Anticipated Acquisition by Danone Holdings (UK) of Huel Limited

Decision on relevant merger situation and substantial lessening of competition

ME/7151/26

The CMA's decision on reference under section 33 of the Enterprise Act 2002 given on 20 August 2026. Full text of the decision published on 25 August 2026.

Please note that [✂] indicates confidential information which has been excluded from this version of the decision. Some numbers have been replaced by a range, which are shown in square brackets.

1. THE PARTIES AND THE TRANSACTION

1. On 23 March 2026, Danone Holdings (UK), a subsidiary of Danone SA (**Danone**), agreed to acquire the entire issued share capital of the UK-based company Huel Limited (**Huel**) (the **Merger**).[1, 2] Danone and Huel are together referred to as the **Parties** and, for statements relating to the future, the **Merged Entity**.

2. In the UK, the Parties overlap in the supply of ready-to-drink (**RTD**) meal replacement products to grocery retailers, Danone through its Alpro Meal-to-Go (**M2G**) meal replacement offering and Huel through its RTD 'complete nutrition' products.[3] RTD meal replacement products are designed as nutritionally complete meals and typically contain a balanced mix of fibre, protein, essential fats, carbohydrates and a number of essential vitamins and minerals.

[1] Final Merger Notice submitted to the CMA on 13 July 2026 (**FMN**), paragraph 42 and Annex 002.1 to the FMN. The CMA commenced its phase 1 investigation on 15 July 2026 following voluntary notification by the Parties.
[2] The Parties submitted that the rationale for the Merger is to support Huel's growth internationally and allow Danone to accelerate its shift towards high-growth categories within the convenience-led functional nutrition space (FMN, paragraphs 47, 55). This position is supported by their internal documents, which also show Danone plans to [✂] (for example, Danone Internal Document, Annex 013.300 to the FMN, '[✂]', September 2025, page 13).
[3] FMN, paragraphs 10–11 and 39.

2. JURISDICTION

3. The CMA believes that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation. Each of Danone and Huel is an enterprise, these enterprises will cease to be distinct as a result of the Merger and the turnover test is met.[4]

3. COMPETITIVE ASSESSMENT

3.1 Counterfactual and market definition

4. The CMA has assessed the impact of the Merger against the prevailing conditions of competition.[5]

5. The Parties submitted that the appropriate product market is the supply of nutritionally enhanced chilled drinks (**NECDs**, as including RTD meal replacement products, protein drinks, flavoured milks, drinkable yoghurts and RTD coffee drinks) sold via the retail distribution channel in the UK.[6] The evidence received by the CMA during its investigation does not support such a broad product market but rather, indicates a narrower market for RTD meal replacement products that is subject to an evolving degree of constraint from protein drinks in particular:

   (a) The majority of respondents to the CMA's questionnaire considered protein drinks to be a moderate or strong alternative to RTD meal replacement products, with some degree of cross-shopping between the two segments by consumers.[7] This is consistent with the Parties' internal documents, which indicate that consumers perceive similar consumption occasions for protein drinks and RTD meal replacement products, and that there may be some degree of category overlap between the two segments.[8] However, just under half of the grocery retailers and competitors that responded also noted key differences, such as the fact that protein drinks are primarily consumed between meals for protein supplementation, while RTD meal replacement products are intended to provide complete nutrition and satiety to replace a meal.[9] Almost all competitors that responded considered that at least some

---

[4] See section 23 of the Enterprise Act 2002 (the **Act**). Huel had a UK turnover exceeding £100 million in the year ending 31 July 2025 (FMN, Table 1).
[5] CMA's Merger Assessment Guidelines (**CMA129**), March 2021, section 3.
[6] FMN, paragraphs 153–155 and 205.
[7] Third-party responses to the CMA competitor questionnaire, July 2026, question 9. Third-party responses to the CMA customer questionnaire, July 2026, question 5.
[8] For example, Huel Internal Document Annex 17.1 to the Parties' response to the CMA's Request for Information, 9 June 2026 (**RFI 1**), '[✂]', September 2025, pages 14–15; and Danone Internal Documents Annex 002.440 to Danone's response to the CMA's section 109 Notice dated 22 June 2026 (**First s109 Notice**), '[✂]', January 2026, page 6 and Annex 002.468 to Danone's response to the CMA's First s109 Notice, '[✂]', May 2025, page 1.
[9] Third-party responses to the CMA competitor questionnaire, July 2026, questions 8 and 9. Third-party responses to the CMA customer questionnaire, July 2026, question 5.

consumers would switch to buying protein drinks if the price of RTD meal replacement products were to increase. However, most of these respondents also considered that the volume of such switching would be insufficient to render a price increase in RTD meal replacement products commercially unprofitable.[10]

