

FW: Real Pet CPI request

From: Paul Carroll <[REDACTED]@coles.com.au>
To: Simon Russell <[REDACTED]@realpetfoodco.com.au>
Date: Mon, 07 Feb 2022 12:54:02 +1100
Attachments: Summary - VIP Petfoods R3.xlsx (164.34 kB)

Hi Simon,

As requested please see the updated CPI offer from Coles supermarkets to real pet. Please note this represents +\$7.3m in COGS +R% increase to support.

This is a significant +[REDACTED] from my last proposal, reflective of the kangaroo pricing justification and importantly without any further offer from Real Pet to incentivise.

As such we are willing to load prices today with no change to range (outside of range review i.e Cat). As you can imagine this has been an incredibly hard proposal to sign off internally. If you wish to push beyond this I will be forced to review ranging.

Kind regards,

Paul

Hi Paul,

I've reviewed the analysis with the additional kangaroo data provided by the supplier and have also extended the period of analysis to January 2022 as we do recognise the continued cost pressures in the past few months. Overall, this increases the validation amount to 10.0% (previously 8.8%).

Regarding the supplier's third point on the difference caused by the ranging date, the main drivers are the Lamb and Chicken Proxy (Wheat Feed) indices. These commodity prices in August 2018 were relatively high compared to the prices now so the overall movement in this period shows a low price increase or in some cases a price decrease.

Thanks,
Elissa

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