COMPLETED ACQUISITION BY VANDEMOORTELE GROUP OF DÉLIFRANCE S.A.

Final Report

ME/2244/25

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Competition & Markets Authority

Website: www.gov.uk/cma

Members of the Competition and Markets Authority who conducted this inquiry

Martin Coleman *(Chair of the Group)*

Sir Kenneth Parker

Ashleye Gunn

Chief Executive of the Competition and Markets Authority

Sarah Cardell

The Competition and Markets Authority has excluded from this published version of the Final 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 Some numbers have been replaced by a range.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. Non-sensitive wording is also indicated in square brackets.

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SUMMARY

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.

FINDINGS

1. INTRODUCTION

1.1 This is the Final Report of the inquiry group appointed to consider the completed acquisition by Vandemoortele of Délifrance.[1, 2] Both Parties are active in the supply of frozen laminated dough products to retail and foodservice customers in the UK (as defined later in this Final Report).

1.2 On the basis of our assessment of the evidence, as set out below, we have concluded that the Merger has resulted in the creation of an RMS that has resulted, or may be expected to result, in an SLC in the supply of laminated dough products to retail and foodservice customers in the UK (as more fully defined below).

1.3 The Final Report sets out the reasoning for the decisions as well as describing the evidence upon which those decisions are based.[3]

[1] On 22 April 2026, the Competition and Markets Authority (**CMA**) made a reference to its Chair under the sections 22(1) and 34ZA(2) of the Enterprise Act 2002 (the **Act**) for the constitution of a Group of CMA Panel Members (the **inquiry group**) to investigate and report on the completed acquisition by Vandemoortele of Délifrance. Vandemoortele and Délifrance are each a Party to the Merger; together they are referred to as the **Parties** and, for statements relating to the future, as the **Merged Entity**. The relevant terms of reference can be found on the CMA website.
[2] The Final Report has been notified to the Parties and is published pursuant to the CMA rules of procedure for merger, market and special reference groups (**CMA17**), 2 January 2025, Rule 11.
[3] Mergers: Guidance on the CMA's jurisdiction and procedure (**CMA2**), 2 January 2025, paragraph 11.58.

2. CONCESSION OF SLC IDENTIFIED AT PHASE 1

2.1 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.

2.2 On 30 April 2026, Vandemoortele notified the CMA that it accepts that the Merger may be expected to result in a substantial lessening of competition 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.[4] 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.

2.3 The process that applies where merging parties request to concede an SLC is set out in 'Mergers: Guidance on the CMA's jurisdiction and procedure (CMA2)', 2 January 2025 version (which is applicable to the present case).[5] The inquiry group considered the requirements in CMA2 to be met and that it would therefore be appropriate to accept the SLC concession,[6] notifying Vandemoortele of this on 14 May 2026. As a result, in line with CMA2 we have progressed our inquiry substantially more quickly than we would have under an ordinary investigation timetable.

2.4 In order to efficiently progress the investigation and reduce the information gathering burden on both the Parties and third parties, in the phase 2 inquiry the focus of our assessment has been on the evidence and information gathered in phase 1. Given the comprehensive information gathered in phase 1 we have undertaken targeted additional information gathering during the phase 2 inquiry, including by making a limited number of requests for information to the Parties and requests for information to third parties.

2.5 In reaching our views in the phase 2 inquiry, we have considered the totality of the evidence in the round.

[4] Parties' email dated 30 April 2026.
[5] CMA2, 2 January 2025, paragraphs 7.27-7.30.
[6] See: Vandemoortele / Délifrance merger inquiry - GOV.UK.

3. RELEVANT MERGER SITUATION

3.1 This chapter addresses the first of the two statutory questions which we are required to answer under section 35(1) of the Act, namely, whether an RMS has been created.[7]

3.2 The concept of an RMS has two principal elements: (a) two or more enterprises have ceased to be distinct enterprises within the statutory period for reference; and (b) the turnover test and/or the share of supply test and/or the hybrid test is met.[8] We address each of these elements in turn below.

3.3 For the reasons set out below, we have concluded that the Merger has resulted in the creation of an RMS, on the basis that the Parties are each enterprises that have ceased to be distinct within the relevant time period and that the turnover of Délifrance in the UK in its last financial year ending in June 2025 exceeded the £100 million threshold.

Enterprises ceasing to be distinct

Enterprises

3.4 The first element of the jurisdictional test is whether two or more enterprises have ceased to be distinct as a result of the Merger.[9]

3.5 The Act defines an 'enterprise' as 'the activities or part of the activities of a business'.[10] A 'business' is defined as including 'a professional practice and includes any other undertaking which is carried on for gain or reward or which is an undertaking in the course of which goods or services are supplied otherwise than free of charge'.[11]

3.6 Vandemoortele and Délifrance are both active in the business-to-business supply of frozen bakery products (including frozen breads, frozen morning goods and frozen savoury snacks) to retail and foodservice customers. Both Vandemoortele and Délifrance generate UK turnover. The turnover of Vandemoortele in the financial year ending December 2024 and December 2025 was approximately £110.9 million and £109 million respectively, in the UK;[12] and the turnover of

[7] Section 35 of the Act.
[8] Sections 23 and 24 of the Act.
[9] Section 23 of the Act.
[10] Section 129(1) of the Act.
[11] Section 129(1) of the Act. See also sections 129(3) and 130 of the Act.
[12] Vandemoortele's 2025 annual report, page 178, revenue per country table. Figures converted from EUR to GBP using the European Central Bank's average annual exchange rates for 2024 (€1:£0.84662) and 2025 (€1:£0.85679).

Délifrance in the financial year ending in June 2024 and June 2025 was approximately £[✀] million and £[✀] million respectively, in the UK.[13]

3.7 Therefore, our conclusion is that each of Vandemoortele and Délifrance is a 'business' within the meaning of the Act and that, accordingly, the activities of each of Vandemoortele and Délifrance constitute an 'enterprise' for the purposes of the Act.

Ceasing to be distinct

3.8 The Act provides that any two enterprises 'cease to be distinct' if they are brought under common ownership or common control.[14]

3.9 On 12 June 2025, Vandemoortele NV, through its wholly owned subsidiary Vamix NV, agreed to acquire 100% of the equity of Délifrance from Vivescia Group pursuant to the SPA.[15] This acquisition was completed on 31 December 2025. As a result, Vandemoortele acquired a controlling interest in Délifrance within the meaning of section 26 of the Act. Vandemoortele and Délifrance have therefore been brought under common ownership and common control.

3.10 Our conclusion is therefore that the Merger has resulted in two or more enterprises (namely, the enterprises of Vandemoortele and Délifrance) ceasing to be distinct.

Turnover test or share of supply test or hybrid test

3.11 The second element of the jurisdictional test seeks to establish sufficient connection with the UK, on the basis of one of the turnover test,[16] the share of supply test[17] or the hybrid test.[18]

3.12 The turnover test is met where the value of the turnover in the UK of the enterprise being taken over exceeds £100 million.[19]

3.13 As the turnover of Délifrance in the UK in its last financial year ending in June 2025 was approximately £[✀] million and exceeded the £100 million threshold, the turnover test is met. We are therefore not required to consider whether the share of supply test or the hybrid test is met.

[13] Délifrance response dated 2 December 2025 to the CMA's s109 notice follow-up questions dated 1 December 2025, Table 3.
[14] Section 26 of the Act.
[15] Parties, Final Merger Notice submitted to the CMA on 8 October 2025 (**FMN**), paragraph 2.26.
[16] Section 23(1) of the Act.
[17] Sections 23(2)-23(4) of the Act.
[18] Sections 23(4C)-23(4G) of the Act.
[19] Section 23(1)(b) of the Act

Statutory time limit

3.14 The Merger was completed on 31 December 2025. Under section 24 of the Act, a completed merger must have taken place not more than four months before the CMA takes its decision to refer it to phase 2.[20] The four-month deadline for a decision to refer the Merger to phase 2 was therefore 30 April 2026. The decision to refer the Merger for a phase 2 investigation pursuant to section 22(1) of the Act on 22 April 2026 was made within the statutory time limit.[21]

3.15 Our conclusion is therefore that the decision to refer the Merger for a phase 2 investigation was made within the applicable statutory time limit.

Conclusion on RMS

3.16 In view of the above, we have concluded that the Merger has resulted in the creation of an RMS.

[20] Unless the merger took place without notice of material facts being given to the CMA or without material facts being 'made public'. Where notice of material facts is not given to the CMA, the statutory four-month clock will only start running from the time material facts about a transaction are 'made public', such that they are generally known or readily ascertainable. Section 24 of the Act. See also CMA2, 2 January 2025, paragraphs 4.3(c) and 4.48(b).

[21] The CMA commenced its phase 1 investigation on 10 October 2025. The statutory 40 working day deadline for the decision on whether the duty to refer arose was 8 December 2025. The CMA made the decision on whether the duty to refer arose on 8 December 2025 (the **CMA's Phase 1 Decision**). The Parties had until 15 December 2025 to offer undertakings in lieu of a reference to phase 2 and the CMA had until 22 December 2025 to decide whether there were reasonable grounds for believing that it might accept the undertakings in lieu offered by the Parties, or a modified version of them. The Parties submitted the proposed undertakings, which the CMA accepted in principle on 22 December 2025. On 18 February 2026, the statutory deadline for the CMA to decide whether to accept the proposed undertakings was extended to 22 April 2026 in accordance with section 73A(4) of the Act. On 22 April 2026, after being informed by Vandemoortele that it was not in a position to submit a formal upfront purchaser proposal or final transaction documents, the CMA proceeded to refer the Merger for a phase 2 investigation pursuant to sections 22(1) and 34ZA(2) of the Act.

4. COUNTERFACTUAL

Introduction

4.1 Determining whether there is an SLC in the assessment of a merger involves a comparison of the prospects for competition with the merger against the competitive situation without the merger, which is referred to as the counterfactual.[22]

4.2 At phase 2, we select the most likely conditions of competition as the counterfactual against which to assess the merger.[23]

4.3 Our assessment of the counterfactual does not seek to ossify the market at a particular point in time. An assessment based on the prevailing conditions of competition can reflect that, absent the merger, the position of the merging parties and their competitors would have continued to evolve in the market.[24]

4.4 As set out in the Merger Assessment Guidelines, the counterfactual may consist of the prevailing or pre-merger conditions of competition, conditions of stronger competition or conditions of weaker competition.[25] The Parties submitted that the counterfactual consists of the pre-Merger conditions of competition.[26] We have not seen evidence that supports an alternative counterfactual. Therefore, our view is that the appropriate counterfactual is the pre-Merger conditions of competition. [27]

[22] Merger Assessment Guidelines (**CMA129**), 18 March 2021, paragraph 3.1.
[23] CMA129, paragraph 3.13.
[24] CMA129, paragraph 3.3.
[25] CMA 129, paragraph 3.9.
[26] FMN, paragraph 4.
[27] FMN, paragraph 4.

5. INDUSTRY BACKGROUND

5.1 This chapter provides a brief overview of: (a) the Parties' activities in relation to bakery products; and (b) the supply of frozen laminated dough products to retail and foodservice customers in the UK in particular. This provides background for our subsequent assessment.

Overview of the Parties' activities in relation to bakery products

5.2 Both Parties are active in the business-to-business supply of bakery products to retail and foodservice customers which are delivered in a 'frozen' state, to be thawed or baked, before being resold to the end consumers as fresh products.[28, 29, 30] The Parties submitted that bakery products are made of dough or batter, using a combination of raw ingredients such as flour and fats (eg butter, margarine, and blends). Bakery products may comprise both savoury and sweet products, and are generally differentiated by their preparation process, shape, filling, intended final use and consumption occasion.[31]

5.3 Frozen bakery products may be classified into the following broad categories:

(a) Frozen bread – which includes standard white bread, special bread, as well as soft and toast bread, and flatbreads.[32]

(b) Frozen morning goods (**FMG**), also known as 'viennoiserie'[33] – which include laminated dough[34] products, and risen dough products such as brioche.[35] Within FMG, the two sub-categories we consider further below are:

(i) Frozen laminated dough products – which include French laminated dough products, Danish pastries, and puff pastries, among others.[36]

(ii) Frozen French laminated dough (**FFLD**) products – a sub-category which includes croissants (plain and filled), pains au chocolat and pains au raisins.[37] These differ from other types of frozen laminated dough products, such as Italian style products (for example, Cornetti,

[28] FMN, paragraph 5.
[29] These products are also referred to as Bake-Off Products. FMN, paragraphs 11.6 and 14.34.
[30] Parties, Teach-in slides, 19 May 2026, Slide 4.
[31] FMN, paragraph 11.1.
[32] FMN, paragraph 11.2.
[33] FMN, paragraph 11.104.
[34] Laminated dough involves repeated layering of dough and fat (usually butter, margarine, or a blend of both) to create a flaky, airy texture upon baking. FMN, paragraph 11.3.
[35] FMN, paragraph 11.2.
[36] FMN, paragraph 11.2.
[37] FMN, paragraph 11.2.

Sfogliatelle) in their ingredients and the amount of cooling required in the production process.[38,39]

(c) Frozen patisserie – which includes cakes, tarts and pies, chou pastries, and multi-layered cream pastries. This category also encompasses frozen American sweet bakery items such as brownies, muffins and cookies.[40]

(d) Frozen savoury snacks – which include salty and savoury products (eg pizzas and topped baguettes) and puff and laminated products (ie sausage rolls and savoury puff pastries).[41]

5.4 The Parties' main overlap is in frozen laminated dough products and, more specifically, the FFLD category, where the Parties' combined UK share of supply exceeds 25%.[42] In all other overlap areas, such as other frozen bakery products (eg bread, patisserie, savoury snacks), and wider FMG products (eg donuts), the Parties' combined shares of supply are low.[43,44]

5.5 The starting point of our assessment is therefore the Parties' overlap in the supply of frozen laminated dough products, and in particular FFLD products.

Laminated Dough products

5.6 The production process for frozen laminated dough products (including FFLD products) involves industrial production lines that are equipped with specific tooling to roll, shape, laminate, cut and in some cases fill dough depending on the product required.[45]

5.7 The Parties' primary customers of frozen laminated dough products are active in the retail and foodservice sectors. They bake-off or thaw the products and market them to end consumers.[46] Most retail and foodservice customers in the UK prefer frozen bakery products to be delivered in a 'ready to bake' (**RTB**) form.[47].[48] RTB products are proved in the factory before sale to the retail and foodservice

[38] See the discussion of the relevant product market in Chapter 6 below.
[39] Parties' response dated 20 May 2026 to the CMA's request for Information (**RFI**) dated 12 May 2026 (**P2-RFI-01**), question 1.
[40] FMN, paragraph 11.2.
[41] FMN, paragraph 11.2.
[42] FMN, paragraphs 9, 12 and 14.118.
[43] FMN, paragraphs 9-12, 11.108 and 14.118.
[44] Additionally, only Délifrance is active in the supply of fresh bakery products, packaged ambient bakery products, and packaged bakery products 'to bake' at home. Therefore, the Parties' activities do not overlap here. FMN, paragraph 14.8.
[45] FMN, paragraph 11.22.
[46] FMN, paragraph 11.6; and Parties, Teach-in slides, 19 May 2026, slide 4.
[47] The Parties submitted that proofing and baking can be skipped for customers, such as bakery chains, which are equipped with proofing chambers and are thus able to fine-tune the proofing and baking, depending on their habits and preferences. FMN, footnote 31.
[48] Parties' response dated 30 January 2026 to the CMA's questions dated 27 January 2026, part II, paragraph 1.1, page 9.

customers.[49] The [✂] of the Merged Entity's sales of laminated dough to UK retail and foodservice customers are supplied in a RTB form.[50]

5.8 As noted above, FFLD products differ from other styles of laminated dough products, such as Italian style products, in their ingredients and the amount of cooling required in the production process.[51] For example, in response to CMA questionnaires the Parties and third parties stated that Italian style laminated dough products are more likely to include egg and have a lower butter content than French style products.[52] This distinction is considered further in relation to the CMA's analysis of the relevant product market in Chapter 6 below.

5.9 Customers procure frozen laminated dough products in a number of ways with no uniform approach to contracting and tendering; for example, some prefer to maintain informal long-term relationships, whilst others tender frequently. Ultimately, we have found that this varies between each individual customer.[53]

5.10 We have found that the parameters of competition are broadly consistent across both retail and foodservice sales channels, as explained further at paragraph 6.16 below.

[49] Parties, Teach-in slides, 19 May 2026, slide 8.
[50] Vandemoortele response dated 20 May 2026 to the CMA's s109 notice dated 15 May 2026 (**P2-s109-01**) Annex 001.
[51] See the discussion of the relevant product market in Chapter 6 below.
[52] Parties' response to P2-RFI-01, question 1. Responses to the CMA's phase 2 customer questionnaire from a number of third parties, question 2. [✂]
[53] Third party call notes: [✂].

6. MARKET DEFINITION

Framework

6.1 The CMA is required to consider whether an SLC arises as a result of a merger, and where it considers it does so, this must be 'within any market or markets in the United Kingdom for goods or services'.[54] An SLC can affect the whole or part of a market or markets.

6.2 Market definition provides a framework for assessing the competitive effects of a merger. The assessment of the relevant market is an analytical tool that forms part of the analysis of the competitive effects of the merger and should not be viewed as a separate exercise.[55] The outcome of any market definition exercise does not determine the outcome of the CMA's analysis of the competitive effects of the merger in any mechanistic way. In assessing whether a merger may give rise to an SLC, the CMA may take into account constraints outside the relevant market, segmentation within the relevant market, or other ways in which some constraints are more important than others. We have taken these factors into account in the competitive assessment.[56]

6.3 There is often no 'bright line' that can or should be drawn in market definition and the CMA will generally not need to come to finely balanced judgements on what is 'inside' or 'outside' the market. Not every firm 'in' a market will be equal and the CMA will assess how closely two merger firms compete. The constraint posed by firms 'outside' the market will also be carefully considered.[57] We have taken these factors into account in the competitive assessment.

6.4 Product market definition starts with the relevant products of the merger firms. Therefore, as a starting point, we considered the supply of FFLD products, which is the Parties' primary overlap in the UK. In identifying what other significant competitive alternatives should be included in the relevant market, the CMA will pay particular regard to demand-side factors. The CMA may also consider supply-side factors.[58]

[54] Section 35(1)(b) of the Act.
[55] CMA129, paragraph 9.1.
[56] CMA129, paragraph 9.4.
[57] CMA129, paragraph 9.4.
[58] CMA129, paragraph 9.6.

Product market

Parties' submissions

6.5 The Parties submitted that the most plausible relevant product market is the market for frozen bakery products (ie industrial frozen bake-off products to the exclusion of industrial fresh bakery products, packaged ambient bakery products, and packaged bakery products 'to bake' at home), potentially further segmented on the basis of the product category and customer type. Specifically, and as noted above, the Parties identified:

(a) Four product categories, ie (i) frozen bread, (ii) FMG ('viennoiserie'), (iii) frozen patisserie, and (iv) frozen savoury snacks; and

(b) Two customer segments, ie (i) retail, and (ii) foodservice.[59]

6.6 The Parties submitted that there is no absolute delineation between and within these product categories. For instance, the Parties submitted that morning goods or viennoiserie products are often presented alongside other products such as bread rolls, muffins, scones, brownies or cakes, which reflects a degree of substitutability.[60] The Parties also submitted the results of reports produced by Kantar which show that end consumers view other bakery goods as substitutes for laminated dough products.[61]

6.7 On the supply side, the Parties submitted that industrial bakers could reconfigure their production lines to produce similar types of frozen bakery products using the same equipment.[62] However, while feasible, the Parties accept that, outside of frozen laminated dough products, capacity conversion across frozen bakery product categories is not common in practice.[63]

6.8 The Parties submitted that further segmentation within FMG is not appropriate but that the narrowest possible product market is the production and supply of laminated dough-based FMG (ie both French style and Danish laminated dough-based products).[64] They submitted this was due to the supply-side substitutability between these products, as production lines which produce FFLD products can be easily switched to producing Danish and puff pastries, and that this happens regularly in practice.[65]

[59] FMN, paragraph 11.104.
[60] FMN, paragraph 11.106.
[61] Vandemoortele internal documents.
[62] FMN, paragraph 11.12.
[63] FMN, paragraph 11.13.
[64] FMN, paragraph 11.108.
[65] FMN, paragraphs 11.29-11.41.

Internal documents

6.9 The Parties' internal documents appear to refer most frequently to frozen laminated dough products[66] as being separate from other frozen bakery products such as frozen bread, patisserie, or other savoury products.[67] Internal documents regularly separate donuts and other sweet treats from frozen laminated dough products. For example:

(a) Vandemoortele documents that provide a commercial outlook for the UK distinguish between frozen laminated dough products (referred to as 'pastry'), sweet treats (including donuts), patisserie, bread, and Italian savoury[68] and these documents provide separate in-depth analyses for the frozen laminated dough segment and the donut segment.[69]

(b) Délifrance documents outlining strategies for its largest UK customers consistently refer to 'viennoiserie' separately from other bakery products such as bread and patisserie.[70]

6.10 The majority of the Parties' internal documents reviewed by us did not distinguish in a significant way different product lines within frozen laminated dough products. Whilst market shares are typically analysed on a frozen laminated dough product basis, some internal documents analysed the performance, in terms of unit sales, of specific products or groups of products within the frozen laminated dough segment.[71]

Third party evidence

6.11 We asked the Parties' customers to what extent different frozen bakery products were good alternatives to FFLD products in the UK to assess the extent of any demand-side substitution.[72] For each bakery product, customers were asked to score the substitutability of the products on a scale from 'Not at all good' to 'Very good'. Out of all customers that responded to the question:

[66] The exact terminology varies and is often referred to as either pastry, sweet pastry, or viennoiserie. Nevertheless, the products included in the term are broadly the same and are defined by us as Laminated Dough based products.
[67] Vandemoortele internal documents.
[68] Vandemoortele internal documents.
[69] Vandemoortele internal documents.
[70] Délifrance's response dated 20 October 2026 to the CMA's s109 notice dated 7 October 2026 (**P1-s109-02**), Annex 1 and Annex 4.
[71] Vandemoortele internal document; and Délifrance internal document.
[72] Appendix A contains a list of third party respondents to the CMA's customer questionnaires.

(a) Over two-thirds submitted that Danish pastries are a good alternative to FFLD products.[73] Customers submitted that they have a similar taste profile[74] and texture[75] to FFLD products and are merchandised alongside them.[76]

(b) Just over half of respondents submitted that puff pastries were a good alternative to FFLD products.[77] Two customers noted that they are also consumed at breakfast.[78]

(c) Just over a third of respondents considered patisserie products to be good alternatives to FFLD products.[79]

(d) Less than a third considered risen dough or brioches,[80] or savoury products[81] to be good alternatives to FFLD products.

(e) Only one customer considered either donuts or bread to be a 'good' alternative to FFLD products, with all other customers who responded describing them as either 'not good' or 'not at all good'.[82] One major retail customer stated that donuts are sold as sweet treats rather than pastries and tend to sell throughout the day, as opposed to pastries, which sell predominantly in the morning.[83]

6.12 We also separately asked third parties about any potential differences between French style and Italian style laminated dough products. Retail and food service customers described the differences of Italian laminated dough in terms of the ingredients (less butter, more eggs, milk and sugar), the texture (less crisp/flaky, softer, more like brioche), the flavour (sweeter) and that they are more likely to be filled (which drives the flavour).[84] The retail and foodservice customers in the UK who responded to our questionnaire told us that they do not sell Italian style laminated dough products to end consumers.[85] A majority of the customers that responded to our questionnaire did not view Italian style laminated dough products as substitutable with French style laminated dough products for UK consumers due to the differences described above, [86] and given a Italian style laminated dough products are not widely recognised by UK consumers.[87] Only one retailer

[73] Response to the CMA's phase 1 customer questionnaire from a number of third parties, question 5. [✂]
[74] Response to the CMA's phase 1 customer questionnaire from a third party, question 5. [✂]
[75] Response to the CMA's phase 1 customer questionnaire from a third party, question 5. [✂]
[76] Response to the CMA's phase 1 customer questionnaire from a third party, question 5. [✂]
[77] Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 5. [✂]
[78] Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 5. [✂]
[79] Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 5. [✂]
[80] Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 5. [✂]
[81] Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 5. [✂]
[82] Response to the CMA's phase 1 customer questionnaire from a third party, question 5. [✂]
[83] Response to the CMA's phase 1 customer questionnaire from a third party, question 5. [✂]
[84] Response to the CMA's phase 2 customer questionnaire from a third party, question 1 and 2. [✂]
[85] Responses to the CMA's phase 2 customer questionnaire from a number of third parties, question 3. [✂]
[86] Responses to the CMA's phase 2 customer questionnaire from a number of third parties, question 2 and 3[✂]
[87] Responses to the CMA's phase 2 customer questionnaire from a number of third parties, question 2 and 3. [✂]

thought Italian cornetti could be a good substitute for French laminated dough style croissants.[88]

6.13 In order to assess the extent of any supply-side substitutability between these products, we asked the Parties' competitors how often the equipment used to manufacture different frozen bakery products are also used to manufacture FFLD products. Of all competitors that responded to the question:

(a) Half submitted that the equipment used to make Danish pastries and puff pastries was often used to also make FFLD.[89] However, others submitted that it never or rarely happened.[90] One additional competitor stated on a call with us that Danish pastries are often margarine based which requires less temperature control than the butter used in FFLD products.[91]

(b) Half (and the same competitors who submitted equipment may be used to make Danish pastries, puff pastries and FFLD), submitted that savoury snack equipment was sometimes used to make FFLD, although these suppliers noted this was only the case for some savoury snack equipment and other suppliers submitted that it never happened.[92]

(c) Most submitted that the equipment used to make risen dough/brioches is never used to make FFLD products.[93]

(d) All competitors submitted that the equipment used to make donuts, patisserie products, and bread is never used to make FFLD products.[94] One supplier submitted that it would be impossible as a different process is used.[95]

6.14 From a supply side-substitutability perspective, we consider that Italian laminated dough suppliers seeking to supply to UK customers are likely to face reputational barriers due to strong national preference for French style products, as shown by all UK customers having identified 'track record' as either an 'important' or 'very important' parameter of competition and also having only identified French style laminated dough suppliers as their alternative suppliers.[96]

6.15 The CMA also notes that some frozen laminated dough products require specialised equipment or processes. For example, Délifrance's Bethune and

[88] Response to the CMA's phase 2 customer questionnaire from a third party, question 3. [✂] As noted above, French and Italian style LD can differ in terms of ingredients and the level of temperature control required during the production process). Vandemoortele and Délifrance told us that they do not sell [✂] style LD products (for example, [✂]) to UK customers. Parties response to P2-RFI-01, question 1.
[89] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 4. [✂]
[90] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 4. [✂]
[91] [✂] call note.
[92] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 4. [✂]
[93] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 4. [✂]
[94] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 4. [✂]
[95] Response to the CMA's phase 1 competitor questionnaire from a third party, question 4. [✂]
[96] Responses to the CMA's phase 1 customer questionnaire from a number of third parties, questions 7 and 10. [✂]

Avignon plants do not currently have the capability to produce some [✂] products, [✂] products, or [✂] products that have certification requirements.[97] This suggests that supply-side substitutability can be more complex for certain frozen laminated dough products where such specialised equipment or processes are required.

6.16 To establish whether there are any differences between the retail and foodservice channels, we asked frozen bakery product suppliers to identify the types of customers they supply to. In response, most respondents to this question stated that they supply their full catalogue of products to both retail and foodservice customers.[98] Calls with third parties provided mixed evidence as to whether there are marked differences between the two channels. One supplier told us that the line between retail and foodservice channels is blurry and that mostly the same suppliers compete across both channels.[99] The supplier also said that at the same time, there are slight differences in the product specifications between retail and foodservice customers, though the products are ultimately similar.[100] Another supplier told us that there are differences between the supply arrangements for the foodservice and retail channel.[101] In internal documents assessing the UK market, Vandemoortele sets out UK market shares on the basis of a total UK market combining retail and foodservice, and then also separates out markets shares for each segment.[102]

6.17 We considered evidence on any differences in the parameters of competition between retail and foodservice customers. All customers, regardless of the sales channel, identified price, product quality, service level, supplier's capacity, track record, and the treatment and labelling of allergens as either 'important' or 'very important' parameters of competition for frozen laminated dough products.[103] Similarly, when asked to list suppliers that are active in frozen laminated dough products, the competitor set identified by third parties was broadly consistent across both retail and foodservice. In particular, the Parties, Bridor, and Lantmännen were the most commonly identified and most highly rated alternatives by both foodservice and retail customers.[104]

Our analysis

6.18 The boundaries of the relevant product market are generally determined by reference to demand-side substitution alone. However, there are circumstances

[97] Parties response to the CMA's questions of 20 February 2026, paragraphs 2.2-2.4 and 3.5-3.6.
[98] Responses to the CMA questionnaire from a number of third parties, October 2025, question 2. [✂]
[99] The supplier stated that there is some additional competition in relation to foodservice customers where some smaller, speciality viennoiserie suppliers bid on certain tenders. [✂] call note.
[100] [✂] call note.
[101] [✂] call note.
[102] Vandemoortele internal document.
[103] Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 7. [✂]
[104] Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 7 [✂]; and [✂] call note. Further detail on the customers identified can be found in the competitive assessment, below.

where the CMA may consider supply-side factors, for example if: (a) firms routinely use their existing production assets to supply a range of different products that are not demand-side substitutes; and (b) the same firms compete to supply these different products, and the conditions of competition are the same for each product.[105]

6.19 We considered whether it is appropriate, in light of the overlap between the Parties, to treat the supply of FFLD products as the relevant product market. Evidence from customers indicates that Italian style laminated dough products are generally not seen as substitutable with French style laminated dough products for UK consumers. This was due to differences in product characteristics, and lack of awareness of these products by UK consumers that limit demand side substitutability. However, third party evidence indicates that Danish pastries and puff pastries are generally considered a good alternative to FFLD products by most customers.

