consider these are likely to be lower than the costs of a sale, and that a sale may involve some additional risks.<sup>69</sup> Our provisional view is therefore that ABF would only be likely to sell AB NI in the counterfactual if the net sale value once some additional costs and risks are taken into account was above the estimated £[X] million liquidation cost.

## The financial performance of AB NI

- 2.31 In this section we assess the financial performance of AB’s NI operations, updated to reflect additional information received since the publication of our Interim Report. This includes:
- (a) Our assessment of the profitability of AB’s NI operations according to AB’s management accounts.<sup>70</sup> Since our Interim Report we have received updated information from the Parties including;

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<sup>64</sup> CMA, [Interim Report](#), 26 March 2026, paragraph 6.168.

<sup>65</sup> CMA, [Interim Report](#), 26 March 2026, paragraphs 6.183(b) and 6.184. This model produced an estimate of the liquidation value of AB UK for the ABF board. To arrive at the UK figure, within the more detailed calculations the relevant costs and the income from asset sales relating to liquidating AB NI were included (see also CMA, [Interim Report](#), 26 March 2026, paragraph 6.216).

<sup>66</sup> CMA, [Interim Report](#), 26 March 2026, paragraph 6.186.

<sup>67</sup> See footnote 46 on page 15 of the ‘Technical Annex’ provided as part of Annex 0002 to the FMN of 18 December 2025. See also Parties’ internal document, Annex 122 to the Parties’ response to the CMA’s RFI dated 9 October 2025.

<sup>68</sup> [Parties’ response to the Interim Report](#), 17 April 2026, paragraph 2.3.

<sup>69</sup> A sale of a business requires identifying buyers, running a process, engaging in extensive due diligence, negotiating terms, and often engaging multiple bidders and carries execution risk.

<sup>70</sup> The financial information provided by ABF comes from different internal ABF sources. The CMA uses the term management accounts to refer broadly to the financial information provided by ABF that does not come from the statutory accounts.

- (i) The methodology used to provide financial information for AB NI;
  - (ii) The revenue attributed to the sale of products manufactured in GB that are included in the AB NI financial information; and
  - (iii) A forecast of AB NI's profitability for the financial year 2026.
- (b) Our analysis of factors affecting financial performance that are not accounted for in the AB NI financials. This is broken down into the following categories:
- (i) Allocation of central costs;
  - (ii) Loss of AB specific synergies;
  - (iii) AB NI investment requirements; and
  - (iv) Further risks to the financial performance of AB NI.

### **Profitability of AB NI in AB's Management accounts**

- 2.32 In our Interim Report, we set out information on the profit and loss for AB NI, based on the profitability of the business on an Earnings Before Interest and Tax (**EBIT**) basis.<sup>71</sup>
- 2.33 AB's management accounts use AB's total sales in the island of Ireland as the revenue for the AB NI business. The AB NI business' costs were based on the 'AB Belfast Profit and Loss' reports which include the manufacturing, operational and distribution costs of AB's NI assets and non-operational costs such as local marketing, sales support and other local overheads in NI.<sup>72,73</sup> Therefore, these accounts include the revenue, but not the manufacturing cost, of products manufactured in GB but sold in the island of Ireland, discussed at paragraphs 2.42 and 2.43 below. Conversely, they include the manufacturing cost, but not the revenue, of products manufactured in NI but sold in GB.
- 2.34 Since our Interim Report, ABF has provided updated financial information showing the forecasted profit for FY2026.<sup>74</sup> This is shown in Table 2.1 below, along with the figures for FY2023 to FY2025. The forecast for FY2026 is broadly consistent with

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<sup>71</sup> CMA, [Interim Report](#), 26 March 2026, paragraph 6.160 and Table 6.2. We note that AB NI is part of the AB business, which in turn is a division of ABF Grain Products Limited. AB NI is not a separate legal entity and as such does not produce separate statutory accounts.

<sup>72</sup> Parties updated Phase 2 Remedies Form, 7 May 2026, paragraphs 11.2-11.4.

<sup>73</sup> The Parties told us that revenue has been calculated using the total sales of AB to customers in the Island of Ireland (being sales to both NI and ROI customers), as a proxy for the revenue of the AB NI business. The Parties note that this does not exactly correspond with revenue from products manufactured by AB NI as some products sold on the island of Ireland are manufactured by AB GB and conversely some AB NI manufactured products are sold in GB. Based on FY25 figures ABF estimates that [80-90]% of revenue from AB products sold in the island of Ireland relate to products manufactured by AB NI and [90-100]% of AB NI products are sold in the island of Ireland in FY25 (see also paragraph 2.43 for further discussion of this issue).

<sup>74</sup> Parties' response to the Interim Report, 17 April 2026, Annex 251, paragraph 2.1.

FY2025 and shows a significant decline in profit of approximately [X]%, to £[X] million, compared to the £[X] million profit in FY2024. This is driven by a decline in revenue over this period whilst costs remain relatively static.

**Table 2.1: AB NI financial performance for the FY2023 to FY2025 and the forecast financial performance for FY2026**

	<i>£m</i>			
	<i>Financial Year 2023</i>	<i>Financial Year 2024</i>	<i>Financial Year 2025</i>	<i>Financial Year 2026 (forecast)</i>
Revenue	[X]	[X]	[X]	[X]
Costs	[X]	[X]	[X]	[X]
EBIT	[X]	[X]	[X]	[X]

Source: CMA analysis based on Parties' data.

