Anticipated Acquisition by Seras Energy Ltd of G. I Hadfield & Son Limited

Decision on relevant merger situation and substantial lessening of competition

ME 7148/26

The Competition and Markets Authority’s decision on relevant merger situation and substantial lessening of competition under section 33(1) of the Enterprise Act 2002 given on 13 August 2026. Full text of the decision published on 3 September 2026.

The Competition and Markets Authority (**CMA**) has excluded from this published version of the decision information which the CMA considered 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 Some numbers have been replaced by a range, which are shown in square brackets.

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SUMMARY

OVERVIEW OF THE CMA'S DECISION

1. The CMA has found that the acquisition by Seras Energy Ltd (**Seras**) of G.I. Hadfield & Son Limited (and its subsidiaries) (**Enva**), is a relevant merger situation that does not give rise to a realistic prospect of a substantial lessening of competition (**SLC**).

2. Seras has agreed to acquire Enva pursuant to a sale and purchase agreement dated 23 January 2026 for a purchase price of £[✂] million. The CMA refers to this acquisition as the **Merger**. Seras and Enva 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. The Parties both supply waste wood processing services in the UK to customers such as waste management companies, local authorities, and industrial customers (eg construction and demolition companies and manufacturers). Following processing, waste wood is then supplied to customers such as biomass power plants (in the form of waste wood derived biomass fuel) and panel board manufacturers, and as animal bedding.

Why did the CMA review 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 concluded that it has jurisdiction to review this Merger on the basis of the share of supply test: the Parties have combined shares of supply of at least 25% in the provision of waste wood processing services in a number of local areas, and in the primary supply of waste wood derived biomass fuel to biomass power plants nationally, and each of the Parties had UK turnover exceeding £10 million in the most recent financial year.

What evidence has the CMA looked at?

5. In assessing the Merger, the CMA considered a wide range of evidence in the round, including submissions and internal documents from the Parties, industry data and data supplied by the Parties, as well as feedback from a range of third parties including waste wood processing customers, biomass power plants, and competitors of the Parties.

What did the evidence tell the CMA about the effects on competition of the Merger?

6. The CMA considered whether the Merger would lead to an SLC in: (i) the supply of waste wood processing services at a local level; and (ii) the primary supply of waste wood derived biomass fuel to biomass power plants nationally, as a result of the loss of competition between Seras and Enva.

7. In its competitive assessment of the supply of waste wood processing services, the CMA focused on the local area around the Parties' waste wood processing sites in Tilbury in the South East of England, as well as the local areas around Seras' processing site in Pollington and Enva's processing site in Middlesborough in the North East of England.

8. In the local area around Tilbury, the CMA found that, although the Parties are currently close competitors, the Merged Entity will continue to be constrained by several material alternative suppliers in the local area. At least one rival supplier also has significant expansion plans and can therefore be expected to exert a stronger constraint in the Tilbury local area in the future.

9. For the local areas of Pollington and Middlesborough, the CMA found that the Parties compete less closely in these areas than in the Tilbury area and would also continue to be constrained by a number of alternative suppliers.

10. In relation to the primary supply of waste wood derived biomass fuel nationally, the CMA found that the Parties do not compete particularly closely and will continue to face competitive constraints from a range of national and regional suppliers.

11. Accordingly, the CMA found that the Merger does not give rise to a realistic prospect of an SLC in any market or markets in the UK.

What happens next?

12. The Merger will therefore **not be referred** under section 33(1) of the Enterprise Act 2002 (the **Act**).

ASSESSMENT

1. PARTIES, MERGER AND MERGER RATIONALE

13. Seras is a processor of waste wood and supplier of waste wood derived and forestry by-product biomass fuel to biomass power plants in the UK.[1] Seras is a wholly owned subsidiary of Pioneer Balmoral UK Limited and is ultimately controlled by the private equity firm, Pioneer Point Partners LLP. [2] The turnover of Seras in FY 2024 was £101.7 million in the UK and worldwide.[3]

14. The transaction concerns the acquisition by Seras of 100% of the issued share capital of G.I. Hadfield & son Limited (and its subsidiaries) which comprises the dedicated waste wood business of Enva Group.[4] Enva Group is a resource recovery and environmental services business operating in the UK and Ireland, and Enva (the business Seras is acquiring) is active in waste wood processing in the UK and the supply of wood derived biomass fuel and animal bedding.[5] The turnover of Enva in FY 2025 was £[✂] million worldwide and £[✂] million[i] in the UK.[6]

15. Seras' submitted rationale for the Merger is to: [✂].[7]

16. The CMA considered that Seras' internal documents partly support this rationale, with some documents indicating that the Merger is also intended to consolidate Seras' position. For example, in a strategy document, Seras notes that the Merger will [✂].[8]

2. PROCEDURE

17. The CMA's mergers intelligence function identified the Merger as warranting an investigation.[9]

18. The CMA commenced its phase 1 investigation on 17 June 2026. As part of its phase 1 investigation, the CMA gathered a significant volume of evidence from the Parties, including submissions and internal documents. The Parties also had opportunities to make submissions and comment on our emerging thinking throughout the phase 1 investigation, including through attending an Issues

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[1] Final Merger Notice submitted to the CMA on 16 June 2026 March (**FMN**), paragraph 2.1.
[2] FMN, paragraph 2.3.
[3] FMN, paragraph 6.2.
[4] FMN, paragraph 2.6.
[5] FMN, paragraphs 2.6 and 3.10.
[6] FMN, paragraph 6.2.
[7] FMN, paragraph 4.
[8] Seras Internal Document, Annex 008.2 to the FMN, '251015 Seras Strategy Live Version', October 2025, slide 21.
[9] Mergers: Guidance on the CMA's jurisdiction and procedure (**CMA2**), 25 April 2024, paragraphs 6.4–6.6.

Meeting. The CMA gathered evidence from other market participants, such as waste wood processing customers, biomass power plants, and competitors of the Parties. The evidence the CMA has gathered has been tested rigorously, and the context in which the evidence was produced has been considered when deciding how much weight to give it. Where relevant, this evidence has been referred to within this Decision.

19. The Merger was considered at a Case Review Meeting.[10]

3. JURISDICTION

20. Each of Seras and Enva is an enterprise. As a result of the Merger, Seras will acquire 100% of the issued share capital of Enva, and Enva and Seras will therefore cease to be distinct.[11]

21. The Parties overlap in the local provision of waste wood processing services in the UK and the primary supply of waste wood derived biomass fuel to biomass power plants in the UK. The CMA has found that the share of supply test in section 23 of the Act is met, as the Parties have combined shares of supply of at least 25% in the primary supply of waste wood derived biomass fuel in the UK.[12] The CMA also believes that the share of supply test is satisfied on a local basis in relation to the supply of waste wood processing services in a number of areas which individually and collectively constitute a substantial part of the UK.[13] In addition, each of the Parties has a UK turnover exceeding £10 million.[14]

22. The CMA therefore believes that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation.

23. The initial period for consideration of the Merger under section 34ZA(3) of the Act started on 18 June 2026 and the statutory 40 working day deadline for a decision is therefore 14 August 2026.

[10] CMA2, page 47.
[11] See section 23 of the Act.
[12] The Parties' combined shares of supply are [30-40]% (with an increment of [0-5]%) in the primary supply of waste wood derived biomass fuel to biomass power plants in the UK (FMN, Table 13.8).
[13] See CMA2, paragraphs 4.69 to 4.71. In particular, the Parties' combined shares of supply in the supply of waste wood processing services by volume in 2024 include: (a) [40-50]% (with an increment of [10-20]%) in a 95 minute catchment area centred on Seras' Tilbury site, which includes Greater London and Essex (FMN, Table 13.4); (b) [30-40]% (with an increment of [10-20]%) in a 95 minute catchment area centred on Enva's Tilbury site, which includes Greater London and Essex (see Table 1 below); (c) [30-40]% (with an increment of [10-20]%) in a 95 minute catchment area centred on Seras' Pollington site, which includes Sheffield and Leeds (see paragraph 91 below); and (d) [30-40]% (with an increment of [10-20]%) in a 95 minute catchment area centred on Enva's Middlesbrough site, which covers a material proportion of the North East of England (see paragraph 97 below).
[14] See paragraphs 13 and 14 above.

4. COUNTERFACTUAL

24. The CMA assesses a merger's impact relative to the situation that would prevail absent the merger (ie the counterfactual).[15] In an anticipated merger, the counterfactual may consist of the prevailing conditions of competition, or conditions of competition that involve stronger or weaker competition between the parties to a merger than under the prevailing conditions of competition.[16] In determining the appropriate counterfactual, the CMA will generally focus only on changes to the prevailing conditions of competition where there are reasons to believe that those changes would make a material difference to its competitive assessment.[17]

25. The CMA considered the prevailing conditions of competition to be the relevant counterfactual. The Parties did not make submissions that the CMA should assess the competitive effects of the Merger against a counterfactual other than the current competitive situation.[18] The CMA also has not received any other evidence to support adopting an alternative counterfactual.

5. BACKGROUND AND NATURE OF COMPETITION

26. The Parties are both active in waste wood processing in the UK. Waste wood processors generate revenue in two ways:[19]

    (a) Intake – suppliers of unprocessed waste wood deposit waste wood at wood processors' sites (or in some cases, the processors may collect the unprocessed waste wood). The wood processors charge an intake 'gate fee' to accept the waste wood.[20]

    (b) Offtake – waste wood processors also generate revenue by selling the processed waste wood (ie the offtake). Waste wood is generally processed into biomass fuel for biomass power plants, or for panel boards or animal bedding.

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[15] Merger Assessment Guidelines (**CMA129**), March 2021, paragraph 3.1.
[16] CMA129, paragraph 3.2.
[17] CMA129, paragraph 3.9.
[18] At a late stage of the investigation, Enva Group submitted that should the Merger not proceed [✂] (Enva's supplementary submission in response to the Issues Letter, 24 July 2026). However, Enva Group did not make submissions that an exiting firm counterfactual should apply or otherwise provide evidence to demonstrate that the conditions of an exiting firm counterfactual would be met to the relevant evidentiary standard (as set out in CMA129, paragraphs 3.21-3.24).
[19] FMN, paragraph 11.1.
[20] Customers may agree a price on either of the following bases: (a) contracted basis, where the supplier and customer agree a contract for the customer to dispose of a pre-agreed volume of waste wood typically on a monthly basis; or (b) spot basis, where the supplier and customer agree a gate fee for a given volume of wood on a short-term basis with no formal contract in place. See FMN, paragraph 14.3.