6.20 Accordingly, based on demand-side substitution, we consider the relevant product market is the supply of frozen laminated dough products, comprising FFLD, Danish pastries, and puff pastries, but excluding Italian style laminated dough products (**LD products**).

6.21 We consider that the conditions of competition likely vary across the different products as shown by highly different shares of supply (see Table 7.1 below). In addition, the third party evidence indicates that Danish pastries and puff pastries are not supply-side substitutes for half of the suppliers and there are some differences in the production processes for each product. Nevertheless, in this case it has not been necessary to conclude on the degree of supply-side substitutability as the relevant products have been aggregated based on demand-side substitution which is the primary determinant of market definition.[106]

6.22 In assessing whether a merger may be expected to give rise to an SLC, the CMA may take into account segmentation within the relevant market.[107] Consequently, while FFLD, Danish pastries, and puff pastries are considered part of the same market, we considered whether suppliers focusing on puff pastries and Danish pastries may place a weaker constraint on suppliers focusing on FFLD, such as the Parties, in the competitive assessment.

6.23 We also considered whether the relevant market should include other frozen bakery products such as risen dough / brioches, bread, savoury snacks and patisserie. However, from the demand-side substitutability perspective, no other frozen bakery products were generally considered to be a good or very good alternative to FFLD by third parties. As noted above, the Parties' internal

[105] CMA129, paragraph 9.8.
[106] CMA129, paragraph 9.7.
[107] CMA129, paragraph 9.4.

documents also frequently evaluate LD products separately to other bakery products.

6.24 We consider that the available evidence does not indicate that firms routinely use their existing production assets for other bakery products to produce LD products. In addition, the estimated shares of supply vary significantly across the different categories of bakery products, implying different conditions of competition.[108] We therefore do not consider it appropriate, on either demand or supply-side substitutability, to evaluate a wider market comprising of LD products and other frozen bakery products.

6.25 We do not consider it necessary to define separate relevant markets for retail and foodservice customers as the evidence indicates that: (i) there are no material differences in the key parameters of competition between retail and foodservice customers; and (ii) there is little difference in the competitor sets. Therefore, we consider that the supply to foodservice and retail customers in the UK is the appropriate market definition and narrower segmentation is not appropriate.

Conclusion on the product market

6.26 In light of the analysis above, we have concluded that the relevant product market is the supply of LD products, comprising FFLD, Danish pastries, and puff pastries, but excluding Italian style laminated dough products.

Geographic market

6.27 As with product markets, the CMA's focus in defining geographic markets is on demand-side factors and identifying the most important competitive alternatives to the merger firms.[109] The CMA may consider evidence such as information on the competitive performance of firms across different geographic areas, information on differences in pricing and other parameters across geographic areas, product characteristics such as perishability, and the views of market participants.

Parties' submission

6.28 The Parties submitted that the most plausible relevant geographic market is likely to be national.[110] The Parties submitted that previous merger investigations had shown national differences in consumption, habits, taste, brands and pricing across different countries, with prices often negotiated on a national level.[111]

[108] FMN, Table 25.
[109] CMA129, paragraph 9.13.
[110] FMN, paragraph 11.111.
[111] FMN, paragraph 11.110.

6.29 However, the Parties also submitted that from a supply side perspective, a regional delineation offers a more accurate reflection of the competitive landscape and that this regional approach should include Belgium, Denmark, France, Germany, the Netherlands, and the UK.[112] They submitted that suppliers of frozen bakery products operate centralised production facilities that supply frozen bakery products to multiple countries. As products can be transported easily and competitively over distances of up 1,400 km, competitive constraints are exerted by existing and potential cross-border suppliers.[113] To further support this, the Parties submitted that the UK is supplied in large part by plants located in Belgium, France, Germany, Denmark and the Netherlands, and that many suppliers do not operate production facilities in the UK.[114,115]

Our analysis

6.30 We have therefore considered both if the relevant geographic market is wider than the UK or if it is narrower; in particular, if it should be segmented into separate geographic markets for Great Britain and Northern Ireland.

6.31 First, we consider that the available evidence, on balance, points to a market that is no wider than the UK:

(a) The Parties' internal documents are broadly supportive of a UK market definition showing country-specific market characteristics and national-level customer negotiations. For example, Vandemoortele creates UK-specific country commercial outlooks with UK-specific competitor analysis and UK-wide market shares.[116] Another Vandemoortele market research document shows that there are country-specific nuances to pastry preferences.[117] Similarly, Délifrance submitted a series of UK-specific documents, which set out account plans for key UK customers.[118]

(b) While we received third party evidence that suppliers can (and do) supply into the UK from across Northern Europe,[119] there is also evidence that the conditions of competition may differ between countries. For example, Vandemoortele's merger rationale documents show that the Parties' market positions in the supply of bakery products vary significantly across Northern

[112] FMN, paragraph 11.112.
[113] FMN, paragraph 11.111.
[114] Parties' submission to the CMA, 17 October 2025, Key Issues Paper, Section 1.
[115] We note that Vandemoortele supplies the large majority of LD product volumes to UK customers from its plants in the UK ([✂]%), however it also supplies a material proportion from Belgium ([✂]%), and France ([✂]%), and Délifrance supplies all UK volumes from France. CMA analysis of the Parties' data submitted to the European Commission, November 2025.
[116] Vandemoortele internal documents.
[117] Vandemoortele internal document.
[118] Délifrance response to P1-s109-02, Annexes 2, 6 and 4.
[119] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 6. [✂]

Europe. In these documents, the Parties' positions range from being among the strongest players in the UK to relatively weak players in Germany.[120]

6.32 Second, we also consider that evidence points to a market that is no narrower than the UK. Based on evidence from customers[121] and competitors[122] we have not identified any material differences in the set of active suppliers between Great Britain and Northern Ireland.

Conclusion on the geographic market

6.33 Based on the evidence gathered, we have concluded that the appropriate geographic market for the supply of LD products comprising FFLD, Danish pastries and puff pastries, but excluding Italian style laminated dough products is UK-wide.[123] The potential competitive constraint posed by suppliers who do not currently supply in the UK is considered as part of the competitive assessment.

Conclusion on market definition

6.34 For the reasons set out above, we have concluded that the relevant market is the supply of LD products in the UK, comprising FFLD, Danish pastries, and puff pastries, but excluding Italian style laminated dough products.

[120] Vandemoortele internal documents.
[121] Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 7. [✂] Of the customers active in Northern Ireland and Great Britain [✂], none submitted that there was a difference in the set of suppliers available in Northern Ireland; one customer [✂] submitted that its Northern Ireland suppliers use the same suppliers, and another [✂] submitted that there was no difference in Northern Ireland compared to Great Britain. However, one customer [✂] did submit that its Northern Ireland business is covered by its European division, rather than its Great Britain division.
[122] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 8. [✂] Of the suppliers active in Northern Ireland [✂], two [✂] submitted that the set of suppliers is the same/similar between Great Britain and Northern Ireland, one [✂] submitted that there may be some additional local players, while another [✂] submitted that Aryzta may be a stronger player as it has a facility in Ireland.
[123] The Parties agreed with a UK-wide geographic market in their response to the Issues Letter. Parties' response to the Issues Letter, 17 November 2025, paragraph 3.14.

7. COMPETITIVE ASSESSMENT

Introduction

7.1 We have investigated a horizontal unilateral effects theory of harm (**TOH**) for the product market identified in Chapter 6, ie horizontal unilateral effects in the supply of LD products to retail and foodservice customers in the UK.

TOH: Horizontal unilateral effects in the supply of LD products to retail and foodservice customers in the UK

7.2 Horizontal unilateral effects may arise when one firm merges with a competitor that previously provided a competitive constraint, allowing the merged entity profitably to raise prices or to degrade quality on its own and without needing to coordinate with its rivals.[124] Horizontal unilateral effects are more likely when the parties to a merger are close competitors.[125]

7.3 Closeness of competition is a relative concept. The CMA will consider the overall closeness of competition between the merger firms in the context of the other constraints that would remain post-merger. Where there is evidence that competition mainly takes place among few firms, any two would normally be sufficiently close competitors that the elimination of competition between them would raise competition concerns, subject to evidence to the contrary.[126] In addition, where one merger firm has a strong position in the market, even small increments in market power may give rise to competition concerns.[127]

7.4 We assessed whether it is or may be the case that the Merger has resulted, or may be expected to result, in an SLC as a result of horizontal unilateral effects in the supply of LD products to retail and foodservice customers in the UK. In this assessment we have considered evidence from:

(a) The Parties' submissions;

(b) Shares of supply;

(c) Bidding data;

(d) Third party evidence; and

(e) Internal documents.

[124] CMA129, paragraph 4.1.
[125] CMA129, paragraph 4.8.
[126] CMA129, paragraph 4.10.
[127] CMA129, paragraph 4.12(a).

Parties' submissions

7.5 The Parties made a range of submissions to us on various topics throughout the course of the phase 1 investigation, including in response to our Issues Letter. These submissions are considered throughout this Final Report based on the category of evidence to which the submissions relate. However, two core submissions of the Parties are first summarised below.

Parties' submissions on competitive landscape in LD products

7.6 The Parties estimated shares of supply based on their own data and data from GIRA[128] for the supply of Laminated Dough-based frozen Morning Goods for 2022–2024. According to these estimates, by volume, the Parties' combined market share in retail for 2024 was [50-60]% with an increment of [20-30]%. In foodservice, the Parties' combined market for 2024 was [50-60]% with an increment of [20-30]%.[129] Across retail and foodservice, the combined market share was [50-60]% with an increment of [20-30]%.[130]

7.7 The Parties submitted that these shares may underestimate the market power and presence of other suppliers in the market because of limitations in GIRA's methodology.[131] The Parties therefore also submitted refined shares of supply for the retail segment, based on a bottom-up analysis of major UK retailers' tender volumes and projected demand. According to this analysis, the Parties' combined share of supply, by volume in LD products in the UK, is [40-50]% with an increment of [20-30]%.[132] The Parties further submitted that the Parties' shares of supply at a Northwestern European level, across both channels combined (including the UK, Belgium, France, Germany, Denmark and the Netherlands), drops to [30-40]% with an increment of [10-20]%.[133] When reflecting on the shares estimated by us, the Parties submitted that the shares are evidence that not less than seven alternatives compete in the UK market and undermines the suggestion that the market is highly concentrated.[134]

7.8 The Parties submitted that market shares, more broadly, are a poor proxy for market power given they fail to reflect:[135]

[128] Gira & Associates SAS are a research and consulting company specialising in the food and drink sector worldwide.
[129] FMN, Table 29.
[130] CMA analysis of the Parties' volume estimates.
[131] FMN, paragraph 14.120.
[132] The Parties' combined share of supply in retail is [40-50]% with an increment of [20-30]%. In foodservice, the combined market share is [40-50]% with a [20-30]% increment. Parties' submission to the CMA, 3 December 2025.
[133] Parties' submission to the CMA, 17 October 2025, Key Issues Paper, paragraphs 1.2-1.3.
[134] Parties' submission to the CMA, 3 December 2025.
[135] FMN, paragraphs 14.124-14.127.

(a) The highly competitive, tender driven environment in both retail and foodservice where losing a single tender can lead to large swings in market shares;

(b) The continued ability of customers to play suppliers off against each other; and

(c) The impact of significant capacity expansion underway in the market.

7.9 The Parties submitted that Vandemoortele and Délifrance are not particularly close competitors. The Parties submitted that they have different value propositions, distinct product focuses and serve different customers.[136] For instance, the Parties submitted that Délifrance has a focus on puff pastries.[137]

7.10 In addition, the Parties stated that the Merged Entity will continue to face competition from a large number of well-established and well-resourced competitors who will remain credible bidders and alternative suppliers.[138] This includes UK market leaders Bridor and Lantmännen as well as Aryzta, Europastry, Neuhauser, La Lorraine, and Gourmand.[139] The Parties submitted that each of these suppliers has the relevant characteristics to compete in the UK,[140] and that their competitive strength is evidenced by internal documents where these competitors are frequently monitored.[141]

7.11 Specifically with regard to Aryzta and Europastry, the Parties submitted that:

(a) Europastry is one of the most dynamic competitors in the UK market currently and has recently been successful in winning key [✂] volumes from [✂].[142] The Parties submitted that Europastry recently won the [✂] croissant and pains au chocolat lines from [✂], and that the loss of these premium lines reflects the constraint posed by Europastry. The Parties provided evidence that this quality-based loss had been noticed by other customers across the industry.[143]

(b) Aryzta is a key supplier to the largest retailer of LD products in the UK ([✂]), and this relationship has enabled it to build a significant market share.[144] The

[136] FMN, paragraphs 14.199-14.200; and Parties' submission to the CMA, 17 October 2025, Key Issues Paper, Section 4.
[137] Parties' submission to the CMA, 3 December 2025.
[138] FMN, paragraph 14.140.
[139] Parties' response to the Issues Letter, 17 November 2025, section 5.
[140] Parties' response to the Issues Letter, 17 November 2025, table 3. The relevant characteristics to compete in the UK submitted by the Parties are: (i) expertise in laminated products; (ii) high product & service quality; (iii) LD relationships with UK customers; (iv) other relationships with UK customers; (v) dedicated UK sales team; (vi) NW Europe production presence with sufficient capacity; (vii) plant(s) with BRC accreditation; and (viii) logistics/supply into UK.
[141] Parties' submission to the CMA, 17 October 2025, Key Issues Paper, Section 4.
[142] Parties' response to the Issues Letter, 17 November 2025, paragraph 5.12.
[143] Vandemoortele internal document, Annex 25 to the Parties' response to the Issues Letter, 17 November 2025.
[144] Parties' response to the Issues Letter, 17 November 2025, paragraph 5.12.

Parties also submitted that they have limited visibility of [✂] volumes, which has caused them to historically underestimate Aryzta's competitive strength.

7.12 The Parties also submitted that the Parties are subject to significant competitive pressure from bakery manufacturers active in adjacent product categories and / or geographic areas.[145] The Parties submit this is due to the high degree of supply-side substitutability in bakery manufacturing[146] as well as the ease with which frozen baked goods can be imported into the UK.[147]

7.13 Moreover, the Parties submitted that customers across both retail and foodservice in the UK are highly sophisticated and enjoy considerable buyer power.[148] They submit that customers will continue to be able to threaten to switch, which will deter the Merged Entity from (hypothetically) raising prices or reducing quality.[149] The Parties provided examples of recent customer negotiations as evidence of the customer pressure they face.[150] Our assessment of the Parties' submissions on buyer power is covered in further detail in Chapter 8.

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

7.14 The Parties submitted that the period 2022-2024 is not an appropriate period to evaluate the impact of the Merger and that, in 2025, a confluence of three factors means the market is now entering a period of increasing excess capacity.[151] These are:

(a) A sharp fall in butter prices, a key input of LD products;

(b) Lower demand for LD products in Europe and UK than expected, with no year-on-year growth in demand; and

(c) Additional capacity coming online, following investments made following the COVID-19 pandemic in anticipation of greater demand.

7.15 The Parties submitted that these changes are already resulting in: (i) even more aggressive negotiations on price, commercial terms and quality and service levels;[152] and, critically (ii) the opportunity for customers to re-think their entire sourcing strategy, as exemplified by the recent uptick in (very large and, in some

[145] FMN, paragraph 14.208.
[146] FMN, paragraph 14.210.
[147] FMN, paragraph 14.211.
[148] FMN, paragraph 14.190.
[149] Parties' submission to the CMA, 17 October 2025, Key Issues Paper, paragraph 5.2.
[150] Parties' response to the Issues Letter, 17 November 2025, paragraphs 4.4-4.7.
[151] Parties' response to the Issues Letter, 17 November 2025, section 2 and paragraph 2.10.
[152] For example, Vandemoortele provided examples of customers raising the falls in butter prices when discussing pricing. Parties' response to the Issues Letter, 17 November 2025, paragraph 4.6(e); and Vandemoortele internal documents, Annexes 14 and 15 to the Parties' response to the Issues Letter, 17 November 2025.

cases, international) tenders, contested by multiple bidders, as well as recent customer switching (eg [✂] on its core pastry products).[153]

7.16 In addition, the Parties submitted that their competitors already have a large manufacturing footprint in the UK and/or Europe and are expected to have surplus capacity which will enable them to meet any increased UK demand.[154] Moreover, the Parties provided analysis showing that many of these companies are currently investing in increasing their capacity.[155]

7.17 The Parties argued that there is therefore sufficient market capacity to enable even their largest customers to partially or fully shift volumes away from the Merged Entity to defeat any hypothetical increase in prices or deterioration in quality.[156] The Parties also argued that in periods of growing and excess capacity, sophisticated retailers and foodservice customers benefit from increased bargaining power and take the opportunity to launch new tender rounds.[157,158]

7.18 To support this, the Parties submitted additional evidence sourced from the manufacturers of laminated dough production lines on the number of production lines and corresponding capacity installed in the EU and UK over the last two years. This data shows that approximately 1,100 kT of manufacturing capacity has been installed in each of the last two years across the EU and the UK.[159]

7.19 The Parties submitted that these significant investments and expansions are further increasing market capacity. The Parties submitted market intelligence of competitor investments in capacity and estimate that over 100 kT of capacity has been added in 2024-2025 and that further expansions and investments are planned or ongoing by essentially all main players.[160] The Parties submitted that many of these expansions in capacity are in areas well suited to supply the UK market.[161]

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

7.20 We address each of the trends identified by the Parties in turn.

[153] Parties' response to the Issues Letter, 17 November 2025, section 2.2
[154] FMN, paragraph 14.142.
[155] FMN, Table 7; and Parties' submission to the CMA, 17 October 2025, Key Issues Paper, Section 3.
[156] FMN, paragraph 14.197.
[157] Parties' response to the Issues Letter, 17 November 2025, paragraph 2.10.
[158] The Parties also submitted that there has been an increase in international tenders, which increases the competitive pressure from European suppliers and enables them to gain market share in the UK, eg Aryzta and Neuhauser with Lidl (see Parties' response to the Issues Letter, 17 November 2025, paragraph 4.9). We have not received evidence that international tenders are likely to increase further, but the extent to which it means alternative suppliers are stronger competitors has been covered in the competitive assessment below.
[159] Parties' submission to the CMA, 17 October 2025, Key Issues Paper, Section 3; and Parties' submission to the CMA, 6 November 2025, Remedies Paper, Annex 2.
[160] FMN, paragraph 11.61.
[161] Parties' response to the Issues Letter, 17 November 2025, Table 2.

7.21 First, with regards to the Parties' submission that raw material costs are decreasing, we do not consider there is any direct link between butter prices declining and the impact of the Merger given these conditions would apply equally in the counterfactual. The argument that price negotiations may result from the reduction in commodity prices gives limited insight into the competitive constraints the Parties face in the market and how that may change as a result of the Merger.[162] Rather, it is the identity of the alternative suppliers being considered by customers as part of any such negotiations that is relevant and we have seen no evidence that this is likely to change materially.

7.22 Second, with regards to the Parties' submission that demand is softening, there is some evidence that volume demand for pastries has slowed this year. The Parties' internal documents show that recent volume growth has been low, albeit the overall growth in spend on LD products has remained strong with 8.6% growth in the 12 months to 10 August 2025.[163] While there are limitations in the IRI data submitted by the Parties (it excludes several major UK retailers and does not cover the foodservice market), this data does show a reduction in volume growth. However, documents that identified the slowdown in demand did not show an expectation of a resulting material effect on either capacity or competition.

7.23 Third, with regards to the Parties' submission that, due to these factors and additional capacity being brought online, there is, and will be, significant excess capacity in the market, the Merger Assessment Guidelines recognise that the extent of available capacity can be relevant to the likelihood of an SLC as a result of horizontal unilateral effects. In particular, where firms have significant spare capacity, they may be better able to compete. Conversely, firms facing capacity constraints may not be able to serve customers switching away from rivals and may provide a less effective constraint.[164]

7.24 In this case, we note that the Parties' submissions relate to potential additional capacity or increases in capacity that are not related to the Merger (this includes the additional c. [✂] kT of capacity the Parties reported they are adding).[165] As a result, we consider that they are most appropriately considered as part of our competitive assessment, rather than as countervailing entry or expansion in response to the Merger.

7.25 The presence of excess capacity does not in itself prevent the likelihood of an SLC arising as a result of a merger. As noted above, markets with greater excess

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

[163] Vandemoortele internal document, Annex 28 to the Parties' response to the Issues Letter, 17 November 2025, slide 45.

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

[165] Vandemoortele response dated 17 October 2025 to the CMA's s109 notice dated 7 October 2025 (**P1-s109-02**), Table 1; and Délifrance response to P1-s109-02, question 1.

capacity are likely to be more competitive than markets with less excess capacity because suppliers have a greater incentive to compete when they have more excess capacity. However, if customers have a limited number of options, and the merger removes an important option within the market, then an SLC can still arise, especially where such excess capacity is held by suppliers that are not considered credible options by customers in the UK, or if the excess capacity is (disproportionately) held by the merging parties.

7.26 Nevertheless, we have considered the extent to which (a) there is current excess capacity in the market; and (b) that additional capacity is being brought online. Then, we considered the extent to which this affects the competitive dynamics in the UK.

7.27 We received evidence on the extent to which excess capacity is currently available in the market:

(a) Most competitors that responded to our market testing submitted that their plants are running at, or close to, full capacity or that, due to regulatory requirements, only a relatively small amount of capacity is available for the UK market.[166] One supplier submitted that there is a significant capacity constraint in the market, and though there are a number of EU based players investing to increase their capacity, the rate of growth in demand for laminated dough products will outstrip the ability to provide additional capacity in the market.[167] This was a trend that it submitted seemed likely to continue over a period of several years. In addition, we note that the Parties' own production sites for laminated dough products are running at, or close to, capacity with none of the Parties' sites running below [✂]% utilisation.[168]

(b) While limited, some evidence from customers also indicates that there may be capacity constraints:

(i) A major grocery retailer submitted that it considers the whole viennoiserie market to be capacity constrained.[169]

(ii) A major grocery retailer submitted that it can be hard to get the necessary capacity in the market and that there tends to be a lack of available volume in the UK. It further submitted that it does not think it has an alternative supplier it could switch its volumes to in the short term.[170]

166 Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 5. [✂]
167 [✂] call note.
168 FMN, Tables 10, 11, and 13.
169 [✂] call note.
170 [✂] call note.

(iii) A major grocery retailer submitted that it would be difficult to switch suppliers in part due to limited capacity.[171]

(c) Some of the Parties' internal documents also support the existence of capacity constraints in the market for LD products and indicate that demand for LD products is expected to increase.[172] For example:

(i) A Vandemoortele internal document from February 2025 estimates that UK pastry consumption is growing between [✄]% per year and that it requires an 'incremental [✄] KT per year from 2025 to maintain Market Share'.[173]

(ii) A Délifrance internal document from January 2024 that describes its strategy for a UK customer highlights how [✄] is a key requirement to win the customer.[174]

(iii) A Délifrance account plan for a UK customer from January 2024 identifies [✄].[175]

(d) While the production line installation data submitted by the Parties shows some increase in capacity, there is limited evidence to indicate that it is suited to (eg based on location), or will be used to supply, the UK market (and, as noted above, this is not supported by evidence from competitors). With regards to the LD production line data provided by the Parties, one of the three manufacturers ([✄]) submitted that of the [✄] kT of capacity installed over the last two years, only [✄] kT (c.10%) was actual growth/new production with the rest replacing manual or existing production.[176] Investment in new production lines therefore does not necessarily mean there is a substantial increase in new capacity. On this basis it is not clear that this installation data for both the EU and UK represents a significant growth in capacity, relative to total EU and UK demand, that would serve to constrain the Merged Entity post-Merger.

7.28 Regarding the Parties' claim that in 2025, there have been significant additional increases in market capacity coming online,[177] we have sought to test these submissions; however, much of the evidence gathered by us is inconsistent with those submissions.

[171] Response to CMA's phase 1 customer questionnaire from a third party, question 8. [✄]
[172] As described above in paragraph 7.14, the Parties submitted that demand for LD products in the UK has unexpectedly been flat in 2025 in contrast to previous expectations that forecast strong growth in demand.
[173] Vandemoortele internal document.
[174] Délifrance response to P1-s109-02, Annex 2, slide 17.
[175] Délifrance response to P1-s109-02, Annex 3, slide 32.
[176] Parties' submission to the CMA, 17 October 2025, Key Issues Paper, Annex 4.
[177] Parties' response to the Issues Letter, 17 November 2025, Section 3.

(a) Those suppliers who responded to our question about planned capacity investments have not submitted significant capacity expansion plans.[178] One third party submitted that extending capacity is both an expensive and time-consuming process and that constructing a line could cost upwards of 25 million euros.[179]

(b) Some areas in which the Parties submitted additional capacity was being developed do not supply material quantities of LD products to the UK (eg Salt Lake City, or Eastern Europe). Furthermore, some of the examples cited by the Parties were R&D centres rather than general production centres and these centres either had fewer lines than the Parties submitted or had production lines that were not new capacity.

(c) We have been unable to verify based on publicly available sources the Parties' claims of recent and planned investments in expansions of LD plants in Western Europe of key UK rivals but note that in most cases it is unclear whether the investment relates to LD products or other bakery products or whether the plant is located in an area that would not be expected to directly impact supply in the UK market (eg Salt Lake City, or Eastern Europe). While some of the examples show expansion that could in theory be used to supply LD customers in the UK, others do not. For example, of the Northwest Europe examples submitted in the Parties' refined capacity expansion analysis:[180]

   (i) A 2024 Aryzta investment in Eisleben is a product innovation centre featuring R&D facilities, quality monitoring areas, and pilot machines for the company's bread and baked foods segment.[181] These are not new production lines and do not appear to significantly increase Aryzta's capacity. Similarly, the 2025 Aryzta investment the Parties cite from an industry website is non-specific and only refers to how the company 'outlined investments in new lines to increase the production of laminated and artisan products in Switzerland, Germany and Malaysia'.[182]

   (ii) Based on the Parties' claim that capacity takes roughly two years to come online,[183] the 2021/22 Europastry expansion should already be online and accounted for in the current evidence base.

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178 Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 5. [✂]
179 [✂] call note.
180 Parties' response to the Issues Letter, 17 November 2025, Table 2.
181 Parties' response to the Issues Letter, 17 November 2025, Table 2; and Aryzta investing in German production site | Baking Business, last accessed on 11 June 2026.
182 Parties' response to the Issues Letter, 17 November 2025, Table 2; and ARYZTA announces new mid-term targets - Baking & Biscuit, last accessed on 11 June 2026.
183 Parties' response to the Issues Letter, 17 November 2025, paragraph 2.1.

(iii) The 2024 'Cereal' R&D centre in Barbera des Valles is only two production lines, not four as the Parties state, and makes cakes as well as pastries.[184]

(iv) The 2023 La Lorraine investment article does not show that the investment is for LD products.[185]

7.29 While the inconsistencies with regards to the information in the Parties' submissions on capacity expansion mean that we can only place limited weight on those submissions, we consider that there is some additional capacity that either has entered the market or will enter the market. There is, however, limited evidence in the Parties' internal documents that significant capacity is coming online or that they are concerned about the prospect of increased capacity from a competition perspective.

7.30 The evidence that we have obtained therefore does not indicate that excess capacity is playing a material role in competition in the UK market, or that it is expected to do so in the near future.[186]

7.31 Consequently, we are attributing limited weight to the Parties' submissions regarding current or future excess capacity in the market mitigating the likelihood of an SLC. Our assessment of the likelihood of an SLC is set out further below.