Note: ABF's financial year is to September in the year referenced.

2.35 As set out further below, consistent with submissions made by the Parties, a number of third parties<sup>75</sup> indicated that when these figures are adjusted for additional costs that are not included in the management accounts, the business is likely to be loss-making.

### Allocation of central costs

2.36 As set out in our Interim Report, the financial performance of AB NI as per Table 2.1 above does not include an allocation of central costs for services provided by the wider ABF group to AB NI.<sup>76</sup> In response to our Interim Report, the Parties provided further detail on the costs of the relevant services, which include customer credit checks, order inputting, demand planning, invoicing, payment processing, HR services including payroll, supplier management and vehicle management.<sup>77</sup> The Parties also submitted that as the costs of providing these services are recorded centrally in AB, there is no share of these costs reflected in the 'AB Belfast Profit and Loss' reports.<sup>78</sup>

2.37 The Parties have calculated that AB NI's share of AB's central costs for these services would have been approximately £[X] million in FY2025, based on allocating a share of the total costs in proportion to AB NI's sales volumes relative to the total sales volumes of AB.<sup>79</sup> The Parties submitted that taking account of these costs would result in AB NI making a loss of approximately £[X] million on an EBIT basis for FY2025.

<sup>75</sup> See Third-party call note; Third-party call note; and Third-party call note.

<sup>76</sup> CMA, [Interim Report](#), 26 March 2026, paragraph 6.162.

<sup>77</sup> Parties' response to the Interim Report, 17 April 2026, Annex 251, paragraph 2.2.

<sup>78</sup> Costs are said to be recorded centrally at AB UK level. Parties' response to the Interim Report, 17 April 2026, Annex 251, paragraph 2.2.

<sup>79</sup> Parties' response to the Interim Report, 17 April 2026, Annex 251, paragraph 2.3 and Table 1.

2.38 Our provisional view is that whilst we accept that AB NI receives significant central support, and this comes at a cost not accounted for in the AB NI management accounts, ABF's estimate may not be reflective of the actual cost of providing such services. We consider a more accurate way of estimating the cost would be based on the incremental cost of providing central services. Moreover, ABF's estimate may not provide an accurate picture of the costs to a prospective purchaser of providing these central services, given a purchaser may be able to leverage some of its existing infrastructure to provide central services and may have a different cost structure to ABF.<sup>80</sup>

2.39 However, while in principle potential purchasers may be able to leverage existing infrastructure to provide the central services required to operate AB NI, the third-party evidence we have received since our Interim Report demonstrates that potential purchasers would likely need to invest in their central service capacity and/or incur substantial migration costs to provide these services to AB NI. For example:

- (a) [REDACTED] told us that it would need to invest and would need additional resource to incorporate the AB NI business, as it currently has little spare capacity in its central services.<sup>81</sup>
- (b) [REDACTED] noted that while it already has the requisite capacity to provide the central services required to operate AB NI, it estimated that the cost of migrating the business to its IT system could be in the range of a six-figure sum.<sup>82</sup>
- (c) [REDACTED] explained that providing the central services required to operate AB NI would require incremental costs and one-off migration costs, and that changing the IT system could cost hundreds of thousands of pounds and give rise to execution risk, as changing IT systems always runs over budget and is always difficult.<sup>83</sup>
- (d) [REDACTED], which does not currently have its own central services, estimated that it would cost between £0.7–0.8 million to provide these services.<sup>84</sup>

2.40 Based on the evidence set out above, which includes evidence from third parties that have conducted due diligence on AB NI since our Interim Report, our provisional view is that a potential purchaser would likely have to incur additional costs to provide the central services required to operate AB NI. Whilst it is difficult

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<sup>80</sup> ABF noted that a third party who is not a public limited company (and therefore does not have the same reporting requirements as ABF) may be able to provide some of these services at lower cost (ABF MPH presentation slides, 21 April 2026, slide 16).

<sup>81</sup> Third-party call note.

<sup>82</sup> Third-party call note.

<sup>83</sup> Third-party call note.

<sup>84</sup> Third-party call note. This estimate of overhead costs excluded sales and marketing costs.

to quantify the precise additional cost associated with providing these services, as this will depend on the existing infrastructure, spare capacity and cost structure of the potential purchaser, given that the forecast profit before accounting for central costs for FY2026 is only £[redacted] million (see Table 2.1 above), any additional costs would need to be low if the business is to remain profitable once these costs are accounted for. We note that were any potential purchaser to incur [redacted] the £[redacted] million cost estimated by the Parties, this would be sufficient to make AB NI loss-making.