(b) Almost all third-party respondents viewed NECDs other than protein drinks (flavoured milk, drinkable yoghurts and RTD coffee drinks) as weak alternatives or not alternatives at all to RTD meal replacement products.[11]

(c) The Parties' internal documents also indicate that while they do at times consider RTD meal replacement products within a broader category encompassing [✂], both Parties primarily monitor RTD meal replacement products as [✂]. By contrast, [✂].[12]

6. RTD meal replacement products are part of a growing and evolving functional nutrition space,[13] and the evidence suggests that the boundaries between RTD meal replacement products and adjacent categories are (and may continue to be) blurred to a degree. While the CMA's assessment of competitive effects need not be based on a highly specific description of the product market,[14] the evidence indicates that RTD meal replacement products are currently a distinct product market on which protein drinks exert some competitive constraint. The CMA has therefore taken this into account as part of its competitive assessment.[15]

7. Both Parties supply RTD meal replacement products to grocery retailers on a UK-wide basis[16] and the evidence supports a relevant geographic market that is UK-wide.[17]

[10] Third-party responses to the CMA competitor questionnaire, July 2026, questions 8.
[11] Third-party responses to the CMA competitor questionnaire, July 2026, question 9. Third-party responses to the CMA customer questionnaire, July 2026, question 5.
[12] Danone's documents refer to meal replacement products as a [✂] (for example, Danone Internal Documents, Annex 013.161 to the FMN, '[✂]', March 2025, page 16; and Annex 013.314 to the FMN, '[✂]', February 2026, pages 9–11). Huel's documents monitor the [✂] (for example, Huel Internal Document, Annex 012.233 to the FMN, '[✂]', November 2024, page 20). Both Parties [✂] (for example, Danone Internal Document, Annex 013.110 to the FMN, '[✂]', November 2024, page 69; and Huel Internal Documents, Annex 17.1 to the Parties' response to the CMA's RFI 1, '[✂]', September 2025, pages 25–31; and Annex 012.245 to the FMN, '[✂]', September 2025, page 5).
[13] Note of a call with a third party, June 2026, paragraph 27. Note of a call with a third party, June 2026, paragraph 7. Note of a call with a third party, June 2026, paragraph 10.
[14] CMA129, paragraph 9.5.
[15] CMA129, paragraph 9.4.
[16] FMN, paragraphs 204–205.
[17] The Parties' internal documents primarily track the RTD meal replacement products segment on a UK-wide basis and separately to other countries. For example, Danone Internal Document, Annex 013.068 to the FMN, '[✂]', March 2025, page 15; and Huel Internal Document, Annex 012.233 to the FMN, '[✂]', November 2024, page 20.

3.2 Horizontal unilateral effects

8. The CMA's investigation focused on horizontal unilateral effects in the supply of RTD meal replacement products to grocery retailers in the UK.[18]

9. On the basis of estimates for RTD meal replacement products provided by the Parties, the Merged Entity would (through Huel's existing strong position) have a combined share of supply by volume of approximately [70-80]% post-Merger, followed by yfood (approximately [10-20]%), and Müller x MyProtein, BOL and Arla (each with an estimated share of [0-5]% or less).[19] Until recently, Danone had no presence in this market and so these estimates do not include any increment as a result of the Merger from Danone. In April 2026, Danone launched Alpro M2G in the UK retail market and initially secured listings in TGJones, followed by launches in Waitrose and Tesco in May 2026.[20]

10. In this context, the CMA considers that current static shares of supply are not informative of the competitive constraint the Parties are likely to exert on each other going forward and nor do they reflect the constraint from in particular protein drinks in an evolving space. Accordingly, the CMA has placed greater weight on forward-looking qualitative evidence.[21]

11. The qualitative evidence from the Parties' internal documents and third parties indicates that Huel's RTD meal replacement products currently compete and will continue to compete with Danone's Alpro M2G,[22] albeit the products have some degree of differentiation and Alpro M2G does not pose a particularly significant constraint on Huel or its competitors. Danone's internal documents show that while Alpro M2G is positioned to compete against Huel (as well as a number of other suppliers such as [✂], [✂] and [✂])[23] in the RTD meal replacement category,