7.32 More generally on the Parties' submission that 2022-2024 is not an appropriate period of comparison, we have not received evidence that the conditions of competition in 2025 have changed so fundamentally since 2022-24 that they do not have evidentiary value. The third party evidence in particular that we obtained was gathered in October 2025 and is therefore broadly reflective of current market conditions (and the Parties have not since submitted in phase 2 that these conditions have materially changed since October 2025). We have therefore considered the evidence available to us when coming to our view, including evidence from the period 2022-2024.

Shares of supply

7.33 Shares of supply can be useful evidence when assessing closeness of competition, particularly when there is persuasive evidence as to which potential substitutes should be included or excluded or when the degree of differentiation between firms is more limited. In such circumstances, a firm with a higher share of supply is more likely to be a close competitor to its rivals.[187]

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[184] Europastry Annual Report 2023, page 50, last accessed on 11 June 2026.
[185] Erpe-Mere La Lorraine bolsters presence in Belgium with €200 m investment | BBM Magazine, last accessed on 11 June 2026.
[186] Parties' response to the Issues Letter, 17 November 2025, paragraph 2.1.
[187] CMA129, paragraph 4.14.

7.34 We recreated the market based on the Parties' data and third party sales volumes. Table 1 below shows our estimates of shares of supply in the supply of LD products in the UK in 2024.[188]

Table 7.1: Frozen pastry shares of supply in the UK, 2024 (weight)

(%)

	French style laminated dough	*Danish pastries*	*Puff pastries*	*LD products overall*
Vandemoortele*	[20-30]	[0-5]	[10-20]	[10-20]
Délifrance	[10-20]	[0-5]	[20-30]	[10-20]
Combined	[40-50]	[0-5]	[40-50]	[30-40]
Lantmännen	[10-20]	[80-90]	[0-5]	[20-30]
Bridor	[20-30]	[0-5]	[40-50]	[20-30]
Aryzta	[5-10]	[0-5]	[0-5]	[5-10]
Neuhauser	[5-10]	[0-5]	[0-5]	[0-5]
Serafien	[0-5]	[0-5]	[5-10]	[0-5]
La Lorraine	[0-5]	[0-5]	[0-5]	[0-5]
Europastry	[0-5]	[0-5]	[0-5]	[0-5]
Total	**100**	**100**	**100**	**100**

Source: CMA analysis of Parties data and response to the CMA questionnaire from a number of third parties, October 2025, question 3.
** Vandemoortele provided an estimate of the split between French style LD products and Puff pastries, given it does not routinely record volume data split in this way. We subtracted the estimated Puff Pastries volumes from the French LD volumes.*

7.35 Table 7.1 shows that in LD products, the Parties have a combined share of [30-40]%. The Merger combines the third and fourth largest suppliers. Following the Merger, the Merged Entity will be the largest supplier of LD products in the UK. Lantmännen and Bridor are the first and second largest suppliers respectively, with shares of [20-30]% and [20-30]% respectively. There is then a tail of much smaller suppliers led by Aryzta ([5-10]%) and Neuhauser ([0-5]%). No other supplier has a share over [0-5]%.

7.36 FFLD products make up over two thirds of the volumes of all LD products in the UK.[189] In this segment of the market, the Merger combines the second and third largest suppliers with the Merged Entity having a combined share of [40-50]%. Bridor is the largest supplier of FFLD products ([20-30]%) while Lantmännen is the fourth largest ([10-20]%). No other supplier has a share over [5-10]%.

7.37 Table 7.1 shows that the Merged Entity will also be the second largest supplier of puff pastries with a combined share of [40-50]%. Bridor remains the largest player with a share of [40-50]% in puff pastries with only one other supplier (Serafien) having a share above 5%. Overall puff pastries make up the smallest segment of

[188] These shares are based on: Vandemoortele response dated 24 July 2025 to the CMA's s109 notice dated 14 July 2025 (**P1-s109-01**), Annex 033, sheet 1; and Délifrance response dated 24 July 2025 to the CMA's s109 notice dated 14 July 2025 (**P1-s109-01**), Annex 01, sheet 1; and responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 3. [✂] Some suppliers did not provide volume data to us. We calculated the volumes of these suppliers from volume data provided by their primary customers. [✂] response to the CMA's s109 notice.
[189] CMA analysis of Parties data and response to the CMA questionnaire from a number of third parties, October 2025, question 3.

the market accounting for less than 10% of the volumes of all LD products in the UK.[190]

Our assessment

7.38 The shares both provided by the Parties and estimated by us show that the market for LD products is highly concentrated. The Parties are two of the four main suppliers of LD products in the UK and would be the largest supplier following the Merger by a considerable margin. No other supplier, including Aryzta, Neuhauser, or Europastry, has a significant share of supply.[191]

7.39 Moreover, the Parties' activities are mainly focused on FFLD products where their individual and combined shares are higher than across all LD products. As neither the Parties nor Bridor supply significant volumes of Danish pastries we consider that the Parties and Bridor compete more closely with each other than with Lantmännen, which has a very strong presence in Danish pastries and a slightly weaker presence in FFLD.[192] Aryzta and Neuhauser both have slightly higher shares in FFLD products at [5-10]% and [5-10]% respectively. However, we note that these suppliers supply primarily to one customer that tenders on an international level.[193] Consequently, their share may overestimate how competitive they are in UK tenders.

7.40 We note that these market shares are lower than those found in the Parties' internal documents which describe the commercial outlook for the UK; however, both the shares prepared by us and the shares in the Parties' internal documents show that the Merged Entity would have substantially the largest share of supply in the UK with a significant increment.[194] These documents show that, in February 2025, the Parties had a combined market share in pastries of [50-60]% with an increment of [20-30]% and that these shares have been broadly consistent for the last two years.[195]

7.41 As noted above, the Parties have submitted that shares of supply are a poor proxy for market power in this case. We consider that whether shares of supply are a good proxy for market power in a market where there are tenders depends on the

[190] CMA analysis of Parties data and response to the CMA questionnaire from a number of third parties, October 2025, question 3.
[191] The Parties submitted that they had recently lost [✂] kT of sales to Europastry. Even if these volumes are assigned to Europastry, Europastry's share does not exceed [0-5]% in LD products.
[192] Délifrance and Bridor have relatively high shares in puff pastry products. However, for Délifrance and Bridor, puff pastry products are only a small proportion of both their respective LD product production and the total market for LD products. Consequently, we consider their puff pastry volumes are less relevant to the closeness assessment. Moreover, the Délifrance production data shows that puff pastries are only [10-20]% of Délifrance's LD production and does not support that Délifrance has a focus on puff pastry products as submitted by the Parties.
[193] Parties' response to the Issues Letter, 17 November 2025, paragraph 4.9; and [✂] response to the CMA's s109 notice.
[194] Vandemoortele internal documents.
[195] In these documents, 'Pastries' appears to refer to viennoiserie, Danish pastries, and puff pastries in line with our market definition of LD products.

market dynamics. For example, shares of supply may not reflect competitive dynamics where there is a small number of large tenders. Where there is a small number of large tenders, a relatively competitive supplier may have a small share of supply simply because they marginally missed out on a small number of tenders.[196] This kind of dynamic may be reflected in large swings in shares of supply over time. In other tender markets with larger numbers of tender opportunities, shares of supply are more likely to reflect market power and are also more likely to be stable over time.

7.42 In this case, we consider that the Parties' customers do not appear to be so large and tenders so infrequent such that shares of supply would not reflect competitive dynamics in the market. According to the Parties' bidding data, there have been at least 41 tender opportunities since October 2021.[197] The largest Vandemoortele customer in 2024 represents [5–10]% of the overall market size, and no other customer volumes accounted for more than [0–5]% of the market size. Similarly, the two largest Délifrance customers each represent only [0-5]% of the market size.[198] Therefore, while such large customers switching would affect shares of supply, it is not clear that customers are sufficiently large such that shares of supply are not a good proxy for market power.

7.43 Moreover, we consider that:

(a) The Parties assess shares in their internal documents, which indicates that shares are commercially relevant and have informational value when considering competitive conditions;

(b) Shares are in any case indicative of the Parties having been successful at winning these tenders and therefore reflect their competitive strength over time. We have received no evidence that indicated that the competitive strength of the Parties or competitors has changed significantly, or that the Parties are likely to lose any of these large tenders in the near future. For example, the volume data received by us indicates that the Parties' market shares were almost identical in 2023 and 2024;[199] and

(c) Shares of supply also appear to be consistent with other sources of evidence, including feedback from third parties on the alternatives considered by customers (see paragraphs 7.58 to 7.60), and the Parties' own internal documents.

[196] As a hypothetical if there are only three customers all of an equal size with one customer tendering per year, then even if there are four credible competitors considered by each customer then this may not be reflected in shares of supply as at least one of those competitors would always have a share of supply of 0% and any competitor's share may go from 33% to 0% from one year to the next by losing one contract.
[197] Parties' internal document.
[198] FMN, Tables 15 and 17.
[199] The Parties combined share in 2023 was [30-40]% compared to [30-40]% in 2024. We did not receive 2023 volumes for all suppliers. Where 2023 volumes were not available, we used 2024 volumes.

7.44 In addition, as noted above we do not consider that shares of supply are a poor proxy for market power due to the presence of current or future excess capacity or buyer power. Our assessment of the Parties' submissions on excess capacity is set out above (paragraphs 7.14 to 7.30) and our assessment of the Parties' submissions on buyer power is set out below (paragraphs 8.6 and 8.7).

7.45 Consequently, and taking into account our approach outlined in paragraph 7.2 above, we consider that the shares of supply indicate that the Parties are close competitors.

Bidding data

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

Analysis of losses data

7.47 We received loss data from both Parties covering the timeframe between October 2021 and April 2025, including 13 UK LD opportunities that Vandemoortele lost and 17 UK LD opportunities that Délifrance lost.[200,201,202]

7.48 However, we consider that there are some notable limitations with the data:

(a) The data only includes opportunities that the Parties lost and therefore gives no insight into the opportunities where either Party won;

(b) The data includes known winners for only nine of Vandemoortele's losses and other known bidders for only six;

(c) The data includes known winners for only 12 of Délifrance's losses and other known bidders for only one;

(d) As the Parties do not record tender data or switching data in the ordinary course of business, the information is sourced predominantly from recollections of local country managers and key account managers;[203] and

(e) Each Party's data has not been adjusted to reflect the other Party's views and therefore does not match opportunities where both Parties may have bid.

[200] Vandemoortele internal document.
[201] The Parties submitted loss data for FMG opportunities in Belgium, France, Italy, the Netherlands, and the UK. We considered the market to be LD products in the UK and has therefore only considered opportunities that match this market in its analysis.
[202] This data includes examples of the Parties losing existing business and also losing bids where they were not already the incumbent.
[203] FMN, paragraph 15.16.

7.49 Focusing on Vandemoortele's UK bidding data with known winners, out of the nine opportunities that Vandemoortele lost:

(a) Délifrance was the winner, or one of the winners, in a third of the opportunities and present in a further four;

(b) Bridor was the winner, or one of the winners, in over half the opportunities (5/9) and present in three others;

(c) Lantmännen was the winner, or one of the winners, in two opportunities; and

(d) Golden Bake, Country Style, Aryzta, and La Lorraine were each the winner or one of the winners in one opportunity.

7.50 Focusing on Délifrance's bidding data with known winners, out of the 12 opportunities that Délifrance lost:

(a) Vandemoortele was the winner in three opportunities, including the two largest opportunities by volume;[204]

(b) Bridor was the winner in eight opportunities; and

(c) Delice de France won one opportunity.

Analysis of wider bidding data

7.51 The Parties separately submitted bidding data covering UK opportunities for the period October 2021 to April 2025.[205] This data has similar limitations to those described above[206] but also includes opportunities that the Parties either retained or won.

7.52 Vandemoortele submitted data on 11 morning goods (excluding donuts) opportunities. Across those 11 opportunities:

(a) Vandemoortele won new business twice and retained the contract once;

(b) Vandemoortele competed against Délifrance in six of the opportunities with Délifrance winning one of those opportunities;

[204] We note that the volume of the two opportunities won by Vandemoortele is greater than the rest of the opportunities with known winners combined.
[205] Parties' internal document.
[206] The Parties submitted this data was not complete as not all tenders are recorded in the ordinary course of business. They also noted that salespeople are more likely to record won tenders than lost tenders. In the majority of tenders, and especially for Délifrance tenders, the names of other contenders are not recorded.

(c) Vandemoortele competed against Bridor in ten of the opportunities with Bridor winning four and being the joint winner for two (once with Vandemoortele and once with Bridor);

(d) Vandemoortele competed against Lantmännen three times with Lantmännen winning one opportunity alongside Bridor; and

(e) Other suppliers identified as competing were Aryzta (three times), Europastry (twice), Delice de France (once) and La Lorraine (once). None of these suppliers was identified as winning an opportunity, although the winners of two opportunities were unknown and one was just identified as 'European base [sic] of suppliers'.

7.53 Délifrance submitted data on 31 morning goods (excluding donuts) opportunities. Across these 31 opportunities:

(a) Délifrance won new business nine times, including from Vandemoortele twice, and retained the contract 15 times.

(b) In 16 opportunities, no alternatives to Délifrance were identified. Across the remaining 15 opportunities, only Vandemoortele, Bridor and Lantmännen were identified. Specifically:

(i) Délifrance competed against Vandemoortele in five of these opportunities with Vandemoortele winning three;

(ii) Délifrance competed against Bridor for 11 opportunities with Bridor winning three; and

(iii) Délifrance competed against Lantmännen for two opportunities and Lantmännen did not win either opportunity.

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

Our assessment

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

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

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

Third party views

Competitive landscape in LD products

7.58 We asked the Parties' customers to list which suppliers of LD products would be able to meet their requirements.[207] For each supplier, customers were asked to rate how well the supplier would meet their requirements on a scale from 'Not at all suitable' to 'Fully suitable'.

7.59 Out of the customers that we received responses from:

(a) Almost all identified Vandemoortele as a 'very suitable' or 'fully suitable' supplier.[208] Reasons provided for Vandemoortele's suitability included that it has an extensive range of products, particularly on French style laminated pastries.[209]

(b) Half identified Délifrance as either 'very suitable' or 'fully suitable' and this increased to two thirds of customers when considering customers that identified Délifrance as 'moderately suitable'.[210] An additional customer did not identify and rate Délifrance in its questionnaire response, but does currently use Délifrance as a supplier of LD Products.[211] Reasons provided for Délifrance's competitiveness include that it has a strong track record and good capability.[212]

[207] Appendix A contains a list of third party responses to the CMA's questionnaires.
[208] Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 10. [✂]
[209] Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 10. [✂]
[210] Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 10. [✂]
[211] Response to the CMA's phase 1 customer questionnaire from a third party, questions 3 and 10. [✂]
[212] Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 10. [✂]

(c) Two thirds identified Bridor as either 'very suitable' or 'fully suitable'.[213] Reasons provided for Bridor's competitiveness include having higher quality than other suppliers[214] and having strong capability in LD products.[215] One customer said that it was 'very suitable', but likely 'too expensive'.[216]

(d) Just over half identified Lantmännen as either 'very suitable' or 'fully suitable'.[217] However, one customer who identified Lantmännen as 'very suitable' also told us that it assessed the taste / quality to be slightly below the level of Délifrance and Bridor.[218] One large customer submitted that while Lantmännen is its supplier for Danish pastries, it is not considered a replacement to Vandemoortele or Délifrance for core morning good products.[219] Similarly, one customer[220] was only able to comment on Lantmännen's Danish pastry offering and another[221] indicated that Lantmännen had greater capability in Danish pastries.

(e) A minority of customers identified Aryzta as either 'very suitable' or 'fully suitable'.[222] One other large customer also identified Aryzta but noted that it has not been able to deliver on the necessary financials or quality requirements in past tenders.[223] [✂].[224]

(f) One customer identified Europastry as either 'very suitable' or 'fully suitable'.[225] In calls with us, two other large customers identified Europastry as an alternative. One of these customers submitted that Europastry was only a supplier for its EU locations but was the same size as the Parties,[226] while another said it had not been able to deliver on the necessary financials or quality requirements in past tenders.[227]

7.60 Outside of these companies, no other supplier was described as very or fully suitable by more than two customers.

7.61 We asked the Parties' competitors to describe how closely they considered Vandemoortele and Délifrance to compete with each other in the supply of LD products in the UK.[228] All competitors that responded to the question described

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213 Response to the CMA's phase 1 customer questionnaire from a number of third parties, question 10. [✂]
214 Response to the CMA's phase 1 customer questionnaire from a third party, question 10. [✂]
215 Response to the CMA's phase 1 customer questionnaire from a third party, question 10. [✂]
216 Response to the CMA's phase 1 customer questionnaire from a third party, question 10. [✂]
217 Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 10. [✂]
218 Response to the CMA's phase 1 customer questionnaire from a third party, question 10. [✂]
219 [✂] email to the CMA dated 13 August 2026.
220 Response to the CMA's phase 1 customer questionnaire from a third party, question 10. [✂]
221 Response to the CMA's phase 1 customer questionnaire from a third party, question 10. [✂]
222 Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 10. [✂]
223 [✂] call note.
224 [✂] call note.
225 Response to the CMA's phase 1 customer questionnaire from a third party, question 9. [✂]
226 [✂] call note.
227 [✂] call note.
228 Appendix A contains a list of third party responses to the CMA's questionnaires.

them as either very close or moderately close competitors.[229] One competitor told us that this was particularly the case in relation to croissants and Danish pastries.[230]

7.62 We asked the Parties' competitors to list their main competitors in the supply of LD products in the UK and provide a rating for each of them on how strong their offering is on a scale from 'very weak' to 'very strong'.

7.63 Out of the competitors that identified suppliers of LD products:

(a) Vandemoortele was identified by all competitors,[231] and most that provided a rating identified it as strong or very strong.[232] Vandemoortele was described as a Top 5 UK player[233] and as being particularly strong in Retail and National accounts with viennoiserie and Danish pastries.[234]

(b) Similarly, Délifrance was identified by all competitors[235] and most that provided a rating described it as strong or very strong.[236] Délifrance was described by one competitor as one of the top two viennoiserie and Danish pastry suppliers in the UK[237] and top three in the puff pastry market.[238]

(c) Bridor was identified by all other competitors[239] and all that provided a rating described it as strong or very strong.[240]

(d) Lantmännen was similarly identified by all other competitors;[241] however, it was described as either moderate[242] or weak[243] by most suppliers that provided a rating.[244]

(e) Aryzta was identified by almost all other competitors and was described as either moderate[245] or very strong[246] by suppliers that provided a rating.[247]

[229] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 9. [✂]
[230] Response to the CMA's phase 1 competitor questionnaire from a third party, question 9. [✂]
[231] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 7. [✂]
[232] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 7. [✂]
[233] Response to the CMA's phase 1 competitor questionnaire from a third party, question 7. [✂]
[234] Response to the CMA's phase 1 competitor questionnaire from a third party, question 7. [✂]
[235] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 7. [✂]
[236] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 7. [✂]
[237] Response to the CMA's phase 1 competitor questionnaire from a third party, question 7. [✂]
[238] Response to the CMA's phase 1 competitor questionnaire from a third party, question 7. [✂]
[239] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 7. [✂]
[240] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 7. [✂]
[241] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 7. [✂]
[242] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 7. [✂]
[243] Response to the CMA's phase 1 competitor questionnaire from a third party, question 7. [✂]
[244] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 7. [✂]
[245] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 7. [✂]
[246] Response to the CMA's phase 1 competitor questionnaire from a third party, question 7. [✂]
[247] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 7. [✂]

(f) Europastry was identified by a minority of other competitors and was described as weak by those that provided a rating.[248]

(g) St Pierre Group, Country Style, Baker & Baker and David Wood were each identified by more than one other competitor.[249] However, Country Style was the only supplier to be described as strong or very strong and this only by a single competitor.[250] The other rankings were all either moderate[251] or weak.[252]

(h) A number of other suppliers[253] were each identified by at most one other competitor although only Delice de France was ranked as strong or very strong.[254]

Impact of the Merger

7.64 Half of the Parties' customers who responded to our questionnaire considered that the impact of the Merger would be 'neutral',[255] and a small minority of customers considered that the impact would be 'positive', pointing to increased capabilities and efficiencies. [256] On the other hand, a slightly larger minority of the Parties' customers considered that the impact of the Merger would be 'negative'.[257]

7.65 From a qualitative perspective (ie in calls with us or in narrative responses to our questionnaire), those customers who expressed a negative view of the Merger in their response to our questionnaire (and two customers who considered that the overall impact of the Merger would be 'neutral' in their questionnaire response),[258] outlined the following concerns about the potential competitive impact of the Merger:[259]

(a) A major grocery retailer submitted that it was unclear there would be a European competitor capable of exerting sufficient competitive pressure (on

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[248] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 7. [✂]
[249] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 7. [✂]
[250] Response to the CMA's phase 1 competitor questionnaire from a third party, question 7. [✂]
[251] Country Style was ranked as moderate by one competitor; response to the CMA's phase 1 competitor questionnaire from a third party, question 7. [✂] St Pierre Group was ranked as moderate by a minority of competitors; responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 7. [✂] Baker & Baker was ranked as moderate by a minority of competitors; responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 7. [✂] David Wood was ranked as moderate by one competitor; response to the CMA's phase 1 competitor questionnaire from a third party, question 7. [✂]
[252] David Wood was ranked as weak by one competitor; response to the CMA's phase 1 competitor questionnaire from a third party, question 7. [✂]
[253] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 7 [✂]. The other suppliers identified were Bread Holdings, Delice De France, Mennissez, Mette Munk, European Bakery Group, and La Lorraine.
[254] Response to the CMA's phase 1 competitor questionnaire from a third party, question 7. [✂]
[255] Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 13. [✂]
[256] Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 13. [✂]
[257] Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 13. [✂]
[258] Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 13. [✂]
[259] We note that a further customer that outlined a negative view on the impact of the Merger in its response to the CMA's phase 1 customer questionnaire made broadly neutral qualitative comments about the competitive impact of the Merger. Response to the CMA's phase 1 customer questionnaire from a third party, question 13. [✂]

the Merged Entity) in the UK and that there was no alternative supplier it could switch to for the volumes it currently procures in the short term.[260]

(b) A major grocery retailer submitted that the Merger would limit competition in 'product and pricing'.[261]

(c) A major grocery retailer submitted that the Merger would create a supplier with a significant share and that there is a risk the Merger could have the potential to reduce competition.[262]

(d) A major foodservice customer submitted that the Merger combines its incumbent supplier and its 'only viable secondary source'. The customer further noted that the Merger would remove a major competitor and that it would be difficult to switch to a new supplier given the limited number of players that can service its necessary volumes.[263]

(e) A major foodservice customer noted that the Merger would have a negative impact in the UK, stating that it would make the Merged Entity 'too large'.[264]

7.66 Some competitors also submitted that the Merger would have a negative impact on competition.[265] These competitors submitted that it would increase market concentration[266] and give the Parties the large majority share of the viennoiserie and Danish pastry market.[267]

Our assessment

7.67 We consider that third party evidence indicates that both Parties are strong competitors in the supply of LD products in the UK. Consistent with the shares of supply, customers and competitors see the Parties as two of the four main suppliers in the UK along with Bridor and Lantmännen. Some customers considered Lantmännen to be weaker in FFLD products, where the Parties are strongest, than in Danish pastries.

7.68 Of the other suppliers, Aryzta is the next most identified albeit only by a minority of customers. We also note that two of the three customers that identified Aryzta as either 'very suitable' or 'fully suitable'[268] tender on an international basis meaning that their UK supplier is determined as part of a wider, European tender. Consequently, we consider that the fact that these customers list Aryzta as a

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260 [✂] call note.
261 Response to the CMA's phase 1 customer questionnaire from a third party, question 13. [✂]
262 Response to the CMA's phase 1 customer questionnaire from a third party, question 13. [✂]
263 [✂] call note; and response to the CMA's phase 1 customer questionnaire from a third party, question 13. [✂]
264 Response to the CMA's phase 1 competitor questionnaire from a third party, question 13. [✂]
265 Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 10. [✂]
266 Response to the CMA's phase 1 competitor questionnaire from a third party, question 10. [✂]
267 Response to the CMA's phase 1 competitor questionnaire from a third party, question 10. [✂]
268 Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 10. [✂]

competitive supplier may reflect competitive dynamics in Europe as opposed to those in the UK market specifically.

7.69 Europastry was identified as a suitable supplier by only a small minority of customers[269] and as a weak competitor by other suppliers.[270]

7.70 Consequently, the Merger is between two firms that compete closely and will see the number of strong competitors reduced from four to three. In the case of one of these competitors, some customers considered it to be weaker in FFLD products where the Parties are strongest. Whilst other competitors are active in the market, third party evidence indicates that these other companies do not represent a sufficient competitive constraint that would constrain the Parties post-Merger. This includes evidence from customers about which suppliers would be able to meet their requirements, and from competitors about who their competitors in the supply of LD products are and how strongly they compete.

7.71 In addition, third party evidence also indicates that a number of the Parties' largest customers across both retail and food service channels think the Merger would reduce competition in the LD market in the UK.

Internal documents

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

7.72 The Parties submitted a range of internal documents together with their Merger Notice, in response to our requests for information and together with their response to the Issues Letter. While many of these documents primarily consider LD products[271] across Europe more generally, a number specifically focus on the UK.

Parties' submissions

7.73 The Parties have argued that, given suppliers of LD products (including the Parties) operate on a European basis, the Parties and their competitors view the UK market within a broader European frame of reference, such that it is not appropriate for us to assume that the UK-specific documents will be more informative and relevant than European documents.[272]

[269] Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 10. [✂]
[270] Responses to the CMA's phase 1 competitor questionnaire from a number of third parties, question 7. [✂]
[271] For the purpose of this section we refer to, 'Laminated Dough Products' or LD products as the market. The internal documents appear to refer to pastries, viennoiserie, Danish pastries, and puff pastries in line with our market definition of LD products.
[272] Parties' response to the Issues Letter, 17 November 2025, paragraph 6.2.

7.74 The Parties further submitted that:

(a) Documents prepared at country level cannot capture the broader dynamics and concentrate more narrowly on implementing company strategy, inevitably focusing on customers they are supplying or targeting at a given point in time;[273]

(b) The country teams are faced with inherent difficulties in capturing data, such as market shares, and the overview commentary they produce is typically provided on a consolidated and summary basis;[274]

(c) The local teams' limited visibility of market conditions is evidenced by market events which they did not anticipate, citing [✄] the rapid growth of Lidl's in-store bakery offering (and by extension the strength of its LD suppliers: Aryzta and Neuhauser) and the 'surprise success' of Europastry in the recent [✄] tender;[275] and

(d) The supply pool operates on a European scale, so monitoring of potential competitive threats is better conducted at the group level, which relies on Europe-wide analysis and systematic data sharing.[276]

Our assessment

7.75 We note that the relevant geographic market was identified as being UK-wide,[277] which the Parties do not dispute.[278] As set out in the Merger Assessment Guidelines, 'market definition involves identifying the most significant competitive alternatives available to customers of the merger firms and includes the sources of competition to the merger firms that are the immediate determinants of the effects of the merger'.[279] Accordingly, competitors active in the UK are likely to be a more significant source of competition than continental European competitors with no (or only a limited) UK presence.

7.76 The Parties submitted UK-specific documents, which were prepared for (or by) their senior management in the UK, that assess dynamics of competition and identify competitors in the UK. These documents differ materially in their analysis of these factors (for example the competitors identified and their strengths and weaknesses) to Europe-wide documents, as discussed further below. The UK-specific documents are, however, consistent with other key sources of evidence, including third party views, shares of supply and bidding data.

[273] Parties' response to the Issues Letter, 17 November 2025, paragraph 6.3
[274] Parties' response to the Issues Letter, 17 November 2025, paragraph 6.3.
[275] Parties' response to the Issues Letter, 17 November 2025, paragraph 6.4.
[276] Parties' response to the Issues Letter, 17 November 2025, paragraph 6.4
[277] See paragraph 6.33.
[278] Parties' response to the Issues Letter, 17 November 2025, paragraph 3.14.
[279] CMA 129, paragraph 9.2.

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

UK-specific internal documents

7.78 We consider that the Parties' UK-specific internal documents provide evidence of the following points.

7.79 First, the UK market for LD products is concentrated. The Parties are two of the largest suppliers and there are a limited number of alternative suppliers. In particular:

(a) A Vandemoortele internal document analyses the commercial outlook for the UK market for 'pastry' as at Q1 2025 and estimates market shares for five suppliers as: Délifrance ([30-40]%), Vandemoortele ([20-30]%), Lantmännen ([10-20]%), Bridor ([10-20]%) and 'Other (Aryzta)' ([10-20]%). Therefore, by Vandemoortele's own estimates, the Parties are a similar size, and the Merged Entity would have a combined share of [50-60]%;[280] and

(b) The same Vandemoortele internal document identifies two other suppliers, Bridor and Lantmännen (as well as Aryzta within the 'Other' category).[281] These competitors are then specifically covered in more detail. While Aryzta is also mentioned, it does not receive the same level of competitor analysis.