### **Loss of AB specific synergies**

- 2.41 Since our Interim Report, we have identified further benefits which AB NI derives from being part of AB which would be at risk of being lost on separation from AB GB, whether as a result of the AB NI business being sold to an alternative purchaser, or in the counterfactual where, as set out in Chapter 6 of our Interim Report, AB's GB business would exit the market. This would make it more difficult for potential purchasers to run the AB NI business profitably. These benefits are:
- (a) Revenues from the sale of products to GB, and revenues from distributing products manufactured in GB in the island of Ireland.
  - (b) Sales to Grocery Multiple (**GMs**) in NI where the relevant contracts are negotiated centrally by AB on a UK wide basis.
- 2.42 The Parties submitted that AB GB needs to supply AB NI with crumpets, muffins and rolls from GB, as these products are not produced by AB NI.<sup>85</sup> The Parties submitted that it would not be commercially viable to produce these products locally, given the scale of the NI market, as any production facilities in NI would only run at a fraction of their total capacity. The Parties also submitted that, as the containers for these products need to be returned to GB, it is then cost effective to fill them with products manufactured in NI for sale in GB.<sup>86</sup>
- 2.43 In our Interim Report we provisionally found that in the counterfactual ABF would exit the market in GB and there would not be an alternative purchaser for the GB business.<sup>87</sup> Therefore, in the counterfactual, a potential purchaser of AB NI would lose the benefit of AB sales from AB NI into AB GB, and vice versa, as the AB GB business would no longer be operating. In FY2025, sales from AB GB to AB NI accounted for £[redacted] million<sup>88</sup> (or approximately [10-20]%) of AB NI's total revenue, and sales from AB NI to GB accounted for [5-10]% of AB NI's total output.<sup>89</sup> While the majority of revenue generated in NI is accounted for by products manufactured

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<sup>85</sup> [Parties' response to the Interim Report](#), 17 April 2026, paragraph 2.11.

<sup>86</sup> [Parties' response to the Interim Report](#), 17 April 2026, paragraph 2.11.

<sup>87</sup> CMA, [Interim Report](#), 26 March 2026, paragraph 3.

<sup>88</sup> Parties' updated Phase 2 Remedies Form, 7 May 2026, paragraph 4.6.

<sup>89</sup> Parties' updated Phase 2 Remedies Form, 7 May 2026, paragraph 11.4.

and sold in NI, evidence shows that the AB business is characterised by high fixed costs, such that even small reductions in volumes could have a significant impact on profitability.<sup>90</sup>

2.44 Some potential purchasers have raised the potential loss of volumes between GB and NI as a transaction risk. We note that some of these potential purchasers are considering this issue in the context of a scenario where they would be competing with the Merged Entity after they have purchased AB NI, rather than in a counterfactual in which AB GB has exited the market. However, we consider their views to be informative of the possible impact of the loss of AB specific synergies.

2.45 For example:

- (a) [REDACTED] explained that as bakeries have a large fixed-cost base, volumes are key to profitability. It further explained that it had concerns as there was no guarantee that volumes into and out of GB would continue.<sup>91</sup>
- (b) [REDACTED] noted the importance of retaining volumes in the business, and that it would require that specific UK volumes supplied from AB NI be retained post transaction. It also explained that it would require full transparency over the current customer list and whether any pricing mechanisms could be overridden at a group level in a way that would disadvantage the AB NI business.<sup>92</sup>
- (c) [REDACTED] noted that the loss of these sales would further impact the economic viability of the business, meaning this would reduce profitability further.<sup>93</sup>

2.46 There is also a risk that there could be a loss of synergies from UK-wide contracts negotiated by AB centrally for the whole of the UK. The Parties submitted that, while there is some variation in how GMs negotiate contracts for NI, a number of GMs rely on central agreements negotiated for the whole of the UK and only source NI specific products (such as soda and potato farls) locally.<sup>94</sup> As GMs in NI account for [30-40]% of AB NI's total revenue in FY2025,<sup>95</sup> the potential loss of any GM contracts could have a material impact on the financial performance of AB NI. In the counterfactual, where AB GB would exit, GMs could seek another UK wide supplier who would supply these GM stores in NI.

2.47 In addition, the Parties submitted that in FY2025 AB NI generated approximately £[REDACTED] million of revenue by distributing third-party products in NI that are manufactured in GB and distributed on a UK wide basis by AB. They submitted

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<sup>90</sup> CMA, [Interim Report](#), 26 March 2026, paragraph 6.227(b).

<sup>91</sup> Third-party call note.

<sup>92</sup> Third-party call note.

<sup>93</sup> Third-party call note.

<sup>94</sup> ABF MPH presentation slides, 21 April 2026, slide 21.

<sup>95</sup> ABF internal document, annex to ABF email to the CMA dated 23 December 2026, slide 7.

that as the distribution of these products relies on both AB's GB and NI distribution networks, these revenues are likely to be at risk.<sup>96</sup> We note that where third parties require a UK wide solution, or AB GB's logistics are necessary to distribute these products in NI, it may not be possible for AB NI to continue to distribute these products in a counterfactual scenario in which AB GB has exited the market (such that the AB GB distribution network will no longer be available).

2.48 Finally, we also note that there may be other synergies available to AB NI from being part of AB or the wider ABF group that may not be available to some potential purchasers that are not part of a wider corporate group. For example, [X] told us that AB NI was likely to benefit from site insurance being procured as a group policy on a UK wide basis by AB.<sup>97</sup>

### **AB NI investment requirements**

2.49 In addition to the above, evidence from third parties shows that there is likely to be a material investment outlay for any potential purchaser.

