

Section 21 of the Competition Act 2002

Proposed acquisition by Ceres Midco 2 Limited of sole control of Azeda Unlimited Company

Dated: 31 January 2025

Introduction

1. On 23 December 2024, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed acquisition whereby Mayfair Equity Partners LLP (“Mayfair Group”), through Ceres Midco 2 Limited, would acquire the entire issued share capital, and thus sole control, of Azeda Unlimited Company (“Azeda”) (“The Proposed Transaction”).¹

The Proposed Transaction

2. The Proposed Transaction will be implemented by way of a share purchase agreement dated 18 December 2024 between the Sellers² and Ceres Midco 2 Limited (the “SPA”). The Proposed Transaction will result in the Mayfair Group acquiring sole control of Azeda.

The Undertakings Involved

The Acquirer – Mayfair Group

3. Mayfair Group, a private equity firm ultimately controlled by [REDACTED], is a technology and consumer investor headquartered in London. Mayfair Group specialises in growth capital investments and management buyouts in the technology, media, telecommunications and consumer sectors with approximately £2 billion in assets under management.
4. Ceres Midco 2 Limited, whose ultimate parent company is Ceres Topco Limited, an entity within the Mayfair Equity Partners LLP group of companies, is a Mayfair Group acquisition

¹ Mayfair Group and Azeda are referred to collectively as the “Parties”.

² Michael Higgins, Mairead Higgins and James Gerard Higgins.

vehicle established for the sole purpose of facilitating the Proposed Transaction. Ceres Midco 2 Limited has no trading activities prior to the Proposed Transaction.

5. Mayfair Group controls several portfolio companies active in the State,³ including Promise Gluten Free (“PGF”). PGF is a bakery based in Ardara, Co. Donegal comprising the following two bread brands: *Promise Gluten Free* and *Gallagher’s Bakehouse*. PGF is active in the manufacture and supply of bread products to food retailers in the State.⁴ PGF also supplies private label bread products to food retailers, including [REDACTED], [REDACTED], [REDACTED] and [REDACTED].
6. The *Promise Gluten Free* brand specialises in gluten-free bread⁵ and its product range includes a variety of breads, rolls, cakes and other baked products.
7. The Parties state in the merger notification that the focus of the *Gallagher’s Bakehouse* brand is creating bread products that are good for gut health. However, the *Gallagher’s Bakehouse* brand also includes a variety of quality baked goods, including sourdough breads, cakes and pastries.
8. For 2023, Mayfair Group’s worldwide turnover was approximately [REDACTED], of which approximately [REDACTED] was generated in the State.

The Target – Azeda

9. Azeda is the ultimate parent company of the bread brands, *Pat the Baker* and *Irish Pride*.
10. *Pat the Baker*, headquartered in Granard, Co. Longford, manufactures and supplies bread products to food retailers and food service customers in the State.

³ Mayfair Group portfolio companies that made sales to customers located in the State in 2023 include Tour Partner Group Limited, Acclaro Inc, Access Partnership Limited, Seraphine Limited, Garolla Holdings Limited, LoopMe Limited, Trusted House Sitters Limited, and VG Trust & Corporate Services Limited.

⁴ PGF is not active in the manufacture and supply of bread products to food service customers in the State [REDACTED].

⁵ PGF informed the Commission that *Promise Gluten Free*’s entire range of bread products is gluten free. *Promise Gluten Free* does not manufacture or supply any non-gluten-free bread products.

11. *Irish Pride*, headquartered in Cherry Orchard Industrial Estate, Co. Dublin, also manufactures and supplies bread products to food retailers and food service customers in the State.