7.80 Second, Vandemoortele typically monitors Délifrance and a limited number of other competitors.

(a) The same Vandemoortele internal document setting out its UK country commercial outlook in Q1 2025 includes:

(i) A deep dive analysis of four competitors (Bridor, Délifrance, Lantmännen and Baker & Baker),[282] noting that the fact that Délifrance

[280] Vandemoortele internal document.
[281] Vandemoortele internal document.
[282] Evidence received by us indicates that Baker & Baker are not substantively active in LD products in the UK but rather focus on American sweet bakery products such as donuts, cookies and muffins. [✂] email to the CMA.

has the largest market share 'makes them a key target for competitors';[283]

(ii) Long term growth plans in pastry and identifies a plan to 'steal' share from Délifrance in relation to [✂] and [✂] and to 'steal' share from Bridor in relation to [✂].[284] This demonstrates a degree of focus on Délifrance customers notwithstanding the Parties' submissions in response to the Issues Letter that Vandemoortele also noted that it may switch focus to [✂] if unsuccessful in the [✂] tender;[285] and

(iii) A reference to Délifrance progressively losing share in JS (Sainsbury's) to Bridor and Vandemoortele.[286]

(b) A Vandemoortele internal document setting out its UK country commercial outlook as at Q1 2024 notes a plan to partner with [✂] and identifies [✂] (a Délifrance customer) and [✂] (a Délifrance customer as at the date of the internal document) as targets.[287]

(c) Vandemoortele's UK country commercial review from 2023 identifies:

(i) Winning [✂] viennoiserie business from Délifrance as a 2024 initiative that was part of its strategy to have the 'No1 market position in pastry'.[288] A separate Vandemoortele internal document outlines its strategy for winning the [✂] business from Délifrance.[289] The Parties argue that this document describes Délifrance as 'complacent' and as having a 'tired range', and therefore not a close competitor to Vandemoortele.[290] Irrespective of Vandemoortele's views on the strength of Délifrance's offering, the document provides evidence of a commercial strategy to target Délifrance's customers and therefore demonstrates a degree of closeness between the Parties;

(ii) A 2024 initiative to win a greater share of [✂] viennoiserie business, which is identified as having Délifrance as its key supplier;[291]

(iii) A 2024 initiative to win [✂] and [✂] business from Bridor;[292] and

(d) Vandemoortele submitted its latest UK country commercial outlook (ie for Q3 2025) as an annex to the Parties' response to the Issues Letter. This

283 Vandemoortele internal document.
284 Vandemoortele internal document.
285 Parties' response to the Issues Letter, 17 November 2025, paragraph 6.9(c).
286 Vandemoortele internal document.
287 Vandemoortele internal document.
288 Vandemoortele internal document.
289 Vandemoortele internal document.
290 Parties' response to the Issues Letter, 17 November 2025, paragraph 6.9(a).
291 Vandemoortele internal document.
292 Vandemoortele internal document.

document includes one page that assesses the competition in 'pastry', identifying Bridor, Lantmännen, Délifrance, Aryzta, Neuhauser, Europastry and La Lorraine.[293] Notably:

(i) This document was prepared in Q3 of 2025 and was therefore after the Merger was agreed and the CMA's phase 1 review had commenced. This is relevant for our assessment of the evidentiary weight to be attached to such documents.[294]

(ii) In any event, when considering the analysis of each of the competitors, the document indicates that Vandemoortele considers that Aryzta, Neuhauser, Europastry and La Lorraine exert less of a competitive constraint than Bridor and Lantmännen. In particular:

(1) Although all four suppliers are noted as having relationships with UK focused retail (via the supply of bread to Tesco for Aryzta and Neuhauser, and via the supply of donuts for Europastry and La Lorraine), each is described as having an 'Unknown Pastry reputation in UK focussed retailers (exc Tesco)';

(2) Aryzta and Neuhauser are noted as having an [10-20]% combined market share, compared to Délifrance's [30-40]%; and

(3) The route to market for Europastry and La Lorraine is described as 'NA in 2025'.

7.81 During our phase 1 review, Vandemoortele argued that Aryzta was a very significant competitor in LD products in the UK, and that Aryzta's importance was not reflected in its documents because it had been relying on a data set that did not include Aryzta and so Vandemoortele had been unaware of its significance. We note, however, that in 2023 business documents, Vandemoortele identified Aryzta as the largest supplier of LD products in the retail segment with [20-30]% share driven by its role as the key supplier to Lidl.[295] In that document, Aryzta's share appears in data sets alongside the shares of other competitors, but there are no further references to Aryzta, although there are, for example, references to targeting volumes sold by other specific competitors. Despite being aware of Aryzta's role in supplying Lidl, Vandemoortele does not identify Aryzta as a major competitor and its UK-specific documents include limited references to Aryzta. Moreover, despite Arytza's long-term role as a supplier to Lidl (since at least 2021), its share of supply remains small (see Table 7.1) and third parties have not

[293] Vandemoortele internal document, Annex 28 to the Parties' response to the Issues Letter 17 November 2025, page 58.
[294] Consistent with the approach outlined in CMA 129, paragraph 2.29; we are likely to attach more evidentiary weight to documents generated prior to the period in which a merger was in contemplation.
[295] Vandemoortele internal document.

provided evidence of Aryzta providing a material constraint in the broader UK market.

7.82 Third, while Délifrance submitted relatively few UK-specific documents, those few documents also appear to identify a relatively limited range of suppliers, including Vandemoortele.

(a) These documents are predominantly 'account plans' for key UK customers and, while limited in number, indicate that Délifrance monitors the following competing suppliers of LD products: Bridor, Lantmännen, Aryzta and Vandemoortele (as well a broader range of competitors for bread). By way of example:

(i) The [✄] account plan outlines the risks for an upcoming tender and identifies only two other competitors besides Vandemoortele (Lantmännen and Bridor). Vandemoortele is identified as having 'aggressively competed in 24/25 Tender';[296]

(ii) The [✄] account plan identifies Bridor as a competitor; [297]

(iii) The [✄] account plan identifies Vandemoortele, Lantmännen and Aryzta as competitors; [298] and

(iv) The [✄] account plan identifies Bridor, Vandemoortele and Schulstard (owned by Lantmännen) as competitors.[299]

(b) Délifrance submitted a number of updated 'account plans' together with the Parties' response to the Issues Letter. Although these documents were prepared after the Merger was agreed and once the CMA had commenced its phase 1 review, they are broadly consistent with the previous iterations of the documents submitted in response to the CMA's information request.

(c) As noted in the Parties' response to the Issues Letter, Délifrance identified Bridor, Lantmännen and Neuhauser as part of its assessment of 'Competitor Threat' for the [✄] FFLD tender (whereas ultimately Europastry won the tender).[300] While Neuhauser is listed as a threat, the document was prepared in July 2025 and was after the Merger was agreed and once the CMA had commenced its phase 1 review, which is relevant for our assessment of the evidentiary weight to be attached to such documents. In any event, the

[296] Délifrance response to P1-s109-02, Annex 2, slide 20.
[297] Délifrance response to P1-s109-02, Annex 6, slide 6.
[298] Délifrance response to P1-s109-02, Annex 4, slides 22 and 29.
[299] Délifrance response to P1-s109-02, Annex 1, slide 8.
[300] Parties' response to the Issues Letter, 17 November 2025, paragraph 6.9(b).

document notes Neuhauser's 'smaller portfolio' as a weakness and questions whether it could 'handle the uplift of business from [✂]'.[301]

Europe-wide internal documents

7.83 We have also reviewed a number of internal documents relating to the Parties' activities at the Europe-wide level. These internal documents provide further evidence relevant to our assessment.

7.84 First, a Vandemoortele internal document considering the overall Merger rationale identifies the Merged Entity being the '#1 player' in the UK.[302]

7.85 Second, the Europe-wide internal documents demonstrate that the competitor set active across continental Europe is broader than only the competitors identified in the UK-specific documents. In particular, one Europe-wide document refers to Bridor, Europastry, La Lorraine, Aryzta and Lantmännen as 'truly international competitors' that are 'assertively growing through M&A and CAPEX'.[303] More generally, the Europe-wide documents refer to the following competitors that are not monitored on a regular basis in the UK-specific documents: Aryzta, Europastry, European Bakery Group, Gourmand, La Lorraine and Neuhauser.[304]

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

Our assessment

7.87 We consider that the Parties' internal documents are consistent with the wider evidence. The Parties are two of the largest suppliers in a highly concentrated market for the supply of LD products in the UK and are close competitors that monitor each other alongside a limited number of alternative competitors. While the Parties consider a broader range of competitors at the Europe-wide level, the internal documents indicate that only Bridor and Lantmännen are considered as material competitive constraints in market for the supply of LD products in the UK.

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[301] Parties' response dated 16 July 2025 to the CMA's RFI dated 9 July 2025 (**P1-RFI-02**), Annex 29.
[302] Vandemoortele internal document.
[303] Vandemoortele internal document.
[304] See for example: Vandemoortele internal documents; Délifrance internal document and Parties' response to the Issues Letter, 17 November 2025, paragraph 6.6(c).

Our views on our TOH

7.88 We have assessed how closely the Parties compete with one another and the competitive constraints from other suppliers.

7.89 For the reasons set out above, our conclusion is that the Parties are close competitors in the supply of LD products in the UK. The market for LD products in the UK is highly concentrated, and the Parties are two of the four largest suppliers of LD products as shown by shares of supply, internal documents and evidence from third parties. The Parties' focus on the FFLD segment within the relevant market means they likely compete even more closely than shares for all LD products indicate. Bidding data provided by the Parties, whilst limited, supports that the Parties compete more closely with each other than most other suppliers.

7.90 The other two main suppliers of LD products in the UK are Bridor and Lantmännen. Evidence we have reviewed indicates that Bridor is a close competitor of the Parties. Lantmännen is a less close competitor of the Parties as it has a weaker presence in the FFLD segment and has a greater focus on Danish pastries. The bidding data also shows that Lantmännen competes against the Parties much less frequently than Bridor. Nevertheless, third party evidence and internal documents indicate that Lantmännen is a strong competitor in the UK market.

7.91 There are several smaller alternative suppliers of LD products active in the market, notably Aryzta and Europastry. We have considered the competitive constraint posed by these suppliers.

7.92 Evidence indicates that Aryzta and Neuhauser have a relatively small presence in the UK market for LD products with both having a share of supply less than [5-10]%. Neither Aryzta nor Neuhauser appears significantly in the Parties' bidding analysis, or internal documents which consider competitive dynamics in the UK, and both were only considered a suitable supplier by a minority of customers. We do not consider that either Aryzta or Neuhauser provides a significant competitive constraint on the Merged Entity.

7.93 Similarly, Europastry also has a small presence in the UK market with a share of [0-5]% in 2024. Europastry rarely appears in the Parties' internal documents assessing competition for LD products in the UK or in their bidding data, and is not listed as the winner of any opportunities. We note that Europastry has recently won some volumes from [✂] and therefore competes with the Parties. Moreover, there is some evidence that this quality-based loss was noticed by [✂] customers, which suggests that Europastry may pose a degree of competitive constraint. However, the volumes involved in the tender are relatively small, and not necessarily indicative of an ability to compete on a wider scale in the UK market. Based on data provided by Europastry, its estimated share, even with these additional volumes, would not exceed [0-5]%.[305] Third party evidence also shows that Europastry is only considered a strong supplier by a small minority of third parties, and it rarely appears in the Parties' UK-specific internal documents. We do not consider that Europastry provides a significant competitive constraint on the Merged Entity.

7.94 With regards to other competitors active in the supply of LD products, the evidence indicates that these suppliers have limited presence in the UK. Therefore, we consider that they are unlikely to pose a material constraint on the Merged Entity, either individually or collectively.

7.95 The combination of the Parties' respective leading positions in LD products to create a clear market leader, alongside the small number of significant competitors, indicates that the Merged Entity would face few material competitive constraints in the supply of LD products in the UK.

Our conclusion

7.96 For the reasons set above, our conclusion is that, subject to our conclusion on countervailing factors (see Chapter 8 below), the Merger has resulted, or may be expected to result, in an SLC as a result of horizontal unilateral effects in the supply of LD products to retail and foodservice customers in the UK.

[305] CMA analysis of Europastry data provided in response to the CMA's phase 1 customer questionnaire, question 3 and [✂] response to the CMA's follow up questions.

8. COUNTERVAILING FACTORS

Entry and expansion

8.1 Entry, or expansion of existing firms, can mitigate the effect of a merger on competition, and in some cases may mean that there is no SLC. The CMA will consider entry and/or expansion plans of rivals who do so in direct response to the merger as a countervailing measure that could prevent an SLC. Entry or expansion plans of rivals that occurs irrespectively of whether the merger proceeds may be considered in the competitive assessment when appropriate.[306] In assessing whether entry or expansion might prevent an SLC, the CMA considers whether such entry or expansion would be timely, likely and sufficient.[307]

Barriers to entry and expansion

8.2 With regards to barriers to entry and expansion irrespective of the Merger, the Parties submitted that barriers to entry and expansion are low for the supply of Laminated Dough-based FMG.[308] The Parties submitted that:

(a) entry requires fairly limited capital investments and the technologies and inputs required are widely accessible;

(b) scale is not important to be competitive; and

(c) there are low regulatory requirements and barriers to entry into the UK.

8.3 However, third party evidence on barriers to entry and expansion we received indicates that barriers to entry and expansion are generally high for LD products:

(a) One supplier told us that extending capacity is both expensive and time-consuming with the cost of constructing a production line either exceeding 25 million euros if factory space is available or exceeding 40 million euros if a full factory is needed.[309] The supplier also submitted that construction would take up to two years and there is a long lead time associated with purchasing equipment to produce laminated products.

(b) Another supplier submitted that entry and expansion is not possible without investment and lead time and would require over 10 million euros of investment. The supplier also noted that there have not been any significant new entrants to the UK market in recent years.[310]

[306] CMA129, paragraph 8.28.
[307] CMA129, from paragraph 8.40.
[308] FMN, paragraph 22.2.
[309] [✂] call note.
[310] [✂] call note.

(c) Another supplier submitted that it would be difficult for a small player to enter without a UK presence unless it has a solid background like the big players.[311]

8.4 We have not received any evidence of entry or expansion being planned or occurring as a response to the Merger and have considered the Parties' submissions, and related evidence, on planned capacity investments by competitors in paragraphs 7.20 to 7.30 of the competitive assessment above.

8.5 In view of the above, we have concluded that entry or expansion, driven by either suppliers or customers, would not be timely, likely and sufficient to prevent an SLC from arising.

Buyer power

8.6 The Parties submitted that customers across both the retail and foodservice channels in the UK are highly sophisticated and enjoy considerable buyer power.[312] The Parties submitted that customers will continue to be able to threaten to switch, which will deter the Merged Entity from (hypothetically) raising prices or reducing quality because of the following factors:[313]

(a) The UK retail market is highly concentrated and both foodservice and retail customers feature a small number of powerful companies;

(b) These retailers are well informed and price sensitive;

(c) Retailers hold regular tenders specifically designed to maximise competitive outcomes;

(d) Low switching costs, multi-sourcing strategies, and flexible contracts mean the threat of switching suppliers by retailers is both credible and routinely exercised;

(e) If necessary, buyers can sponsor entry or expansion in a timely fashion; and

(f) Customers maintain relationships with multiple competing suppliers across bakery categories and geographies, further enabling switching.

8.7 As evidence, the Parties provided:

[311] [✂] email to the CMA.
[312] FMN, paragraph 14.190.
[313] Parties' submission to the CMA, 17 October 2025, Key Issues Paper, paragraph 5.2.

(a) Customer data which shows that a small number of customers in both foodservice and retail are responsible for the majority of the Parties' revenues;[314, 315]

(b) Recent examples of customers either switching from the Parties or considering switching away;[316,317] and

(c) Recent examples of customer pressure such as emails that show price negotiation or comparisons with other suppliers.[318]

8.8 We consider that most forms of buyer power that do not result in new entry – for example, buyer power based on a customer's size, sophistication, or ability to switch easily – are unlikely to prevent an SLC that would otherwise arise from the elimination of competition between the merger firms. This is because a customer's buyer power depends on the availability of good alternatives they can switch to, which in the context of an SLC will have been reduced.[319]

8.9 While we recognise a degree of concentration in the customer base, we have not seen evidence that this results in buyer power that would offset any loss of competition.

8.10 We consider that the examples provided by the Parties of negotiations with retailers are evidence that price negotiations happen, as might be expected in the ordinary course of business, but this is not in itself evidence that buyer power is sufficient to prevent an SLC.[320] It is the identity of the alternative suppliers being considered by customers as part of any such negotiations that is relevant and we consider evidence on the options considered by customers in the assessment of the theory of harm above. We note also from information gathered as part of the Undertakings in Lieu process at phase 1 that customers switching between plants (and suppliers) involves some complexity because not all plants have [✂], [✂], for example [✂] or [✂]. [321] In addition, the Parties told us that LD products are manufactured to the customer's own specifications with little reliance on the manufacturers' intellectual property.[322] Therefore switching to an alternative supplier (or plant) is likely to take time and involve some costs. Furthermore, an internal document from August 2025, provided by Vandemoortele, shows that it

[314] FMN, Figures 38–41.
[315] Parties' Issues Meeting slides, 13 November 2025, slide 16.
[316] FMN, Tables 40–43.
[317] Parties' response to the Issues Letter, 17 November 2025, paragraph 5.12.
[318] Parties' response to the Issues Letter, 17 November 2025, paragraphs 4.4 – 4.7.
[319] CMA129, paragraph 4.20.
[320] Parties' internal documents, Annex 05, slide 3 and Annex 06, page 1 to the Parties' response to the Issues Letter, 17 November 2025.
[321] Parties' response to the CMA's questions of 20 February 2026, paragraphs 2.2-2.4 and 3.5-3.6
[322] Parties, Teach-in slides, 19 May 2026, slide 10.

has [✄] for two of the Parties' key contracts.[323] This indicates that any buyer power has not constrained the Parties [✄].

8.11 We have considered whether buyer power could result in new entry. Specifically, we asked customers whether the following would be viable alternatives to using existing suppliers: (i) self-supply; or (ii) sponsoring entry and expansion.[324]

8.12 With regard to self-supply, the vast majority of customers that responded to the question submitted that self-supply is not a viable option.[325] Customers submitted that they did not have the manufacturing capability required to self-supply[326] and that even if they did it would not be commercially feasible.[327]

8.13 With regard to sponsored entry, some customers indicated that they were in theory open to the idea, but noted that it would not be a short-term solution and would only be considered as part of a long-term strategic initiative.[328] One customer submitted that the risk would be too great to give a single supplier such a sizable contract if they could not immediately supply the required volumes.[329] Other customers submitted that it would require unique capability from a supplier to make this commercially viable and attractive[330] or require a sizable opportunity.[331]

8.14 In view of the above, we have concluded that buyer power would not prevent an SLC from arising.

Our conclusion on countervailing factors

8.15 Based on the assessment set out in this chapter, we have concluded that there are no countervailing factors that would prevent or mitigate any SLC arising from the Merger.

323 Vandemoortele internal document, Annex 28 to the Parties' response to the Issues Letter 17 November 2025, page 73.
324 Appendix A contains a list of third party responses to the CMA's questionnaires.
325 Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 12. [✄]
326 Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 12. [✄]
327 Response to the CMA's phase 1 customer questionnaire from a third party, question 12. [✄]
328 Responses to the CMA's phase 1 customer questionnaire from a number of third parties, question 12. [✄]
329 Response to the CMA's phase 1 customer questionnaire from a third party, question 12. [✄]
330 Response to the CMA's phase 1 customer questionnaire from a third party, question 12. [✄]
331 Response to the CMA's phase 1 customer questionnaire from a third party, question 12. [✄]

9. CONCLUSIONS

9.1 As a result of our assessment, and based on the evidence that is set out above and in the appendices to this Final Report, we have concluded that:

(a) the completed acquisition by Vandemoortele of Délifrance has resulted in the creation of an RMS; and

(b) the creation of that RMS has resulted, or may be expected to result, in an SLC in the supply of LD products to retail and foodservice customers in the UK.

10. REMEDIES

Introduction

10.1 This chapter contains our assessment of, and decision on, the appropriate remedy to address the SLC identified in the Final Report and any adverse effects that may result from it. This chapter sets out:

(a) the remedy options considered, and an explanation of our views on the effectiveness of each option;

(b) our consideration of proportionality; and

(c) our decision on remedies.

10.2 In considering the evidence we have received on remedies, we have carefully evaluated the weight that it is appropriate to place on the evidence put to us, not only from the Parties, but also from third parties. As in any investigation, we have had due regard to a range of factors including the incentives of the party giving that evidence and the extent to which the evidence was consistent with other evidence available to us.

Remedies Process to Date

10.3 On 15 December 2025, following the CMA's Phase 1 Decision, the Parties offered undertakings in lieu of a reference (the **Proposed UILs**) to the CMA for the purposes of section 73(2) of the Act. In summary, the Proposed UILs were to: (i) divest two Délifrance production plants to an upfront buyer; (ii) transfer Délifrance's existing UK customer relationships to that upfront buyer; (iii) make available other supplier contracts and transitional service agreements to that upfront buyer; and (iv) appoint a monitoring trustee to oversee the implementation of the Proposed UILs.

10.4 On 22 December 2025, the CMA gave notice to the Parties, pursuant to section 73A(2)(b) of the Act, that it considered that there were reasonable grounds for believing that the Proposed UILs offered, or a modified version of them, might be accepted by the CMA under section 73(2) of the Act and that it was considering the Parties' offer (the **UILs Provisional Acceptance Decision**). In making this decision, the CMA considered that an upfront buyer was necessary to mitigate purchaser risks associated with the Proposed UILs (the **Upfront Buyer Condition**).

10.5 On 18 February 2026, the CMA extended the period to consider the Proposed UILs until 22 April 2026.

10.6 With regard to the Upfront Buyer Condition, Vandemoortele indicated that it intended to propose Sammontana Italia S.P.A. Società Benefit (**Sammontana**) as the upfront buyer. The Upfront Buyer Condition required that Vandemoortele and a purchaser (whether Sammontana or another purchaser) needed to have entered into an agreement for the sale and purchase of the divestment business, as defined in the Proposed UILs, and that the CMA approve both the purchaser and the agreement by 22 April 2026 in order for the CMA to be able to accept the Proposed UILs.

10.7 On 19 March 2026, pursuant to paragraph 2(1) of Schedule 10 to the Act, the CMA published the Proposed UILs and commenced a public consultation on the Proposed UILs (the **UILs Consultation**). The UILs Consultation ended on 2 April 2026.

10.8 On 21 April 2026, Vandemoortele informed the CMA that it would not be in a position to submit a formal upfront purchaser proposal or final transaction documents for the CMA's review within the time available.

10.9 On 22 April 2026, the CMA referred the Merger for a phase 2 investigation pursuant to section 22(1) of the Act (the **Phase 2 Reference**).

10.10 On 30 April 2026, Vandemoortele made the SLC Concession.

10.11 On 11 May 2026, following the SLC Concession and in advance of the Interim Report publication, Vandemoortele submitted to the CMA a remedy proposal.[332] Following feedback from the CMA, on 11 June 2026 Vandemoortele submitted to the CMA a revised remedy proposal.[333]

10.12 On 18 June 2026, the CMA issued the Interim Report and provisionally found that the Merger has created an RMS that has resulted, or may be expected to result, in a SLC as a result of horizontal unilateral effects in the supply of LD products to retail and foodservice customers in the UK.

10.13 On 18 June 2026, the same date that we issued our Interim Report, we published an Invitation to Comment on Remedies (**ITCR**),[334] discussed further below.

10.14 On 15 July 2026, we sent to the Parties the Interim Report on Remedies (**IRR**), which set out our provisional decision on the preferred remedy. We provisionally concluded that a modified form of Vandemoortele's 11 June 2016 remedy proposal would be an effective and proportionate remedy.[335] We received Vandemoortele's response to the IRR (**IRR Response**) on 23 July 2026.[336] In this

[332] Vandemoortele phase 2 draft remedies form, 11 May 2026.
[333] Vandemoortele revised phase 2 remedies form, 11 June 2026.
[334] CMA, invitation to comment on remedies, 18 June 2026.
[335] CMA IRR, 15 July 2026.
[336] Vandemoortele IRR response dated 23 July 2026.

response, Vandemoortele made amendments to certain components of the remedy it had proposed on 11 June 2026, in particular with regard to a toll manufacturing agreement.

The CMA's framework for assessing remedies

10.15 The Act requires that the CMA, when considering remedies, shall 'in particular, have regard to the need to achieve as comprehensive a solution as is reasonable and practicable to the SLC and any adverse effects resulting from it'.[337] This is a 'high duty'[338] and therefore the CMA needs to have a 'high degree of confidence' that a remedy will address the SLC.[339]

10.16 As explained in our guidance on merger remedies (**Merger Remedies Guidance** or **CMA87**[340]), the effectiveness of a remedy is assessed by reference to its:[341]

(a) **impact on the SLC and its resulting adverse effects** – the aim being to restore the dynamic process of rivalry between firms seeking to win customers' business over time;

(b) **duration and timing** – a remedy needs to be capable of timely implementation and to address the SLC effectively throughout its expected duration;

(c) **practicality** – in terms of its implementation, subsequent monitoring and potential enforcement; and

(d) **risk profile** – in particular seeking a remedy that has a high degree of certainty of achieving its intended effect.[342] Customers or suppliers of the merger parties should not bear significant risks that remedies will not have the requisite impact on the SLC or its adverse effects.

10.17 The objective of remedies is to address the SLC and its adverse effects (see paragraph 10.16(a) above). Restoring this process of rivalry through structural remedies, such as divestiture, which re-establish the structure of the market expected in the absence of the merger, should be expected to address the adverse effects at source.[343] Structural remedies are therefore generally preferred

[337] Section 35(4) of the Act.
[338] *Ecolab Inc. v CMA* [2020] CAT 12, at [74]. The Competition Appeal Tribunal (**Tribunal**) held that at the remedies stage, the CMA 'is not … concerned with weighing up probabilities against possibilities but rather with deciding what will ensure that no SLC either continues or occurs' (ibid., citing Ryanair Holdings PLC v CMA [2015] EWCA Civ 83, at [57]).
[339] *Ecolab Inc. v CMA* [2020] CAT 12, at [83].
[340] The CMA revised its merger remedy guidance on 19 December 2025, however, this new guidance only applies to mergers where the formal phase 1 investigation commenced on or after 19 December 2025. This formal phase 1 investigation in this case commenced on 10 October 2025 and therefore the version of CMA87 published on 13 December 2018 applies.
[341] Merger remedies (**CMA87**), 13 December 2018, paragraph 3.5.
[342] The Tribunal has held that it is reasonable for the CMA to not favour a remedy '*for which it cannot feel a high degree of confidence of success*' (*Ecolab Inc. v CMA* [2020] Tribunal 12, at [83]).
[343] CMA87, paragraph 3.5(a).

over behavioural remedies, which typically seek to regulate the ongoing behaviour of the merger parties and may result in distortions when compared with a competitive market outcome.[344] In this chapter, we consider only structural remedies, as the Parties have offered a remedy which is primarily structural in nature, and we have not independently identified any stand-alone behavioural remedies which could be effective.

10.18 In a completed merger, such as this one, a structural remedy will take the form of a divestiture. A divestiture seeks to remedy an SLC by either creating a new source of competition, through disposal of a business or set of assets to a new market participant, or by strengthening an existing source of competition, through disposal to an existing market participant independent of the merger parties.[345] To be effective in restoring or maintaining rivalry in a market where the CMA has decided that there is an SLC, a divestiture remedy will involve the sale of an appropriate divestiture package to a suitable purchaser through an effective divestiture process.[346]

10.19 Divestitures may be subject to a variety of risks that may limit their effectiveness in addressing an SLC. It is helpful to distinguish between three broad categories of risks that may impair the effectiveness of divestiture remedies, as follows:[347]

(a) **Composition risks**: these are risks that the scope of the divestiture package may be too constrained or not appropriately configured to attract a suitable purchaser or may not allow a purchaser to operate as an effective competitor in the market.

(b) **Purchaser risks**: these are risks that a suitable purchaser is not available or that the merger parties will dispose to a weak or otherwise inappropriate purchaser.