2.50 Most potential purchasers that inspected the AB NI site were of the view that significant investment would be required in the business. This includes costs to replace equipment, the van fleet and the roof at one site. Estimates varied but third parties indicated that replacing each oven would cost approximately £[X] million per oven,<sup>98</sup> replacing the roof would cost approximately £[X] million,<sup>99</sup> and replacing the fleet would cost approximately £[X] million.<sup>100</sup>

### **Further risks to the financial performance of AB NI**

2.51 As set out in our Interim Report, one of the factors affecting AB's profitability has been significant cost increases which have only been partially passed on to customers, or been passed on with a delay.<sup>101</sup> The Parties submitted that there are likely to be further cost pressures in the immediate future, particularly rising energy costs due to the conflict in the Middle East. The Parties have estimated that this will result in additional annual costs of £[X] million to the AB NI business (based on energy prices in April 2026).<sup>102</sup>

2.52 We note that these issues are likely to affect many businesses, and in some cases may be temporary.

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<sup>96</sup> Parties' updated Phase 2 Remedies Form, 7 May 2026, paragraph 16.2.

<sup>97</sup> Third-party call note.

<sup>98</sup> Third-party call note.

<sup>99</sup> Third-party call note.

<sup>100</sup> Third-party call note.

<sup>101</sup> CMA, [Interim Report](#), 26 March 2026, paragraphs 6.2-6.27.

<sup>102</sup> ABF MPH presentation slides, 21 April 2026, slide 14.

2.53 However, to the extent AB NI is unable to pass increasing costs on to its customers it is likely to impact its profitability, and this was recognised by third parties. For example, two potential purchasers noted the potential risk from increased costs. One of these ([REDACTED]) made an adjustment to the forecasted profit in FY2026 to account for increased wage agreements.<sup>103</sup> The other ([REDACTED]) noted that there is scope for fuel and energy costs to increase and that historically there had been a difficulty in passing these cost increases on to customers.<sup>104</sup>

### **Third-party views on the attractiveness of AB NI**

2.54 This section outlines the evidence we have received from potential purchasers about the attractiveness of AB NI.

2.55 This section is structured as follows:

- (a) Potential purchasers' assessment of AB NI; and
- (b) An overview of the offers made for AB NI.

#### **Potential purchasers' assessment of AB NI**

2.56 Following our Interim Report, we have received evidence from the potential purchasers that have engaged with the AB NI Sales Process. This evidence highlights several factors which are consistent with the Parties' submission that AB NI is not attractive to potential purchasers. In particular, the evidence shows that:

- (a) The plant bread market in NI is characterised by overcapacity and low profit margins that limit its attractiveness.<sup>105</sup>
- (b) AB NI is viewed as a loss-making business that requires considerable investment. As explained at paragraph 2.50 above, potential purchasers told us that material capital investment would be required for both AB NI's distribution fleet and production facilities, which they considered to be old and in need of replacement.
- (c) Separating the central functions of AB NI from ABF and incorporating them into any potential purchaser's systems is likely to require material time and investment, which would add further risk and cost to any potential purchaser, as explained at paragraph 2.39 above.<sup>106</sup>
- (d) Given the AB NI business is likely to be loss-making and requires significant investment, any potential purchaser would have to generate significant

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<sup>103</sup> ABF internal document, annex to ABF email to the CMA, 11 May 2026, paragraph 3.

<sup>104</sup> Third-party call note.

<sup>105</sup> Third-party call note; and [Market participant's response to the ITCR](#), 17 April 2026.

<sup>106</sup> Third-party call note; Third-party call note; and Third-party call note.

synergies to run the business profitably and offset the cost of this investment and/or require some form of subsidy from ABF to offset the impact of this (for example the requirement in the [redacted] and [redacted] offers offer to exclude trade creditors (paragraphs 2.60(b) and 2.66(b) below), and the requirement from [redacted] for ABF to fund investment in the site and operational losses for [redacted] (paragraph 2.81)).

- 2.57 We considered in our Interim Report that AB NI may have been attractive from a strategic perspective to ROI based suppliers looking to expand into NI.<sup>107</sup> However, the majority of the potential purchasers that ABF's financial advisers contacted either failed to respond or declined to take part in the AB NI Sales Process. These included ROI based suppliers. We consider this provides further evidence of the limited attractiveness of AB NI. We note, though, that [redacted] did tell us that the acquisition of AB NI is an attractive opportunity that aligns with its growth strategy (see paragraph 2.70 to 2.75 below).<sup>108</sup>

### **Assessment of offers for AB NI**

- 2.58 As set out above (see Overview of the AB NI Sales Process section), four potential purchasers ([redacted], [redacted], [redacted] and [redacted]) made offers for AB NI after conducting some due diligence including attending a site visit and having access to a virtual data room. Some of these offers are still subject to varying degrees of due diligence. We have reviewed each of these offers and spoken with each third party regarding its interest in AB NI. This section sets out key features of the relevant offers and assesses each offer relative to the liquidation value of AB NI as set out in paragraph 2.29 above.

[redacted]

- 2.59 [redacted] is active in the supply of plant bread and other plant bakery products in GB [redacted]. It also operates other food businesses that have customer relationships with [redacted], and other businesses that [redacted].<sup>109</sup>
- 2.60 [redacted] initially made an indicative offer of £[redacted] for AB NI on 15 January 2026 but did not engage further in the process.<sup>110</sup> Following publication of our ITCR, it re-engaged with the AB NI Sales Process. It revised its indicative offer on 20 April

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<sup>107</sup> CMA, [Interim Report](#), 26 March 2026, paragraph 6.221.

<sup>108</sup> ABF internal document, annex to ABF email to the CMA dated 11 May 2026. We note, however, that this potential purchaser indicated that it was not looking to expand through acquisitions or establish NI manufacturing facilities, and it saw no competitive advantage from having manufacturing facilities located in NI, when speaking with the CMA earlier in the investigation (Third-party call note).

