

RE: RPF Investment plan

From: Simon Russell <[REDACTED]@realpetfoodco.com.au>
 To: Paul Carroll <[REDACTED]@coles.com.au>
 Cc: Emma Bates <[REDACTED]@coles.com.au>
 Date: Thu, 10 Feb 2022 13:34:31 +1100
 Attachments: Coles Investment Proposal V2.pdf (213.79 kB)

Hi Paul,

Thanks for note below. We have done some modelling on performance and expected promo uplift at different price points. RPP \$4.90 will meet you request and with additional unit deal funding from ourselves we can ensure accretive promotional results +\$[REDACTED] in 5th Margin vs proposal. This is viable at +60,000 units x 4 time per year. We should stay close to the performance of these promos and potentially reinvest in other ways if volumes does not meet expectations. This will ensure that we both realise the benefit of the additional investment.

Cheers,

Simon

Promotional Bundle	Segment	Proposed RRP	Current Strategy	Proposed Strategy	Unit Deal	Margin Enhancement	Profit Rate Impact	Profit Impact	Commentary
Chunkers 1kg	Fresh	\$5.50	Down Down \$4.25 5 th Margin [REDACTED]%	Down Down \$5.00 5 th Margin [REDACTED]%	\$[REDACTED]			Current Proposed [REDACTED]	Funding to maintain Down Down ticket at \$5 Bundle delivering \$11.3m in RSV assuming 100% volume transfer. Starting ASAP
Fussy Cat Cups 70g	Fresh	\$2.50	Varying Promo's 5 th Margin [REDACTED]%	30 x \$200 5 th Margin [REDACTED]%		\$[REDACTED]		Current Proposed [REDACTED]	Margin enhancement increase from \$[REDACTED] to \$[REDACTED] to achieve [REDACTED] % margin. Confirm ranging at current review as presented
Fussy Cat 450g	Fresh	\$6.50	5 x \$5.30 1 x \$4.00 5 th Margin [REDACTED]%	48 x \$6.50 4 x \$4.90 Maintain 5 th Margin [REDACTED]%	\$[REDACTED] at \$4.90	\$[REDACTED]		Current Proposed NEW [REDACTED]	\$0.05 margin enhancement applied to achieve [REDACTED] % vs current. Maintain existing ranging Requires +60,000 units at \$4.90 to maintain viability (ongoing review of performance)
TOTAL								Incremental [REDACTED]	

From: Paul Carroll <[REDACTED]@coles.com.au>
 Sent: Thursday, 10 February 2022 12:07 PM
 To: Simon Russell <[REDACTED]@realpetfoodco.com.au>
 Cc: Emma Bates <[REDACTED]@coles.com.au>
 Subject: RE: RPF Investment plan
 Importance: High

Thanks for this Simon,

Appreciate the quick turnaround however it is not quite the level of investment I was hoping for.

My final ask would be around 450g fussy cat fresh .Im extremely concerned about this bundle and my ability to support it or range it post CPI.

The recommended strategy is severely in competitive against Aldi, in significant decline but still hurting me from a rate perspective. A perfect mix of nothing good about it.

Can you please submit some margin accretive promotions on this below \$5 which will allow us to be competitive and boost probability.

If we can get this over the line we may be able to close the discussion once and for all today

RPF – Additional Investment to support Coles margin growth

Promotional Bundle	Segment	Proposed RRP	Current Strategy	Proposed Strategy	Unit Deal	Margin Enhancement	Profit Rate Impact	Profit Impact	Commentary
Chunkers 1kg	Fresh	\$5.50	Down Down \$4.25 5 th Margin [REDACTED]%	Down Down \$5.00 5 th Margin [REDACTED]%	\$[REDACTED]			Current Proposed [REDACTED]	Funding to maintain Down Down ticket at \$5 Bundle delivering \$11.3m in RSV assuming 100% volume transfer. Starting ASAP
Fussy Cat Cups 70g	Fresh	\$2.50	Varying Promo's 5 th Margin [REDACTED]%	30 x \$200 5 th Margin [REDACTED]%		\$[REDACTED]		Current Proposed [REDACTED]	Margin enhancement increase from \$[REDACTED] to \$[REDACTED] to achieve [REDACTED] % margin. Confirm ranging at current review as presented
Fussy Cat 450g	Fresh	\$6.50	5 x \$5.30 1 x \$4.00 5 th Margin [REDACTED]%	52 x \$6.50 5 th Margin [REDACTED]%		\$[REDACTED]		Current Proposed [REDACTED]	\$[REDACTED] margin enhancement applied to achieve [REDACTED] % vs current. Maintain existing ranging
TOTAL								Incremental [REDACTED]	

From: Simon Russell <[REDACTED]@realpetfoodco.com.au>
 Sent: Wednesday, 9 February 2022 4:22 PM
 To: Paul Carroll <[REDACTED]@coles.com.au>
 Subject: RPF Investment plan

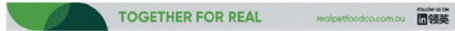
Hi Paul,

Please find attached a summary of the additional investment that we can put behind the business plus increased promotional frequency on key bundles that you identified. Let's discuss and align on this activity.

Simon Russell
 Customer Business Manager Coles



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*Any retail or promotional prices within this email are non-binding recommendations only. Retail prices are at the sole discretion of the retailer

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