27. The Wood Recyclers Association, which is the trade body for the UK's wood recyclers and re-processors, distinguishes between four different grades of waste wood (grades A-D) based on quality:[21]

(a) Grade A is higher grade waste wood from wood product manufacturing, distribution, retailing, packaging and secondary manufacture (eg joinery and pallet reclamation).

(b) Grade B consists of grade A, plus waste wood originating from construction and demolition operations, skip operators and transfer stations. This typically includes building and demolition materials and domestic furniture made from solid wood.

(c) Grade C consists of grade A and B, plus waste wood from municipal collections, transfer stations and household waste recycling centres. This typically includes all the above plus flat pack furniture made from board products and DIY materials.

(d) Grade D is hazardous waste wood (eg telegraph poles and railway sleepers).

5.1 Supply of waste wood processing services (Intake)

28. Customers of waste wood processing services include (i) waste management companies, (ii) local authorities, (iii) industrial customers (eg construction and demolition companies and manufacturers) and (iv) waste aggregators/brokers.[22]

29. The Parties submitted that, in addition to price, on the intake side, waste wood processors compete on (i) reliability of supply; (ii) site opening hours; and (iii) haulage services.[23,24] Whilst this aligns with the evidence received by the CMA, customers also noted that distance to the processing site, the capacity of the processing site and the availability of recycling services are important factors when selecting a supplier (although the significance attached to these varies by customer).[25]

[21] https://woodrecyclers.org/wp-content/uploads/4-WRA-Grades-of-Waste-Wood.pdf - accessed by the CMA July 2026; also FMN, paragraph 12.6.
[22] FMN, paragraph 14.11.
[23] Some customers such as industrial and manufacturing customers require haulage services and have a preference for suppliers that are able to either provide haulage themselves or arrange haulage services through third parties on their behalf. FMN, paragraph 14.9.
[24] FMN, paragraph 14.9.
[25] Response to the CMA's waste wood processing customer questionnaire from a number of third parties, June 2026, question 2.

5.2 Supply of waste wood derived biomass fuel (Offtake)

30. Biomass fuel customers are biomass power plants, which incinerate the fuel to generate electricity.

31. Biomass power plants typically agree long term fuel supply agreements (**FSAs**) which are generally awarded on an exclusive (or quasi-exclusive) basis.[26] In addition, some biomass power plants procure biomass fuel on a short-term basis – this may be to 'top up' volumes in addition to their long term FSA, or because they do not have a long term FSA in place.[27] Suppliers that supply fuel directly to biomass power plants are known as primary suppliers.

32. Agreeing long term FSAs with biomass power plants requires the fuel supplier to take on a degree of risk as these contracts typically have volume commitments, quality/specification requirements, and a pre-agreed price (with some indexation built in). Due to this risk profile, and the use of penalty clauses within contracts if contractual obligations are not met, waste wood processors that do not have the capability to be a primary supplier or that do not want to take on the associated risk may choose instead to supply processed waste wood fuel to primary contractors as a secondary supplier.[28]

33. Biomass power plants are currently supported by public subsidies in the form of renewables obligations certificates (**ROCs**), which are due to be phased out between 2027 and 2037.[29] It is currently uncertain whether the UK Government will continue to subsidise biomass power plants after the ROC support expires.[30] If ROCs are not replaced, it is uncertain what the impact will be on biomass plants, with some evidence to indicate that it may lead to plant closures.[31]

34. Seras' internal documents discuss potential alternative offtake options for waste wood in the event demand for waste wood derived biomass fuel from current biomass plants declines post-ROCs. For example, a Seras strategy document

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[26] FMN, paragraph 14.52.
[27] Where this is the case, customers typically contract with several different suppliers and do not typically issue formal tenders but instead engage in bilateral negotiations. FMN, paragraph 14.53.
[28] This arises where a primary supplier has insufficient processing capacity to meet all its supply obligations itself and therefore has to purchase additional volumes from third parties. The primary supplier in effect takes the risk of agreeing a long term FSA with the biomass power plant and is then liable for securing the agreed volumes at the agreed specification, from its own waste wood processing plants and/or from secondary suppliers. FMN, paragraph 11.5 (c-e).
[29] ROCs for the majority of biomass power plants are not due to expire until between 2033 to 2037, with a smaller number of ROCs expiring between 2027 to 2031.
[30] The UK government has announced some transitional support for biomass operators, but so far this is targeted at very large-scale plants over 100MW which is larger than all the domestic power plants using waste wood derived biomass. See Transitional support mechanism for large-scale biomass generators: government response (HTML) - GOV.UK, accessed by the CMA July 2026 and Seras Internal Document, Annex 008.1 to the FMN, 'Strategy 2024-29', 15 October 2024, slide 13.
[31] Of the five biomass power plants that responded to the CMA's formal market testing: (i) two told the CMA that the loss of the ROCs could lead to closures as it could be uneconomic to continue operating unless alternative revenue streams can be developed, (ii) one noted that while it intends to secure alternative revenue to make continued operation viable, its willingness to pay current market prices for biomass fuel absent ROCs will fall in any case, and (iii) two indicated that they plan to continue operations. Responses to the CMA's biomass fuel customer questionnaire from a number of third parties, June 2026, question 4.

discusses [✂], a project that identifies a number of potential alternative uses for waste wood derived biomass including sustainable aviation fuel, marine fuel, and natural gas replacements.[32,33]

6. COMPETITIVE ASSESSMENT

35. The CMA's competitive assessment of the Merger has focused on the impact of the Merger on the supply of waste wood processing services, which is the primary area of overlap between the Parties. The Parties' overlap in the offtake supply of waste wood derived biomass fuel is discussed separately at Section 6.2.2.

6.1 Market definition

36. Where the CMA makes an SLC finding, this must be within any market or markets in the United Kingdom for goods or services. An SLC can affect the whole or part of a market or markets. Within that context, the assessment of the relevant market(s) is an analytical tool that forms part of the analysis of the competitive effects of the merger and should not be viewed as a separate exercise.[34]

6.1.1 Product market

6.1.1.1 Parties' submissions

37. The Parties submitted that the most appropriate market definition is the supply of waste wood processing services, which reflects the fact that waste wood tends to be collected separately from other dry recyclables and sent to specific waste wood processing sites,[35] and is consistent with the CMA's approach in *Veolia/Suez*.[36]

38. The Parties submitted that the supply of waste wood processing services should not be segmented by grade of wood. According to the Parties, waste wood processors intake a mix of different grades.[37] The Parties acknowledged, however, that grade D waste wood is a hazardous waste product and is incinerated at specialist hazardous waste sites (ie it is not processed into other products).

39. The Parties submitted that waste wood processing should not be segmented by customer type, noting that it is an undifferentiated service and there are limited

[32] Seras Internal Document, Annex 008.1 to the FMN, 'Strategy 2024-29', 15 October 2024, slides 54 to 60. See also FMN, paragraph 14.80 (a).
[33] However, a 2025 strategy document notes that [✂]. Seras Internal Document, Annex 008.2 to the FMN, '[✂]', 15 October 2025, slide 75.
[34] CMA129, paragraph 9.1.
[35] FMN, paragraph 12.5.
[36] Veolia / Suez, Phase 1 Decision, paragraph 538.
[37] FMN, paragraph 12.7.

differences between customer groups (eg in terms of service levels and customer preferences).[38]

6.1.1.2 CMA's assessment

40. The CMA has considered whether it would be appropriate to segment the supply of waste wood processing services by grade of wood.

41. The CMA understands that grade D waste wood contains dangerous substances (such as preservative treatments used on telegraph poles and railway sleepers), must be sent to specially authorised outlets,[39] and neither Party intakes grade D material.[40] In view of this, the CMA considered it appropriate to exclude grade D from the relevant product market.

42. The CMA received mixed evidence on the degree of substitutability between grades A-C:

(a) The CMA understands that a distinction is sometimes drawn between (i) 'high grade' waste wood, made up of grade A material, and (ii) 'low grade' waste wood, made up of a combination of grades B and C. The CMA notes that some waste wood processors charge different prices for the intake of these high and low grades.[41]

(b) There is limited functional distinction between grades B and C waste wood; both types of wood are collected together, and both are used in the manufacture of panel boards and biomass fuel.[42] By contrast, the CMA understands that grade A wood is typically collected separately and used for animal bedding, equine surfacing and/or the manufacture of pallets, although it can also be used (and is used) for biomass fuel.

(c) Both Parties seek to secure grades B and C waste wood at all their processing sites in order to produce biomass fuel. As for grade A waste wood, Enva targets inbound supplies of grade A material as it is active in supplying animal bedding manufacturers. Seras does not do so, although a small proportion of Seras' waste wood intake may be made up of grade A that is included in wider deliveries of B-C waste wood.[43]

[38] FMN, paragraph 14.12.
[39] Note of a call with a third party, April 2026, paragraph 22.
[40] FMN, 12.11.
[41] See https://www.letsrecycle.com/prices/wood/wood-prices-2025/ accessed by the CMA June 2026. See also response to the CMA's competitor questionnaire from a number of third parties, June 2026, question 5.
[42] FMN, paragraph 12.7
[43] FMN, paragraph 12.11.

43. Despite this mixed evidence, the CMA notes that most supply of waste wood is made up of grades B and C,[44] and both the Parties and most of their competitors also accept grade A.[45] The CMA has not therefore considered it necessary to segment the product market by grades A to C or between high and low grade waste wood for the purposes of the investigation. Instead, the CMA has taken into account the extent to which suppliers adopt different approaches to the intake of waste wood by grade in its competitive assessment.[46]

44. The CMA also considered whether to segment the product market by customer type. In this regard:

(a) The CMA understands that some customers (local authorities or waste management companies that contract with local authorities) require that a portion of their waste wood is recycled (eg as an input for animal bedding or panel board manufacture) as opposed to being used for energy recovery. This restricts these customers to suppliers that offer recycling services for this portion of their demand.[47] Given this only relates to a portion of demand for some customers, the CMA did not consider it warrants further segmentation of the product market, but the CMA took account of whether the Parties and competitors offer recycling in its competitive assessment.