<sup>109</sup> Third-party call note.

<sup>110</sup> Third-party internal document, annex to ABF's financial advisers response to the CMA's section 109 Notice dated 22 April 2026.

2026.<sup>111</sup> On 8 May 2026, it submitted a final non-binding offer. The key elements of the offer were:<sup>112</sup>

- (a) [REDACTED] would pay cash consideration of £[REDACTED] ([REDACTED]).
- (b) [REDACTED] creditors and debt like items would remain to be settled by ABF.<sup>113</sup> The accrual [REDACTED] would also remain to be settled by ABF.
- (c) [REDACTED] and ABF would enter into a [REDACTED] transitional service agreement (**TSA**) [REDACTED].
- (d) ABF would provide [REDACTED] with a [REDACTED] sales volume commitment for GB exports and imports and a [REDACTED] protection from delisting of AB NI's volumes of branded products in the UK and the ROI, including Kingsmill.
- (e) ABF would grant [REDACTED] a royalty-free perpetual and exclusive licence of all AB brands (including but not limited to Kingsmill, Sunblest and Allinsons) for sales in NI and the ROI.
- (f) ABF would grant [REDACTED] a royalty-free perpetual licence to use the AB crates/baskets in connection with AB NI and provide replacement crates/baskets [REDACTED] for [REDACTED].
- (g) ABF would be required to fund [REDACTED] capex and [REDACTED] capex requirements of AB NI.

2.61 [REDACTED] noted that its offer was based on the due diligence it had carried out, which included a review of materials in the virtual data room, a review of additional information provided in response to initial questions and two site visits. The offer letter also noted that it expected to be able to complete confirmatory due diligence over a period of three weeks, and named external legal advisers appointed to assist it with the process.<sup>114</sup>

2.62 We note that some elements of [REDACTED] offer might not have been possible for ABF to commit to in the counterfactual, given our provisional finding that it would exit in GB. For example, in the counterfactual ABF may not have been in a position to provide the volume protections.

2.63 As noted in paragraph 2.9(b) above, ABF submitted that if it were to accept this offer the cost would be at least £[REDACTED] million. This includes the costs to ABF of: retaining AB NI's liabilities (£[REDACTED] million); IT carve-out costs (approximately

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<sup>111</sup> Third-party internal document, annex to ABF's financial advisers response to the CMA's section 109 Notice dated 22 April 2026.

<sup>112</sup> ABF internal document, annex to ABF email to the CMA dated 11 May 2026.

<sup>113</sup> [REDACTED] noted that this requirement is subject to what is agreed in the Asset and Business Transfer Agreement mechanics, which are as yet undetermined (ABF internal document, annex to ABF email to the CMA, 11 May 2026).

<sup>114</sup> ABF internal document, annex to ABF email to the CMA dated 11 May 2026.

£[X] million); IT security and other related costs (approximately £[X] million); a [X] TSA provided [X] (approximately £[X] million); funding the accrual [X] (£[X] million); providing replacement Basco baskets for [X] (approximately £[X] million); funding [X] capex (approximately £[X]) and [X] capex (approximately £[X] million); and transaction costs (approximately £[X] million).<sup>115</sup> With the exception of AB NI's liabilities and the accrual for [X], both of which are set out on the balance sheet, all of the cost figures have been estimated by ABF for the purposes of the CMA investigation. Further, a number of the cost items, such as IT carve-out costs and transaction fees, would apply to any potential purchaser and are not specific to the final non-binding offer made by [X].

2.64 Whilst there is uncertainty about the precise cost to ABF of each of the elements of [X] final non-binding offer, we consider that the costs cited by ABF in relation to ABF remaining liable for AB NI's creditors (£[X] million) and the accrued [X] on the balance sheet (£[X] million) are likely to be a reasonable indication of the relevant costs given they rely on balance sheet entries for actual monies owed (although we recognise that these will fluctuate over time).<sup>116</sup> The requirement for ABF to cover the cost of settling the creditors and [X] alone would amount to around £[X] million, based on the current balance sheet figures, which is almost double the estimated liquidation cost to ABF of £[X] million. Accordingly, we provisionally consider that [X] offer for AB NI is materially below the liquidation value of AB NI.

[X]

2.65 [X] is a private equity firm currently focussed on commercial real estate investment. Previously, the owner of [X] had business experience in the bakery markets in the ROI and Germany, but [X] is not currently active in any markets for plant bread or other bakery products.<sup>117</sup>

2.66 On 13 April 2026, [X] provided a non-binding indicative offer of £[X] million for AB NI and a licence for the Hovis brand on the island of Ireland.<sup>118</sup> [X] attended a site visit on 28 April<sup>119</sup> and engaged in due diligence based on information in the virtual data room, asking follow-up questions.<sup>120</sup> On 8 May 2026, [X] submitted a final non-binding offer. The key elements of the offer were:<sup>121</sup>

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<sup>115</sup> ABF's follow-up submission relating to final offers, 12 May 2026, paragraph 2.1.

<sup>116</sup> ABF follow-up submission relating to final offers, 12 May 2026, paragraphs 2.1-2.2.

<sup>117</sup> ABF internal document, annex to ABF email to the CMA dated 11 May 2026, paragraphs 1 and 3.