12. The acquisition of certain assets of *Irish Pride* by *Pat the Baker* was approved by the CCPC in 2015.⁶

13. Both *Pat the Baker* and *Irish Pride* manufacture and supply a wide range of branded bread products including packaged white and non-white pans, burger buns, baps, finger rolls, and bracks to food retailer customers. In addition to their own branded bread products, both *Pat the Baker* and *Irish Pride* supply private label bread products to several food retailers.⁷ Moreover, *Pat the Baker* and *Irish Pride* supply branded bread products to select food service customers in the State such as [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED].⁸

14. For 2023, Azeda's worldwide turnover was approximately [REDACTED], of which [REDACTED] was generated in the State.

Rationale for the Proposed Transaction

15. In the merger notification form, the Parties state the following:

"The Proposed Transaction seeks to (i) expand the geographic reach of the combined business, (ii) deliver a better and more diverse range of products to consumers, (iii) provide a larger, better resourced group of employees and

⁶ The Commission's determination in M/15/045 – *Pat the Baker/Irish Pride* is available at: [M/15/045 - Pat the Baker / Irish Pride | Competition and Consumer Protection Commission](#)

⁷ Azeda informed the Commission that *Irish Pride* supplies private label bread products to [REDACTED]

[REDACTED] Azeda informed the Commission that *Pat the Baker* supplies private label bread products to [REDACTED]

⁸ For 2023, Azeda generated [REDACTED] from sales of bread products to food service customers in the State.

"Mayfair considers that there are significant route-to-market ("RTM") efficiencies to be achieved post combination of the two businesses. Azeda has a robust and extensive distribution capability across the entire State (compared with PGF) which will enable an improved RTM for PGF's products. [REDACTED]"

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

16. During the review of the Proposed Transaction, the Commission requested and received further information and clarification from the Parties.

17. Three third-party submissions were received. None of these submissions raise specific competition concerns about the likely competitive impact of the Proposed Transaction in the manufacture and supply of bread products to food retailers in the State.

Horizontal Overlap

18. There is a horizontal overlap between the Parties in the manufacture and supply of bread products to food retailers in the State. This overlap exists between the Mayfair Group's *Promise Gluten Free* and *Gallagher's Bakehouse* bread brands, and Azeda's *Pat the Baker* and *Irish Pride* bread brands. There is no horizontal overlap between the Parties in the supply of bread products to food service customers in the State [REDACTED]

Vertical Overlap

19. The Parties state in the merger notification that there are no formal supply arrangements in place between the Parties, nor existing vertical relationships between the Parties in the State. The Commission has not identified any actual or potential vertical relationship between the Parties. Therefore, the Proposed Transaction does not raise any vertical competition concerns in the State.

Relevant Markets

Relevant Product Markets

20. In relation to the manufacture and supply of packaged white and non-white bread, in *M/15/045 – Pat the Baker/Irish Pride*, the Commission did not define a product market but considered several narrow potential product markets that distinguished between different bread products. The Commission analysed the competitive impact of that transaction in narrower potential product markets:

- a) the manufacture and supply of packaged white and non-white bread;
- b) the manufacture and supply of packaged white bread;
- c) the manufacture and supply of packaged non-white bread; and
- d) the manufacture and supply of baps, buns and rolls.

21. The Commission defines markets to the extent necessary depending on the particular circumstances of the given case. In this instance, it is not necessary for the Commission to define precise relevant product markets because doing so will not alter the Commission's assessment of the likely competitive impact of the Proposed Transaction. For the purposes of its competitive assessment, the Commission has analysed the Proposed Transaction by

reference to the following potential product markets (which exclude speciality breads,⁹ bracks and breadcrumbs):

- the manufacture and supply of packaged white and non-white bread to food retailers;¹⁰
- the manufacture and supply of packaged white bread to food retailers;
- the manufacture and supply of packaged non-white bread to food retailers; and,
- the manufacture and supply of buns, baps and rolls to food retailers.

Relevant Geographic Market

22. In *M/15/045 – Pat the Baker/Irish Pride*, the Commission considered that the choice of geographic market would not materially alter the analysis of the likely competitive impact of the transaction and therefore the Commission did not precisely define a geographic market for the supply of bread products. The Commission noted in paragraph 28 of its determination that contractual arrangements between the parties and their food retailer customers are typically national in scope. For instance, the Commission stated that although there is regional competition for branded bread products from regional bakeries, regional bakeries also compete with larger bread manufacturers for private label bread products within a national market.