(b) The CMA has also received evidence that smaller waste wood processors may not be able to handle the volumes that large customers require.[48] However, the CMA considered it more appropriate to consider the size of waste wood processors as part of its competitive assessment.

45. The CMA did not therefore consider it necessary to segment by customer type.

46. In view of the above, the CMA considered that the appropriate product market is the supply of waste wood processing services (excluding grade D waste wood).

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[44] In 2024, large-scale biomass and the panel board industry accounted for 86% of total processed waste wood and animal bedding, equine surfacing and recycling of waste wood only accounted for 7.2%. See UK waste wood market remained buoyant in 2024 with over 96% of material processed - Wood Recyclers Association accessed by the CMA in June 2026.
[45] Nearly all of the waste wood processors that responded to the CMA's market testing confirmed that they accept grades A-C. Responses to the CMA's competitor questionnaire, June 2026, question 5.
[46] In particular, in view of the limited constraint they are likely to provide, the CMA has excluded from the shares of supply suppliers that focus primarily on grade A waste wood. See further footnote 89.
[47] Note of a call with a third party, May 2026, paragraph 14.
[48] Note of a call with a third party, May 2026, paragraph 22.

6.1.2 Geographic market

6.1.2.1 Parties' submissions

47. The Parties submitted that the appropriate geographic market for waste wood processing is national, or at least inter-regional as waste wood is often transported long distances to be processed, and competitors offer nationwide coverage.[49]

6.1.2.2 CMA's assessment

48. A range of evidence suggests that the relevant geographic market for the supply of waste wood processing is local. In particular, the evidence indicates the following:

(a) First, there are limits to how far it is economically viable to transport unprocessed waste wood, with over half of customers responding to the CMA's market testing submitting that the maximum drivetime they would be willing to transport waste wood is 90 minutes or less.[50] One customer explained there is a balance between transport costs and gate fees that impacts the distance the wood can travel and that it prefers to use local waste wood processing companies to minimise transport costs.[51] One competitor also explained that long distance haulage of unprocessed waste wood can be prohibitively expensive as wood in its unprocessed raw form is low density, leading to high bulk relative to weight.[52]

(b) Second, gate fees vary across different regions. For example, a Seras internal document discussing the Merger notes that [✂].[53] Similarly, one customer explained that gate fees fluctuate across the country based on the local wood arisings and local market conditions such as the impact from Tilbury Green Power stopping operations in 2025.[54] This customer explained that gate fees are generally lower in the North of England than in the South of England, and noted on a previous occasion gate fees in the North of England had gone negative.[55] A competitor also told the CMA that there are lower gate fees in the North East and North West of England.[56]

[49] FMN, paragraph 6.
[50] Responses to the CMA's waste wood processing customer questionnaire from a number of third parties, June 2026 question 3.
[51] Note of a call with a third party, May 2026, paragraph 7.
[52] Note of a call with a third party, May 2026, paragraph 3.
[53] Seras Internal Document, Annex 012.1 to the FMN, '2025 10 06 - Pioneer Investment Committee Pack', October 2025, slide 6.
[54] Note of a call with a third party, May 2026, paragraph 13. Another customer also referred to market dynamics in 2025 with biomass plants being offline and increased volumes of wood entering the market. This initially impacted sites in the South of England, where gate fees increased and as capacity constraints spread geographically, these effects moved further north. Note of a call with a third party, May 2026, paragraph 16.
[55] Note of a call with a third party, May 2026, paragraph 16.
[56] Note of a call with a third party, May 2026, paragraph 3.

(c) Third, the competitor set varies by area. For example, an Enva monthly business performance document from 2025 lists its competitors for its Middlesborough and Manchester sites separately with different competitors featuring in each list.[57] One competitor told the CMA that it faces a different set of competitors depending on the region in which it is operating.[58] One customer also explained that the waste wood it collects is supplied to different companies in different locations.[59] Neither Party has any national customers for waste wood processing.[60]

49. In view of the above, the CMA considered that the appropriate geographic market within which to assess the supply of waste wood processing services is local.

50. As discussed in further detail in section 6.2.1.1 below, the CMA considered that a drivetime catchment area is the most appropriate measure for defining the boundaries of the local market in which each site competes, calculated based on the national weighted average 80th percentile drivetime (ie where the closest 80% of customers by intake volume are located). This produces a drivetime catchment area of 95 minutes, which further supports the evidence above that competition takes place at a local level.

6.2 Theories of harm

51. The CMA assesses the potential competitive effects of mergers by reference to theories of harm. Theories of harm provide a framework for assessing the effects of a merger and whether or not it could lead to an SLC relative to the counterfactual.[61]

52. The CMA's investigation of the Merger has focused on a horizontal unilateral effects theory of harm in relation to the supply of waste wood processing services at a local level.

6.2.1 Horizontal unilateral effects in the supply of waste wood processing services locally

53. 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

[57] Enva Internal Document, Annex 018.10, to the FMN, 'Monthly meeting Template Wood_Mar25', March 2025, slide 15.
[58] Note of a call with a third party, April 2026, paragraph 17.
[59] Note of a call with a third party, May 2026, paragraph 10.
[60] FMN, paragraph 14.7.
[61] CMA129, paragraph 2.11.

coordinate with its rivals.[62] Horizontal unilateral effects are more likely when the parties to a merger are close competitors.[63]

54. In the sections below, the CMA has first considered: (i) the appropriate catchment area in which competition for the supply of waste wood processing services occurs at a local level; and (ii) the appropriate filtering threshold to identify local areas of concern that merit more detailed assessment. The CMA has then conducted more detailed assessments in relation to those local catchment areas that fail the filter.

6.2.1.1 Catchment areas

55. In local competition analysis, the CMA typically uses catchment areas centred on the merging firms' sites, measured by reference to drivetimes or distances, to delineate local markets. They are a practical tool for identifying the geographic areas within which those sites compete and assessing how the competitive constraints faced by those sites may change as a result of a merger.[64]

56. The standard way to estimate these catchments is through customer-location data, which identifies the distances from which a site attracts customers. The catchment area is then typically calculated by identifying the 80th percentile drivetime,[65] representing the area within which the closest 80% of customers (by volume or value) are located.[66]

6.2.1.1.1 Parties' submissions

57. The Parties submitted that an 80% catchment area is unduly narrow and that if the CMA is to adopt a local frame of reference, a catchment area of at least 150-minute drivetime would be a pragmatic but cautious estimate of the catchment area over which the Parties compete. The Parties gave a number of reasons to support a wider drivetime, including:[67]

    (a) The Parties and their key competitors offer nationwide coverage and draw waste wood volumes from across the UK.[68] The Parties have in many

[62] CMA129, paragraph 4.1.
[63] CMA129, paragraph 4.8.
[64] CMA129, paragraph 9.15.
[65] Depending on the case, the appropriate 80th percentile catchment area may be calculated using drivetimes or distance.
[66] Such data is most informative where the recorded customer location reflects the location from which the customer chooses between competing providers, including by weighing distance against other factors such as price and quality. The 80th percentile is used as it captures the area from which most customers originate, while also reducing the impact of more distant observations that may reflect outliers, noise in the data, or otherwise unrepresentative customer behaviour.
[67] FMN, paragraph 12.25 and 12.36.
[68] FMN, paragraphs 12.19-12.20.

instances contracted volumes from customers far away from their respective sites.[69]

(b) Adopting an 80% catchment excludes competitor sites that are located near, and compete for, the Parties' customers.[70]

(c) Environmental Agency data shows more distant competitors outside of the 80% Tilbury catchment area draw volumes from within that catchment area. In particular, around 86kT of waste wood coming from within the catchment area are transported to competitors outside the catchment area, including Kronospan, South West Wood, Shotton, A&A and Veolia.[71]

(d) The Parties also submitted that demand recentring (ie assessing catchment areas around customer locations, rather than the Parties' sites) shows that customers have significant choices. In particular, the Parties submitted that a material proportion of their customers are within 95 minutes of suppliers that fall outside catchment areas centred on the Parties' sites.[72] This implies that a catchment area centred on the Parties' sites misses viable alternatives for at least some customers.

(e) The Parties also referred to previous cases where the CMA had recognised that sites outside the 80% catchment area can and do exert a competitive constraint on the merging parties (either by applying a 1.5 uplift or in some other way such as the approach in Veolia/Suez[73] or including these as out-of-market constraints in its assessment).[74]

(f) Finally, the Parties submitted that in calculating the catchment areas, the CMA should consider data which includes internal movements of waste wood, given that internal movements more accurately reflect the distance waste wood travels from the customer to the ultimate processing location and is a product of inter-regional competition.[75]

6.2.1.1.2 CMA's assessment

58. In line with the CMA's decisional practice, as a starting point, the CMA has considered shares of supply centred on each of the Parties' sites with reference to

[69] FMN, paragraph 12.21. The Parties also submitted that tender data shows that in the small number of tenders that take place in these markets, customers can and do award waste wood processing contracts to suppliers located a long distance away from the customer's location; FMN, paragraph 12.23.
[70] FMN, paragraph 12.38; also Parties' response to the Issues Letter, 23 July 2026, slides 19 -21.
[71] Parties' response to the Issues Letter, 23 July 2026, slide 15.
[72] Parties' response to the Issues Letter, 23 July 2026, slide 21.
[73] FMN, paragraph 9.
[74] The cases the Parties referenced include Hanson/Mick George, Medivet Group Acquisitions, Huws Gray/Grafton, Boparan/For Farmers, Wolseley/Kooltech and Sainsbury's/Asda; FMN, paragraph 12.37. See also Parties' response to the Issues Letter, 23 July 2026, slide 16.
[75] The Parties explained this transfer usually happens from sites in the South to those in the North of England. FMN, paragraph 12.28.

the national weighted average 80% catchment (based on intake volumes).[76] This produced a national weighted average drivetime of just under 95 minutes.[77]

59. The CMA recognises that a demand-centred approach (centring catchment areas around customer locations) may capture some competitive alternatives that are not reflected in catchment areas centred on the Parties' sites. That is, some customers within the catchment area (eg customers which are located closer to the border of the catchment area) may use sites outside the catchment area, and some customers located outside a site's 80% catchment area may nevertheless use sites within the catchment area. However, catchment areas are not intended to identify every supplier that a particular customer might consider. Rather, they provide a practical and consistent framework for assessing the area within which the majority of competitive interactions for a given site occur. The CMA has not therefore considered it appropriate to depart from its standard approach of centring catchments around the Parties' sites. Nonetheless, the CMA has taken into account information provided by the Parties on the location of customers of their Tilbury sites as part of its qualitative assessment of competitive constraints in that catchment (see paragraph 81).[78]

60. Further, the CMA did not consider it appropriate to adopt a wider catchment area (eg by applying a 1.5 uplift or by adopting the approach used in Veolia/Suez).[79] In particular:

(a) Third-party evidence is consistent with the national weighted average catchment area of just under 95 minutes, as discussed in the market definition section above at paragraph 48(a).[80]

(b) Further, given the limited number of local overlaps, the CMA was able to assess qualitatively the extent to which sites located outside the national weighted average catchment areas constrain the Parties in areas of overlap.