<sup>118</sup> Third-party internal document, annex to ABF's financial advisers response to the CMA's section 109 Notice dated 22 April 2026. ABF explained to [X] that the Hovis brand was not part of the AB NI Sales Process (see Third-party internal document, annex to ABF's financial advisers response to the CMA's section 109 Notice dated 22 April 2026). [X] then requested a licence for the Hovis brand in the ROI, which ABF explained would not be possible (see ABF internal document, Annex 253 to ABF's response to the CMA's section 109 notice dated 20 April 2026).

<sup>119</sup> ABF email to the CMA, dated 1 May 2026.

<sup>120</sup> Third-party call note; and ABF internal document, annex ABF007727 to ABF email to the CMA dated 29 April 2026.

<sup>121</sup> ABF internal document, annex to ABF email to the CMA dated 11 May 2026.

- (a) A purchase price of approximately £[redacted] million for AB NI, comprising (i) £[redacted] paid on completion, (ii) £[redacted] million paid over a term of three years at a simple rate of interest of [redacted]% per annum, paid yearly in arrears which will be secured through a vendor's loan note secured over AB NI freehold properties, (iii) £[redacted] for the leasehold property interest of AB NI, (iv) £[redacted] for the plant, equipment, computer equipment and related software, furniture, fixtures and fittings of AB NI, (v) £[redacted] for the distribution fleet of AB NI, (vi) £[redacted] for the sales ledger/trade debtor book of AB NI, (vii) £[redacted] for the stock, inventory and work in progress of AB NI, (viii) £[redacted] for the debtors and prepayments of AB NI, (ix) £[redacted] for the goodwill and intellectual property of AB NI, (x) £[redacted] for a perpetual and exclusive, royalty-free licence for the Kingsmill, Allinson's, Sunblest and Burgen brand in the Island of Ireland;
- (b) ABF to retain [redacted] trade creditors of AB;
- (c) [redacted] and ABF entering into a [redacted] TSA to cover IT and bookkeeping, accounting and management services, including sales invoicing, purchase invoicing, stock and production control, payroll, and the production of management accounts, and for which [redacted] would pay ABF £[redacted] per month;
- (d) An indemnity of £[redacted] million for any redundancy payments incurred by [redacted];
- (e) [redacted] and ABF negotiating a minimum [redacted] supply agreement for bakery flour, yeast and ingredients on [redacted] terms; and
- (f) Opening of discussions between ABF and [redacted] for subcontracting or a joint venture for the distribution of Hovis products in order to reduce distribution costs.

2.67 [redacted] further explained to us that, [redacted].<sup>122</sup> Although [redacted] submitted that [redacted],<sup>123</sup> we note that ABF would not be in a position to make any commitments regarding the Hovis business in the counterfactual (ie if the Merger did not go ahead).

2.68 As noted in paragraph 2.9(b) above, ABF submitted that if it were to accept this offer the cost would be at least £[redacted] million. This includes the purchase price less the costs to ABF of: retaining AB NI's liabilities (£[redacted] million); IT carve-out costs (approximately £[redacted] million); IT security and other related costs (approximately £[redacted] million); a [redacted] TSA provided for £[redacted] per month (approximately £[redacted] million); indemnification (approximately £[redacted] million) and transaction costs (approximately £[redacted] million).<sup>124</sup> With the exception of AB NI's liabilities which is set out on the balance sheet, and the indemnification, all of the cost figures have been estimated by ABF for the purposes of the CMA investigation. Further, a

<sup>122</sup> Third-party call note.

<sup>123</sup> Third-party call note.

<sup>124</sup> ABF's follow-up submission relating to final offers, 12 May 2026, paragraph 2.1 and 3.2.

number of the cost items, such as IT carve-out costs and transaction fees, would apply to any potential purchaser and are not specific to the final non-binding offer made by [REDACTED].

2.69 Whilst there is uncertainty about the precise cost to ABF of each of the elements of [REDACTED] final non-binding offer, we consider that ABF's estimates of the likely costs it would have to bear as a result of it retaining liability for AB NI's creditors (£[REDACTED] million) and the redundancy indemnity (£[REDACTED] million) are likely to be a reasonable indication of the costs that ABF would have to incur in respect of those elements.<sup>125</sup> These two items alone would amount to around £[REDACTED] million, which is substantially more than the estimated liquidation cost to ABF of £[REDACTED] million. Accordingly, we provisionally consider that [REDACTED] offer for AB NI is materially below the liquidation value of AB NI.

[REDACTED]

2.70 As set out in Chapter 7 of our Interim Report, [REDACTED].<sup>126</sup>

2.71 [REDACTED] was first approached by ABF's financial advisers in December 2025 and made an indicative offer of £[REDACTED] million for AB NI on 19 January 2026.<sup>127</sup> Following submission of that indicative offer, [REDACTED] engagement with the AB NI Sales Process appears to have been limited. In the period between submitting its indicative offer and the 10 April 2026 deadline set by ABF's financial advisers for prospective purchasers to confirm their bids, although [REDACTED] attended a site visit on 27 February 2026,<sup>128</sup> and requested some further information on AB NI's finances,<sup>129</sup> the evidence we have seen suggests that [REDACTED], acting through its financial advisers ([REDACTED]), generally did not respond to ABF's financial advisers' repeated requests for updates and appeared disengaged with the process, including limited activities in the data room.<sup>130,131</sup> On 10 April 2026, [REDACTED] financial advisers told ABF's financial advisers that [REDACTED] was removing itself from the process as it struggled to see a route to breakeven for AB NI.<sup>132</sup>

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<sup>125</sup> ABF follow-up submission relating to final offers, 12 May 2026, paragraphs 3.2.