[18] The CMA also considered, but dismissed at an early stage of its investigation, a potential conglomerate theory of harm on the basis that the evidence collected did not indicate the Merged Entity would have the ability to link negotiations across product categories or leverage market power in one category to bargain across their product portfolio.
[19] FMN, Table 14. These estimates were based on the sales value of single-unit products of less than 750 millilitres to grocery retailers in the UK, for the year up to April 2026. References in this decision to the retail distribution channel and supply to grocery retailers in the UK refer to in-store sales. RTD meal replacement products are mostly sold as chilled, single-unit products because of their use as a convenient or impulse, on the go meal option (note of a call with a third party, June 2026, paragraph 7; note of a call with a third party, June 2026, paragraphs 14 and 16; note of a call with a third party, June 2026, paragraph 5; and note of a call with a third party, June 2026, paragraph 10 and 14). Both Parties achieve the [✂] of their RTD meal replacement product sales through grocery retailers in the UK in-store rather than online (Annex 032.1 to the FMN, Table 2).
[20] FMN, footnote 6.
[21] CMA129, paragraph 2.25.
[22] Consistent with its stated Merger rationale, the CMA has not seen evidence to suggest that Danone would reduce or stop its investment into the growth of Alpro M2G post-Merger. Danone's internal documents evidence growth expectations for Alpro M2G [✂] (Danone Internal Document, Annex 013.254 to the FMN, '[✂]', October 2025, page 5) and [✂] (Danone Internal Documents, Annex 002.374 to Danone's response to the CMA's First s109 Notice, '[✂]', June 2026, page 53, Annex 002.357 to Danone's response to the CMA's First s109 Notice, '[✂]', October 2025, page 28, and Annex 002.366 to Danone's response to the CMA's First s109 Notice, '[✂]', May 2026, page 1). Evidence from third parties also indicates that Danone is actively pursuing further listing opportunities with grocery retailers in the UK. Third-party responses to the CMA customer questionnaire, July 2026, question 10.
[23] Danone's internal documents show that [✂]. For example, Danone Internal Documents, Annex 013.324 to the FMN, '[✂]', April 2025, page 14, and Annex 013.068 to the FMN, '[✂]', March 2025, page 7.

Alpro M2G is intended to target a [✂] than Huel's.[24] In addition, while a recent Huel internal document indicates that Huel had begun monitoring Alpro M2G following its launch, the document considered Alpro M2G alongside a broader set of RTD meal replacement competitors and did not suggest that Huel viewed Alpro M2G as a particularly significant current or future threat.[25]

12. Third-party responses indicate that the Parties' RTD meal replacement products have a number of similar characteristics[26] as well as a degree of differentiation between the respective offerings.[27] Third-party feedback does not point to Alpro M2G being a particularly significant new entrant or being projected to be a strong constraint on Huel in future.[28]

13. The evidence indicates that the Merged Entity will continue to face significant competitive constraints from a range of existing and potential suppliers of RTD meal replacement products, as well as some degree of competitive constraint from suppliers of protein drinks:

(a) There is a range of options already available to consumers from other suppliers of RTD meal replacement products: yfood (recently fully acquired by Nestlé[29] and the second largest supplier after Huel[30]), Müller x MyProtein, BOL, and Arla,[31] all of which provide similar offerings to the Parties[32] and are [✂].[33]

(b) The CMA has received evidence that new entry is planned in the RTD meal replacement market over the next two years, including [✂] offerings from two [✂] and entry by two suppliers of [✂].[34] While the competitive significance of this planned new entry is uncertain and would take time to materialise, the

[24] Danone's internal documents indicate that Alpro M2G is differentiated based on [✂]. For example, Danone Internal Documents, Annex 002.483 to the Parties' Response to the CMA's First s109 Notice, '[✂]', February 2026, slides 45, 46, 47, and 53, Annex 002.498 to the Parties' Response to the CMA's First s109 Notice, '[✂]', June 2025, slide 5; and Annex 002.473 to the Parties' Response to the CMA's First s109 Notice, '[✂]', May 2025.
[25] Huel Internal Document, Annex 1.5 to Huel's response to the CMA's section 109 Notice dated 13 July 2026, '[✂]', June 2026, slide 14.
[26] Third-party responses noted that both products compete within the same product category, are plant-based, contain the same protein content and are sold at similar retail price. Third-party responses to the CMA competitor questionnaire, July 2026, question 7; Third-party responses to the CMA customer questionnaire, July 2026, question 7.
[27] For example, Alpro M2G's plant-based formulation is considered a key marketing feature in contrast to Huel, and while Alpro M2G is positioned to have wider market appeal, Huel has historically been positioned as a performance-led product. Third-party responses to the CMA competitor questionnaire, July 2026, question 7. Third-party responses to the CMA customer questionnaire, July 2026, question 7.
[28] For example, one third-party respondent considered that [✂], while another third-party respondent was unsure as to whether the Alpro M2G product would perform strongly. Note of a call with a third party, June 2026, paragraph 4. Note of a call with a third party, June 2026, paragraph 36. Note of a call with a third party, June 2026, paragraph 32.
[29] Nestlé to acquire smart food pioneer yfood, 3 June 2026 (last accessed 10 August 2026).
[30] FMN, Table 14. Huel's internal documents also demonstrate that [✂]. [✂]. Huel Internal Document, Annex 012.225 to the FMN, '[✂]', July 2025, pages 35–38.
[31] Third-party responses to the CMA competitor questionnaire, July 2026, question 6.
[32] In particular, more than half of the customers identified yfood and Müller x MyProtein as being at least 'moderately suitable' to 'fully suitable' suppliers of RTD meal replacement products. Third-party responses to the CMA's customer questionnaire, July 2026, question 6.
[33] For example, Huel Internal Documents, Annex 012.207 to the FMN, '[✂]', April 2025, page 11, and Annex 012.235 to the FMN, '[✂]', January 2026, page 21. See also footnote 23.
[34] [✂]. Note of a call with a third party, June 2026, paragraph 22.

