COMPLETED ACQUISITION BY VANDEMOORTELE GROUP OF DÉLIFRANCE S.A.

SUMMARY OF FINAL REPORT

20 August 2026

OVERVIEW OF OUR FINAL REPORT

1. The Competition and Markets Authority (**CMA**) has found that the completed acquisition by Vandemoortele Group (**Vandemoortele**) of Délifrance S.A. (**Délifrance**) has created a relevant merger situation (**RMS**) that has resulted, or may be expected to result, in a substantial lessening of competition (**SLC**) as a result of horizontal unilateral effects in the supply of frozen laminated dough products to retail and foodservice customers in the UK.

2. Vandemoortele agreed to acquire Délifrance pursuant to a share purchase agreement (**SPA**) signed on 12 June 2025 and which completed on 31 December 2025 (the **Merger**). Vandemoortele and Délifrance are together referred to as the **Parties** and, for statements relating to the future, the **Merged Entity**.

WHO ARE THE BUSINESSES AND WHAT PRODUCTS / SERVICES DO THEY PROVIDE?

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

OUR ASSESSMENT

Why are we examining this Merger?

4. 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. The CMA has jurisdiction to review the Merger.

5. Where the CMA finds that a merger gives rise to a realistic prospect of competition concerns and refers it for an in-depth ‘phase 2’ investigation, merger parties are able to formally accept that the CMA has evidence that establishes, to the required legal standard (the balance of probabilities), that the merger results in an SLC. Such a ‘concession’ may facilitate the efficient conduct of a case, for example enabling the CMA to proceed more quickly to consideration of remedies.

6. On 30 April 2026, Vandemoortele notified the CMA that it accepts that the Merger may be expected to result in a SLC as a result of horizontal unilateral effects in the supply of frozen laminated dough products to retail and foodservice customers in the UK as identified in the CMA’s phase 1 investigation (the **SLC Concession**). Vandemoortele agreed to waive its right to challenge this position during the phase 2 inquiry and confirmed that it intended to submit remedies to address the SLC.

7. The inquiry group considered the requirements in the guidance to be met and that it would therefore be appropriate to accept the SLC Concession, notifying Vandemoortele of this on 15 May 2026. As a result, in line with the guidance we have progressed our inquiry substantially more quickly than we would have under an ordinary investigation timetable.

What evidence have we looked at?

8. The CMA gathered a wide range of evidence in relation to the competitive effects of the Merger during its phase 1 inquiry.

   (a) 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.

   (b) 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.

   (c) 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.

9. Given the SLC Concession, we have carried out targeted additional evidence-gathering at phase 2. This included a limited number of requests for information from the Parties and third parties.

10. We have assessed all the evidence in the round in reaching our views on the Merger.

What did the evidence tell us

…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 laminated dough 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 laminated dough products to retail and foodservice customers in the UK by a considerable margin. We have found that that the Merger would substantially lessen competition in the market for the supply of frozen laminated dough products to retail and foodservice customers in the UK 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. In phase 1, we also examined other product markets where both Parties compete including frozen bread, frozen patisserie, and frozen savoury snacks. However, the Parties have a limited overlap in these markets in the UK. The CMA found that 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 for the supply of frozen laminated dough products to retail and foodservice customers in the UK from either competitors or customers would be timely, likely and sufficient to mitigate the effect of the Merger on competition. On the basis of the evidence, including from customers and competitors, we have 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. As a result, our conclusion is that entry or expansion, driven by either suppliers or customers, would not be timely, likely and sufficient to prevent an SLC from arising.

CONCLUSION

15. On the basis of the evidence, we have concluded that the Merger has resulted in the creation of an RMS, and the creation of that RMS has resulted, or may be

expected to result, in an SLC in the supply of frozen laminated dough products to retail and foodservice customers in the UK.

HOW WILL WE ADDRESS THE CONCERNS WE HAVE FOUND?

16. Where the CMA concludes that a merger has resulted in, or may be expected to result in, an SLC, we are required to decide what, if any, action should be taken for the purpose of remedying, mitigating or preventing that SLC, or any adverse effect resulting from it. Given Vandemoortele's SLC Concession and constructive engagement, the CMA was able to develop the remedy package at pace.

17. In assessing possible remedies, we first seek to identify remedies that, with a high degree of confidence, are effective in comprehensively addressing the SLC we have found. We then select the least costly remedy that we consider to be effective, where appropriate taking account of any relevant customer benefits (**RCBs**). Lastly, we ensure that the least costly effective remedy is not disproportionate to the SLC and its resulting adverse effects.

18. In order to address our provisional SLC, Vandemoortele proposed a divestiture remedy whereby it would divest to a suitable purchaser Vandemoortele's laminated dough plant in Worcester (UK) and its UK sales operations located at Staines-upon-Thames. The divestment would be accompanied by all necessary supporting assets, contracts, rights, staff, Transitional Services Agreements (including a toll manufacturing agreement) and all of Vandemoortele's existing UK customer relationships served wholly or in part by the Worcester plant.

19. We ultimately found that Vandemoortele's remedy proposal would be an effective remedy. In particular, the combination of the Worcester plant, which serves the majority of Vandemoortele's UK customers, and Vandemoortele's UK sales operations, supported by the other elements of Vandemoortele's Remedy Proposal, is broadly able to operate as a stand-alone business unit, serving UK customers and capable of competing effectively on an ongoing basis. Overall, Vandemoortele's remedy proposal addresses the SLC by effectively removing the competitive overlap between Vandemoortele and Délifrance, preserving competition which would otherwise be lost as a result of the Merger.

20. The purchaser of the divestment business will be subject to specific and comprehensive purchaser suitability criteria to ensure Vandemoortele's former UK customers continue to be served by an experienced, capable and committed operator. In addition, all transitional commercial agreements between the purchaser and Vandemoortele will be scrutinised and monitored by the CMA and a Monitoring Trustee to ensure that the purchaser of the divestment business can sell all UK products on commercially viable terms.

21. Overall, we concluded that Vandemoortele's remedy proposal is the least costly effective remedy and is not disproportionate to the SLC and its resulting adverse effects that we have found.

WHAT HAPPENS NEXT?

22. The CMA will now take steps to implement the remedy and will consult publicly on the approach to be taken.

23. In line with statutory requirements, the CMA will implement its remedy decision within 12 weeks of publication of the Final Report by either accepting final undertakings or making a final order. The 12-week period may be extended once by up to six weeks if there are special reasons for doing so.

24. Following the CMA either accepting the final undertakings or making a final order, the Parties will be required to complete the divestiture within the timescale set out in the Final Report.