<sup>126</sup> Based on the information available to the CMA, [REDACTED].

<sup>127</sup> Third-party internal document, annex to ABF's financial advisers response to the CMA's section 109 notice dated 22 April 2026.

<sup>128</sup> Third-party internal document, annex to ABF's financial advisers response to the CMA's section 109 Notice dated 22 April 2026.

<sup>129</sup> [REDACTED] asked follow-up questions on 23 March 2026. Third-party internal document, annex to ABF's financial advisers response to the CMA's section 109 Notice dated 22 April 2026.

<sup>130</sup> Third-party internal document, annex to ABF's financial advisers response to the CMA's section 109 Notice dated 22 April 2026.

<sup>131</sup> ABF email to the CMA, dated 17 March 2026.

<sup>132</sup> Third-party internal document, annex to ABF's financial advisers response to the CMA's section 109 Notice dated 22 April 2026. [REDACTED], acting through its financial advisers, had confirmed earlier in the AB NI Sales Process that it was focusing on the financial position of AB NI and whether the business could be profitable (see Third-party internal document, annex to ABF's financial advisers response to the CMA's section 109 Notice dated 22 April 2026).

- 2.72 Notwithstanding this, [X] subsequently re-engaged with the AB NI Sales process on 27 April 2026 and asked follow-up questions on 27 April 2026,<sup>133</sup> and 30 April 2026.<sup>134</sup> [X] told us that it had never intended to remove itself from the process, that it was not aware of the 10 April 2026 deadline, and that there had been a miscommunication between [X], its financial advisers and ABF's financial advisers.<sup>135</sup>
- 2.73 On 11 May 2026, [X] submitted an updated non-binding final offer, which included:<sup>136</sup>
- (a) An offer of £[X], on a cash free and debt free basis with a normal level of working capital; and
  - (b) A requirement for a [X] TSA to cover services to be agreed (with no indication whether [X] would pay a fee for the services provided and, if so, the likely level of that fee).
- 2.74 In its offer letter, [X] noted that its enterprise value for AB NI was based on EBITDA for FY2026 of approximately £[X] million and an expected EBITDA for FY2027 of approximately -£[X] million (based on current run rates, plus wage adjustments).<sup>137</sup>
- 2.75 Although potential purchasers were asked to provide 'final non-binding offers',<sup>138</sup> [X] also noted in its offer that it would need to carry out an eight-week 'red flag' financial, legal and operational due diligence exercise if its offer were accepted. [X] also noted that a further board approval would be required in respect of the final transaction details with the benefit of the full due diligence reports.
- 2.76 As noted at paragraph 2.9(d) above, ABF submitted that the total cost to ABF if it were to accept this offer would be at least £[X] million. This includes the purchase price less the costs to ABF of: IT carve-out costs (approximately £[X] million); IT security and other related costs (approximately £[X] million); and transaction costs (approximately £[X] million).
- 2.77 We consider [X] to have relevant industry expertise, and that if it acquired AB NI it would likely generate some synergies with its own business. [X] also stated that it is excited by the opportunity and considers that it aligns with its growth strategy.
- 2.78 However, we consider that [X] final offer was significantly less detailed than those submitted by the other potential purchasers and left a number of potentially significant matters unresolved, with the result that there is greater uncertainty as to

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<sup>133</sup> ABF internal document, annex to ABF email to the CMA dated 27 April 2026.

<sup>134</sup> Third-party internal documents, annexes to third-party response to the CMA's RFI dated 22 April 2026.

<sup>135</sup> Third-party response to the CMA's RFI dated 22 April 2026.

<sup>136</sup> ABF internal document, annex to ABF email to the CMA dated 11 May 2026.

<sup>137</sup> ABF internal document, annex to ABF email to the CMA dated 11 May 2026.

<sup>138</sup> Third-party internal document, annex to third-party response to the CMA's RFI dated 22 April 2026.

whether it would ultimately be above or below liquidation value. [REDACTED] demonstrated limited engagement with the due diligence process over a number of months and expressed concerns about whether there was a route to profitability for AB NI if it were to acquire it.

- 2.79 [REDACTED] estimated low profitability pre-diligence and its final offer had significantly reduced from the initial offer it made in January. Based on our knowledge of AB NI's financials and evidence from other potential purchasers, we consider that there is a high risk any binding offer, if it were to materialise, would likely worsen following further due diligence.

[REDACTED]

- 2.80 [REDACTED] reached out to ABF following publication of our Interim Report.<sup>139</sup> [REDACTED] supplies cakes and 'Irish breads' such as wheaten bread, soda bread and pancakes throughout the UK.<sup>140</sup> As set out in Chapter 7 of our Interim Report, [REDACTED].
- 2.81 Following a site visit and some initial due diligence, [REDACTED] concluded that AB NI was significantly loss-making and would require substantial investment to make it profitable. [REDACTED] provided an indicative offer which would require ABF to fund the historic under-investment in capital assets, meet operational losses for approximately [REDACTED] and also pay for the costs of separating the business. [REDACTED] offer estimated these costs to be in the region of £[REDACTED] million.<sup>141</sup> After making this offer, [REDACTED] did not continue in the AB NI Sales Process and did not make a final non-binding offer for AB NI.
- 2.82 We consider that [REDACTED] offer, if ABF were to accept it, would require significant funding of approximately [REDACTED] times the estimated cost of liquidation.