23. This instance, it is not necessary for the Commission to define precise relevant geographic markets because doing so will not alter the Commission's assessment of the likely competitive impact of the Proposed Transaction. For the purposes of its competitive assessment, the Commission has assessed the competitive impact of the Proposed Transaction on a national basis.

⁹ The Commission has not assessed the likely competitive impact of the Proposed Transaction in any potential market for the manufacture and supply of speciality breads since Azeda does not manufacture or supply any specialty bread products (including gluten free bread).

¹⁰ As noted above, there is no horizontal overlap between the Parties in the manufacture and supply of bread products to food service customers in the State.

Conclusion on Relevant Markets

24. The Commission has assessed the likely competitive impact of the Proposed Transaction by reference to the following potential markets:

- the manufacture and supply of packaged white and non-white bread to food retailers in the State;
- the manufacture and supply of packaged white bread to food retailers in the State;
- the manufacture and supply of packaged non-white bread to food retailers in the State; and
- the manufacture and supply of buns, baps and rolls to food retailers in the State.

Competitive Assessment

Horizontal Effects

The Manufacture and Supply of Packaged White and Non-White Bread to Food Retailers in the State

25. In the merger notification, the Parties provided share estimates for 2024, based on the value of retail sales, in the potential market for the manufacture and supply of packaged white and nonwhite bread in the State. The share estimates provided by the Parties are based on reports carried out by NielsenIQ¹¹ and Kantar.¹² The differences between the share estimates reported by NielsenIQ and Kantar, detailed in Tables 1 & 2 below, are due to differences in the underlying methodologies used to generate the reports.¹³

Table 1: The Manufacture and Supply of Packaged White and Non-White Bread in the State, 2024

¹¹ The Parties state in the merger notification that the underlying data in the NielsenIQ report is sourced from scantrack data collected through electronic point of sale from retailers. The scantrack data covers most of the main supermarket multiples, symbol groups and forecourts but does not include Dunnes Stores, Lidl or Aldi.

¹² The Parties state in the merger notification that the underlying data in the Kantar report includes data from the main supermarket multiples, symbol groups and forecourts, sourced from its Worldpanel, a household consumer panel with a sample size of 5,000 households that regularly provide data on their purchasing habits.

¹³ The Parties also provided annual share estimates for 2021, 2022 and 2023 in the manufacture and supply of packaged white and non-white bread in the State which indicate that the shares of the Parties' brands have been relatively stable over the period 2021-2024.



<i>Bread manufacturer</i>	<i>% (€ value of sales)</i>
Parties	
Azeda	
Irish Pride	5%-10%
Pat the Baker	5%-10%
Mayfair	
Gallagher's Bakehouse	0%-5%
Promise Gluten Free	0%-5%
Combined	20%-25%
Competitors	
Brennans	30%-35%
J M O'Brien	5%-10%
Private Label	5%-10%
Stafford's	5%-10%
McCambridge Bread	5%-10%
O'Hara's	0%-5%
McCloskey's	0%-5%
Others	15%-20%
Total	100%

Source: The Parties, based on NielsenIQ data.

Table 2: The Manufacture and Supply of Packaged White and Non-White Bread in the State, 2024

<i>Bread manufacturer</i>	<i>% (€ value of sales)</i>
Parties	
Azeda	
Irish Pride	5%-10%
Pat the Baker	0%-5%



Mayfair	
Gallagher's Bakehouse	0%-5%
Promise Gluten Free	0%-5%
Combined	10%-15%
Competitors	
Brennans	20%-25%
Aldi PL	5%-10%
Tesco PL	5%-10%
Fitzgerald Bakery	5%-10%
Lidl PL	5%-10%
Stafford's	0%-5%
Dunnes Stores	0%-5%
Musgraves	0%-5%
Others	25%-30%
Total	100%

Source: The Parties, based on Kantar data.