(c) **Asset risks**: these are risks that the competitive capability of a divestiture package will deteriorate before completion of the divestiture, for example, through the loss of customers or key members of staff.

10.20 In identifying a divestiture package, the CMA will take, as its starting point, divestiture of all or part of the acquired business. This is because restoration of the pre-merger situation in the market(s) subject to an SLC will generally represent a straightforward remedy. However, the CMA will consider a divestiture drawn from the acquiring business if this is not subject to greater risk in addressing the SLC.[348]

[344] CMA87, paragraph 3.5(a).
[345] CMA87, paragraph 5.1.
[346] CMA87, paragraph 5.2.
[347] CMA87, paragraph 5.3.
[348] CMA87, paragraph 5.6.

10.21 In defining the scope of a divestiture package that will satisfactorily address the SLC, the CMA will normally seek to identify the smallest viable, standalone business that can compete successfully on an ongoing basis and that includes all the relevant operations pertinent to the area of competitive overlap. This may comprise a subsidiary, division, or the whole of the business acquired.[349]

10.22 The CMA will generally prefer the divestiture of an existing business, which can compete effectively on a stand-alone basis, independently of the merger parties, to the divestiture of part of a business or a collection of assets. This is because divestiture of a complete business is less likely to be subject to purchaser and composition risks and can generally be achieved with greater speed.[350] A package of assets (referred to henceforth as a carve-out remedy) may also be far more difficult to define or 'carve out' from an underlying business and the CMA may have less assurance that the purchaser will be supplied with all it requires to operate competitively.[351]

10.23 An ex-post evaluation of carve-out remedies commissioned by the CMA (**CMA186**)[352] found that carve-out remedies, especially those that least resemble stand-alone business units, carry greater composition and purchaser risks compared to the divestiture of a previously standalone business or business unit. This increases the risk that the remedy will not be effective overall.[353] For instance:

(a) Carve-out remedies can provide merger parties with opportunities to influence the content of a divestment package and, through this, limit future competition. To mitigate this risk, it is essential that all of those elements that should be included in the divestiture package to enable the divestment business to compete on an ongoing basis are specified in the proposed undertakings and not left open for negotiation with the purchaser.[354]

(b) Carve-out remedies that transfer customers to a new supplier will depend on customer consent and this can pose a substantial risk to these remedies' effectiveness. To mitigate this risk, the CMA needs to satisfy itself that customers will be willing to provide their consent.[355]

(c) Merger parties may be able to weaken future competition through their influence over the choice of purchaser for a divestment package. To mitigate this risk, the CMA's purchaser suitability criteria need to be sufficiently specific and comprehensive.[356]

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[349] CMA87, paragraph 5.7.
[350] CMA87, paragraph 5.12.
[351] CMA87, paragraph 5.14.
[352] Summarised in Merger remedy evaluations (**CMA186**), 24 October 2023.
[353] CMA186, paragraph 1.4(a).
[354] CMA186, paragraphs 4.26, 4.32, and 4.33.
[355] CMA186, paragraphs 4.26, and 4.47.
[356] CMA186, paragraph 4.26.

10.24 Moreover, as noted in CMA87, in cases where the carve-out remedy is part of a business or comprises specified assets, the capabilities and resources of prospective buyers are likely to be more critical to a successful outcome than for a standalone business.[357] As a result, to the extent that the carve-out remedy requires an appropriate match with a purchaser possessing certain capabilities, the CMA will typically require assurances from the merger parties that such a purchaser is available and that the purchaser risk is therefore acceptable.

10.25 For the CMA to conclude that a carve-out remedy is effective, therefore, it is essential that merger parties can demonstrate that the abovementioned risks can be sufficiently mitigated through measures such as those listed in paragraphs 10.23 and 10.24 above.

10.26 In order to be reasonable and proportionate, the CMA will seek to select the least costly remedy, or package of remedies, of those remedy options that it considers will be effective. The CMA will also seek to ensure that no remedy is disproportionate in relation to the SLC and its adverse effects.[358]

Overview of the remedy options considered

10.27 In this section, we introduce and describe the remedy proposal Vandemoortele made to us after the Phase 2 Reference. We also summarise our third party outreach on this proposal.

10.28 As noted above, on 11 May 2026, following the SLC Concession and in advance of the Interim Report publication, Vandemoortele submitted to the CMA a remedy proposal.[359] Following feedback from the CMA, on 11 June 2026 Vandemoortele submitted to the CMA a revised remedy proposal.[360] On 15 July 2026, we sent to the Parties the IRR, which set out our provisional decision on the preferred remedy. We provisionally concluded that a modified form of Vandemoortele's 11 June 2016 remedy proposal would be an effective and proportionate remedy.[361] We received Vandemoortele's IRR response on 23 July 2026.[362] In this response, Vandemoortele made amendments to certain components of the remedy it had proposed on 11 June 2026, in particular with regard to a toll manufacturing agreement.

10.29 We refer to the latest remedy proposal (including each of the revised components proposed in the IRR Response and previous submissions) as '**Vandemoortele's Remedy Proposal**' henceforth, and we describe it further below.

[357] CMA87, paragraph 5.13.
[358] CMA87, paragraph 3.6.
[359] Vandemoortele phase 2 draft remedies form, 11 May 2026.
[360] Vandemoortele revised phase 2 remedies form, 11 June 2026.
[361] CMA IRR, 15 July 2026.
[362] Vandemoortele IRR response, dated 23 July 2026.

Description of Vandemoortele's Remedy Proposal

10.30 Vandemoortele proposed a divestiture remedy whereby it would divest to a suitable purchaser (**Divestment Purchaser**) Vandemoortele's LD plant in Worcester (UK) (the **Worcester Plant**), along with all necessary supporting assets, contracts, rights, staff, Transitional Services Agreements (**TSAs**) and all of its existing customer relationships[363] served by the Worcester Plant (together the **Divestment Business**).

10.31 Vandemoortele anticipates divesting the Divestment Business by means of a sale of a UK-based company. The Worcester Plant and its production and supporting assets, supplier contracts, rights, raw materials, ingredients, packaging, spare parts and goods in production would be transferred from Vandemoortele Worcester into a NewCo.[364] The staff, UK customer relationships and finished products will be carved out and transferred from the UK branch office of Vandemoortele Europe NV into a NewCo.

10.32 We now provide a more detailed description of Vandemoortele's Remedy Proposal by reference to each of the following components:

(a) The Worcester Plant;

(b) LD volumes and the underlying customer relationships;

(c) A toll manufacturing agreement;

(d) Staff; and

(e) Other components.

The Worcester Plant

10.33 Vandemoortele provided the following description of the Worcester Plant, which would be transferred to the Divestment Purchaser under Vandemoortele's Remedy Proposal:[365]

(a) It is dedicated to manufacturing LD products and supplies only to UK customers. [✂] to producing LD.

[363] Vandemoortele describes its agreements with customers as 'UK customer relationships' on the basis that it does not typically [✂] with its UK customers for the supply of its products (LD products or otherwise). Its supply relationships are generally governed by a combination of: (i) [✂] pricing, volumes and commercial terms; and (ii) standard terms and conditions [✂]. (See Vandemoortele revised phase 2 remedies form, 11 June 2026, footnote 6).
[364] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 59.
[365] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 2.

(b) It contains a manufacturing line capable of producing a large assortment of RTB LD products, including [✂] that Vandemoortele sells to UK customers today.

(c) It has a current manufacturing capacity of approximately [✂] kT, having produced [✂] kT in CY2025. It manufactures approximately [✂] of the total LD volumes Vandemoortele sells to its UK customers.

(d) It has the ability to increase its capacity to [✂] kT by changing the [✂], with the possibility of both short-term (ie installing a [✂]) and longer-term expansion (ie adding a new line which would significantly increase capacity). If requested by the Divestment Purchaser, Vandemoortele is willing to install a [✂] on the line at the Worcester Plant prior to completion of the divestment.

(e) It was extended and refitted with a new [✂] pastry line in [✂], and had solar panels installed on its roof in [✂]. It also has recently scored [✂] in its most recent Brand Reputation through Compliance Global Standards (BRCGS) audit.

UK Customer Relationships

10.34 The Divestment Business includes Vandemoortele's existing LD customer relationships in the UK that are supplied from the Worcester Plant (**UK Customer Relationships**).[366] In practice, this would involve a transfer of the staff managing the relationships with these customers (see paragraphs 10.39(b) and 10.56(a)(i) below), as well as all customer, credit and other records related to Vandemoortele's UK Customer Relationships at the Worcester Plant.[367] This would be accompanied by a transfer of all volumes served from the Worcester Plant (subject to customer consent being obtained, where it is needed) and (as explained below) the transfer of additional volumes served from other Vandemoortele plants through a toll manufacturing agreement with Vandemoortele.[368]

10.35 Table 10.1 below sets out the LD volumes (by kT and revenue generated in GBP) for the year ended 31 December 2025 which Vandemoortele supplied to UK retail and foodservice customers. For the purpose of Vandemoortele's Remedy

[366] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 3.
[367] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 8.
[368] For the avoidance of doubt, by 'transfer', Vandemoortele is not referring to a physical transfer of any volumes. These would continue to be made in the Worcester Plant or in whichever other Vandemoortele plant those volumes are currently being made. Instead, the underlying contracts between Vandemoortele and customers would be transferred, meaning that the purchaser would become the owner of those volumes. Vandemoortele response dated 29 June 2026 to the CMA's RFI dated 24 June 2026 (**P2-RFI-04**), paragraph 1.2.

Proposal, there are three categories of Vandemoortele's LD customers in the UK:[369]

(a) Vandemoortele's customers served entirely from Vandemoortele's plants other than Worcester (**Category 1**). None of these customer relationships would transfer to the Divestment Purchaser. Their volumes would continue to be produced by Vandemoortele in whichever plants Vandemoortele is currently using to supply these volumes. The relationships with these customers would not be transferred to the Divestment Business in any way.

(b) Vandemoortele's customers served from the Worcester Plant as well as other Vandemoortele plants (**Category 2**). These customers' volumes that are produced in the Worcester Plant would be transferred to the Divestment Purchaser (ie they would continue to be produced in the Worcester Plant under the Divestment Purchaser's ownership). These customers' volumes (around [✂]) that are not produced in the Worcester Plant would, at the election of the relevant customer, either:

(i) continue to be supplied by Vandemoortele (following a 'split' of the relevant contract), in which case the customer relationships would partially transfer;[370] or

(ii) be transferred to the Divestment Purchaser. If the Divestment Purchaser elects this, Vandemoortele would continue manufacturing the relevant volumes on the Divestment Purchaser's behalf (through a toll manufacturing agreement) for a period of up to two years on terms negotiated between the Divestment Purchaser and Vandemoortele that are set out in a legally binding agreement. In such instances, the entirety of the customer relationship would transfer.[371]

(c) Vandemoortele's customers served entirely from the Worcester Plant (**Category 3**). These customers' volumes would be transferred in full to the Divestment Purchaser (ie they would continue to be produced in the Worcester Plant under the Divestment Purchaser's ownership).

Table 10.1: LD volumes (by kT and revenue generated in GBP) for the year ended 31 December 2025 which Vandemoortele supplied to UK retail and foodservice customers

Vandemoortele's Customers	*Sum of Volumes for the year ended 31 December 2025*	*Revenue for the year ended 31 December 2025*
Category 1 Customers		
[✂]	[✂]	[✂]
[✂]	[✂]	[✂]
[✂]	[✂]	[✂]

[369] For the avoidance of doubt, although the Merger is complete, these volumes are limited to Vandemoortele's volumes (ie they do not include any Délifrance's volumes).
[370] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 60.
[371] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 20.

[✂]	[✂]	[✂]
[✂]	[✂]	[✂]
Total for Category 1 Customers	*[✂]*	*[✂]*
Category 2 Customers		
[✂]	[✂] was supplied from the Worcester Plant).	[✂] was supplied from the Worcester Plant).
[✂]	[✂] was supplied from the Worcester Plant).	[✂] was supplied from the Worcester Plant).
[✂]	[✂] was supplied from the Worcester Plant).	[✂] was supplied from the Worcester Plant).
[✂]	[✂] was supplied from the Worcester Plant).	[✂] was supplied from the Worcester Plant).
[✂]	[✂] was supplied from the Worcester Plant).	[✂] was supplied from the Worcester Plant).
[✂]	[✂] was supplied from the Worcester Plant).	[✂] was supplied from the Worcester Plant).
Total for Category 2 Customers	*[✂] was supplied from the Worcester Plant)*	*[✂] was supplied from the Worcester Plant).*
Category 3 Customers		
[✂]	[✂]	[✂]
[✂]	[✂]	[✂]
Total for Category 3 Customers	*[✂]*	*[✂]*
Total	**[✂]**	**[✂]**

*Source: Vandemoortele response dated 28 May 2026 to the CMA's s109 notice dated 26 May 2026 [**P2-s109-02**], Annex 002.*

10.36 As shown in Table 10.1 above:

(a) Vandemoortele's Remedy Proposal envisages transferring a baseline of approximately [✂] tonnes to the Divestment Purchaser ([✂] of Vandemoortele's 2025 LD volumes) from Category 2 and Category 3 customers, plus potentially an additional [✂] tonnes from Category 2 customers ([✂] of Vandemoortele's 2025 LD volumes) via a toll manufacturing agreement with Vandemoortele.

(b) Under Vandemoortele's Remedy Proposal, [✂] tonnes ([✂]) of Vandemoortele's 2025 LD volumes would not be transferred to the Divestment Purchaser.

Vandemoortele's toll manufacturing agreement

10.37 As set out in paragraph 10.35(b)(ii), Vandemoortele will make available to the Divestment Purchaser a toll manufacturing agreement. Under this toll manufacturing agreement, Vandemoortele has offered to make [✂] of its capacity available to the Divestment Purchaser for a minimum of two years. This capacity would be made available for any of the Divestment Purchaser's UK customers, including new customers and volumes.[372] This agreement is referred to henceforth as **Vandemoortele's Toll Manufacturing Agreement**.

10.38 The terms of Vandemoortele's Toll Manufacturing Agreement, including any material changes to the agreement, which would be negotiated between the Divestment Purchaser and Vandemoortele, would be subject to the CMA's

[372] Vandemoortele IRR Response, 23 July 2026, paragraph 2.2

approval with input from the Monitoring Trustee (defined in paragraph 1.133 below).[373]

Staff

10.39 Under Vandemoortele's Remedy Proposal, Vandemoortele plans to transfer:[374]

(a) All 73 employees locally employed at the Worcester Plant, which include the [✄].

(b) 12 UK commercial employees based in Staines-upon-Thames, including the [✄].

Other components

10.40 In addition to the Worcester Plant, the UK Customer Relationships, and the staff components described above, the Divestment Business comprises the following:[375]

(a) All tangible and intangible assets needed to operate the Divestment Business (other than the rights expressly excluded below (see paragraph 10.41(a)), and IT systems used to operate the Worcester Plant, including, at the Divestment Purchaser's request, a [✄] on the line at the plant (to allow its current capacity to be expanded).

(b) Any third party trademark licences required to make LD products currently supplied to Category 2 or Category 3 customers.[376]

(c) Any necessary regulatory approvals and registrations for the Worcester Plant.

(d) The lease for Vandemoortele's office at Staines-upon-Thames and all contracts, agreements, leases, commitments, and understandings [sic] needed to operate the Worcester Plant.

(e) All books, records, correspondence, files, and other documents held in any medium used to operate the Worcester Plant.

(f) Inventory, including:

(i) Any raw materials, ingredients and packaging on-site and enroute to the Worcester Plant.

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[373] See paragraph 10.85 below for clarification of the term 'material'.
[374] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 65.
[375] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 8.
[376] Vandemoortele's response dated 10 July 2026 the CMA's RFI dated 7 July 2026 (**P2-RFI-05**), question 2.

(ii) All finished goods, including those enroute to customers.

(iii) All spare parts on-site which are related to equipment in the Worcester Plant.

(g) Supply agreements and warehousing, logistics and transportation agreements related to the Divestment Business.

(h) Any TSAs required by the Divestment Purchaser, as necessary for the viability of the Divestment Business (including, at a minimum, services in the area of HR, finance, R&D, supply chain, manufacturing, procurement, health safety, environment, quality & compliance, and IT). Under the terms of these TSAs, the Divestment Purchaser would have access to Vandemoortele's centralised support functions (and some of the employees (key staff or otherwise) supporting these functions) based outside of the UK.

(i) Non-solicitation clauses covering all Category 2 and Category 3 customers and certain members of staff included within the scope of Vandemoortele's Remedy Proposal.[377]

10.41 The Divestment Business would not include:[378]

(a) Any trade secrets, know-how, customer data or other confidential information, or intellectual property rights (including, but not limited to, any trademarks or patents) that are not necessary for the successful operation of the Divestment Business.

(b) Any personnel in the operations of Vandemoortele, including finance, HR, legal, and IT personnel, other than the personnel referred to in paragraph 10.39.

(c) Any IT systems that are used by Vandemoortele (including any CRM systems, accounting or finance tools, administrative or back-office platforms, related services, and any agreements or contracts supporting these functions), apart from the IT software installed in and integrated into the machines and equipment used in the production of LD at the Worcester Plant.

(d) Vandemoortele's brands or the right to sell products using the name of Vandemoortele, as well as any registered names, service marks, domain names, trade names, trade dress, corporate names, logos, and other identifiers incorporating or associated with Vandemoortele (whether owned by Vandemoortele or Vamix).

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[377] Vandemoortele IRR Response, 23 July 2026, paragraph 4.1.
[378] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 9.

(e) Any logistics network, assets or contracts, and any warehouse facilities, assets or contracts (except for as noted above).

(f) Inventory considered to be non-transferrable, if any.

(g) Receivables with respect to the UK Customer Relationships.

(h) Volumes supplied to UK customers, other than the UK Customer Relationships, from Vandemoortele's other plants (ie what we describe above as the 'Category 1' volumes).

10.42 Vandemoortele proposes that if there are any assets or personnel that are not covered above, but that contribute to the current operation (and are not excluded) or are necessary to ensure the viability and competitiveness of the Divestment Business, those assets or personnel, or an adequate substitute, will be offered to the Divestment Purchaser.[379]

Invitation to Comment on Remedies

10.43 On 18 June 2026, the same date that we issued our Interim Report, we published an ITCR.[380] The ITCR invited views on:

(a) The remedy proposal, current at that time; [381] and

(b) An amended form of the remedy proposal, or the divestiture of a broader and/or differently configured business.

10.44 The deadline for submitting comments on possible remedies in response to the ITCR expired on 25 June 2026. We spoke to, or received written representations from:[382]

(a) The majority of the LD customers which Vandemoortele serves from the Worcester Plant (including those which collectively account for more than 95% of the LD volumes (in kT) manufactured at the Worcester Plant in the year ended 31 December 2025).[383]

(b) Four additional large UK LD customers which do not currently hold a contract for LD products with Vandemoortele (one foodservice and three retail).[384]

[379] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 10.
[380] CMA, invitation to comment on remedies, 18 June 2026.
[381] A non-confidential summary of Vandemoortele's Remedy Proposal was included in the ITCR. CMA, invitation to comment on remedies, 18 June 2026, paragraphs 19 to 23.
[382] Each of the submissions (other than those from [✂] and [✂]) resulted from the CMA proactively proposing a call on Vandemoortele's Remedy Proposal or remedies more generally, or the CMA asking questions on this matter.
[383] Third party call notes: [✂]. See also [✂] email and [✂] response to the CMA's RFI.
[384] Third party responses to the CMA's RFI dated 19 June: [✂]. See also [✂] email.

(c) Three competitors (ie some of those included in the list of suppliers presented in Table 7.1).[385]

(d) A private equity firm specialising in investing in manufacturing businesses.[386]

10.45 We received additional input from two of the third parties listed above, in the period between the publication of the UILs Consultation and the Phase 2 Reference, which we consider to be relevant to the assessment of Vandemoortele's Remedy Proposal.[387]

10.46 No alternative remedies to the remedy proposal in the ITCR were put to the CMA.[388]

Effectiveness of Vandemoortele's Remedy Proposal

Section overview

10.47 In this section, we describe, and set out our assessment of, the effectiveness of Vandemoortele's Remedy Proposal, according to the framework set out in paragraphs 10.15 to 10.26. In particular, in assessing the effectiveness of Vandemoortele's Remedy Proposal, we refer to each of the risks identified in paragraph 10.19 above.

10.48 On the basis of this assessment, we set out our conclusions on whether Vandemoortele's Remedy Proposal satisfies each of the dimensions as set out in paragraph 10.16 above.

Vandemoortele's views on the effectiveness of Vandemoortele's Remedy Proposal

10.49 Vandemoortele submitted that Vandemoortele's Remedy Proposal is a comprehensive, UK-focused, de facto stand-alone business. It considers it is a competitive remedy package that is easy to implement and will allow the Divestment Purchaser to compete effectively with Vandemoortele immediately upon completion and on a lasting basis. Vandemoortele further submitted that Vandemoortele's Remedy Proposal is more straightforward to implement than the phase 1 remedy that was accepted by the CMA in principle, with less execution and monitoring risk, and more customer certainty, allowing the Divestment Purchaser to acquire the business with greater confidence in its competitive capabilities.[389]

[385] Third party call notes: [✂]. See also [✂] submission and [✂] response to the ITCR.
[386] [✂] response to the ITCR.
[387] Third party call notes: [✂].
[388] See paragraph 10.166 below in relation to full unwinding of the Merger.
[389] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 7.

10.50 To support the above assessment, Vandemoortele submitted the following:

(a) **With respect to the Worcester Plant**:

(i) The plant is centrally located, with good access to the UK motorway network and is close to the warehouses of its major customers.[390]

(ii) The Worcester Plant is attractive to both industry suppliers with existing customer relationships in the UK, and those looking to expand further into the supply of LD in the UK. As noted above, it is [✂] dedicated to LD production.[391]

(iii) The Divestment Business has the capability to manufacture a full range of LD products for the UK market. The line is versatile and can make both RTB and ‘ready to prove’ products. It is fitted with [✂]: [✂]. New formats can easily be fitted to the line with minor investments in change-over parts.[392]

(iv) The addition of the [✂] and the additional [✂] of capacity provided by Vandemoortele under a toll manufacturing agreement (both at the Divestment Purchaser’s election), takes the total production capacity of the Divestment Business to approximately [✂] ([✂] at the Worcester Plant alone), providing the Divestment Purchaser with significantly more capacity than the [✂] overlap resulting from the Merger.[393]

(b) **With respect to the UK Customer Relationships and staff:**

(i) The Divestment Business includes a strong UK commercial team with established relationships with all of Vandemoortele’s key UK customers, and significant experience in the LD market. It also comes with a large team dedicated to, and well experienced with, production at the Worcester Plant. Vandemoortele also submitted that these employees have a track record of succeeding in the UK LD market and will be incentivised to continue to do so. Vandemoortele further submitted that the employees included in the scope of Vandemoortele’s Remedy Proposal have the right mix of seniority and skills to allow the Divestment Purchaser to be an immediate competitive constraint in the market and on the Parties.[394]

(ii) The Divestment Business will include almost all of Vandemoortele’s staff who currently support its UK LD business. Under Vandemoortele’s Remedy Proposal, only [✂] employees would remain with Vandemoortele

[390] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 2.
[391] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 20.
[392] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 20.
[393] Vandemoortele IRR Response, 23 July 2026, paragraph 6.1.
[394] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 67.

to support the retained UK LD customers and volumes, namely [✂].[395] The divestment would therefore include the employees that operate the plant, as well as sales and marketing staff based in the UK dedicated to the sale of LD products to UK-based customers.[396]

(iii) The sale of the Divestment Business will allow the Divestment Purchaser to acquire a fully functional production business with existing customer relationships, immediately creating a highly credible competitor in the UK market for the supply of LD products to retail and foodservice customers.[397]

Third parties' views on Vandemoortele's Remedy Proposal

10.51 We sought views on the overall effectiveness of Vandemoortele's Remedy Proposal from each of the third parties referenced in paragraph 10.44. For confidentiality reasons, third parties did not have access to some granular details relating to Vandemoortele's Remedy Proposal. In particular, third parties did not know which staff members would be transferred as part of the remedy, how any toll manufacturing agreement would work in practice, and whether licensing arrangements required to make certain products would be included within the scope of the remedy. Furthermore, third parties generally considered the effectiveness of Vandemoortele's Remedy Proposal to be contingent, to a significant extent, on the expertise and capabilities of its purchaser (which is at present unknown).[398] Subject to the aforementioned, no third parties raised concerns about the attractiveness, suitability or capability of the fixed assets (ie the Worcester Plant and all the equipment it contains) which make up the Divestment Business, with two third parties explicitly commenting that they considered these fixed assets to be capable or attractive.[399]

10.52 In light of the information gaps identified above, in order to test the effectiveness of Vandemoortele's Remedy Proposal we explored third parties' views on questions that we consider to be relevant to the remedy's effectiveness, namely:

(a) The extent to which the range of LD products which an LD supplier is able to produce makes a difference to its competitiveness as an LD supplier.

[395] Vandemoortele response dated 11 June 2026 to the CMA's RFI dated 3 June 2026 (**P2-RFI-03)**, paragraph 1.2.
[396] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 2.
[397] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 2.
[398] Third party call notes: [✂]. [✂] submission. [✂] response to the ITCR. [✂] response to the CMA's RFI. For completeness, no third party said or indicated that the identity of the purchaser was unimportant towards the remedy's effectiveness.
[399] Third party call notes: [✂].

(b) The attractiveness of toll manufacturing agreements with third parties, in the short term and / or in the long term, as a means to supply a wider range of LD products than a supplier's existing facilities are able to supply.

(c) The employees and functions which third parties consider most important towards sustaining an LD supplier's competitiveness and, relatedly, which third parties consider should be included within the Divestment Business and / or be present at the Divestment Purchaser.

(d) The nature of customers' commercial agreements with LD suppliers, and the implications of this for customer transfers and retention.

(e) The onboarding process of new suppliers, generally and in the context of Vandemoortele's Remedy Proposal.

(f) The capabilities and experience the Divestment Purchaser would need to have in order for Vandemoortele's Remedy Proposal to be effective.

10.53 We note that third party feedback also mentioned additional matters, such as the need for supplier contracts to be included in the scope of the Divestment Business. As a general point, we note that third party feedback was consistent with each of the proposed components of the Divestment Business (at a minimum) being necessary for the Divestment Business to compete effectively.

10.54 On the importance of the range of LD products which an LD supplier is able to produce, third parties said the following:

(a) Over half of LD customers[400] who discussed this topic indicated that being able to supply a wide range of LD products (or at least the range that each customer needs) is an important or very important consideration when assessing an LD supplier's competitiveness.

(b) Two LD customers[401] who discussed this topic indicated that they were more open to sourcing LD products from multiple LD suppliers and that, as a result, they did not consider the range of LD products a supplier is able to provide to be important.

(c) Two competitors who discussed this topic also noted that being able to offer the full range of LD products that customers require is[402] or can be important, especially as far as customers' core LD products are concerned.[403]

[400] Third party call notes: [✂] and [✂] response to the CMA's RFI.
[401] Third party call notes: [✂].
[402] [✂] call note
[403] [✂] call note.

10.55 On the attractiveness of toll-manufacturing agreements, third parties said the following:

(a) One LD customer[404] who discussed this topic indicated that toll-manufacturing agreements could provide short-term supply continuity but would not be desirable as a long-term solution.

(b) One LD customer who discussed this topic indicated that it does not favour toll-manufacturing agreements. This customer also noted that it prefers to have control of production via a direct relationship with the production site, including the ability to audit the site and understand the product's origin and traceability.[405]

(c) Two LD customers who discussed this topic indicated that they rarely, if ever, use toll-manufacturing agreements, while not explicitly commenting on their attractiveness.[406] One of these customers explained that the decision not to use such agreements is primarily to ensure that product quality and consistency are to a sufficient level throughout its estate of branches.[407]

(d) One competitor who discussed this topic said that it does not use toll manufacturing agreements in the UK for LD products. It noted that owning production is commercially preferable because toll manufacturing introduces another party's margin and can reduce competitiveness in a highly competitive sector. However, this competitor also noted that such agreements are relatively common in the industry, either to complete a supplier's catalogue and offer a full range to customers, or because the supplier's own capabilities are full.[408]

(e) Another competitor who discussed this topic noted that toll manufacturing agreements were available and common in the industry, although their availability may be more limited for more specialised products like a Portuguese custard tart.[409]

10.56 Third parties said the following regarding the employees and functions that are considered most important towards sustaining an LD supplier's, including the Divestment Business', competitiveness**:**

(a) LD customers were asked who they considered to be important towards sustaining their respective suppliers' overall competitiveness (for instance

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404 [✂] response to the CMA's RFI.
405 [✂] call note.
406 Third party call notes: [✂].
407 [✂] call note.
408 [✂] call note.
409 [✂] call note.

with respect to service quality, product quality and consistency, and product development):

(i) Almost all customers who discussed this topic referred to the UK commercial team, in particular their assigned account manager (which customers generally viewed as necessary towards sustaining continuity),[410] of which two of these LD customers specifically mentioned the commercial director.[411]

(ii) Most customers who discussed this topic referred to operations staff, including plant managers, supply chain managers,[412] two of which specifically mentioned distribution / logistics managers.[413]

(iii) Most customers who discussed this topic referred to technical and quality assurance staff, as well as product development teams.[414]

(b) One LD customer[415] who discussed this topic (and is a Category 2 customer), submitted that the following Vandemoortele staff members needed to be included in the Divestment Business in order to ensure its effectiveness: (i) factory manager, (ii) technical account manager, (iii) new product development manager, (iv) quality assurance managers, and (v) store operations.