### **Revised provisional conclusion on the counterfactual for AB NI**

- 2.83 As noted above, when assessing the counterfactual against which to compare the Merger, we are required to form an overall judgement on the most likely conditions of competition absent the Merger, taking into account all of the relevant factors and our evaluation of all of the relevant evidence.
- 2.84 As a general point, in our view, a sales process conducted against the backdrop of an ongoing CMA merger investigation is unlikely to be an exact proxy for what would have happened absent the merger in question. However, in the specific circumstances of this case we provisionally consider that the AB NI Sales Process

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<sup>139</sup> Third-party internal document, annex to ABF's financial advisers response to the CMA's section 109 Notice dated 22 April 2026; and Third-party call note.

<sup>140</sup> Third-party call note.

<sup>141</sup> Third-party internal document, annex to ABF's financial advisers response to the CMA's section 109 Notice dated 22 April 2026.

does provide us with relevant evidence to assist us in forming a view on whether there would have been an alternative, less anti-competitive purchaser for AB NI absent the Merger. When weighing that evidence we have, however, borne in mind the limitations of the AB NI Sales Process as a proxy – especially the possible impact of our ongoing investigation on ABF’s and prospective purchasers’ incentives.

- 2.85 Overall interest in AB NI appears to be limited and even those potential purchasers that have shown the most interest in acquiring AB NI – most notably those that have actively participated in the AB NI Sales Process – appear to attach only limited value to AB NI as an acquisition target.
- 2.86 In this regard we note that of the 17 potential purchasers that either were approached by ABF’s financial advisers about the opportunity to acquire AB NI or proactively approached ABF or its financial advisers on becoming aware of the AB NI Sales Process following publication of our Interim Report and our ITCR, only four ([REDACTED], [REDACTED], [REDACTED] and [REDACTED]) went on to make non-binding offers following site visits and due diligence, and only three ([REDACTED], [REDACTED] and [REDACTED]) made final non-binding offers. Our analysis of those non-binding offers indicates that in the case of all but one of them, the overall consideration offered was negative (ie there would be a net cost to ABF of accepting the offer). Our analysis shows that in each case this cost would be materially higher than the cost to ABF of liquidating AB NI. The remaining non-binding offer appears to attribute greater value to AB NI. The comparison between the value of that offer and the liquidation value is more finely balanced, but the offer value is predicated on further ‘red flag due diligence’. However, we consider there is material uncertainty about whether any offer on those or similar terms would be made in the counterfactual.
- 2.87 We consider that the limited interest and value attached to AB NI by potential purchasers in the AB NI Sales Process is consistent with our own assessment of AB NI’s financial performance, which shows that AB NI has experienced a significant decline in profitability over the last three years and is likely to be loss-making once central costs and potential loss of synergies from separating AB NI from AB GB are considered. Further, we consider it is consistent with other evidence we have received about the attractiveness of the plant bread market in NI as a target for entry or expansion by an alternative purchaser.
- 2.88 While we cannot exclude that AB NI might have been sold to a less anti-competitive purchaser, in reaching our view on the counterfactual we are required to consider what is most likely.
- 2.89 Having assessed all the evidence in the round, including evidence received following publication of our Interim Report, our revised provisional view is therefore that the most likely scenario absent the Merger is one in which AB NI would have exited the market and there would not have been an alternative less anti-

competitive purchaser for it (above liquidation value) that would have operated it as a competitor to Hovis.

### 3. REVISED PROVISIONAL CONCLUSION

- 3.1 Based on the evidence that is set out in this Supplementary Interim Report, together with the evidence that was set out in our Interim Report, we provisionally conclude that the Merger may not be expected to result in an SLC in the supply of bread and certain other bakery products in NI.
- 3.2 As set out in our Interim Report, we have provisionally concluded that the Merger may not be expected to result in an SLC in the supply of bread and certain other bakery products in GB.<sup>142</sup> This provisional conclusion has not changed.
- 3.3 We note that, in the event that the Inquiry Group makes a final decision that the Merger may not be expected to result in an SLC, it will not be necessary for the Inquiry Group to proceed to take a decision on remedies.<sup>143</sup>

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<sup>142</sup> CMA, [Interim Report](#), 26 March 2026, paragraph 9.1(b).

<sup>143</sup> Pursuant to the Act, [section 36\(2\)](#).

## 4. RESPONSES TO THIS SUPPLEMENTARY INTERIM REPORT

- 4.1 This is not our final decision on the statutory questions, and we invite any interested parties to provide the Inquiry Group with its reasons in writing as to why the provisional findings set out in this Supplementary Interim Report should not become final (or should be varied).
- 4.2 These reasons should be provided by email to [ABFGrainProducts.Hovis@cma.gov.uk](mailto:ABFGrainProducts.Hovis@cma.gov.uk) and received by the Inquiry Group **by no later than 5pm on Thursday 28 May 2026**. The Inquiry Group will take all submissions received by this date into account in reaching its final decisions on the statutory questions and any consequential actions.