61. Finally*,* the CMA did not consider it appropriate to include internal movements when calculating catchment areas. The Parties confirmed that customers do not

[76] See CMA Retail Mergers Commentary, (**CMA62**), paragraphs 2.18 and 2.20. See also Medivet Group Acquisitions, paragraph 14; Huws Gray/Grafton, paragraph 39; and Wolseley/Kooltech paragraph 104.
[77] The CMA has adopted the national weighted average (by volumes), rather than the national unweighted average, as this gives greater weight to sites accounting for larger intake volumes and therefore more closely reflects the distances over which waste is transported in practice. The CMA considered that, regardless, the national weighted and unweighted catchments differ by less than one minute, and therefore the choice does not materially affect the competitive assessment.
[78] The Parties did not submit customer location-specific volume analysis for the Pollington and Middlesborough catchment areas.
[79] In Veolia/Suez, in relation to material recovery facilities, the CMA chose the greater of the weighted average and the individual catchment area on a cautious basis to ensure that catchment areas were reflective of the area over which competitors to the Parties could be located. The CMA went on to note some individual catchment areas were very small and may not be reflective of the area within which competitors are able to compete; Veolia/Suez, Phase 1 Decision paragraph 722(c).
[80] Further, as set out in the competitive assessment below, third-party evidence suggests that sites located closer to customers generally pose a stronger competitive constraint than more distant sites.

pay a different price or face any additional cost if waste wood is transferred internally between sites.[81] Given customers do not face adjusted prices, the CMA considered that internal movements simply represent an operational choice made by processors as opposed to reflecting a customer's willingness to transport waste wood.

62. The CMA therefore considered that the appropriate catchment should be based on a national weighted average 80% drivetime, excluding internal movements.

6.2.1.2 Filtering

63. In considering the appropriate threshold for identifying potential areas of concern, the CMA will take account of factors specific to the market under consideration, including factors such as the extent of out-of-market constraints, closeness of competition, capacity constraints and the likelihood of entry/expansion.

64. In the circumstances of this case, the CMA considered that a 30% combined share threshold with an increment threshold of 5% was appropriate for the purposes of identifying local areas that merited a more detailed assessment. This is because:[82]

(a) Waste wood processing services are relatively undifferentiated.[83]

(b) There are relatively high barriers to entry and expansion in waste wood processing (see paragraph 84 below).

(c) The Parties face limited constraints from alternatives to waste wood processing.[84]

(d) The extent to which the Parties face constraints from suppliers outside of the catchment area varies by local area and as such is better assessed qualitatively for each local overlap, rather than by systematically applying a higher threshold.

65. Based on the above threshold, the CMA has identified four local areas that failed the filter and therefore merited a more detailed assessment, namely catchment

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[81] FMN, paragraph 12.32
[82] Veolia/Suez (and previous CMA cases) did not establish a filter threshold for the waste wood processing market. In Veolia/Suez the CMA applied a 35% threshold in relation to composting services and a 30% threshold in relation to waste incineration services (with shares weighted by distance or drivetime), having specifically considered volume fluctuations as a factor in determining the appropriate threshold. Veolia/Suez, Phase 1 Decision paragraphs 723 and 732. In some circumstances the CMA may have regard to the thresholds applied in previous cases in other industries. This may be appropriate, for example, where there are clear similarities in the features considered across those cases. As set out above, the features that the CMA considered relevant for this case include relatively limited service differentiation between the Parties, relatively high barriers to entry and expansion and limited constraints from alternatives outside of waste wood processing.
[83] While there may be some differences in the services they offer (such as whether they offer recycling or haulage), all suppliers included in the shares of supply process waste wood grades A to C.
[84] Customers have limited outside options for the disposal of waste wood as landfill is significantly more expensive. Seras Internal Document, Annex 008.1 to the FMN, '[✄]', 15 October 2024, slides 67 and 80.

areas centred on: (i) Seras' Tilbury site; (ii) Enva's Tilbury site, (iii) Seras' Pollington site; and (iv) Enva's Middlesbrough site.[85]

Assessment of the sites failing the filter

66. The CMA has assessed the likelihood of the Merger resulting in horizontal unilateral effects in each of the areas around the four sites that required a more detailed competitive assessment by reference to shares of supply, closeness of competition, competitive constraints from existing suppliers and entry and expansion.

6.2.1.3 Tilbury

67. The Parties both have a waste wood processing site in Tilbury, Essex. The Parties' sites are approximately a 10-minute drive from each other, which means that the local competitive assessment for each site is similar. As such, the CMA has set out its local assessment for both Seras and Enva Tilbury sites together, noting any differences where relevant (eg an additional competitor in the catchment of Enva's site).

6.2.1.3.1 Shares of supply

68. Table 1 sets out 2024 shares of supply for waste wood processing within a 95 minute catchment area centred on Enva Tilbury.[86] These are based on estimates from the Parties using Environment Agency data.

[85] There are three local areas which fall below the filter threshold. These are (i) Seras' Widnes and (ii) Rotherham sites; and (iii) Enva's Manchester site. In each of these sites, the combined shares of supply are below 25% based on the national weighted average customer catchment.
[86] The CMA has also considered shares of supply centred on Seras Tilbury, and has noted in its assessment below where shares of supply materially differ.

Table 1: 2024 shares of supply for waste wood processing, 95 minute catchment area centered on Enva Tilbury[87, 88, 89]

Operator	Share (%)	Volume (tonnes, 2024)	Drivetime (minutes)
Seras	[20-30]%	[✂]	9.2
Enva	[10-20]%	[✂]	0
Combined entity	**[30-40]%**	**[✂]**	**-**
Sylvagen (combined)[90] *JV owned 50% by AW Jenkinson*	[10-20]%	[✂]	71.2 – 94.0
Countrystyle Recycling	[10-20]%	[✂]	52.6
MVV Environment Ridham	[5-10]%	[✂]	53.1
Rabbit Waste Management	[5-10]%	[✂]	89.4
Mick George	[5-10]%	[✂]	91.7
Pearce Recycling Company (Timberpak)	[0-5]%	[✂]	58.8
Greenways Recycling	[0-5]%	[✂]	88.2
Veolia	[0-5]%	[✂]	25.9
Chambers Group	[0-5]%	[✂]	73.7
Westminster Waste	[0-5]%	[✂]	33.5
Powerday	[0-5]%	[✂]	81.1

Source: Parties' figures are from their own internal data and competitors' figures are from analysis of Environment Agency undertaken by Tolvik Consulting on behalf of the Parties. [91]

69. The Parties' combined share of supply centred on Enva's site is [30-40]%, with an increment of [10-20]%. When centred on Seras' site, the combined share of supply is [40-50]%, with a [10-20]% increment. The Parties are among the largest suppliers and together account for a significant proportion of supply in the Tilbury area.

70. However, there are a number of other material suppliers which each have a share of around 10% or more: Countrystyle Recyling (**Countrystyle**), MVV Environment Ridham (**MVV**), and Sylvagen (Sylvagen's share is [10-20]% when the catchment is centred on Enva, but [10-20]% when centred on Seras, given Sylvagen's Alton site falls just outside of the catchment area for Seras' Tilbury site). There are also

87 Annex RFI1A 001.1 to the Parties' response to the CMA's Request for Information, 24 April 2026 (**RFI 1**).
88 The intake volume within the catchment for the Parties' Tilbury sites is approximately 800-900,000 tonnes annually. Annex RFI1A 001.1 to the Parties' response to the CMA's RFI 1.
89 The Parties submitted that they have not included sites from niche suppliers that are mainly focused on animal bedding and only intake grade A waste wood. FMN, footnote 41. Excluding these niche grade A suppliers is unlikely to materially understate the competitive constraint on the Parties. As discussed in the market definition section above, the Parties' overlap is principally in grades B and C waste wood. Further, customers did not identify grade A suppliers as suitable suppliers in their responses.
90 Includes Sylvagen's Shoreham site, Alton site (this processing site is co-located with a Grey Fox Group waste management site), and Olus Biomass site which Sylvagen recently acquired. Parties' submission to the CMA, 31 July 2026, paragraph 1.2.
91 The CMA considered that the source of the data and the Parties' methodology is reasonable for the purposes of this investigation. 2025 data is not yet available from the Environment Agency. The CMA therefore gathered evidence from suppliers on their 2025 volumes. However, given that 2025 was an exceptional year for waste wood (as two power plants were offline in 2025 for extended periods, resulting in a reduction in offtake and disruption across the market), and that the CMA did not receive data from all suppliers, it was unable to reconstruct market shares for 2025. Nevertheless, the data the CMA received was broadly consistent with the shares estimated by the Parties and did not affect the CMA's assessment.

two suppliers with shares between 5-10%, namely Rabbit Waste and Mick George.