26. As can be seen in Tables 1 and 2 above, PGF has a relatively small share in the manufacture and supply of packaged white and non-white bread to food retailers in the State (5%-10% as reported by NielsenIQ; 0%-5% as reported by Kantar). Azeda's two bread brands have a combined share of over 15%-20% in the manufacture and supply of packaged white and non-white bread in the State as reported by NielsenIQ (or just under 5%-10% as reported by Kantar). PGF's share in the manufacture and supply of packaged white and non-white bread in the State following implementation of the Proposed Transaction will be approximately 20%-25% as reported by Nielsen IQ (or 10%-15% as reported by Kantar).

27. The Commission considers that the Proposed Transaction raises no horizontal competition concerns in the manufacture and supply of packaged white and non-white bread to food retailers in the State for the following three reasons.

28. **First**, as noted above, PGF has a relatively small share in the manufacture and supply of packaged white and non-white bread in the State. Both of its brands (*Promise Gluten Free* and *Gallagher's Bakehouse*) have minimal shares (ranging from 0%-5% in the manufacture and supply of packaged white and non-white bread in the State. This is likely to be explained by the fact that both bread brands, in contrast to Azeda's two bread brands, are relatively niche brands which primarily target health-conscious consumers.
29. **Second**, following implementation of the Proposed Transaction, PGF will continue to face competition from a number of suppliers of packaged white and non-white bread in the State, including Joseph Brennan Bakeries Unlimited Company ("Brennans"), Johnston, Mooney & O'Brien Bakeries Unlimited Company ("Johnston Mooney & O'Brien"), Sean Stafford (Bakeries) Unlimited Company ("Stafford's"), McCambridge Unlimited Company ("McCambridge Bread"), P. McCloskey & Sons Unlimited Company ("McCloskey's"), Fitzgerald Bakery, and a number of regional bakeries that come under the Chrissy's name.¹⁴ As can be seen in Tables 1 and 2 above, Brennans is by far the largest packaged white and non-white bread supplier in the State with a share ranging between 20%-30%. In addition, the merged entity's brands will continue to face competition from private label packaged white and non-white bread products following implementation of the Proposed Transaction.¹⁵ As can be seen in Table 1 above, private label packaged white and non-white bread products had a combined share of 5%-10% as reported by NielsenIQ in 2024.¹⁶
30. **Third**, the Commission considers that it is highly unlikely that PGF's two bread brands (*Promise Gluten Free* and *Gallagher's Bakehouse*) are close competitors of Azeda's two bread brands (*Irish Pride* and *Pat the Baker*). The Commission considers that PGF's two bread brands can both be seen, at least to some degree, as specialty breads since one of its brands (*Promise Gluten Free*) is gluten free while the other (*Gallagher's Bakehouse*) has, as stated by the Parties in the merger notification, "*a particular focus on creating products that are good for gut health, making its bread a popular choice amongst health conscious consumers*". The Parties also state

¹⁴ The Parties state in the merger notification that Chrissy's comprises of the following regional bakeries: Baker St, Barrons, Biona, Brogan's Country Mill, Dromod Health, Early Morning, Elite, Farmhouse, Farmmill, Harrington's, Hickey's, Highland, Homestead, Juvela, Kearney's, Larkins, Lynch, McDaid's, Midland Pride, Molloy's, O'Hara's (in respect of one product under the sub-brand Baker51), O'Connor's, O'Donnell O'Shea's, O'Sullivan's, O'Neill's, Promise, Spicers, WC Bakery, Whelan.

¹⁵ The Commission considers that food retailers in the State will continue to have many suppliers of private label packaged bread products from which to choose following implementation of the Proposed Transaction. One food retailer in the State informed the Commission that it currently uses 19 suppliers of private label packaged bread products.

¹⁶ The combined share of private label packaged white and non-white bread is much higher (circa █ %) in the Kantar data.

in the merger notification that “PGF is a more popular choice amongst health-conscious consumers, and those with certain food intolerances”. The merger notification states that PGF considers “its primary competitors in the State to be [REDACTED]”. The Commission notes that most of these brands listed by PGF supply bread products that target health-conscious consumers.

31. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in the manufacture and supply of packaged white and non-white bread to food retailers in the State.


The Manufacture and Supply of Packaged White Bread to Food Retailers in the State

32. In the merger notification, the Parties provided share estimates for 2024, based on the value of retail sales, in the potential market for the manufacture and supply of packaged white bread in the State. The share estimates provided by the Parties are based on a report carried out by NielsenIQ,¹⁷

Table 3: The Manufacture and Supply of Packaged White Bread in the State, 2024

Bread manufacturer	% (€ value of
Parties	
Azeda	
Irish Pride	10%-15%
Pat the Baker	5%-10%
Mayfair	
Gallagher’s Bakehouse	0%-5%
Promise Gluten Free	0%-5%
Combined	25%-30%
Competitors	

¹⁷ The Parties state in the merger notification that the NielsenIQ report is the only report which segments the overall packaged white and non-white bread market by white, and non-white bread. Therefore, only NielsenIQ is relied upon in the Commission’s analysis of the manufacture and supply of packaged white and packaged non-white bread to food retailers in the State.

<i>Brennans</i>	35%-40%
<i>J M O'Brien</i>	5%-10%
<i>Private Label</i>	5%-10%
<i>Stafford's</i>	0%-5%
<i>Others</i>	15%-20%
Total	100% 

Source: The Parties, based on NielsenIQ data.

33. As can be seen in Table 3 above, PGF has a relatively small share in the manufacture and supply of packaged white bread in the State (5%-10%). Azeda's two bread brands have a combined share of around 20%-25% in the manufacture and supply of packaged white bread in the State. The merged entity's share in the manufacture and supply of packaged white and non-white bread in the State following implementation of the Proposed Transaction will be approximately 25%-30%.
34. The Commission considers that the Proposed Transaction raises no horizontal competition concerns in the manufacture and supply of packaged white bread to food retailers in the State for the following reasons.
35. PGF has a relatively small share in the manufacture and supply of packaged white bread in the State. Both of its brands (*Promise Gluten Free* and *Gallagher's Bakehouse*) have a 0%-5% share in the manufacture and supply of packaged white bread in the State. Following implementation of the Proposed Transaction, The merged entity will continue to face competition from several suppliers of packaged white bread in the State, including Brennans, Johnston, Mooney & O'Brien, and Stafford's. As can be seen in Table 3 above, Brennans is by far the largest packaged white bread supplier in the State with a share of 35%-40% In addition, The merged entity's brands will continue to face competition from private label packaged white and non-white bread products following implementation of the Proposed Transaction. As can be seen in Table 3 above, private label packaged white bread products had a combined share of 5%-10% in 2024. Finally, as discussed in detail in paragraph 30 above, the Commission considers that it is highly unlikely that PGF's two brands (*Promise Gluten Free* and *Gallagher's Bakehouse*) are close competitors to Azeda's

two bread brands (*Irish Pride* and *Pat the Baker*) in the manufacture and supply of packaged white bread in the State.


36. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in the manufacture and supply of packaged white bread to food retailers in the State.

The Manufacture and Supply of Packaged Non-White Bread to Food Retailers in the State

37. In the merger notification, the Parties provided share estimates for 2024, based on the value of retail sales, in the potential market for the manufacture and supply of packaged non-white bread in the State. The share estimates provided by the Parties are based on a report carried out by NielsenIQ.

Table 4: The Manufacture and Supply of Packaged Non-White Bread in the State, 2024

Bread manufacturer	% (€ value of
Parties	
Azeda	
Irish Pride	0%-5%
Pat the Baker	5%-10%
Mayfair	
Gallagher's Bakehouse	5%-10%
Promise Gluten Free	0%-5%
Combined	15%-20%
Competitors	
<i>Brennans</i>	25%-30%
<i>McCambridge Bread</i>	10%-15%
<i>Stafford's</i>	5%-10%
<i>Private Label</i>	5%-10%

<i>J M & O'Brien</i>	0%-5%
<i>McCloskey's</i>	0%-5%
<i>Others</i>	20%-25%
Total	100% 

Source: The Parties, based on NielsenIQ data.