(c) Among all LD customers who discussed this topic:

(i) One LD customer mentioned in (a) above (a Category 2 customer) told us that, in addition, some level of senior leadership support is important as they ultimately determine overall strategy.[416]

(ii) Another customer mentioned in (a) above ([✂]) told us that some of the technical functions it considered important may be centralised.[417]

(iii) One customer mentioned in (b) above (a Category 2 customer) indicated that much of its LD supplier's (Vandemoortele's) New Product Development (**NPD**) and Research and Development (**R&D**) capability comes from its central innovation centre in Ghent (ie its supplier's head office) and queried whether this capability would be lost under Vandemoortele's Remedy Proposal.[418]

[410] Third party call notes: [✂]. Third party responses to the CMA's RFI [✂]. [✂] email.
[411] [✂] response to the CMA's RFI and [✂] call note.
[412] Third party call notes: [✂]. Third party responses to the CMA's RFI [✂]. [✂] email
[413] [✂] response to the CMA's RFI and [✂] call note.
[414] Third party call notes: [✂]. Third party responses to the CMA's RFI [✂]. [✂] email.
[415] [✂] email.
[416] [✂] call note.
[417] [✂] call note.
[418] [✂] call note.

(d) One competitor who discussed this topic told us that the Divestment Business would need to include those Vandemoortele employees who hold the relationships with the relevant customers (ie the Category 2 and Category 3 customers). In this regard, the competitor noted that account managers are key because customers interact with an account manager who represents the supplier across commercial, supply chain, category management and marketing matters. This competitor also identified the category management and product management functions as important for continuity and noted that category management leadership is an expectation from major UK retailers. It also mentioned that product development roles are generally of interest, as they play a key role in demand generation and customer engagement.[419]

(e) Another competitor told us that in-depth technical knowledge, for example in R&D, is highly important.[420]

10.57 Third parties said the following regarding the nature of the commercial relationship between customers and LD suppliers, and the implications of this for customer transfers and retention:

(a) Overall, customers' descriptions of their commercial arrangements with their LD suppliers were consistent with Vandemoortele's corresponding submissions as set out in footnote 363:

(i) One Category 2 customer noted that Vandemoortele operates on the customer's standard terms and conditions, with no specific written contract for bakery, and that cost prices are agreed through discussions, email and the customer's pricing systems.[421]

(ii) Another Category 2 customer noted that it has fixed price agreements with Vandemoortele and negotiates on a rolling basis, holding prices within the relevant period depending on commodity performance. It also noted that it is in a contract on price until [✂]. This customer further noted that it reviews pricing [✂].[422]

(iii) Another Category 2 customer indicated that barring commodity increases/decreases, negotiations with LD suppliers tend to be limited to annual price discussions.[423]

(iv) Another Category 2 customer noted that it generally conducts LD tenders annually and has just entered into an agreement with

419 [✂] call note.
420 [✂] call note.
421 [✂] call note.
422 [✂] call note.
423 [✂] call note.

Vandemoortele for supply of LD products for the next two years, including pricing for the first 12 months.[424]

(b) One competitor's description of its commercial agreements with its LD customers was also broadly consistent with Vandemoortele's description (as set out in footnote 363) of its commercial agreements with its LD customers. This competitor noted that, from its perspective, customer contracts are typically one-year arrangements without volume commitments. This competitor also referred to its contracts with some customers as 'framework agreements' and said that if a customer decides not to order the following month, it is no longer, in practical terms, a customer.[425]

10.58 Third parties said the following regarding the onboarding process of new suppliers, generally and in the context of Vandemoortele's Remedy Proposal:

(a) Third parties who discussed this topic described the potential process for onboarding the Divestment Purchaser, in the event that Vandemoortele's Remedy Proposal was implemented, as follows:

(i) One Category 2 customer noted that, if the Worcester Plant is sold, the Divestment Purchaser (even if the personnel at the plant and the plant itself remain unchanged) will need to go through this customer's new supplier set-up process, including signing its terms and conditions, site due diligence and ethical checks. The customer estimated that this process can take approximately 12 weeks, although it may be quicker if the relevant documentation has been prepared in advance.[426]

(ii) Another Category 2 customer said that even if its volumes remained within the Worcester Plant, the new owner would still need to be onboarded. For a completely new supplier, this would take around 12 weeks. It may take less time for a supplier that is already onboarded (for example because it supplies other products to the customer).[427]

(iii) Another Category 2 customer noted that implementing Vandemoortele's Remedy Proposal, from its perspective, would involve steps such as setting up new product codes and other administrative steps (regardless of whether the Divestment Purchaser is a supplier the customer currently trades with or a brand new supplier).[428]

(iv) Another Category 2 customer noted that a change in legal ownership of the Worcester Plant could require it to onboard a new supplier and

424 [✂] call note.
425 [✂] call note.
426 [✂] call note.
427 [✂] call note.
428 [✂] call note.

potentially change administrative details or set up new product codes.[429] This customer also noted that the overall process for onboarding a new supplier to its systems would take around six to eight weeks and requires planning, resource and auditing. As a general point, this customer noted that managing a case where only the legal ownership of the relevant facility changes would be relatively straightforward.[430]

(b) Consistent with feedback from the customer mentioned in (a)(iv) above, a competitor, noted that, based on its experience of past transactions, customers generally do not request a new audit solely because plant ownership changes, particularly where the commercial team and management are retained. It noted that while it cannot speak definitively for all UK customers, it considers that continuity of communication and production from the same plant would make the process relatively straightforward.[431]

10.59 We note the evidence quoted at paragraph 6.14 regarding the importance customers generally attribute to track record when deciding on their LD supplier. Of the third parties who discussed the topic of potential purchaser suitability:

(a) One LD customer noted that its confidence in a supplier increases significantly if the supplier is already providing own-label products to major UK retailers, particularly one of the big four supermarkets, given their rigorous quality standards. Supplying own-label products (ie products marketed to consumers as the retailer's own) is seen as especially meaningful, as the retailer's brand's reputation is at risk. Retailers will therefore subject prospective own-label products suppliers to a much higher level of scrutiny before awarding a contract than they do to suppliers of products which are branded using the supplier's brands. Being trusted in this way by large, demanding customers serves as a strong indicator of a supplier's quality and reliability.[432]

(b) Two LD customers, one competitor and one private equity firm specialising in manufacturing businesses noted the importance of the Divestment Purchaser possessing procurement expertise and / or the ability (eg through scale) to procure inputs (especially butter) at competitive prices.[433] Another customer noted this is a key feature of its existing commercial relationship with Vandemoortele.[434]

[429] [✂] call note.
[430] [✂] call note.
[431] [✂] call note.
[432] [✂] call note.
[433] Third party call notes: [✂] and [✂] response to the ITCR.
[434] [✂] call note.

(c) Two LD customers (both of which are Category 2 customers) noted the importance of the Divestment Purchaser having access to a large and / or sophisticated distribution network.[435]

(d) One competitor noted that the Divestment Business' ability to win new customers will depend heavily on the Divestment Purchaser's spare production capacity or willingness to invest in capacity and product development capabilities.[436] This competitor also commented that, based on its understanding, the Divestment Business lacked an internal R&D/NPD function (with any product development being carried out by [local] production staff), which limits organic innovation capability.[437] Similarly, one LD customer (which is a Category 2 customer) questioned how much of Vandemoortele's NPD and R&D capabilities would be carried across with the Divestment Business. Accordingly, this customer noted that the Divestment Purchaser may therefore need to offer its own NPD and R&D capability.[438]

(e) Half of Category 2 customers indicated that in order for the Divestment Business to be an effective competitor, the Divestment Purchaser needed to be, or likely needed to be, a company with significant experience supplying LD products to UK customers (as only such a company was likely to possess the necessary level of capability and experience).[439]

(f) Less than half of LD customers indicated that it was possible for purchasers who are not specialised in supplying LD products into the UK to demonstrate (or develop) such capabilities:

(i) One which is [✂] customer, considered that a well-established bakery business (such as Allied Bakeries) could enter and invest in the site, potentially expanding the market opportunity. This customer also considered that a European LD supplier without material UK supply could also be an effective potential purchaser. It noted there are sometimes language and cultural differences in relation to UK food safety standards, but considered these can be worked through. However, this customer noted that it was important for a purchaser (with or without LD experience) to demonstrate that it has experience supplying multiple retailers (rather than only foodservice customers). Moreover, when asked to identify Divestment Purchasers who could be an effective competitor, it listed by name only companies with significant

[435] Third party call notes: [✂].
[436] [✂] submission.
[437] [✂] submission.
[438] [✂] call note.
[439] Third party call notes: [✂] and [✂] response to the CMA's RFI.

experience supplying LD products to UK customers (Europastry and Bridor, alongside 'other large continental bakery suppliers').[440]

(ii) Two which are Category 2 customers did not explicitly state a preference for a Divestment Purchaser with experience supplying LD products into the UK:

(1) One of these customers noted instead that the number one factor it considers when choosing an LD supplier is quality and price. At the same time, this customer said that it will also want to know more about any approved purchaser, including its reputation, business model, sustainability, volume and capacity, particularly if it is a supplier this customer does not already deal with.[441]

(2) The other customer noted that, to be considered a suitable supplier, the two main factors a purchaser would need to demonstrate are (i) consistent product quality and (ii) service level (ie the ability to deliver the products week on week). It noted that, for existing suppliers, these factors can be judged based on previous performance.[442]

(iii) One competitor considered that an 'industrial' player (ie a company operating in the broader bakery industry rather than only the supply of LD products), or even a financial buyer, would have the scale, knowledge and capability to use the Worcester Plant effectively for the purpose of maintaining competition.[443]

Our assessment

10.60 In line with our Merger Remedies Guidance,[444] an effective divestiture remedy will generally seek to re-establish the structure of the market expected in the absence of the merger, and restore a dynamic process of rivalry between firms seeking to win customers' business over time. It provides a comprehensive solution by addressing the SLC and its adverse effects at source.

10.61 As noted in paragraph 10.19, our Merger Remedies Guidance sets out three broad categories of risks that may impair the effectiveness of a divestiture remedy, namely composition risks, purchaser risks, and asset risks.[445] We address each of these three categories of risk in turn below, where appropriate referring to the specific composition and purchaser risks mentioned in paragraph 10.23.

[440] [✂] call note.
[441] [✂] call note.
[442] [✂] call note.
[443] [✂] call note.
[444] CMA87, paragraph 3.5(a).
[445] CMA87, paragraph 5.3.

Composition Risks – the appropriate scope of the divestiture package

10.62 As noted above, Vandemoortele submitted that the Divestment Business is a de facto stand-alone business. This is because, in Vandemoortele's view, there is minimal separation from Vandemoortele's other business activities that needs to occur prior to the sale of the Divestment Business. Vandemoortele further submitted that the transaction perimeter is clear and the principal asset that would be transferred is the Worcester Plant, along with its existing supply relationships with a number of Vandemoortele's 'key accounts', as well as the supporting assets, contracts, rights, staff, and any necessary TSAs to operate a successful LD business in the UK.[446]

10.63 In principle, a divestiture of a business which comprises all of the existing staff, assets and capabilities needed in order to operate in the relevant market, should give us a high degree of certainty that it would enable a suitable Divestment Purchaser to compete successfully in this market on an ongoing basis.

10.64 Based on our assessment of Vandemoortele's Remedy Proposal, we identified the following inter-related issues which may give rise to composition risks undermining the effectiveness of the remedy, and which we consider in more detail under the sub-headings below:

(a) **Lack of ability to make certain LD products (either at all or above certain volumes)**. As set out in Table 10.1, Vandemoortele supplies its Category 1 and Category 2 customers with certain LD products using plants other than Worcester. With respect to some LD products, such as [✄], we understand that this is due to the Worcester Plant having insufficient capacity and / or not having the necessary equipment in place.

(b) **Loss of centralised support from outside the UK**. While the Divestment Business includes nearly all of the UK-based employees who support Vandemoortele's LD business in the UK, it does not include any members of Vandemoortele's senior leadership or the specialist functions based outside the UK that provide, for instance, strategic direction, technical expertise and critical operational services to Vandemoortele's business worldwide, including its UK operations. We refer to all of these shared functions, collectively, as **Centralised Support**.

10.65 If the risk factors listed in (a) and (b) above are not sufficiently mitigated, the CMA considers that there is a consequent potential risk that the Divestment Business will not be successful in retaining sufficient customers and / or in winning new

[446] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 18.

customers. This would have an adverse impact on the Divestment Business' competitiveness in the immediate term and going forward.

10.66 Although the above are the primary composition risks we have identified, we cannot rule out that during its due diligence the Divestment Purchaser may identify additional assets (for example comprising, among other things, trade secrets, know-how, customer data or other confidential information, brand licensing agreements or intellectual property rights) which are not included in Vandemoortele's Remedy Proposal, but that contribute to the current operation or are necessary to ensure the viability and competitiveness of the Divestment Business. To the extent that such assets exist, our view is that Vandemoortele's Remedy Proposal would need to incorporate a mechanism enabling the CMA to request that such assets are identified (directly by the CMA or through a Monitoring Trustee) and added to the scope of the Divestment Business, such that the Divestment Business has all the assets that are necessary in order to enable the Divestment Purchaser to compete effectively.[447]

Lack of ability to make certain LD products

10.67 As noted in Table 10.1, [✂]% of the LD volumes which Vandemoortele supplied to UK customers in the year ended 31 December 2025 were produced in plants other than the Worcester Plant. Of the [✂] tonnes which make up this [✂]%, we understand from Vandemoortele that:[448]

(a) [✂] cannot currently be made in the Worcester Plant as a result of 'investment being needed [in order to make them in the Worcester Plant] / capacity constraints.' The list of products which comprise these volumes includes (by size of current volumes): [✂]. [✂] no volumes at all are made in the Worcester Plant. With respect to certain types of [✂], the Worcester Plant is able to make some, though not all, volumes and / or product sub-types. We refer to all volumes and associated product types described in this sub-paragraph as the '**Investment-Dependent Volumes**.'

(b) An additional [✂] could not be made in the Worcester Plant due to capacity constraints only. The products comprising these volumes are primarily [✂].

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[447] This mechanism could be, for instance, the inclusion of one or both of the following in the agreements governing the sale of the Divestment Business: (i) a warranty that the assets (tangible or intangible) transferred from Vandemoortele include all those components necessary for the Divestment Business to operate as an effective competitor in the relevant market, except as otherwise agreed with the Divestment Purchaser, and / or (ii) a post-completion asset/liability reallocation provision ('wrong pockets') clause giving the Divestment Purchaser the right to additional assets if the initial scope of the remedy prevents them from effectively competing. With regard to the second option (ie 'wrong pockets' clauses), or any comparable option ultimately considered, the CMA's view is that the CMA, directly and / or via the Monitoring Trustee, should be informed of any insufficiencies the Divestment Purchaser identifies with respect to the initial scope of the remedy, and that Vandemoortele should be required to transfer the relevant assets should the CMA consider that those assets are essential for the Divestment Business to compete effectively under the ownership of the Divestment Purchaser.
[448] Vandemoortele response dated 28 May 2026 to P2-s109-02, Annex 002.

These volumes, and the associated product types, are henceforth referred to as the '**Capacity Constraint Volumes**.'

(c) An additional [✂] could not be made in the Worcester Plant due to 'capacity / allergen constraints'. These volumes are made up [✂]. These volumes, and the associated product types are henceforth referred to as the '**Allergen Volumes**.'

(d) With respect to the remaining volumes ([✂]), there are no impediments to them being made in the Worcester Plant. These volumes, and the associated product types, are henceforth referred to as the '**Unspecified Volumes**.'

The Investment-Dependent Volumes, the Capacity Constraint Volumes, the Allergen Volumes and the Unspecified Volumes are henceforth collectively referred to as the '**Non-Worcester Volumes**' or '**Non-Worcester Products**', as appropriate.

10.68 As noted above, we received third party feedback from both customers (see paragraph 10.54(a)) and competitors (see paragraph 10.54(c)) that in order to be successful in retaining and winning customers it is important that the supplier (the Divestment Business or otherwise) is able to demonstrate that it is able to supply a wide range of LD products. Based on this feedback, we consider that it is essential for the Divestment Business's ability to retain customers and win new customers that the Divestment Business is able to offer and supply a sufficiently wide portfolio of LD products to customers (or potential customers).

10.69 We therefore now explore the ways in which the Divestment Business could (in the immediate term (ie less than two years after the implementation of Vandemoortele's Remedy Proposal; referred to henceforth as the **Immediate Term**) and in the longer term (ie two years or more after the implementation of Vandemoortele's Remedy Proposal; referred to henceforth as the **Long Term**) ensure it has what is necessary to supply a wide portfolio (ie comparable to the portfolio that Vandemoortele or Délifrance are currently able to supply) of LD products to UK retail and foodservice customers.

10.70 We have identified the following potential ways in which this could be achieved:

(a) In the Immediate Term:

(i) Adaptations to the Worcester Plant to enable it to absorb the relevant Non-Worcester Volumes and Products.

(ii) Direct transfer of the relevant Non-Worcester Volumes and Products to the Divestment Purchaser's existing plants.

(iii) Vandemoortele's Toll Manufacturing Agreement.

(b) In the Long Term:

   (i) Modifications and enhancements to the Worcester Plant.

   (ii) Toll manufacturing agreements with third parties.

10.71 We describe these measures below and assess their likely feasibility and effectiveness. Having explained the limitations of both the Immediate Term and the Long Term measures listed above, we then explain our views on what capabilities the Divestment Purchaser would need to demonstrate to mitigate this composition risk.

Immediate Term measures

10.72 We have considered the feasibility of the following three Immediate Term measures to enable the Divestment Business, from the outset, to be able to offer a wide range of LD products:

(a) **Adaptations to the Worcester Plant to enable it to absorb the relevant Non-Worcester Volumes and Products**. Vandemoortele submitted that it has investigated short-term measures to expand and adapt the portfolio of products that can be manufactured at the Worcester Plant. These measures would enable the Worcester Plant to produce [✂]. However, even if these were feasible and ultimately effective, Vandemoortele submitted that any one of these would take a minimum of nine months to implement. Moreover, Vandemoortele submitted that these measures would have limited impact on overall capacity.[449] Therefore, even if these measures could be implemented within the timeframes Vandemoortele refers to, there are limits to the extent to which they would allow the Investment-Dependent Volumes to be transferred into the Worcester Plant [✂]. Lastly, even if these transfers could be achieved with limited disruption to existing volumes, we note that Vandemoortele submitted that transferring volumes from one plant to another ‘takes time’.[450] This is consistent with customer submissions that transferring volumes to a new plant requires considerable testing and auditing at that plant.[451]

(b) **Direct transfer of relevant Non-Worcester Volumes and Products to the Divestment Purchaser’s existing plants.** The CMA has considered the possibility of some or all of the Investment-Dependent Volumes and associated products being transferred directly to the Divestment Purchaser (assuming they had the relevant production capacity). However, even if a transfer like this were possible, as noted in paragraph 10.72(a) above, it is

[449] Vandemoortele response dated 28 May 2026 to the CMA’s RFI dated 20 May 2026 (**P2-RFI-02**), paragraph 12.1.
[450] Parties’ response dated 30 January 2026 to the CMA’s questions dated 27 January 2026, paragraph 19.
[451] See, for instance: [✂] call note.

likely to take a considerable period of time for a customer to approve the plant for the relevant volumes, and for those volumes to be transferred.

(c) **Vandemoortele's Toll Manufacturing Agreement.** Under this option, no Non-Worcester Volumes and Products would be transferred into the Worcester Plant (or any other plant) from the plant they are currently being made in, meaning that Vandemoortele's Toll Manufacturing Agreement could be implemented from the outset. As a result, this is the only option which, in our view, is feasible from the outset and which, with respect to Immediate Term measures, we consider further in this chapter.

Scope and duration of Vandemoortele's Toll Manufacturing Agreement

10.73 Vandemoortele is offering to provide toll / contract manufacturing services so that Category 2 customers can have the option to continue having all of their volumes serviced from the plants they are currently serviced from (and avoid having their agreements split as part of the divestiture).[452] Vandemoortele submitted that any toll / contract manufacturing will be as agreed between Vandemoortele and the Divestment Purchaser, for a period of up to two years on a [✂] basis on terms set out in the legally binding agreement, for the Divestment Business to be able to sell these in its own name to the relevant customers.[453] Given that: (i) when asked how long it would take to fully onboard a new supplier, no customers cited periods longer than 15 months,[454] and (ii) a competitor said that any toll-manufacturing agreement would need to be at least 24 months long,[455] our view is that the proposed term of two years (subject to reasonable extensions requested by the Divestment Purchaser) is sufficient.

10.74 Vandemoortele submitted that Vandemoortele's Toll Manufacturing Agreement would also be open to (i) Category 3 customers, as well as (ii) any UK LD customer (including the Divestment Purchaser's existing UK LD customers and any new UK LD customers that the Divestment Business succeeds in winning), also for two years.[456] Vandemoortele is proposing to offer [✂] of its capacity under this agreement, with priority to be given to Category 2 and Category 3 customers.[457]

10.75 We have concluded that a toll manufacturing agreement open to each of the customer types described in paragraphs 10.73 and 10.74 above, of at least two years, is necessary to ensure that the Divestment Purchaser is able to supply a wide portfolio (ie comparable to that supplied by Vandemoortele or Délifrance) of

[452] Vandemoortele response P2-RFI-02, paragraph 12.6
[453] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 20.
[454] [✂] call note. [✂] cited the longest time period (14-15 months).
[455] [✂] response to the ITCR.
[456] Parties, Remedies meeting response, 10 July 2026, paragraph 2.1. Parties, IRR Response, 23 July 2026, paragraph 2.2.
[457] Vandemoortele response to P2-RFI-04, paragraph 1.2

LD products from the outset and, as a consequence, is well positioned to retain Category 2 customers (and also Category 3 customers) in the Immediate Term. Our view regarding the minimum duration of a toll manufacturing agreement applies to new customer demand as well as existing customer demand.

10.76 Regarding the capacity Vandemoortele plans to make available under this agreement, given that Vandemoortele's UK LD volumes for the year ended 31 December 2025 amounted to c. [✄] and given the Worcester Plant's current capacity of [✄], we have concluded that the proposed capacity of [✄] is sufficient as a minimum for the entire duration of Vandemoortele's Toll Manufacturing Agreement. We note that for the year ended 31 December 2025, Vandemoortele supplied [✄] tons of LD products to Category 2 customers from plants other than the Worcester Plant. For the avoidance of doubt, therefore, we have also concluded that Vandemoortele's Toll Manufacturing Agreement would need to cover all Category 2 customer orders which are not currently made in the Worcester Plant (even if these total more than [✄] per annum).[458]

Pricing of Vandemoortele's Toll Manufacturing Agreement

10.77 With respect to the pricing terms of Vandemoortele's Toll Manufacturing Agreement, we have considered whether by implementing a toll manufacturing agreement in relation to products that are currently sold directly by Vandemoortele to customers, Vandemoortele may be introducing double marginalisation into the relevant customer contracts (and therefore narrowing the Divestment Purchaser's margins relative to the margins Vandemoortele achieved for the same products when it manufactured them 'in-house').[459] In turn, we have considered whether, if this double marginalisation exists, there is a consequent risk that the Divestment Purchaser may be unable to successfully compete on price as a supplier of the relevant LD products.

10.78 During the Remedies Meeting[460] and in the written submission made in response to the comments the CMA made during the Remedies Meeting, Vandemoortele stated that the [✄] is normal in the industry.[461] Vandemoortele also explained that, typically, [✄]. The parties to the agreement then [✄]. Vandemoortele further submitted that it proposes to replicate this model with regards to Vandemoortele's Toll Manufacturing Agreement (for existing as well as for new volumes).[462]

[458] [✄] tons of the [✄] tons was supplied from a third party site via a toll manufacturing agreement Vandemoortele benefits from. To the extent that Vandemoortele is unable to supply these volumes using its own facilities, our view is that Vandemoortele would need to pursue all reasonable endeavours to transfer this supply agreement to the Divestment Purchaser. See: Vandemoortele response to P2-s109-02, Annex 2.
[459] Double marginalisation occurs in a vertical supply chain when both the upstream supplier and the downstream seller add their own profit margin, increasing the final price paid by customers.
[460] The CMA held a Remedies Meeting with the Parties on 6 July 2026.
[461] Parties, Remedies meeting response, 10 July 2026, paragraph 2.2.
[462] Parties, Remedies meeting response, 10 July 2026, paragraph 2.5.

10.79 Vandemoortele also explained that it would not dictate what the [✄] would be,[463] and that it would be part of the negotiation with the purchaser (who it submitted will be sophisticated, experienced, and well-placed to negotiate what it thinks is workable from the purchaser's perspective).[464] Vandemoortele submitted that, because the [✄], the proposed agreement would not lead to double marginalisation.[465]

10.80 In the IRR Response, Vandemoortele submitted that it is customary to use transparency mechanisms in toll manufacturing agreements, including through [✄] that can be verified through independent auditors. Through such mechanisms, Vandemoortele submitted, the Divestment Purchaser will have visibility over the [✄] drivers and be able to assess whether the overall pricing proposed is commercially reasonable and consistent with market practice.[466] In this regard, Vandemoortele explained that it has previously negotiated an agreement like this with [✄].[467]

10.81 In the IRR Response, Vandemoortele also submitted that it will be incentivised to ensure it offers an attractive price for toll manufacturing services, given that the Divestment Business could source LD products from other manufacturers if Vandemoortele's offer is not competitive.[468]

10.82 As a result of the factors set out in paragraphs 10.80 and 10.81 above, Vandemoortele considered that negotiated [✄] pricing based on standard industry practice, with [✄], would provide the Divestment Purchaser with attractive and competitive costs and commercial certainty.[469] In Vandemoortele's view, in addition to being unnecessary, any attempt by the CMA to fix a price for a toll manufacturing agreement (rather than allowing Vandemoortele to negotiate one with the Divestment Purchaser) would raise a number of practical difficulties, namely that (i) the CMA does not have the necessary industry expertise to determine what price is economically and commercially reasonable, and (ii) such a mechanism does not allow for price variations over time.[470]

CMA's views on the effectiveness of Vandemoortele's Toll Manufacturing Agreement

10.83 We recognise that toll manufacturing agreements such as the one Vandemoortele is proposing are typical in the context of 'at arm's length' negotiations between third parties (where third parties seeking a toll manufacturer supplier are able to

463 Parties, Remedies Meeting transcript, 6 July 2026, page 15, lines 3-5
464 Parties, Remedies Meeting transcript, 6 July 2026, page 15, lines 6-8
465 Parties, Remedies meeting response, 10 July 2026, paragraph 2.5.
466 Vandemoortele IRR Response, 23 July 2026, paragraph 2.6(b).
467 Vandemoortele IRR Response, 23 July 2026, paragraph 2.6(d).
468 Vandemoortele IRR Response, 23 July 2026, paragraph 2.6.
469 Vandemoortele IRR Response, 23 July 2026, paragraph 2.11.
470 Vandemoortele IRR Response, 23 July 2026, paragraph 2.8.

negotiate with multiple other suppliers as and when customer demand for the relevant products arises). However, in the context of Vandemoortele's Remedy Proposal (where competitively priced alternative toll manufacturing agreements may not be available from the outset and where the Divestment Purchaser may have no option but to enter into such an agreement with Vandemoortele specifically in order to retain a customer), our view is that there is a residual risk that a [✂] model (or an alternative model) negotiated between Vandemoortele and the Divestment Purchaser may result in the Divestment Purchaser not being able to compete effectively (ie, at a minimum, supply the relevant LD products at a competitively viable profit), unless (i) the Divestment Purchaser has significant LD industry experience (or equivalent), and (ii) the CMA and Monitoring Trustee approve and oversee Vandemoortele's Toll Manufacturing Agreement.