6.2.1.3.2 Closeness of competition

6.2.1.3.2.1 Parties' submissions

71. The Parties submitted that, to the extent that storage capacity and recycling credits are important parameters of competition, the Parties are not close competitors in Tilbury. In particular, while Enva's site is a small site with limited storage capacity, Seras' site is able to store large volumes of unprocessed waste wood.[92] Further, Seras does not offer recycling credits.[93]

6.2.1.3.2.2 CMA's assessment

72. The evidence from third parties and the Parties' internal documents indicates that Seras and Enva are close competitors in Tilbury:

(a) While only a limited number of customers responded to the CMA's market testing, of those that did in the Tilbury area, over half identified Seras and Enva as fully or very suitable suppliers.[94] These customers expressed concerns about the Merger and made comments consistent with the Parties competing closely.[95] For example, one submitted that the Merger reduces competition and would increase gate fees.[96] A few other customers [✂] expressed positive views on the Merger,[97] one of which explained that the Merger would give it more options [✂].[98]

(b) Over half of competitors in the Tilbury area that responded to the CMA's market testing rated Seras and Enva as strong or very strong competitors and one competitor rated them as moderate.[99] One competitor explained that both have competitive prices,[100] and another referenced their locations, capacity and gate fees.[101] All competitors in the Tilbury area also submitted

92 Parties' additional submission following the Issues Meeting, 24 July 2026, para 1.2.
93 Parties' response to the Issues Letter, 23 July 2026, slide 25.
94 For Seras: Responses to the CMA's waste wood processing customer questionnaire from a number of third parties, June 2026, question 4.
For Enva: Responses to the CMA's waste wood processing customer questionnaire from a number of third parties, June 2026, question 4.
95 Note of a call with a third party, May 2026, paragraph 29-35; Responses to the CMA's waste wood processing customer questionnaire from a number of third parties, June 2026, question 8.
96 Response to the CMA's competitor questionnaire from a third party, June 2026, question 8.
97 [✂]
98 [✂]
99 Responses to the CMA's competitor questionnaire from a number of third parties, June 2026, question 6.
100 Response to the CMA's competitor questionnaire, June 2026, question 6.
101 Response to the CMA's competitor questionnaire, June 2026, question 6.

that the Parties are close competitors.[102,103] For example, one competitor submitted that both Parties compete for similar volumes and customers, and are often viewed as viable alternatives to one another, and they are particularly close in the South East of England.[104] A number of competitors expressed concerns about the Merger, with some referring to high market shares and the potential for increased gate fees in their explanations.[105,106]

(c) The Parties' internal documents demonstrate that they view each other as competitors for the supply of waste wood processing in the South East of England (where their Tilbury sites are located) alongside a number of other processors.[107]

73. The above evidence is consistent with the CMA's view that sites that are physically closer together are more likely to be close competitors because they are more likely to compete for the same customers, given lower differences in transport costs and greater overlap in customer reach.[108] As noted in Table 1, the Parties' sites are roughly 10 minutes apart and are each other's nearest competing processing site.

74. In relation to the Parties' submissions that the Parties are differentiated on the basis of storage capacity and recycling credits, some customers suggested that storage capacity or the ability to offer recycling are important factors for them when selecting a supplier.[109]

6.2.1.3.2.3 Conclusion on closeness of competition

75. Based on the evidence set out above, despite some differences in their offering, the CMA considered that the Parties are close competitors in the Tilbury catchment area.

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[102] Responses to the CMA's competitor questionnaire from a number of third parties, June 2026, question 7.
[103] Some of these suppliers also have other sites in the United Kingdom, so their answers may reflect broader competitive dynamics. Nevertheless, the CMA considered that they provide useful context for the Tilbury area.
[104] Response to the CMA's competitor questionnaire from a third party, June 2026, question 7.
[105] Responses to the CMA's competitor questionnaire from a number of third parties, June 2026, question 10.
[106] [✂].
[107] For example, a Seras strategy document from 2024 that maps out the UK regional competitor landscape identified Enva as one of its competitors in the South East, alongside Countrystyle, MVV, Sylvagen and Suez. Seras Internal Document, Annex 008.1 to the FMN, '[✂]', 15 October 2024, slide 11. An Enva document from 2024 identifies Seras as one of its competitors in the South East, alongside Countrystyle, AW Jenkinson, MVV and Dunmow. Enva Internal Document, Annex 017.3 to the FMN, '[✂]' September 2024, slide 3.
[108] The CMA considered this to be in line with its past cases, including Capital & Counties Properties/Shaftesbury, Hanson/Mick George and Unite/Empiric.
[109] For example, one customer explained its ratings of suppliers with reference to their ability to offer recycling credits; another said many local authority contracts include recycling targets or requirements and the need to adhere to these will affect its decision-making alongside other factors; and another referenced some sites reaching capacity. Responses to the CMA's waste wood processing customer questionnaire from a number of third parties, June 2026, question 4. Note of a call with a third party, May 2026, paragraph 14. See also paragraph 29.

6.2.1.3.3 Alternative constraints

6.2.1.3.3.1 Parties' submissions

76. In relation to their sites in Tilbury the Parties made the following submissions:

(a) As set out above, demand re-centring (ie considering the catchment area with customer locations as the centroid, rather than the Parties' sites) shows that customers have significant choices. In particular in relation to Tilbury, shares of supply are lower when centred on customers to the west of Tilbury. Recentring on different customer locations (adopting a 95-minute catchment area), the Parties' combined share would range from [30-40]%.[110]

(b) Competitors have significant spare capacity, including both large suppliers such as MVV and Sylvagen, and smaller ones such as Timberpak and Veolia.[111]

(c) The Parties' largest intake customers in the South of England are sophisticated purchasers and have a range of outside options. Seras provided examples of how these customers could switch to self-supply, including Sylvagen and Suez.[112]

(d) Sylvagen is a very strong competitor through its Shoreham Port, Olus Biomass and Alton sites. As a competitor, Sylvagen processes significantly more wood than it sources [✂], and therefore actively competes with Seras for the same volumes.[113,114]

(e) Processing sites in the South of England are constrained by sites in the Midlands, and (to a lesser extent) in the North of England,[115] with lower gate fees in the North of England offsetting transportation/haulage costs.[116]

(f) The Parties are disincentivised from increasing gate fees because of the interdependence between intake volumes and offtake supply commitments. In particular, the Parties submitted that losing intake volume would impose a significant cost on the Merged Entity as it would either need to purchase additional volumes from third parties or face contractual penalties.[117]

[110] Parties' response to the Issues Letter, 23 July 2026, slide 22.
[111] Parties' response to the Issues Letter, 23 July 2026, slide 26.
[112] FMN, paragraph 12, Parties' response to the Issues Letter, 23 July 2026, slides 31-34.
[113] Parties' response to the Issues Letter, 23 July 2026, slide 24 and Parties' submission to the CMA, 31 July 2026, paragraph 2.3.
[114] In support of this argument, the Parties gave two examples of customers Seras won that were previously supplied by Sylvagen. Parties' submission to the CMA, 31 July 2026, paragraph 2.3, FMN, para 14.11.
[115] Parties' submission to the CMA on waste wood processing services, 24 June 2026, paragraph 4.5.
[116] Parties' submission to the CMA on waste wood processing services, 24 June 2026, paragraph 4.3.
[117] FMN, paragraph 14.46-14.50, Parties' response to the Issues Letter, 23 July 2026, slide 28-29.

(g) Finally, barriers to entry and expansion in the supply of waste wood processing services are low, and many sites have opened in the past five years.[118] In particular, the Parties submitted that: (i) waste wood shredders can be leased, purchased second hand or financed to avoid high up-front capital costs, and (ii) smaller scale sites (processing up to 25kT a year) can benefit from an exemption to the environmental permit requirement for three years, while a new or varied permit for a site processing larger volumes can be obtained in approximately 12 months or less.[119]

6.2.1.3.3.2 CMA's assessment

77. As set out in the shares of supply section above, there are a number of material alternative suppliers in the area, including Countrystyle, MVV, Sylvagen, Rabbit Waste and Mick George.

78. The evidence from third parties and the Parties' internal documents indicates that some of these suppliers, particularly larger ones such as Countrystyle, MVV and Sylvagen, currently impose a material constraint on the Parties in Tilbury:

(a) As summarised above, the Parties' internal documents indicate that they monitor a number of alternative competitors in the South East of England, including Countrystyle, MVV and, to a lesser extent, Sylvagen, Suez, AW Jenkinson and Dunmow.

(b) Half of customers identified MVV as a fully or moderately suitable supplier,[120] and a competitor identified MVV as a moderate competitor.[121] Similarly, half of customers identified Sylvagen as a moderately or slightly suitable supplier,[122] and a competitor identified Sylvagen as a strong competitor.[123] In addition, one customer identified Countrystyle as a moderately suitable supplier,[124] and half of competitors identified it as a strong or moderate competitor.[125] One of these competitors referenced Countrystyle's location, capacity and offer to collect wood in its explanation.[126]

(c) In relation to smaller suppliers, half of customers also identified Veolia[127] and Timberpak[128] as fully or slightly suitable, although some of these customers

[118] FMN, paragraph 14. Parties' response to the Issues Letter, 23 July 2026, slide 37.
[119] FMN, paragraph 21.18 and 21.20. Parties' response to the Issues Letter, 23 July 2026, slide 38.
[120] Responses to the CMA's waste wood processing customer questionnaire from a number of third parties, June 2026, question 4.
[121] Response to the CMA's competitor questionnaire from a third party, June 2026, question 6.
[122] Response to the CMA's waste wood processing customer questionnaire from a third party, June 2026, question 4.
[123] Response to the CMA's competitor questionnaire from a third party, June 2026, question 6.
[124] Response to the CMA's waste wood processing customer questionnaire from a third party, June 2026, question 4.
[125] Responses to the CMA's competitor questionnaire from a number of third parties, June 2026, question 6.
[126] Response to the CMA's competitor questionnaire from a third party, June 2026, question 6.
[127] Responses to the CMA's waste wood processing customer questionnaire from a number of third parties, June 2026, question 4.
[128] Responses to the CMA's waste wood processing customer questionnaire from a number of third parties, June 2026, question 4.

caveated their responses. One competitor also rated Egger/Pearce (Timberpak) as strong.[129]

79. In relation to [✂], it is contractually required to supply [✂] of unprocessed wood to Seras annually. Accordingly, [✂] will not compete with the Merged Entity to process those volumes. Nevertheless, both the Parties and [✂] process significant volumes in excess of those covered by the agreement implying [✂] will continue to exert a competitive constraint on the Merged Entity in relation to those volumes, in line with the evidence above.

80. Further, the evidence from suppliers in the Tilbury area suggests that there is spare capacity in the market from a number of these suppliers.[130] In general, the CMA considers that where firms have significant spare capacity, they may be able to better compete for additional volumes.[131,132]

81. The CMA notes that all other competitors within the catchment (including the competitor with expansion plans referred to in paragraph 82 below) are further away from the Parties than the Parties are from each other, which may suggest they pose less strong constraints. However, while the CMA did not consider it appropriate to adopt demand-centred catchments, the Parties' analysis shows that a significant proportion of the volumes they process at their Tilbury sites are from customers that are located to the west of Tilbury and closer to rival sites (eg Sylvagen, Rabbit Waste, Veolia, Pearce Recycling (Timberpak) than to the Parties' sites.[133] This suggests that these suppliers may be a more credible alternative for some customers.