CMA considers that the number of planned new entrants in this category, set against the market's likely growth as it continues to evolve and mature, provides an additional constraint on the Merged Entity.

(c) For the reasons set out at paragraph 5, the CMA also considered that suppliers of protein drinks to grocery retailers in the UK may exert some degree of competitive constraint on the Parties' supply of RTD meal replacement products. There are several established suppliers of protein drinks, including but not limited to UFIT, Barebells, GROUNDED, For Goodness Shakes, PRO MLK, and Grenade.[35] In addition, Arla and Müller x MyProtein supply both RTD meal replacement products and protein drinks.[36]

14. Barriers to entry into the RTD meal replacement market are relatively low, given the ability to outsource production to third-party manufacturers or utilise existing manufacturing capabilities for other drinks products.[37] This is also evidenced by recent[38] and planned entry into the category, as referred to at paragraph 13(b) above. While some third parties mentioned barriers to expansion,[39] the CMA received evidence that grocery retailers are willing to switch suppliers and list new entrants, and that the RTD meal replacement segment is likely to continue to grow in the future.[40]

15. Most third parties, including almost all of the Parties' grocery retailer customers that responded to the CMA's questionnaire, expressed neutral views about the Merger.[41, 42]

16. Taken together, the evidence indicates that whilst the Merged Entity will have a strong position in RTD meal replacement products and that the Parties pose a degree of competitive constraint on each other, sufficient competitive alternatives will remain to constrain the Merged Entity. On this basis, the CMA has found that the Merger would not give rise to a realistic prospect of a substantial lessening of

[35] FMN, paragraph 231. Third-party responses to the CMA competitor questionnaire, July 2026, question 2. Note of a call with a third party, June 2026, paragraph 6. Note of a call with a third party, June 2026, paragraph 15. The Parties' internal documents [✂]. For example, Danone Internal Document, Annex 013.162 to the FMN, '[✂]', November 2024, slide 10; and Huel Internal Document, Annex 012.294 to the FMN, '[✂]', August 2025, slide 15.
[36] Note of a call with a third party, June 2026, paragraph 3. Third-party responses to the CMA customer questionnaire, July 2026, question 10.
[37] Third-party responses to the CMA competitor questionnaire, July 2026, question 10.
[38] For example, both Arla's Food to Go product and Müller x MyProtein's Complete product were launched at the end of 2024 (FMN, paragraph 120).
[39] These related to brand building, marketing, consumer trust and securing retail listings and shelf space. Third-party responses to the CMA competitor questionnaire, July 2026, question 10.
[40] Note of a call with a third party, June 2026, paragraph 53–54. Note of a call with a third party, June 2026, paragraph 33. Note of a call with a third party, June 2026, paragraph 39.
[41] Third-party responses to the CMA competitor questionnaire, July 2026, question 13; Third-party responses to the CMA customer questionnaire, July 2026, question 12.
[42] In response to the CMA's invitation to comment, two third parties raised competition concerns including in relation to horizontal unilateral effects in the supply of RTD protein and functional nutrition products, and conglomerate effects. The CMA's assessment of these concerns has been set out in this decision.

competition (**SLC**) as a result of horizontal unilateral effects in the supply of RTD meal replacement products to grocery retailers in the UK.

4. DECISION

17. For the reasons set out above in the Competitive Assessment, the CMA does not believe that it is or may be the case that the Merger may be expected to result in an SLC within a market or markets in the United Kingdom.

18. The Merger will **not be referred** under section 33 of the Act.

Elie Yoo
Senior Director, Mergers
Competition and Markets Authority
20 August 2026