38. As can be seen in Table 4 above, PGF has an 5%-10% share in the manufacture and supply of packaged non-white bread in the State, while Azeda's two bread brands have a combined share of 10%-15%. The merged entity's share in the manufacture and supply of packaged non-white bread the State following implementation of the Proposed Transaction will be approximately 15%-20%.
39. The Commission considers that the Proposed Transaction raises no horizontal competition concerns in the manufacture and supply of packaged non-white bread to food retailers in the State for the following reasons.
40. Following implementation of the Proposed Transaction, The merged entity will continue to face competition from several suppliers of packaged non-white bread in the State, including Brennans, Johnston, Mooney & O'Brien, Stafford's, McCambridge Bread, and McCloskey's. As can be seen in Table 4 above, Brennans is the largest packaged non-white bread supplier in the State with a share of just over 25%-30%. In addition, PGF's brands will continue to face competition from private label packaged white and non-white bread products following implementation of the Proposed Transaction. As can be seen in Table 4 above, private label packaged non-white bread products had a combined share of 5%-10% in 2024.
41. Furthermore, as discussed in detail in paragraph 30 above, the Commission considers that it is highly unlikely that PGF's two brands (*Promise Gluten Free* and *Gallagher's Bakehouse*) are close competitors of Azeda's two bread brands (*Irish Pride* and *Pat the Baker*) in the manufacture and supply of packaged non-white bread in the State.

42. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in the manufacture and supply of packaged non-white bread to food retailers in the State.

The Manufacture and Supply of Buns, Baps and Rolls to Food Retailers in the State

43. In the merger notification, the Parties provided share estimates for 2024, based on the value of retail sales, in the potential market for the manufacture and supply of buns, baps, and rolls to food retailers in the State. The share estimates provided by the Parties are based on reports carried out by NielsenIQ and Kantar.

Table 5: The Manufacture and Supply of Buns

Bread manufacturer	% (€ value of sales)
Parties	
Azeda	
Irish Pride	10%-15%
Pat the Baker	0%-5%
Mayfair	
Gallagher's Bakehouse	0%-5%
Promise Gluten Free	0%-5%
Combined	20%-25%
Competitors	
<i>Private Label</i>	15%-20%
<i>St. Pierre</i>	10%-15%
<i>J M O'Brien</i>	10%-15%
<i>Fitzgerald's Bakery</i>	5%-10%
<i>Brennans</i>	0%-5%
<i>Baker St</i>	0%-5%



Elite	0%-5%
O'Hara's	0%-5%
Others	15%-20%
Total	100%

Source: The Parties, based on NielsenIQ data.

Table 6: The Manufacture and Supply of Buns, Baps and Rolls in the State, 2024

Bread manufacturer	% (€ value of sales)
Parties	
Azeda	
Irish Pride	5%-10%
Pat the Baker	0%-5%
Mayfair	
Gallagher's Bakehouse	0%-5%
Promise Gluten Free	0%-5%
Combined	10%-15%
Competitors	
Aldi PL	15%-20%
Tesco PL	10%-15%
Lidl PL	10%-15%
Dunnes Stores	10%-15%
St. Pierre	5%-10%
Musgraves	5%-10%
J M O'Brien	5%-10%
Brennans	0%-5%
Others	15%-20%
Total	100%

Source: The Parties, based on Kantar data.