82. The CMA also considered how the constraint from rival suppliers may change in the future. Whilst the evidence discussed below suggests that the barriers to entry and expansion are material, the CMA also received evidence indicating that one of the large competitors has significant expansion plans and has already made substantial investments to significantly increase its capacity, both through acquisition and organic growth. That supplier explained that it seeks to achieve an annual throughput close to its permit levels as its operations rely heavily on significant annual throughput to make a modest profit..[134] This suggests that this supplier will have incentives to maximise its capacity utilisation and thus to

[129] Response to the CMA's competitor questionnaire from a third party, June 2026, question 6.
[130] The responses to the CMA's market testing from some suppliers, including large suppliers, suggests that there is material spare capacity in absolute terms in the area (responses to the CMA's competitor questionnaire, June 2026, question 1). Further, the CMA agrees with the Parties' submission that 2025 was an anomalous year that is likely to understate the amount of spare capacity in normal times. Parties' response to the Issues Letter, 23 July 2026, slide 26
[131] CMA129, para 4.12.
[132] The CMA understands that the effective capacity of a site will depend on its offtake volumes, and a site can quickly reach its capacity if the offtake volumes drop. This may limit the extent to which suppliers may further constrain the Parties. Nevertheless, the CMA considered that a supplier with a higher permitted but unused capacity will be able to increase processed volumes more readily than a supplier without such unused capacity.
[133] Parties' response to the Issues Letter, 23 July 2026, slide 20. In line with this, for example, the Parties estimated that 35%-45% of Seras', and 13%-26% of Enva's customers, are closer to Sylvagen's sites than to the relevant Party site.
[134] Note of a call with a third party, July 2026, paragraph 4.

compete strongly to secure additional volumes of waste wood. Whilst that supplier explained it expects to achieve some of the growth because it expects overall volumes of unprocessed wood to grow, in particular in London and in the South East of England, it also submitted that when it increases its throughput it will inevitably compete with the Parties for waste wood.[135] The CMA therefore considered this supplier will impose a greater constraint on the Parties in the future than it does currently.

83. Beyond the constraints on the Parties within the catchment, the CMA has also assessed the extent of constraint from suppliers located outside of the Tilbury catchment areas. The CMA considered that these suppliers in aggregate pose some limited constraint on the Parties:

(a) Only a limited number of third parties identified suppliers located outside of the Tilbury catchment area as competitors. In particular, one customer identified each of AW Jenkinson and Shotton,[136] and another customer identified Suez.[137,138] One customer said that it also considered Plevin, Countrystyle and AW Jenkinson as potential suppliers when it awarded a contract to Enva.[139] One competitor, which is located at the edge of the catchment area also identified Kronospan, Well and Waste and several other smaller suppliers as strong or very strong competitors.[140]

(b) These third-party views are consistent with the evidence from the Parties that 86kT of unprocessed wood from within the catchment area (equivalent to approximately 10% of total Tilbury catchment area volumes) is transported to sites that are outside the catchment area, including A&A (AW Jenkinson), Shotton, Kronospan, South West Wood (a JV owned 50% by AW Jenkinson) and Veolia.[141] The CMA considered this is also consistent with the Parties' submissions that at least some volumes are transported to the Midlands/North due to lower gate fees in those areas, which may offset transport costs.

84. Further, the CMA has considered barriers to entry and expansion in the supply of waste wood processing. Evidence received from over half of competitors indicated

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135 Note of a call with a third party, July 2026, paragraphs 3 and 22.
136 A&A Recycling Services' (**A&A**) site is part of the AW Jenkinson Group and is a 148 and 147 minute drivetime from Seras' and Enva's sites respectively.
137 One customer with activities both within the Tilbury catchment area and outside also identified some other suppliers that were suitable in other regions. For example, it said that Boden and Davies was suitable in the North West; and South West Wood is very suitable in the South West and South Wales. This customer also explained that it uses these suppliers for South East material in emergencies. This customer also identified AW Jenkinson and Plevin as suppliers, but explained that they do not operate in the customer's locations, which the CMA has interpreted as meaning they are not suitable for wood waste in the South East. Response to the CMA's waste wood processing customer questionnaire from a third party, June 2026, question 4.
138 Responses to the CMA's waste wood processing customer questionnaire from a number of third parties, June 2026, question 4.
139 Note of a call with a third party, May 2026, paragraph 21.
140 Response to the CMA's competitor questionnaire from a third party, June 2026, question 6.
141 Parties' response to the Issues Letter, 23 July 2026, slide 15.

that that there are high barriers.[142] In particular, several competitors noted that setting up a new site and/or expanding an existing site involves substantial capital costs,[143] and requires necessary environmental permits and planning approvals which were described as difficult and time-consuming to obtain.[144] This evidence is consistent with the Parties’ internal documents.[145]

85. However, smaller scale entry may be subject to lower costs[146] or lower barriers due to the availability of an exemption that enables a processor to accept 500 tonnes of waste wood per week (equivalent to approximately 25kT annually) without an environmental permit for three years, which one competitor submitted is typically approved in 24 to 48 hours for a small licence fee.[147]

86. In addition, there is evidence of suppliers recently entering the market and/or planning significant expansion in the near future,[148] with a number of other competitors indicating that they are exploring options to increase their capacity (including in the Tilbury catchment areas).[149] Accordingly, the evidence suggests that, although barriers to entry and expansion are generally significant, entry and expansion does occur where suppliers are willing to make the necessary investments and obtain the required approvals.

87. Finally, the CMA has placed limited weight on the Parties’ submissions regarding customers’ ability to self-supply and the constraint offtake volume commitments has on intake gate fees:

(a) Over half of customers that responded to the CMA’s market testing submitted that self-supply was not a viable option for them.[150] One of these customers explained that this is due to the amount of investment in a plant and cost of resources.[151] In addition, one customer noted that it would not divert the volumes of waste wood it currently supplies to Seras to self-supply despite plans to expand its own processing capacity.[152]

(b) In relation to the Parties’ submission in relation to offtake commitments, while offtake volume commitments may to some degree constrain intake gate fees,

[142] Responses to the CMA’s competitor questionnaire from a number of third parties, June 2026, question 8(a).
[143] Responses to the CMA’s competitor questionnaire from a number of third parties, June 2026, question 8(a).
[144] Responses to the CMA’s competitor questionnaire from a number of third parties, June 2026, question 8(a).
[145] For example, one Seras internal document says that there are high barriers to entry (Seras Internal Document, Annex 008.1 to the FMN, ‘[✂]’, 15 October 2024, slide 67), and another Seras document that discusses setting up new sites for waste wood processing and/or storage notes that any major development is likely to require new consents which may add 18 months to any process (Seras Internal Document, Annex 008.2 to the FMN, ‘[✂]’, October 2025, slide 12).
[146] Submission to the CMA from a third party, July 2026.
[147] Response to the CMA’s competitor questionnaire from a third party, June 2026, question 8(a).
[148] See paragraph 82 above. Examples of recent entry in the Tilbury catchment area provided by the Parties include Sylvagen’s site at Shoreham Port in Sussex in 2026, Sylvagen’s site in Alton in 2024, Chambers Group’s site in Guildford in 2025, and Westminster Waste’s site in London in 2023 (Parties' response to the Issues Letter, 23 July 2026, slide 37).
[149] Responses to the CMA’s competitor questionnaire from a number of third parties, June 2026, question 8(b).
[150] Responses to the CMA’s waste wood processing customer questionnaire from a number of third parties, June 2026, question 6.
[151] Response to the CMA’s waste wood processing customer questionnaire from a third party, June 2026, question 6.
[152] Submission to the CMA from a third party, July 2026.

any such constraint will still ultimately depend on the availability of alternatives. As set out above, the CMA considered that a number of credible alternative suppliers will continue to constrain the Merged Entity.

6.2.1.3.3.3 Conclusion on alternative constraints

88. In view of the above, the CMA considered that there are several suppliers that currently impose a material constraint on the Parties in the Tilbury area, including at least one rival supplier with plans for significant expansion which can therefore be expected to exert a stronger constraint on the Parties in the future. Suppliers outside the Tilbury area are likely to collectively offer some limited constraint on the Merged Entity.

6.2.1.3.4 Conclusion on Tilbury

89. For the reasons set out above, the CMA considered that, while the Parties are close competitors in the Tilbury area, post-Merger, the Merged Entity will continue to be constrained by several other material suppliers. The CMA also considered that this competitive constraint is likely to strengthen over time, particularly in light of significant expansion plans by one competitor, which are not in the public domain. The CMA has taken into account the concerns expressed about the Merger by a number of third parties, including some customers. However, taking account of the evidence as a whole, the CMA found that the Merger does not give rise to competition concerns in relation to the local area of Tilbury.

6.2.1.4 Pollington

90. Seras has a site located in Pollington in South Yorkshire. Seras has two other sites within a 95 minute catchment area centred on Seras' Pollington site, Rotheram and Widness, which are 43 and 93 minutes drivetime respectively from the Pollington site, and Enva has two sites, Manchester and Middlesborough, at 70 and 82 minutes drivetime respectively.[153]

91. Within the catchment, the Merged Entity would have a combined share of [30-40]%, with a significant increment of [10-20]%.[154,155] However, there are four other material suppliers in the area that collectively account for just over a half of the market: Boden and Davies ([10-20]%), Plevin ([10-20]%), Timberpak ([10-20]%)

153 Annex RFI1A 001.1 to the Parties' response to the CMA's RFI 1.
154 The combined share includes five of the Parties' sites that are within the catchment. Seras' Widnes site, which accounts for 8% of volumes in the area, is only just within the catchment area at a 94-minute drivetime. Annex RFI1A 001.1 to the Parties' response to the CMA's RFI 1, tab 'Pollington – 95'.
155 Based on the Parties' estimated shares of supply for waste wood processing in 2024. The Parties' figures are from their own internal data, and competitors' figures are from analysis of Environment Agency undertaken by Tolvik Consulting on behalf of the Parties. Annex RFI1A 001.1 to the Parties' response to the CMA's RFI 1.

and Silva Recycling ([5-10]%), in addition to a tail of other suppliers with shares of less than 5%.[156]

92. Third parties did not suggest that the Parties were particularly close competitors in the Pollington area.[157] While all customers rated Seras as a very or moderately suitable supplier,[158] views on Enva were mixed. In particular, half of customers said that Enva was not suitable at all, only one said that Enva was fully suitable and another said that it was moderately suitable.[159] Most customers also expressed a neutral view on the Merger.[160] These third-party views are also consistent with Enva's two sites both being relatively far from Seras' Pollington site and close to the border of the catchment area.