10.84 In our view, a Divestment Purchaser with significant LD industry experience (or equivalent) would be in a considerably stronger position to:

(a) Understand [✂].

(b) Understand how key clauses (eg audit rights, dispute resolution mechanisms) are likely to operate in practice (including with respect to enforceability) in the context of the LD industry.

(c) Exert leverage in negotiations through being able to either manufacture the relevant LD products using its own manufacturing facilities or through being able to identify more commercially attractive toll manufacturing opportunities. While neither option would be available from the outset (given the time required to transfer production from one plant to another), they would reduce the Divestment Purchaser's dependence on Vandemoortele's Toll Manufacturing Agreement over the course of its two-year duration.

10.85 In our view, it is necessary that the CMA, directly and through the Monitoring Trustee, reviews the terms of Vandemoortele's Toll Manufacturing Agreement, including any 'material changes' to the agreement,[471] and approves it only once it is satisfied that its terms enable the Divestment Purchaser to compete effectively. In reaching this view, the CMA would expect, at a minimum, the following:

(a) A clear specification of the minimum capacity to be made available to the Divestment Purchaser (ie a minimum of [✂] for the entire duration of the agreement and, in any event, enough to meet all Category 2 customer orders not currently being made in the Worcester Plant (see paragraph 10.76)).

[471] 'Material changes' would encompass, by way of non-exhaustive example, any changes to pricing, or the price adjustment mechanism, any reduction in the volume and product range requirements, any changes to the minimum service requirements and quality standards, any changes to the duration of the agreement and to the Divestment Purchaser's protection rights (eg with respect to transparency, third party audit or the Monitoring Trustee's oversight).

(b) A clear specification of the LD products that capacity would be made available for (ie at a minimum the Non-Worcester Products).

(c) A clear specification of the minimum service requirements (including with respect to delivery times, product quality, and complaints handling).

(d) A provision specifying that the agreement and any material changes to the agreement (through a variation, a side letter, or any other mechanism) require prior CMA consent.

(e) Clearly specified pricing terms which enable the Divestment Purchaser to compete effectively.

(f) At the election of the Divestment Purchaser:

(i) [✂] obligations on Vandemoortele, for instance through a requirement to submit to the Divestment Purchaser [✂] or an equivalent alternative. Such obligations should be accompanied by a mechanism which requires Vandemoortele to cooperate with any [✂] the Divestment Purchaser may wish to appoint to assess whether the [✂] in the [✂] (or any other [✂]) are reliable (ie are a true reflection of the [✂] under Vandemoortele's Toll Manufacturing Agreement). Such [✂] obligations should also cover, among other things, the application of any [✂] mechanism (for instance to take into account [✂]) which may form part of the agreement.

(ii) A rapid and effective dispute resolution mechanism which would allow the parties to quickly resolve any disputes arising from the agreement.

10.86 Relatedly, we consider it necessary that the Monitoring Trustee:

(a) Monitors whether Vandemoortele's Toll Manufacturing Agreement (for the entire duration of the agreement), continues to contain the provisions set out in paragraph 10.85 above (at a minimum), that any variations to the agreement (including the basis for such changes) are consistent with the minimum requirements set out in paragraph 10.85 above, and in the event of a material variation, investigates the basis for the variation and report it to the CMA for the CMA's approval (if not already notified to the CMA by the parties to the agreement).

(b) Reports to the CMA on a quarterly basis (or an alternative frequency to be agreed in writing with the CMA) for the entire duration of Vandemoortele's Toll Manufacturing Agreement on, among other things, whether Vandemoortele is making the capacity as specified in Vandemoortele's Toll Manufacturing Agreement (in terms of volumes and product types) available to the Divestment Purchaser and whether it is meeting the minimum service requirements specified in that agreement.

10.87 Our view is that subject to the safeguards specified in paragraphs 10.84 to 10.86 above, Vandemoortele's Toll Manufacturing Agreement would enable the Divestment Purchaser to compete effectively.

Longer Term measures

Modifications and enhancements to the Worcester Plant

10.88 As noted in paragraph 10.72(a) above, adaptations to the Worcester Plant to enable it to produce certain (or additional) Investment-Dependent Volumes would have a limited impact on the Worcester Plant's overall capacity. As a result, implementing these measures may mean that [✂].

10.89 Given the inherent uncertainty regarding the product mix which existing and future Divestment Business's customers are likely to require in future, our view is that it is not practicable for Vandemoortele's Remedy Proposal to include a requirement for Vandemoortele to install specific pieces of equipment into the Worcester Plant that are designed to enable the Worcester Plant to make new, or additional volumes of, specific products. Nevertheless, in our view such measures may, if they align with the Divestment Purchaser's commercial strategy and compare favourably with alternatives, be necessary to ensure that the Divestment Business is able to retain and win new customers. To the extent that this is the case, the CMA would expect the Divestment Purchaser to specify during the purchaser approval process a commitment to make the necessary investments.

10.90 With regard to extending capacity by installing a [✂], the CMA understands from Vandemoortele that the resulting increase in capacity to [✂] kT would not require [✂]. Accordingly, given the Worcester Plant's current capacity restrictions, our view is that it is necessary for Vandemoortele to procure and arrange for the installation of an [✂] in the Worcester Plant at the Divestment Purchaser's election.[472]

10.91 We also note Vandemoortele's submission that the Worcester Plant could be extended so that a new line can be installed. As Vandemoortele recognises, however, this would require third party consents (eg planning permission).[473] Given the uncertainty that these third party consents would be granted, and the uncertainty regarding the commercial viability of this expansion even if these

[472] The CMA understands from Vandemoortele that the estimated lead time for procurement and delivery of a [✂] is approximately [✂]. Installation is expected to temporarily impact production for approximately [✂]. Vandemoortele response to P2-RFI-02, paragraph 11.1.
[473] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 2 and Vandemoortele response to P2-RFI-02, question 13

consents were granted, our view is that it is not appropriate to rely on this as a mitigation to the composition risk identified in this section.

Toll manufacturing agreements with third parties

10.92 Vandemoortele submitted that it is industry standard to operate with a mix of own manufactured products and externally sourced products (ie 'traded goods').[474] In support of this submission, Vandemoortele said that [✄], it does, however, [✄]. In this regard, Vandemoortele submitted that there is no difference between different categories of bakery products. Further, Vandemoortele submitted that it supplies [✄].[475]

10.93 Vandemoortele's submissions are broadly supported by third parties (see paragraph 10.55(e)). However, we also identified evidence from other third parties which indicates that there are limits to the extent to which LD suppliers can rely on toll manufacturing agreements in order to be competitive (see paragraphs 10.55(b) and 10.55(d). As a result, we have concluded that while using toll manufacturing agreements can help a supplier broaden its product portfolio, they are an insufficient means to become an effective competitor in the Long Term.

Implications for Divestment Purchaser's capabilities

10.94 In the Immediate Term, the Divestment Business (directly or through Vandemoortele's Toll Manufacturing Agreement) would have the necessary equipment from the outset to continue supplying Category 2 and Category 3 customers with all of the volumes which those customers currently source from Vandemoortele. The Divestment Business would also have approximately [✄] of spare capacity to supply existing customers with additional volumes, or to supply new customers, potentially increasing to [✄] if the [✄] is installed.[476]

10.95 Moreover, Vandemoortele has offered, at the Divestment Purchaser's election, to provide toll manufacturing services for additional volumes.[477] Theoretically, the Divestment Business may be able to supply its existing customers with additional volumes, and also to win new customers using these services. As discussed above, the Divestment Business may also have access to toll manufacturing agreements with third parties (although, for the reasons noted in paragraph 10.93 above, these arrangements have material limitations).

[474] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 20.
[475] Vandemoortele's response to P2-s109-04, dated 30 June 2026, question 1.
[476] We note that one competitor we spoke to, which had inspected the Worcester Plant, submitted to us that the Worcester Plant's capacity could be increased to [✄] (albeit in making this submission it referred to a freezer tunnel replacement, rather than installing a [✄]). See [✄] submission.
[477] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 20.

10.96 We note, however, that for a remedy to be effective, it has to enable the Divestment Purchaser to compete effectively on an ongoing basis.[478] In this regard, we note that, once Vandemoortele's Toll Manufacturing Agreement lapses, under Vandemoortele's Remedy Proposal the Non-Worcester Volumes (and any other volumes which cannot be made in the Worcester Plant for capacity or technical reasons) would need to be supplied by the Divestment Purchaser (using the Worcester Plant and / or the Divestment Purchaser's existing capabilities):

(a) With regard to the Capacity Constraint Volumes and the Unspecified Volumes, we consider that it may be possible to supply them using the Worcester Plant (especially if the [✂] is installed (see paragraph 10.33(d)).

(b) With regard to the Investment-Dependent Volumes and the Allergen Volumes (or equivalent new products), the Divestment Business' ability to supply these would depend on the availability of toll manufacturing agreements with third parties, and / or alterations to the Worcester Plant which would result in the increase of capacity at the plant. For the reasons set out in paragraphs 10.88 to 10.91 and in paragraph 10.93, there are limits to the extent to which measures are sufficient to enable an LD supplier to compete successfully on an ongoing basis.

10.97 In light of (i) the importance of being able to supply a wide range of LD products (see paragraph 10.68), (ii) the limitations of toll manufacturing agreements with third parties (see paragraph 10.95), and (iii) the limits to the extent to which it is possible to rely on adaptations to the Worcester Plant (see paragraph 10.88), our view is that in order for the remedy to have a high degree of certainty of achieving its intended effect[479] (that is, to restore the dynamic process of rivalry between Délifrance and Vandemoortele on an ongoing basis) (paragraph 10.60), the Divestment Business would need to be acquired by a Divestment Purchaser capable of demonstrating that by (at the latest) the end of Vandemoortele's Toll Manufacturing Agreement, it will be able to supply a significant proportion of the volumes and products which Vandemoortele has been producing on its behalf under Vandemoortele's Toll Manufacturing Agreement.

10.98 The CMA does not consider it necessary to specify in this chapter how the Divestment Purchaser should demonstrate the ability described in the above paragraph, although we note the following:

(a) Commissioning and installing the necessary machinery or adaptations to plants which do not already manufacture LD products (and RTB products in particular) can take a significant amount of time. For instance: (i) Vandemoortele submitted that commissioning and installing a [✂] on an LD

[478] CMA87, paragraph 5.7.
[479] CMA87, paragraph 3.5(d).

production line which does not currently have one would take 'up to around 12 months',[480] (ii) Vandemoortele submitted that the estimated lead time for procurement and delivery of a [✂] is approximately [✂],[481] and (iii) Sammontana submitted that adapting its current production lines for Italian style laminated dough products so that they are able to produce Frozen French laminated dough would take approximately [✂].[482]

(b) Even if the necessary machinery could be installed in an expedited timeframe, the Divestment Purchaser would need sufficient spare space within its existing facilities or, alternatively, to expand its existing facilities or build new ones.

10.99 Given the factors set out in the above paragraph, combined with the importance customers generally attribute to track record when deciding on their LD supplier (see paragraph 10.59), we consider that a Divestment Purchaser without a pre-existing ability to supply a significant proportion of the Investment-Dependent Volumes and the Allergen Volumes is unlikely to demonstrate that by (at the latest) the end of Vandemoortele's Toll Manufacturing Agreement, it will be able to supply a significant proportion of the volumes and products which Vandemoortele has been producing on its behalf under Vandemoortele's Toll Manufacturing Agreement.

Conclusion on lack of ability to make certain LD products

10.100 We have concluded that the inclusion of Vandemoortele's Toll Manufacturing Agreement (subject to the conditions and safeguards set out in paragraph 10.83) mitigates this composition risk in the Immediate Term.

10.101 However, in the Long Term, we have concluded that toll manufacturing agreements with third parties and modifications to the Worcester Plant are unlikely to be sufficient on their own (or even when combined) to mitigate this risk, and that the Divestment Purchaser needs to have a Long Term plan and be capable (such as through its existing capabilities or through capabilities it is able to develop in the Immediate Term) of fully mitigating this risk by itself. We have concluded that a purchaser is likely to be able to achieve this only if it has previous experience in supplying LD products to foodservice and retail customers in the UK.

Loss of Centralised Support from outside the UK

10.102 As noted in paragraph 10.50(b)(ii), Vandemoortele's Remedy Proposal includes all but [✂] of the [✂] UK-based Vandemoortele staff members who currently support

[480] Parties' response dated 30 January 2026 to the CMA's questions dated 27 January 2026, paragraph 21.
[481] Vandemoortele response to P2-RFI-02, paragraph 11.1
[482] Sammontana submission to the CMA

its UK LD business. Vandemoortele has listed each of these individuals in its remedies form, alongside their respective job titles and descriptions.

10.103 As noted above, customers consistently cited the following employees or functions at their respective LD suppliers as important for sustaining their supplier's competitiveness:

(a) Commercial staff, in particular account managers.

(b) Operations staff, including the plant manager and supply chain specialists.

(c) Technical and quality teams, who are seen as necessary towards maintaining products' quality and consistency.

(d) R&D and NPD teams, who are responsible for innovation and, ultimately, customers' own competitiveness.

10.104 Competitors cited similar job titles and functions as being important towards sustaining their competitiveness (see paragraph 10.56(d)).

10.105 We consider that Vandemoortele's Remedy Proposal includes, to a considerable extent, the roles and functions which third parties consider important to sustaining an LD supplier's competitiveness. However, as noted in paragraph 10.64(b), above, the Divestment Business, post-divestment, would lose all of the Centralised Support it previously benefited from.

10.106 We acknowledge that some of the Centralised Support may, as Vandemoortele submitted, relate to 'functions that are not integral to the standalone operation of the Worcester Plant or Vandemoortele's UK LD operations.'[483] However, such support also includes functions, like R&D and NPD support, procurement support, and supply chain management support which some third parties (including customers who account for a significant proportion of the Divestment Business' revenue) (see paragraphs 10.56(c), 10.59(b) and 10.59(c)) indicated that they either (i) saw as important and as driven from overseas (eg Vandemoortele's head office in Ghent), or (ii) considered important to the likelihood of a purchaser of the Divestment Business being able to compete effectively.

10.107 We understand from Vandemoortele the following with regard to each of the Centralised Support functions referred to in paragraph 10.106 above:[484]

(a) **Product development**. Substantially all product development support provided to Vandemoortele's UK LD operations is provided by the commercial team located in the Staines office and on site at the Worcester

[483] Vandemoortele response to P2-RFI-02, paragraph 1.2.
[484] Vandemoortele response dated 10 July 2026 to the CMA's s109 notice dated 9 July 2026 (**P2-s109-05**), question 1.

Plant. However, Vandemoortele's UK LD operations [✂].[485] This [✂] relates to [✂].[486]

(b) **Procurement.** Vandemoortele's procurement team located in Ghent acts as a contracting entity [✂] on behalf of the Vandemoortele's business, including its UK LD operations. This team also: [✂].[487]

(c) **Supply chain, distribution and logistics management**. Supply chain, distribution and logistics management for Vandemoortele's UK LD operations is carried out by the UK-based team. However, the UK LD operations receive some support from Vandemoortele's Supply Chain Centre of Excellence located in Ghent. This team is responsible for [✂].[488]

10.108 In the IRR Response, Vandemoortele submitted that none of the Centralised Support functions referred to in paragraph 10.107 above are LD-specific. In particular, Vandemoortele submitted that:

(a) Any industrial bakery manufacturer will own or have access to laboratory testing. There is no difference between [✂]. Similarly, there is nothing [✂], nor is there anything [✂].[489]

(b) There is no difference in procuring ingredients for LD products compared with other bakery products. Indeed, there is considerable overlap between the ingredients used in different bakery products (eg, butter, flour, chocolate, sugar, packaging). Any industrial bakery manufacturer will already have procurement functions that are able to negotiate with suppliers and support the Divestment Business.[490]

(c) The same is true for logistics. There is no difference between the supply and delivery of LD products to supermarkets and food service customers and the supply of other frozen bakery products (bread, cakes and so on), either in terms of physical delivery or organisational logistics. To the contrary, there are efficiencies in increasing the volume of products delivered. Any industrial bakery firm will already have central logistical capabilities and be well placed to support the Divestment Business.[491]

10.109 We acknowledge that for the Centralised Support functions referred to in paragraph 10.107 above there will be specific skills which are largely transferrable from different baked goods sectors (eg negotiating with suppliers of raw materials for baked goods, ingredients testing, and packaging expertise). However, we note

485 Vandemoortele response to P2-s109-05, question 1.
486 Vandemoortele IRR Response, 23 July 2026, paragraph 3.13.
487 Vandemoortele response to P2-s109-05, question 1.
488 Vandemoortele response to P2-s109-05, question 1.
489 Vandemoortele IRR Response, 23 July 2026, paragraph 3.13 and 3.14.
490 Vandemoortele IRR Response, 23 July 2026, paragraph 3.9.
491 Vandemoortele IRR Response, 23 July 2026, paragraph 3.10.

that half of Category 2 customers indicated that in order for the Divestment Business to be an effective competitor, the Divestment Purchaser needed to be, or likely needed to be, a company with significant experience supplying LD products to UK customers (as only such a company was likely to possess the necessary level of capability and experience).[492] While we did not explicitly ask these customers about the extent to which certain skills are transferrable from other baked goods products to LD products, we consider that their response implies that there are limits to the extent to which such transferability is possible (at least in the short term). Most importantly, however, as we discuss in more detail in paragraphs 10.113 to 10.120 below, we consider these customers' submissions to indicate that a purchaser without significant experience supplying LD products to UK customers is likely to face challenges in retaining and winning new LD customers.

10.110 We also acknowledge that under Vandemoortele's Remedy Proposal, Vandemoortele has offered to provide appropriate TSAs for the benefit of the Divestment Purchaser for a maximum of 12 months following divestment completion, which may be extended by up to six additional months if reasonably required, subject to discussion with the Divestment Purchaser, covering each of the centralised support functions the Divestment Business currently benefits from (including each of those referred to in paragraph 10.107 above).[493]

10.111 While we consider the proposed TSAs to be essential for business continuity and retaining customers in the short term, we note that they are, by definition, time-limited and that there are limits to the extent to which they can enhance the Divestment Purchaser's Long Term competitiveness (and even, to an extent, its short-term competitiveness). Specifically:

(a) TSAs, by their nature, do not typically cover executive or strategic support.

(b) While we have not seen details of the breadth of R&D and supply chain support that Vandemoortele plans to offer under the relevant TSAs, we would not expect (and would in any event not consider it appropriate for) TSAs to cover the most sensitive components of R&D or supply chain support.

(c) While we have not seen details of the breadth of procurement support that Vandemoortele plans to offer under the relevant TSA, we note that the current level of procurement support which the Divestment Business receives from Vandemoortele's head office is [✂], and extends to functions ([✂]) which [✂]. There is a consequent risk, in our view, that it may not be possible to transfer these skills and expertise unless the relevant individuals

[492] Third party call notes: [✂] and [✂] response to the CMA's RFI.
[493] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraphs 89 – 90.

in Ghent transfer with the Divestment Business or the Divestment Purchaser already employs individuals with comparable skills and expertise.

10.112 Our view is that the detailed and clearly specified scope of Vandemoortele's Remedy Proposal with regard to staffing and corporate functions, in combination with the proposed TSAs and non-solicitation clauses covering key staff, would mitigate the composition risk relating to the loss of Centralised Support from outside the UK to some extent, especially in the short term. However, to fully mitigate this risk and be considered a suitable purchaser, in our view, the Divestment Purchaser would need to demonstrate that, in the short term and in particular in the longer term (ie beyond the term of the TSAs), it will be able to provide a level of support to the Divestment Business and its customers which is comparable to the Centralised Support from outside the UK which the Divestment Business currently benefits from via Vandemoortele. In our view, absent any of the Centralised Support functions (including their respective employees) from outside the UK being included in the Divestment Business (beyond TSAs), it is likely that only a purchaser which currently supplies LD products to UK customers would be able to demonstrate this capability.

Lack of ability to retain customers and win new customers

10.113 We consider that if the composition risks evaluated above are not properly mitigated, there is a resulting risk that the Divestment Business will not be sufficiently successful in retaining customers and winning new customers (and will therefore be unable to remain competitive).

10.114 We consider this risk to be especially acute given our understanding from third parties that contracts[494] do not typically specify minimum volumes (ie there are no restrictions on how little or how much customers can order, other than technical or capacity-related reasons on the supplier's side). We also understand that prices are typically negotiated on a yearly basis,[495] but can be negotiated multiple times in a single year.[496] Moreover, while customers will typically set out a duration for the contract (usually by email), there appear to be limited contractual barriers on when a customer can initiate a tender. Indeed, we note feedback from a private equity firm with experience in the food manufacturing sector that while contractual arrangements may transfer, LD customers frequently undertake supplier reviews following changes of ownership (leading to a potential customer retention risk with Vandemoortele's Remedy Proposal).[497] As a result, to the extent that Category 2

[494] Customer and competitor feedback was broadly consistent with Vandemoortele's submission that: 'it does not typically [✂] with its UK customers for the supply of its products (LD products or otherwise). Its supply relationships are generally governed by a combination of: (i) [✂] pricing, volumes and commercial terms; and (ii) standard terms and conditions [✂].' Vandemoortele revised phase 2 remedies form, 11 June 2026, footnote 6.
[495] Third party call notes: [✂].
[496] [✂] call note.
[497] [✂] response to the ITCR.

and Category 3 customers agree to continue to be supplied from the Worcester Plant under the ownership of the Divestment Purchaser, there are likely to be limited, if any, contractual guarantees regarding the orders (in terms of volumes and prices) that the Divestment Business can expect to receive going forward.

10.115 We recognise that, as noted in paragraph 8.10, switching to an alternative supplier (or plant) is likely to take time and involve some costs. We also recognise that there are certain complexities around switching suppliers, for instance because not all plants have [✂], [✂], for example [✂] or [✂].[498] Moreover, as set out in paragraph 10.58(a) above, customers will need to fully test and audit a plant before transferring volumes to it, which can take a considerable period of time. By continuing to make comparable orders from the Worcester Plant under the Divestment Purchaser's ownership, customers could in theory avoid or defer these costs and complexity.

10.116 However, as noted by three Category 2 customers, changes in ownership (even without changes to the plant supplying the relevant products) do still require certain administrative steps (eg changing product codes), as well as due diligence on the purchaser.[499] More importantly, however, third party feedback indicated that their willingness to continue to be supplied by the new owner of the Worcester Plant would be contingent on that purchaser's ability to sustain the level of quality, consistency and customer service that they had been receiving under Vandemoortele (see, for instance, paragraph 10.59(e)).

10.117 Were certain customers (especially the ones contributing the most revenue) to terminate the commercial relationship with the Divestment Business, or to significantly reduce their orders from the Divestment Business over time, the Divestment Business' competitive capability going forward may be threatened. We have identified two ways in which this could happen:

(a) **Loss of economies of scale**. We have heard from third parties that scale is important towards being able to reduce procurement costs and, ultimately, being able to offer competitive prices to customers.[500]

(b) **Loss of ability to demonstrate track record**. As noted in paragraph 6.17, customers value a supplier's track record and will therefore take it into account when deciding whether to retain or onboard a supplier. The fewer customers the Divestment Business is able to retain, in our view, the less likely it is that it will be able to demonstrate to potential new customers that it has the requisite track record.

[498] Parties response to the CMA's questions of 20 February 2026, paragraphs 2.2-2.4 and 3.5-3.6.
[499] Third party call notes: [✂].
[500] Third party call notes: [✂].

10.118 In our view, each of the mitigations identified for the first two composition risks would also help mitigate this risk. For instance, selecting a Divestment Purchaser with a track record in supplying LD products in the UK would provide customers with considerably stronger assurances that the Divestment Business will be able to sustain the level of quality, consistency and customer service that they had been receiving under Vandemoortele (see, for instance, paragraph 10.59(f)(ii) and paragraph 10.59(a)).

10.119 Given, however, (i) the limited contractual assurances regarding volumes and transfers highlighted in paragraph 10.114 above, as well as (ii) views from a competitor[501] that Vandemoortele may be able to leverage pre-existing customer relationships (with respect to LD products or even other products) in order to win back customers transferred with the Divestment Business, our view is that additional measures are necessary in order to mitigate this composition risk:

(a) **Non-solicitation clauses**. Our view is that any undertakings which form part of Vandemoortele's Remedy Proposal would need to include robust non-solicitation clauses covering all Category 2 and Category 3 customers. Moreover, given the importance certain customers attributed to the retention of certain Divestment Business staff members in their decision on whether or not to continue sourcing from the Worcester Plant under the ownership of the Divestment Purchaser, we also consider that any undertakings which form part of Vandemoortele's Remedy Proposal would need to include additional non-solicitation clauses covering certain members of staff included within the scope of Vandemoortele's Remedy Proposal. We note in this respect that Vandemoortele has offered to include in its remedy proposal non-solicitation clauses with respect to both customers and key staff.[502] We have not yet reached a view on the adequacy of the terms Vandemoortele is proposing. Our view, however, is that these would need to be discussed with the Divestment Purchaser and would need to be sufficiently robust to enable the Divestment Business to compete effectively.

(b) **Practical steps to secure customer consent, where it is needed**. To the extent that certain customer agreements require consent, our view is that Vandemoortele would need to pursue all reasonable endeavours to facilitate and / or incentivise customer consent. In our view, it is also necessary for Vandemoortele to engage with customers early, in particular with regard to the precise composition of Vandemoortele's Remedy Proposal. This early engagement, in our view, would increase the likelihood that any customer concerns are adequately dealt with.

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[501] [✂] submission.
[502] Vandemoortele IRR response, dated 23 July 2026, paragraph 4.1.

10.120 We have concluded that, subject to the mitigations set out in paragraphs 10.75, 10.76, 10.83, 10.90, 10.97, and 10.112 with respect to the first two composition risks identified (lack of ability to make certain LD products and loss of Centralised Support from outside the UK), this composition risk can be partially mitigated. However, we have also concluded that additional mitigations (as set out in the paragraph above relating to lack of ability to retain customers and win new customers) are also necessary to fully mitigate this composition risk.

Conclusion on composition risk

10.121 Our view is that Vandemoortele's Remedy Proposal gives rise to certain composition risks. However, we consider that Vandemoortele has proposed measures which, provided they are adequately implemented, would result in those risks being partially mitigated. In particular:

(a) By removing the need for any volumes to be transferred between plants, Vandemoortele is reducing the likelihood of Category 2 and Category 3 customers objecting to the remedy.

(b) By offering Vandemoortele's Toll Manufacturing Agreement, Vandemoortele is removing the need for customer agreements to be split, while offering the Divestment Purchaser additional capacity should it be successful in securing more orders from its existing customers or in winning contracts with new customers.

(c) By offering to install a [✂] in the Worcester Plant at the Divestment Purchaser's election, Vandemoortele is giving the Divestment Purchaser an opportunity to materially increase the Worcester Plant's capacity.

(d) By clearly specifying the scope of the remedy (including with respect to staff members and customer agreements), and the safeguards specified in paragraph 10.119), Vandemoortele's Remedy Proposal minimises the risk identified in paragraph 10.23(a).

10.122 Nevertheless, in our view, in order to further mitigate the composition risks we have identified, the CMA will need to implement additional mitigations, specifically:

(a) Those listed in paragraphs 10.84 to 10.86 concerning Vandemoortele's Toll Manufacturing Agreement.

(b) The implementation of a robust non-solicitation clause in line with paragraph 10.119(a).

(c) Those measures to secure customer consent listed in paragraph 10.119(b).

10.123 Moreover, in addition to the measures set out in paragraph 10.122 above, for the reasons set out in paragraphs 10.84, 10.96 to 10.99, 10.112, and 10.118, in order to enable the Divestment Business to compete successfully on an ongoing basis, the Divestment Purchaser would need to satisfy the purchaser suitability criteria set out in the section below. In the following section, we define these criteria and discuss the availability of Divestment Purchasers who are likely to meet those requirements.

Purchaser risks – identification and availability of a suitable purchaser

10.124 Purchaser risks are the risks that a suitable purchaser is not available or that the merger parties will dispose to a weak or otherwise inappropriate purchaser.[503] As indicated in paragraph 4.26 of CMA186, unless the CMA's purchaser suitability criteria are sufficiently specific, merger parties may be able to weaken future competition through their influence over the choice of purchaser for a divestment package.[504]

10.125 For the reasons set out in paragraphs 10.84, 10.96 to 10.99, 10.112, and 10.118, our view is that in order to enable the Divestment Business to compete successfully on an ongoing basis, the Divestment Purchaser would need to satisfy the following criteria:

(a) It will be able to successfully negotiate and enforce terms in Vandemoortele's Toll Manufacturing Agreement which enable it to compete effectively.