44. As can be seen in Tables 5 and 6 above, PGF has a relatively small share in the manufacture and supply of buns, baps and rolls in the State (5%-10% as reported by NielsenIQ; 0%-5% as reported by Kantar). Azeda's two bread brands have a combined share of 15%-20% in the manufacture and supply of packaged buns, baps and rolls in the State as reported by NielsenIQ (or 5%-10% as reported by Kantar).¹⁸ The merged entity's share in the manufacture and supply of buns, baps and rolls in the State following implementation of the Proposed Transaction will be approximately 20%-25% as reported by Nielsen IQ (or 10%-15% as reported by Kantar).
45. The Commission considers that the Proposed Transaction raises no horizontal competition concerns in the manufacture and supply of packaged buns, baps and rolls to food retailers in the State for the following reasons.
46. Both of PGF's bread brands (*Promise Gluten Free* and *Gallagher's Bakehouse*) have minimal shares in the manufacture and supply of buns, baps and rolls in the State. Following implementation of the Proposed Transaction, the merged entity will continue to face competition from several suppliers of buns, baps and rolls in the State, including Johnston, Mooney and O'Brien, St. Pierre Groupe, Fitzgerald Bakery, Brennans, and Baker Street Bakery.
47. Furthermore, the merged entity's brands will continue to face competition from private label buns, baps and rolls following implementation of the Proposed Transaction. As can be seen in Tables 5 and 6 above, private label buns, baps and rolls have a very large combined share in the State, ranging between 18.4%-52.6%.
48. Finally, the Commission also considers that it is highly unlikely that PGF's two brands (*Promise Gluten Free* and *Gallagher's Bakehouse*) are close competitors of Azeda's two bread brands (*Irish Pride* and *Pat the Baker*) as discussed in detail in paragraph 30 above.
49. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in the manufacture and supply of buns, baps, and rolls to food retailers in the State.

¹⁸ It should be noted, however, that *Pat the Baker* has a minimal share (at most 0-5%) in the manufacture and supply of buns, baps and rolls in the State.

Competitive Analysis

50. In the light of the above, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

51. Clause 14.1.1 of the SPA contains non-compete obligations on the Sellers. The duration of those non-compete obligations does not exceed the maximum duration acceptable to the Commission. Therefore, the Commission considers Clause 14.1.1 of the SPA to be directly related to and necessary for the implementation of the Proposed Transaction, in so far as it relates to the State.¹⁹

52. Clause 14.1.2 of the SPA contains non-compete obligations on the Sellers, which extends to customers who were not customers at the date of completion of the Proposed Transaction but were customers at any time during a period of two years before the date of completion of the Proposed Transaction as well as prospective customers of Azeda or any of its subsidiaries. The Commission considers the scope of Clause 14.1.2 is too wide. The Parties informed the Commission that Clause 14.1.2 will be interpreted and applied on the basis that the restriction involved in the Clause will apply only to customers that were customers at the date of completion.²⁰ On this basis, the Commission considers Clause 14.1.2 of the SPA to be directly related to and necessary for the implementation of the Proposed Transaction, in so far as it relates to the State.

53. Clause 14.1.3 of the SPA contains non-compete obligations on the Sellers, which extends to future or prospective suppliers of Azeda or any of its subsidiaries that were not suppliers at the date of completion of the Proposed Transaction. The Commission considers the scope of Clause 14.1.3 is too wide. The Parties informed the Commission that Clause 14.1.3 will be interpreted and applied on the basis that the restriction involved in the Clause will apply

¹⁹ In this respect, the Commission follows the approach adopted by the European Commission in paragraphs 20 and 26 of its “Commission Notice on restrictions directly related and necessary to concentrations” [2005] OJ C56/24, available at <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A52005XC0305%2802%29>

only to suppliers that were suppliers at the date of completion.²¹ On this basis, the Commission considers Clause 14.1.3 of the SPA to be directly related to and necessary for the implementation of the Proposed Transaction, in so far as it relates to the State.

54. Clause 14.1.4 of the SPA contains non-solicitation obligations on the Sellers. The duration of those non-solicitation obligations does not exceed the maximum duration acceptable to the Commission. Therefore, the Commission considers Clause 14.1.4 of the SPA to be directly related to and necessary for the implementation of the Proposed Transaction,²² to the extent that it applies only to senior employees and/or other senior level managerial individuals who have been named by the Parties.²³

Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition whereby Mayfair Equity Partners LLP, through Ceres Midco 2 Limited, would acquire the entire issued share capital, and thus sole control, of Azeda Unlimited Company, will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission.

Úna Butler

Member

Competition and Consumer Protection Commission