93. The evidence also indicated that other significant suppliers in the catchment area would continue to constrain the Merged Entity post-Merger:

(a) All material competitors in the local area (Boden and Davies, Plevin, Silva Recycling and Timberpak), are closer or nearly as close to Seras' Pollington site than both of Enva's sites in the catchment area.[161] The CMA notes that some of these competitors have a significant amount of spare capacity.[162]

(b) While the CMA received limited third-party evidence on the strength of alternatives, third parties did indicate that each of the above competitors are credible suppliers. Half of customers identified Timberpak as a moderately or very suitable supplier,[163] and one customer identified Plevin[164] as moderately suitable. One competitor, just outside the catchment area, also considered Boden and Davies, Plevin and Silva Recycling to be strong competitors.[165]

94. The CMA also received evidence to indicate that suppliers outside of the Pollington catchment area may also impose a material constraint on the Parties. Several out of catchment sites were identified as suitable or strong suppliers in

[156] The CMA considered that the source of the data and the Parties' methodology is reasonable for the purposes of this investigation. 2025 data is not yet available from the Environment Agency. The CMA therefore gathered evidence from suppliers on their 2025 volumes. However, given that 2025 was an exceptional year in wood waste (as set out in footnote 91), and that the CMA did not receive data from all suppliers, it was unable to reconstruct market shares. Nevertheless, the data the CMA received was broadly consistent with the shares estimated by the Parties and did not affect the CMA's assessment of the implications of shares of supply.
[157] The CMA received very limited responses from competitors on the closeness of the Parties in relation to Pollington.
[158] Responses to the CMA's waste wood processing customer questionnaire from a number of third parties, June 2026, question 4.
[159] Responses to the CMA's waste wood processing customer questionnaire from a third party, June 2026, question 4.
[160] Responses to the CMA's waste wood processing customer questionnaire from a number of third parties, June 2026, question 8.
[161] There are at least three large competitors within the catchment which are located closer to Seras' Rotherham site than the two Enva's sites. In relation to Seras' Widnes site, there is at least one material competitor, Boden and Davies, that is located closer than the two Enva's sites. Annex RFI1A 001.1 to the Parties' response to the CMA's RFI 1, tabs 'Pollington – 95', 'Rotherham – 95', and 'Widnes - 95'.
[162] One of these competitor's maximum capacity at its site is over double the volumes it received in 2025. Response to the CMA's competitor questionnaire from a third party, June 2026, question 1.
[163] Responses to the CMA's waste wood processing customer questionnaire from a number of third parties, June 2026, question 4.
[164] Responses to the CMA's waste wood processing customer questionnaire from a third party, June 2026, question 4.
[165] Response to the CMA's competitor questionnaire from a third party, June 2026, question 6.

relation to the Pollington area by a number of third parties.[166] In particular, two third parties (a customer and a competitor) suggested that AW Jenkinson is a suitable or strong supplier.[167] AW Jenkinson's closest site is 117 minutes from Pollington. As noted above, a supplier just outside the catchment area also submitted that it competes strongly with the Parties' sites and other suppliers inside the catchment area (Boden and Davies, Plevin and Silva Recycling) as well as with AW Jenkinson.[168,169]

95. In view of the above, the CMA considered that the Merger does not give rise to competition concerns in the local area of Pollington.

6.2.1.5 Middlesbrough

96. Enva operates one site in Middlesbrough. Seras has one site in Pollington within a 95 minute catchment area centred on Enva's Middlesborough site located 80 minutes-drive away.[170]

97. Within the catchment area, the Merged Entity would have a combined share of [30-40]%, with a significant increment of [10-20]%.[171] However, there are three other large suppliers in the area collectively accounting for the majority of the market, including Timberpak which is materially larger than the Parties ([40-50]%), as well as CLC Recycling ([10-20]%) and Suez ([5-10]%).[172]

98. The evidence from third parties did not suggest that the Parties are particularly close competitors in the Middlesborough area. Only one customer identified both Seras and Enva as suitable suppliers. Furthermore, this customer explained that while Enva is fully suitable, Seras is only moderately suitable because its site is further away with higher gate fees.[173] Similarly, only one supplier submitted that Enva is a moderate competitor but did not identify Seras. Although one customer

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166 Response to the CMA's waste wood processing customer questionnaire from a third party, June 2026, question 4 and response to the CMA's competitor questionnaire from a third party, June 2026, question 6.
167 Response to the CMA's waste wood processing customer questionnaire from a third party, June 2026, question 4 and response to the CMA's competitor questionnaire from a third party, June 2026, question 6.
168 Response to the CMA's competitor questionnaire from a third party, June 2026, question 6.
169 The CMA also notes that in addition to that supplier and AW Jenkinson, there are two material suppliers within 10 minutes of the catchment area, and a further three between 10 and 20 minutes of the catchment area. Parties' supplementary submission to the CMA on waste wood processing services, 24 June 2026, table 4
170 Annex RFI1A 001.1 to the Parties' response to the CMA's RFI 1.
171 Based on the Parties' estimated shares of supply for waste wood processing for 2024. The Parties' figures are from their own internal data, and competitors' figures are from analysis of Environment Agency undertaken by Tolvik Consulting on behalf of the Parties. Annex RFI1A 001.1 to the Parties' response to the CMA's RFI 1.
172 The CMA considered that the source of the data and the Parties' methodology is reasonable for the purposes of this investigation. 2025 data is not yet available from the Environment Agency. The CMA therefore gathered evidence from suppliers on their 2025 volumes. However, given that 2025 was an exceptional year in wood waste (as set out in footnote 91), and that the CMA did not receive data from all suppliers, it was unable to reconstruct market shares. Nevertheless, the data the CMA received was broadly consistent with the shares estimated by the Parties and did not affect the CMA's assessment of the implications of shares of supply.
173 Response to the CMA's waste wood processing customer questionnaire from a third party, June 2026, question 4.

in the catchment[174] raised concerns about the Merger, the remaining customers expressed neutral views.[175] These third-party views are also consistent with Seras' site being located relatively far from Enva's site and close to the border of the catchment area.

99. The evidence also indicated that other significant suppliers in the Middlesborough catchment area would continue to constrain the Merged Entity post-Merger:

(a) As noted above, Timberpak is the largest supplier in the area, accounting for nearly half of total volumes, while CLC and Suez also have material shares of supply. All of these competitor sites are closer to Enva's Middlesbrough site than Seras' site.

(b) While the CMA received limited evidence from third parties, the evidence it obtained is consistent with these larger suppliers acting as credible suppliers.[176]

(c) The CMA notes that Enva charged negative gate fees on [✂] of its intake volume in 2024 at the Middlesborough site, which is consistent with Enva facing strong pressure and having to compete aggressively on gate fees in order to attract waste wood to its site.[177]

100. In addition, customers identified some suppliers outside of the Middlesborough catchment as relevant alternatives. In particular, one customer identified AW Jenkinson as a moderately suitable supplier,[178] while another identified FCC and Greenworld as fully suitable suppliers.[179] However, these suppliers are located materially further away[180] and as such, are likely to impose only a limited constraint on the Parties' sites in the Middlesborough catchment area.

101. In view of the above, the CMA considered that the Merger does not raise competition concerns in the local area of Middlesbrough.

[174] Response to the CMA's waste wood processing customer questionnaire from a third party, June 2026. Another customer which is located well outside of the Middlesborough catchment area raised concerns about the Merger, however those concerns do not appear to be Merger specific. Response to the CMA's waste wood processing customer questionnaire from a third party, June 2026, question 8.
[175] Response to the CMA's waste wood processing customer questionnaire from a number of third parties, June 2026, question 8.
[176] One customer identified Timberpak as a moderately suitable supplier (response to the CMA's waste wood processing customer questionnaire from a third party, June 2026, question 4) and a competitor identified Timberpak as a strong supplier and Suez as a moderate supplier (response to the CMA's competitor questionnaire from a third party, June 2026, question 6).
[177] FMN, Table 11.1.
[178] Response to the CMA's waste wood processing customer questionnaire from a third party, June 2026, question 4.
[179] Response to the CMA's waste wood processing customer questionnaire from a third party, June 2026, question 4.
[180] AW Jenkinson is 122 minutes drivetime from Enva's Middlesbrough site and FCC and Greenworld are over 150 minutes drivetime.

6.2.1.6 Conclusion

102. For the reasons set out above, the CMA found that the Merger does not give rise to a realistic prospect of an SLC as a result of horizontal unilateral effects in the supply of waste wood processing services at a local level.

6.2.2 Other theories of harm considered

103. The CMA also considered whether the Merger would give rise to horizontal unilateral effects in the supply of waste wood derived biomass fuel (ie offtake).

104. Given the Parties only overlap in the primary supply of waste wood derived biomass fuel to biomass power plants, the CMA focused its assessment on the impact of the Merger on primary supply.[181]

105. The CMA considered that the evidence indicated that competition for the primary supply of waste derived biomass fuel occurs on a national basis. A number of suppliers are regionally focused, and third parties submitted mixed evidence on varying competitive conditions across regions.[182] However, as noted at paragraph 31, most biomass plants procure waste wood derived biomass fuel on the basis of long term FSAs, and competition for these FSAs takes place on a national basis. A number of primary suppliers, including the Parties, have national coverage,[183] and the CMA also received evidence that processed wood regularly travels long distances between regions, and that primary suppliers do not require a local presence in a region to win contracts.[184]

106. Taking into account a range of evidence, including shares of supply,[185] the Parties' internal documents, and third-party views, the CMA considered that the Merger would not give rise to competition concerns in the primary supply of waste wood derived biomass fuel.