(b) By (at the latest) the end of Vandemoortele's Toll Manufacturing Agreement, it will need to be able to self-supply or have a Long Term plan for any volumes and products which Vandemoortele has been producing on its behalf.

(c) In the short term and in particular in the longer term (ie beyond the term of the TSAs), it will be able to provide a level of support to the Divestment Business and its customers which is comparable to the Centralised Support from outside the UK which the Divestment Business currently benefits from via Vandemoortele.

(d) It will be able to provide customers with credible assurances that the Divestment Business will be able to sustain the level of quality, consistency and customer service that they had been receiving under Vandemoortele.

10.126 For the reasons set out in paragraphs 10.84, 10.96 to 10.99, 10.112, and 10.118, we consider that a purchaser with experience supplying LD products to UK retail

503 CMA87, paragraph 5.3(b).
504 CMA186, paragraph 4.26.

and foodservice customers is considerably more likely to meet the criteria in the above paragraph.

10.127 Vandemoortele submitted that on the week commencing 8 June 2026 it started marketing the Divestment Business to industry purchasers (including UK bakery product manufacturers and those active in the bakery products industry) and received preliminary indicative interest from [✂] purchasers, including [✂], all of which are industry purchasers.[505] Of these [✂] purchasers [✂] currently supply LD products to UK customers. Vandemoortele also submitted that by 13 August 2026, [✂] purchasers had confirmed their preliminary interest. These were [✂].[506]

10.128 We note that [✂][507] and [✂][508] have both reached out to us expressing an interest in buying the Divestment Business should the CMA find an SLC and Vandemoortele ultimately offer to divest the Divestment Business. We also note that by 7 August 2026, [✂] had submitted non-binding offers for the Divestment Business,[509] and we understand that [✂] plans to make an offer for the Divestment Business in early September 2026.[510] We do not consider it appropriate to comment on the suitability of specific purchasers at this stage. However, these third parties' interest supports our conclusion that the purchaser risk is acceptable.

Asset risks – ensuring an effective divestiture process

10.129 Asset risks are the risks that the competitive capability of a divestiture package will deteriorate before completion of the divestiture, for example, through the loss of customers or key members of staff.[511] Asset risks can be influenced by factors such as the length and complexity of the divestiture process and the pace at which customer goodwill and employee relations may erode.[512] A less complex and quicker divestiture process will typically mitigate asset risks.

10.130 We will focus in this section on the assessment of the procedural safeguards which would be needed to ensure an effective divestiture process. An effective divestiture process would protect the competitive potential of the divestiture business before disposal and enable a suitable purchaser to be secured in an acceptable timescale. The process should also allow prospective purchasers to make an appropriately informed acquisition decision.[513]

[505] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 118.
[506] Vandemoortele, email to the CMA dated 13 August 2026.
[507] [✂] call note.
[508] [✂] submission to the CMA
[509] Vandemoortele, email to the CMA dated 7 August 2026.
[510] Vandemoortele, email to the CMA dated 13 August 2026.
[511] CMA87, paragraph 5.3(c).
[512] CMA87, paragraph 5.34.
[513] CMA87, paragraph 5.33.

10.131 We consider the following procedural safeguards in turn, which may be required to minimise the risks associated with this divestiture:

(a) Timescale to complete the divestiture;

(b) Monitoring Trustee; and

(c) Divestiture Trustee.

Timescale to complete the divestiture

10.132 The divestiture period (the **Initial Divestiture Period**) will normally be [✂].[514] We have not identified any reasons to depart from this [✂],[515] and consider it to be appropriate in this case. We would expect the Parties to submit a timetable for the CMA's approval within a week following acceptance of any final undertakings or the making of a final order, setting out how they intend to fulfil their remedy obligations within the Initial Divestiture Period. The Initial Divestiture Period may be extended by the CMA where this is necessary to achieve an effective disposal.[516]

Monitoring Trustee

10.133 In January 2026, Vandemoortele appointed a monitoring trustee (**Monitoring Trustee**) to monitor compliance with the Initial Enforcement Order and assist the CMA with its assessment of the Proposed UILs. Upon the reference to Phase 2, Vandemoortele agreed to enter into an equivalent mandate with the same Monitoring Trustee (with the scope changed to assisting the CMA with any remedy proposal to be given by the Parties).

10.134 We note that under Vandemoortele's Remedy Proposal, Vandemoortele will need to take steps to (among other things): (i) separate the Divestment Business from the rest of Vandemoortele's business, (ii) ensure that all Divestment Business employees are [✂] to remain with the Divestment Purchaser, and (iii) take all necessary steps to ensure that the UK Customer Relationships transfer to the Divestment Purchaser. Such steps, as well as other steps which are likely to form part of any carve-out remedy, carry an inherent degree of complexity and may give rise to asset risks (for example with respect to staff and customer retention) if they are not managed effectively. As a result, we consider it appropriate for the Monitoring Trustee to be retained throughout the implementation of the divestment of the Divestment Business.

[514] [✂]. The Initial Divestiture Period runs from the acceptance of any final undertakings or the making of any final order to the completion of the divestiture transaction.
[515] CMA87, paragraph 1.6.
[516] CMA87, paragraph 5.41.

10.135 We also consider that Vandemoortele's adherence to Vandemoortele's Toll Manufacturing Agreement will be critical in ensuring that Vandemoortele's Remedy Proposal is effective. Accordingly, we consider it necessary that the Monitoring Trustee remains in place for the duration of Vandemoortele's Toll Manufacturing Agreement (see paragraph 1.74(c)). Throughout this period, in our view, it is also necessary for the Monitoring Trustee to monitor Vandemoortele's adherence to the various TSAs and non-solicitation clauses which form an important part of Vandemoortele's Remedy Proposal.

10.136 We note Vandemoortele's submissions in the IRR Response that it does not consider it necessary or proportionate for the Monitoring Trustee's appointment to last until the end of Vandemoortele's Toll Manufacturing Agreement. Vandemoortele submitted that this is because: (i) the CMA will be able to approve the terms of Vandemoortele's Toll Manufacturing Agreement, (ii) Vandemoortele's Toll Manufacturing Agreement, as well as the non-solicitation clauses and TSAs, are standard features of most business sale transactions, which parties are well able to enforce, and (iii) if Vandemoortele were to fail to comply with any of its obligations, that failure would be immediately detected by the Divestment Purchaser without the need for a Monitoring Trustee, and could be escalated to the CMA, if appropriate.[517]

10.137 As indicated in paragraph 10.83, the CMA considers that the circumstances under which Vandemoortele's Toll Manufacturing Agreement would be entered into may not be comparable to the circumstances which may be expected in the context of ordinary 'arm's length' negotiations between third parties. We consider that CMA approval of Vandemoortele's Toll Manufacturing Agreement, including a requirement for consent to any material changes to the agreement during its lifespan, is likely to mitigate, to a significant extent, any consequent risk that the terms negotiated between Vandemoortele and the Divestment Purchaser may result in the Divestment Purchaser not being able to compete effectively.

10.138 We acknowledge that any residual risk that Vandemoortele may fail to provide the agreed-upon services (eg with respect to making capacity available or meeting minimum service requirements) may also exist in the context of standard business sale transactions. However, the CMA has a statutory duty to have regard to the need to achieve as comprehensive a solution as is reasonable and practicable to the SLC and any adverse effects resulting from it[518] (see paragraph 10.15). Given the importance to the remedy's overall effectiveness of Vandemoortele's Toll Manufacturing Agreement, we consider that taking steps to monitor the agreement (as varied) (in particular with regards to whether the agreed-upon volumes are

[517] Vandemoortele IRR response dated 23 July 2026, paragraph 8.2
[518] Section 35(4) of the Act.

being supplied according to the agreed terms of service) is necessary to give the CMA a 'high degree of confidence' that the remedy will address the SLC.[519]

10.139 As set out in the CMA's Guidance, the appointment of a 'hold-separate' manager, or management team, may also be required to manage the assets/business to be divested, in order to maintain their competitiveness and separation from the retained assets.[520] At this stage, we have seen no evidence that would warrant the appointment of an independent hold-separate manager with executive powers to operate the Divestment Business separately from the rest of Vandemoortele's business.[521] However, should the circumstances change, we would consider whether it would be appropriate to exercise our power to appoint a hold-separate manager. The final undertakings or final order would contain a provision to enable this appointment, if necessary.

Divestiture Trustee

10.140 The CMA Guidance provides that if the merger parties cannot procure divestiture to a suitable purchaser within the Initial Divestiture Period, then, unless this period is extended by the CMA, the CMA may require the merger parties to appoint an independent divestiture trustee (the **Divestiture Trustee**)[522] to dispose of the package within a specified period (the **Trustee Divestiture Period**). The divestiture will be at the best available price in the circumstances, but subject to prior approval by the CMA of the purchaser and the divestiture arrangements.[523]

10.141 We have not been provided with evidence that would lead us to believe that Vandemoortele would not achieve an effective disposal within the Initial Divestiture Period. Therefore, we would not propose to appoint a Divestiture Trustee at the outset of the divestiture process. However, we also recognise that Vandemoortele may have conflicting incentives between achieving an effective and prompt divestiture and maximising its relative competitiveness in the market, and therefore the ability to appoint a Divestiture Trustee would be an important means by which the CMA would be able to bring the implementation of this remedy to a conclusion, if necessary. Therefore, the CMA will consider whether it would be appropriate to exercise its power to appoint a Divestiture Trustee to take control of the divestiture process from Vandemoortele in any one or more of the following situations:

[519] *Ecolab Inc. v CMA* [2020] CAT 12, at [83].
[520] CMA87, paragraph 5.36.
[521] The hold-separate manager's role is a day-to-day management role in the target business, reporting to the CMA rather than to the acquirer. This role is distinct from that of a monitoring trustee, which is focused purely on monitoring and reporting on merging parties' compliance with interim measures (Interim measures in merger investigations (**CMA108**), 2 January 2025 paragraph 4.19).
[522] The role of a divestiture trustee is distinct from that of a monitoring trustee, but the two roles may be performed by the same person (CMA87, paragraph 5.44).
[523] CMA87, paragraph 5.43.

(a) Vandemoortele fails to complete the divestiture process within the Initial Divestiture Period;

(b) the CMA reasonably believes that there is a risk that the divestiture process would be delayed or fail to complete within the Initial Divestiture Period;

(c) Vandemoortele is not engaging constructively with the divestiture process; or

(d) there is a material deterioration in the divestiture package during the divestiture process.

10.142 If a Divestiture Trustee were appointed, the Divestiture Trustee would be required to complete the divestiture remedy at the best available price (which means that there would be no minimum price) within the Divestiture Period to be determined by the CMA based on the relevant circumstances applicable at that time. The final undertakings or final order would contain a provision to enable this appointment, if necessary.

Conclusion on asset risks

10.143 Based on our assessment above, we have concluded that:

(a) the Initial Divestiture Period should be [✂];

(b) a Monitoring Trustee (whose identity would need to be approved by the CMA) would need to be appointed to oversee compliance with the final undertakings or final order;[524]

(c) the CMA should retain the right to appoint a hold-separate manager; and

(d) the CMA should retain the right, should it be considered appropriate, to exercise its power to appoint a Divestiture Trustee. If a Divestiture Trustee were appointed, the Divestiture Trustee would be required to complete the divestiture remedy at no minimum price and within the Divestiture Period.

10.144 On the basis of the above, we have concluded that the asset risks of Vandemoortele's Proposed Remedy are acceptable.

[524] Subject to the conditions set out in paragraph 4.14 of Interim measures in merger investigations (**CMA108**) being met, this could be the same Monitoring Trustee as Vandemoortele has appointed under the Initial Enforcement Order. If this Monitoring Trustee is retained for the remedy implementation phase, it would need to sign a new mandate to formalise its appointment under final undertakings or a final order.

Conclusion on the effectiveness of Vandemoortele's Remedy Proposal

10.145 As mentioned above in paragraph 10.16, the effectiveness of a remedy is assessed by reference to its: (a) impact on the SLC and its resulting adverse effects; (b) duration and timing; (c) practicality; and (d) risk profile.

10.146 First, in relation to the impact of Vandemoortele's Remedy Proposal on the SLC and its resulting adverse effects, the proposed remedy package comprises all the key assets, staff and ancillary agreements (including Vandemoortele's Toll Manufacturing Agreement) for the Divestment Purchaser to compete in the market, at least in the Immediate Term, as a supplier of LD products to retail and foodservice customers in the UK. Following completion of the divestment, from the outset, the Divestment Purchaser would have access to LD production capacity totalling approximately [✂] ([✂] through the Worcester Plant and [✂] through Vandemoortele's Toll Manufacturing Agreement), which exceeds the LD volumes Délifrance supplied to UK customers over the course of the year ended 31 December 2025.

10.147 In the Long Term (as well as in the Immediate Term), subject to finding a suitable purchaser and mitigating any residual composition risks, Vandemoortele's Remedy Proposal will be effective at restoring the process of rivalry lost as a result of the Merger and re-establishing the structure of the market in the supply of LD products to retail and foodservice customers expected in the absence of the Merger.

10.148 With regard to the duration, timing and practicality of Vandemoortele's Remedy Proposal, we note the following:

(a) Vandemoortele's Remedy Proposal addresses the SLC at source by creating a competitor in the relevant market which is capable of competing successfully on an ongoing basis.

(b) Vandemoortele's Remedy Proposal does not involve moving customer volumes from one plant to another and, when taking into account Vandemoortele's Toll Manufacturing Agreement, it ensures continuity for each of the UK Customer Relationships. While customers will need to take certain steps to onboard a new supplier (see paragraph 10.58), these steps are unlikely to take more than 12 weeks.[525]

(c) While Vandemoortele's Remedy Proposal would require some ongoing monitoring, this would be largely limited to monitoring compliance with on-

[525] [✂] noted that it can take around 12 weeks even if site and personnel are retained but could be quicker where relevant paperwork is already in place. [✂] call note. [✂] noted that it would need to set up a new supplier in its systems which, although not unusual, takes around six to eight weeks. [✂] call note. [✂] noted that onboarding a new supplier normally takes around 12 weeks, although it will take less time if the supplier already supplies other products to it. [✂] call note

going hold separate measures, as well as with Vandemoortele's Toll Manufacturing Agreement, the TSAs, and non-solicitation clauses. Accordingly, it would be expected to be limited to two years (subject to any extensions to Vandemoortele's Toll Manufacturing Agreement).

10.149 In terms of risk profile, we have considered the composition, purchaser and asset risks associated with Vandemoortele's Remedy Proposal:

(a) With regard to composition risk, our view is that any residual risks can be mitigated by (i) ensuring that Vandemoortele's Toll Manufacturing Agreement is clearly specified and adequately monitored (in line with paragraphs 10.85 and 10.86), (ii) sufficiently robust non-solicitation clauses covering both staff and customers, as well as practical steps to secure customer consent, where it is needed (see paragraph 10.119), and (iii) selecting a Divestment Purchaser which meets the criteria set out in paragraph 10.125.

(b) With regard to purchaser risk, our view is that a Divestment Purchaser which meets the criteria set out in paragraph 10.125 is likely to be available and that the purchaser risk is therefore acceptable.

(c) With regard to asset risk, our view is that any residual risks can be mitigated through adequate monitoring by the Monitoring Trustee, as well as through the inclusion of rights for the CMA to appoint a hold-separate manager and a Divestiture Trustee, if needed (see paragraph 10.143). We have therefore concluded that the asset risks of Vandemoortele's Remedy Proposal are acceptable.

Therefore, our overall view is that such risks are relatively low and can be mitigated such that Vandemoortele's Remedy Proposal has an acceptable risk profile.

10.150 We have therefore concluded that Vandemoortele's Remedy Proposal, subject to the above residual risks being adequately mitigated through measures such as those outlined above, will be an effective remedy to the SLC we have identified as it will effectively remove the competitive overlap between Vandemoortele and Délifrance which would otherwise be lost as a result of the Merger.

Proportionality

Proportionality assessment framework

10.151 In order to be reasonable and proportionate, the CMA will seek to select the least costly remedy, or package of remedies, of those remedy options that it considers will be effective. In addition, the CMA will seek to ensure that no remedy is disproportionate in relation to the SLC and its adverse effects.[526]

10.152 For the purpose of identifying the least costly effective remedy, when considering relevant costs, the considerations to be taken into account may include (but are not limited to):[527]

(a) distortions in market outcomes;

(b) ongoing compliance and monitoring costs incurred by the CMA and other monitoring agencies; and

(c) the loss of any RCBs arising from the merger which are foregone as a result of the remedy.

10.153 The CMA will endeavour to minimise such costs, subject to the effectiveness of the remedy not being reduced.[528]

10.154 The CMA will generally attribute less significance to the costs of a remedy that will be incurred by the merger parties than the costs that will be imposed by a remedy on third parties, the CMA and other monitoring agencies.[529] In particular, in relation to completed mergers, the CMA will not normally take account of costs or losses that will be incurred by the merger parties as a result of a divestiture remedy, save in exceptional circumstances.[530] The merger parties have the choice of whether or not to enter into a merger agreement, and on what terms. It is for the merger parties to assess whether there is a risk that the merger may be subject to an SLC finding and a divestiture ordered – any costs for the merger parties resulting from this outcome are, in essence, avoidable.

10.155 Having identified the least costly effective remedy, the CMA will then consider whether such a remedy would be proportionate to the SLC and its adverse effects. In doing so, the CMA will compare the level of harm which is likely to arise from the SLC and its adverse effects with the relevant costs of the proposed remedy.[531]

Relevant Customer Benefits

10.156 In deciding the question of remedies, the CMA may, in particular, have regard to the effect of any remedial action on any RCBs in relation to the creation of the relevant merger situation.[532]

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[526] CMA87, paragraph 3.6.
[527] CMA87, paragraph 3.10.
[528] CMA87, paragraph 3.10.
[529] CMA87, paragraph 3.8.
[530] CMA87, paragraph 3.9.
[531] CMA87, paragraph 3.6.
[532] Sections 35(5) and 41(5) of the Act; see also CMA87, paragraph 3.15.

Framework for assessing RCBs

10.157 RCBs are defined by the Act as benefits to relevant customers[533] in the form of: (a) 'lower prices, higher quality or greater choice of goods or services in any market in the United Kingdom (whether or not in the market(s) in which the SLC has, or may have, occurred, or may occur); or (b) greater innovation in relation to such goods or services'.[534] The Act provides that, in relation to a completed merger, a benefit is only an RCB if it has accrued, or may be expected to accrue within a reasonable period, as a result of the merger, and it was, or is, unlikely to accrue without the merger 'or a similar lessening of competition'.[535]

10.158 RCBs that will be foregone due to the implementation of a particular remedy may be considered as costs of that remedy[536] and may be taken into account in our assessment of the proportionality of a remedy.

10.159 The CMA may modify a remedy to ensure retention of RCBs, or it may change its remedy selection. For instance, it may decide to implement an alternative effective remedy which retains RCBs, or in rare cases it may decide that no remedy is appropriate.[537]

10.160 The merger parties will be expected to provide convincing evidence regarding the nature and scale of RCBs that they claim to result from the merger and to demonstrate that these fall within the Act's definition of such benefits.[538]

The Parties' views

10.161 Vandemoortele submitted that the Merger is intended to create significant operational synergies and cost savings (such as in customer service, product range, innovation) and ultimately benefit customers.[539]

10.162 Vandemoortele also submitted that a more intrusive remedy which goes beyond Vandemoortele's Remedy Proposal would harm the Parties' ability to realise operational synergies and cost savings.[540]

Our assessment of RCBs

10.163 In the ITCR, we invited views on the nature of any RCBs arising from the Merger and on the scale and likelihood of such RCBs.

[533] For these purposes, relevant customers are direct and indirect customers (including future customers) of the merger parties at any point in the chain of production and distribution; they are therefore not limited to final consumers (section 30(4) of the Act; see also CMA87, paragraph 3.18).
[534] Section 30(1)(a) of the Act, see also CMA87, paragraph 3.17.
[535] Section 30(2) of the Act, see also CMA87, paragraphs 3.19.
[536] CMA87, paragraph 3.16.
[537] CMA87, paragraph 3.16.
[538] CMA87, paragraph 3.20.
[539] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 126.
[540] Vandemoortele revised phase 2 remedies form, 11 June 2026, paragraph 127.

Conclusion on RCBs

10.164 The Parties have not provided any evidence to support the claim that the efficiencies resulting from the Merger in terms of operational synergies and cost savings would result in RCBs as defined under the Act or as to the nature and scale of such RCBs. Therefore, we have concluded that there are no RCBs that should be taken into account in our assessment of the proportionality of Vandemoortele's Remedy Proposal.

Assessment of the proportionality of Vandemoortele's Remedy Proposal

10.165 In our assessment of proportionality, we first identify those remedies that would be effective and then select the remedy with the lowest cost, or that is least restrictive ('the least onerous effective remedy').

10.166 We note in this respect, that a divestiture remedy which requires a full divestiture of the target business is also typically considered to be effective as it would fully reverse the merger giving rise to the SLC. That would involve, in the present case, a full divestiture of the Délifrance business. However, given that we have identified an alternative effective remedy in this case (subject to the residual risks being adequately mitigated), namely Vandemoortele's Remedy Proposal, which is less costly and intrusive than a full divestiture of Délifrance, we have not assessed, for the purposes of this chapter, the effectiveness of the full divestiture of Délifrance in detail since our duty is to seek the least onerous effective remedy to address the SLC and its adverse effects.

10.167 We have therefore considered the relevant costs associated with Vandemoortele's Remedy Proposal. As set out above, relevant costs may include distortions in market outcomes, ongoing compliance and monitoring costs, and the loss of RCBs:

(a) In relation to whether Vandemoortele's Remedy Proposal gives rise to distortions in market outcomes, our view is that it would not cause such distortions given its targeted scope to address the SLC at source by restoring the competitive structure of the market.[541]

(b) In relation to ongoing compliance and monitoring costs, while Vandemoortele's Remedy Proposal will require some ongoing monitoring, this would be largely limited to monitoring compliance with on-going hold separate measures, any TSAs and non-solicitation provisions, as well as with Vandemoortele's Toll Manufacturing Agreement. Accordingly, ongoing monitoring would be expected to last only two years (subject to any extension to Vandemoortele's Toll Manufacturing Agreement).

[541] CMA87, paragraphs 3.34 and 3.38.

(c) In paragraph 10.164 above, we have concluded that there are no RCBs we should take into account.

10.168 We have also considered the potential costs of Vandemoortele's Remedy Proposal for third parties, namely the existing customers of Vandemoortele whose supplier would change once the Worcester Plant is taken over by the Divestment Purchaser (for example, transition costs to a new supplier). Our view is that these costs are limited and the CMA will in any event seek to ensure, in the application of the purchaser suitability criteria, that such costs would be kept to what is necessary for the purpose of the contracts being taken over by a suitable purchaser. As already mentioned in paragraph 10.148(b) above, while customers will nevertheless need to take certain steps to onboard the new supplier, these steps are unlikely to be excessive and should not take longer than 12 weeks.[542] As a result, we consider these costs to be low.

10.169 As such, we have concluded that the relevant costs we need to take into account in relation to Vandemoortele's Remedy Proposal are expected to be low.

10.170 We acknowledge that the Parties will incur costs as a result of Vandemoortele's Remedy Proposal. However, we have not identified any exceptional circumstances in this case that would justify a departure from the position that the CMA will not normally take account of costs or losses that will be incurred by the merger parties as a result of a divestiture remedy.[543]

10.171 We have found no other effective remedy that is not inherently more costly and intrusive. In view of the above, we have concluded that Vandemoortele's Remedy Proposal is the least costly effective remedy.

Proportionate to the SLC and its adverse effects

10.172 We now turn our proportionality assessment to whether Vandemoortele's Remedy Proposal would be disproportionate in relation to the SLC and its resulting adverse effects that we have found. In doing so, we compare the extent of harm associated with the SLC and its adverse effects with the relevant costs of Vandemoortele's Remedy Proposal.[544]

10.173 We first consider the scale of the SLC and its adverse effects. We have found that the Parties compete closely and are two of the four largest suppliers in a highly concentrated market for the supply of LD products in the UK.[545] They face a small number of significant competitors, which in combination with the Parties' respective leading positions indicates that the Merged Entity would face few

[542] See paragraph 10.58.
[543] CMA87, paragraph 3.9.
[544] CMA87, paragraph 3.6.
[545] See Chapter 7, paragraph 7.89.

material competitive constraints in the supply of LD products in the UK.[546] We have also concluded that there are no countervailing factors that prevent or mitigate any SLC arising from the Merger[547] (specifically, entry or expansion would not be timely, likely and sufficient to prevent an SLC from arising[548] and buyer power would also not prevent an SLC from arising[549]). In view of the foregoing, we have concluded that the Merger has resulted, or may be expected to result, in an SLC in the supply of LD products to retail and foodservice customers in the UK.[550]

10.174 The SLC we have found is not time-limited in duration and we would expect that, without effective intervention, this would have the adverse effects relative to what a more competitive market would have delivered, or may be expected to deliver, in the absence of the Merger.

10.175 Secondly, we have compared the extent of harm associated with the SLC and its adverse effects with the relevant costs of the least costly effective remedy, namely Vandemoortele's Remedy Proposal. Our view is that the extent of harm associated with the SLC and its adverse effects is significant, and enduring in nature.[551] Conversely, the relevant costs of the least costly effective remedy are expected to be relatively low and are mainly related to the customers' costs of onboarding a new supplier once the Worcester Plant is taken over by the Divestment Purchaser. As already explained in paragraph 10.167, such costs are limited and in any event the CMA will seek to ensure, in the application of the purchaser suitability criteria, that such costs are kept to what is necessary for the purpose of the contracts being taken over by a suitable purchaser. Taking all of the evidence in the round, our view is that Vandemoortele's Remedy Proposal is not a disproportionate remedy in relation to the SLC and its resulting adverse effects that we have found.

Conclusion on proportionality of Vandemoortele's Remedy Proposal

10.176 On the basis of the above assessment, we have concluded, subject to residual risks being adequately mitigated through the measures identified above, that Vandemoortele's Remedy Proposal is the least costly effective remedy and is not disproportionate in relation to the SLC and its resulting adverse effects that we have found.

Implementation considerations

10.177 The CMA has the choice of implementing any final remedy decision either by accepting final undertakings if the merger parties wish to offer them, or by making

[546] See Chapter 7, paragraphs 7.94-7.95.
[547] See Chapter 8, paragraph 8.15.
[548] See Chapter 8, paragraph 8.5.
[549] See Chapter 8, paragraph 8.14.
[550] See Chapter 9, paragraph 9.1.
[551] See Chapter 7, paragraphs 7.2 to 7.96.

a final order.[552] Either the final undertakings or the final order must be implemented within 12 weeks of publication of the final report (or if extended once, by up to six weeks),[553] including the period for any formal public consultation on the draft undertakings (minimum 15 days) or order (minimum 30 days) as specified in Schedule 10 of the Act.

10.178 As set out in the CMA Guidance (CMA87), the merger parties will generally be prohibited from subsequently purchasing assets or shareholdings sold as part of a divestiture package or acquiring material influence over them. The CMA will normally limit this prohibition to a period of ten years.[554] We find no compelling reason to depart from the CMA Guidance in this case by seeking a shorter or longer prohibition period.

Enforcement

10.179 Under the Act,[555] compliance with a final undertaking or final order may be enforced by civil proceedings brought by the CMA for an injunction or for an interdict or for any other appropriate relief or remedy. The Digital Markets, Competition and Consumers Act 2024 (**DMCCA2024**) has expanded the enforcement powers available to the CMA in relation to final undertakings and final orders.[556] This includes the ability to impose financial penalties in respect of a failure to comply with a remedy undertaking or order without reasonable excuse.

Decision on remedies

10.180 Based on our assessment above, we have concluded that Vandemoortele's Remedy Proposal, subject to the residual risks being adequately mitigated, is an effective and proportionate remedy to the SLC and its resulting adverse effects we have found in this Final Report.

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[552] Section 82 (final undertakings) and section 84 (final order) of the Act.
[553] CMA87, paragraph 4.68. An extension may be made if the CMA considers there are 'special reasons' for doing so (section 41A(2) of the Act).
[554] CMA87, paragraph 5.10.
[555] Section 94 of the Act.
[556] New sections 94AA and 94AB of the Act introduced by section 143 and schedule 11, paragraph 11 of the DMCCA2024.

CONTENTS

APPENDIX A: Third party respondents to the CMA's questionnaires

Table A.1: Third party respondents to the CMA's phase 1 customer questionnaire dated 3 October 2025

[✄]

Table A.2: Third party respondents to the CMA's phase 1 competitor questionnaire dated 3 and 13 October 2025

[✄]

** [✄].*

Table A.3: Third party respondents to the CMA's phase 2 customer questionnaire dated 13 May 2026.

[✄]