107. The Parties' combined share of the primary supply of waste wood derived biomass fuel to power plants in the UK in 2024 was [30-40]%.[186] While this is relatively

[181] Enva supplies via primary contracts directly to biomass power plants and also undertakes secondary supply (ie supplying other waste wood processors). Seras is not active in secondary supply as it uses all the waste wood it processes to supply biomass plants that it has direct contracts with. FMN, paragraph 12.52.
[182] Response to the CMA's competitor questionnaire from a number of third parties, June 2026, question 17.
[183] The Parties submitted that they constructed waste wood processing facilities proximate to biomass power plants where they had won long term FSAs providing them with a regional presence. FMN, paragraph 12.49.
[184] FMN, paragraph 12.54 – 12.64.
[185] The CMA considered that shares of supply largely reflect competition for long term FSAs that were signed 10 or more years ago, impacting the extent to which they afford insights into current competition in the market. Accordingly, the CMA has considered shares of supply alongside other sources of evidence, including internal documents and third-party views, to inform its assessment.
[186] The shares of supply are based on data provided by the Parties based on data provided by the consultancy firm Tolvik, and the Parties' market intelligence and understanding of FSA agreements (FMN, paragraph 13.34). The CMA considered that the source of the data and the Parties' methodology is reasonable for the purposes of this investigation. The CMA gathered evidence from suppliers on their 2025 volumes. As 2025 was an exceptional year in wood waste (see footnote 91) and the CMA did not receive data from all suppliers, the CMA was unable to reconstruct market shares.

high, the increment is very small, with Enva accounting for only [0-5]%. In addition, there are several material alternative suppliers, including AW Jenkinson ([10-20]%), Suez ([10-20]%), Veolia ([10-20]%) and Plevin ([5-10]%).

108. The evidence indicates that the Parties are differentiated in terms of their strategic focus, suggesting that they are not particularly close competitors. Seras competes solely for the primary supply of waste wood derived biomass fuel in the UK via FSAs or short-term contracts and does not supply biomass fuel to other wood processors (ie secondary supply).[187] Enva predominantly supplies to export customers or other wood processors via secondary supply, and processes limited volumes of waste wood for primary supply, as reflected in its share of supply.[188] Enva's limited strategic focus on primary supply is also supported by its internal documents.[189] In addition, third-party views on whether the Parties compete closely were mixed. Whilst both Parties are considered as suitable and strong by customers and competitors,[190] half of competitors said the Parties do not compete closely or no more closely with each other than with other competitors in the market.[191]

109. The evidence also indicates that the Merged Entity will continue to be constrained by several significant suppliers. The Parties' internal documents identify Seras and AW Jenkinson as market leaders (noting Enva is a distant competitor),[192] alongside other competitors such as Suez, Veolia, Plevin, and Boden and Davies.[193] This is consistent with third-party views which indicated these suppliers are credible competitors to the Parties:

Nevertheless, the data the CMA received was generally comparable with the shares estimated by the Parties and did not affect the CMA's views on the implications of shares of supply. Note of a call with a third party, April 2026, paragraph 23; Response to the CMA's competitor questionnaire from a number of third parties, June 2026, question 17.

[187] Seras has six long term FSAs with power plants that run until the plant's respective ROC subsidies expire between [✂]. All the processed wood Seras produces is used to fulfil these contracts, with the remaining shortfall purchased from secondary suppliers. FMN, paragraph 14.61.

[188] Enva supplies [✂]kT out of a total [✂]kT of waste wood derived biomass fuel as primary supply in 2024 (FMN, Table 3.4). Enva has one FSA in place with Sembcorp, co-located with Enva's Middlesbrough site, which runs until [✂]. In addition, Enva has a [✂] non-exclusive contract in place to supply [✂] and supplies small volumes to [✂] on an ad hoc basis. The remainder of Enva's processed wood is supplied via secondary supply to power plants ([✂]% of the wood Enva processes) or exported ([✂]% of the wood Enva processes). FMN para 14.59.

[189] Enva's Internal Document, Annex 016.8 to the FMN, 'Wood Division Board Update', November 2024, slide 9.

[190] The majority of customers rated Seras as 'fully' suitable, and the remainder rated it 'very' suitable. One customer rated Enva as 'fully' suitable, with the remainder rating it either 'very' or 'moderately' suitable. Some competitors rated Seras and most rated Enva as strong competitors. Responses to the CMA's biomass fuel customer questionnaire from a number of third parties, June 2026, question 6; Response to the CMA's competitor questionnaire from a number of third parties, June 2026, question 16.

[191] When asked whether the Parties are considered close competitors in the primary supply of biomass fuel directly to power plants, half of competitors said that that the Parties do not compete closely or no more closely than with other competitors in the market. Of the remaining half, some said the Parties are close competitors, and one considered they compete closely in the South East. Response to the CMA's competitor questionnaire from a number of third parties, June 2026, question 18.

[192] Enva's Internal Document, Annex 016.8 to the FMN, 'Wood Division Board Update', November 2024, slide 5; Enva's Internal Document, Annex 016.2 to the FMN, 'Enva Update 5-year Value Creation Plan, Board Presentation', January 2025, slide 6; Enva's Internal Document, Annex 019.18 to the FMN, 'Enva Board Meeting', 25 March 2025, slide 136.

[193] Enva supplied internal documents evidencing primary contract negotiations against [✂]: Enva's Internal Document, Annex 017.2 to the FMN, '[✂]', 8 April 2026, slide 2; Enva's Internal Document, Annex 020.85 to the FMN, '[✂]', 10-April 2024, slide 2. Seras supplied an internal document listing competitors in waste wood: Seras Internal Document, Annex 008.1 to the FMN, 'Seras Strategy 2024-29', 15 October 2024, slide 10 and 78.

(a) All customers responding to the CMA's investigation rated AW Jenkinson as suitable, with most considering it moderately, very or fully suitable,[194] and the majority of competitors viewed AW Jenkinson as a strong or very strong competitor. [195]

(b) All customers rated Suez, Veolia, Plevin, and Boden and Davies as suitable, with at least one customer identifying each as 'fully' suitable.[196] Competitors also rated Suez, Veolia and Plevin as moderate or strong competitors,[197] and several competitors rated Countrystyle, a smaller regional player, as moderately strong.[198]

110. Several customers submitted that the Merger would afford the Merged Entity increased processing capacity, giving it control over more of the supply of processed wood and negatively impacting competition.[199] The CMA understands that processing capacity may strengthen the ability of potential suppliers to provide a consistent and secure flow of processed wood to biomass power plants and as such can be an important parameter of competition.[200] However, the evidence shows that the Merged Entity would account for a [20-30]% share of current processing capacity nationally, and there are other suppliers with comparable processing capacity. This includes AW Jenkinson which has a [20-30]% share of processing capacity, in addition to Suez ([5-10]%), Boden and Davies ([5-10]%), Veolia ([5-10]%), and Plevin ([0-5]%) who collectively account for [20-30]%.[201]

111. The CMA has also considered the level of barriers to entry and expansion for alternative suppliers and how they may evolve in the future. The evidence from third parties indicates that the ability and willingness of a supplier to agree to contractual obligations attached to long term FSAs has been a key barrier to entry and expansion.[202] However, the evidence also indicates that future FSAs may involve shorter term contracts with lower risk profiles, in response to the uncertainty about the operational life of the biomass plants, the level of investment

194 Responses to the CMA's biomass fuel customer questionnaire from a number of third parties, June 2026, question 6. One customer rated AW Jenkinson as 'slightly suitable'. Response to the CMA's biomass fuel customer questionnaire from a third party, June 2026, question 6.
195 AW Jenkinson (and its subsidiaries) was mentioned by over half of competitors and received and average rating of between 'strong' and 'very strong'. Response to the CMA's competitor questionnaire from a number of third parties, June 2026, question 16.
196 Responses to the CMA's biomass fuel customer questionnaire from a number of third parties, June 2026, question 6.
197 In terms of competitor feedback, Suez (average rating between 'moderately strong' and 'strong') was mentioned by just under half of competitors, Plevin and Veolia were mentioned once and rated moderate and strong respectively. Response to the CMA's competitor questionnaire from a number of third parties, June 2026, question 16.
198 Countrystyle was mentioned by three competitors as 'moderately strong' rating. Response to the CMA's competitor questionnaire from a number of third parties, June 2026, question 16.
199 Note of a call with a third party, April 2026, paragraph 12 and 27; Submission to the CMA from a third party, May 2026, and; Note of a call with a third party, May 2026, paragraph 9.
200 For example, one customer explained this is an important factor when considering suppliers. Note of a call with a third party, May 2026, paragraph 19.
201 FMN, Table 13.11.
202 A competitor noted the supply chain risk involved in primary supply of biomass fuel, as the processor needs to secure sufficient unprocessed wood. Note of a call with a third party, May 2026, paragraph 36. A customer submitted there are limited suppliers that have the financial capability to underwrite the costs incurred due to non-supply of biomass fuel. Note of a call with a third party, May 2026, paragraph 16.

required to enable them to continue operating,[203] and uncertainty about any future replacement for the ROC subsidy regime.[204] The CMA considered that moving towards lower-risk shorter-term contracts may enable smaller primary suppliers to expand or secondary suppliers to enter primary supply in the future.

112. In view of the above, in particular the differentiation between the Parties, the small increment in the shares of supply, and the material constraint that several competitors will continue to exert on the Merged Entity post-Merger, the CMA found that the Merger does not give rise to a realistic prospect of an SLC as a result of horizontal unilateral effects in the supply of waste wood derived biomass fuel in the UK.

7. ENTRY AND EXPANSION

113. Entry, or expansion of existing firms, can mitigate the initial effect of a merger on competition, and in some cases may mean that there is no SLC. The CMA will consider entry and/or expansion plans of rivals who do so in direct response to the merger as a countervailing measure that could prevent an SLC. In assessing whether entry or expansion might prevent an SLC, the CMA considered whether such entry or expansion would be timely, likely and sufficient.[205]

114. As the CMA has concluded that the merger does not give rise to an SLC, it is not necessary to consider countervailing factors in this decision. However, where relevant, the CMA has taken into account barriers to entry and/or expansion, together with the expansion plans of the Parties' rivals, as part of its competitive assessment (for example, see paragraphs 84-86 above).

[203] FMN, paragraph 14.71; Note of a call with a third party, June 2026, paragraph 10.
[204] FMN, paragraph 14.71.
[205] CMA129, paragraph 8.31.

DECISION

115. Consequently, 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.

116. The Merger will therefore not be referred under section 33(1) of the Act.

Naomi Burgoyne
Senior Director
Competition and Markets Authority
13 August 2026

[i] The FY 2025 turnover of Enva in the UK was incorrectly stated in paragraph 14, and instead is £[✂] million.