



Cost Recovery Program VMO Commodity Analysis

March 28th, 2022



Arnott's submitted commodity changes and Coles VMO corresponding detail based on supplied commodity charts

Commodity	Previous price increase 2017		Previous price increase 2019	
	2017		2019	
Commodity	Arnott's	Coles VMO	Arnott's	Coles VMO
Flour/Wheat Comm	REDACTED - Confidential	28.0%	REDACTED - Confidential	7.0%
Fats & Oils	REDACTED - Confidential	158.0%	REDACTED - Confidential	148.0%
Sugar	REDACTED - Confidential	31.0%	REDACTED - Confidential	30.0%
Dairy	REDACTED - Confidential	71.0%	REDACTED - Confidential	54.7%
Cocoa	REDACTED - Confidential	29.4%	REDACTED - Confidential	3.1%
Other Ingredients	REDACTED - Confidential	NA	REDACTED - Confidential	NA
Cases	REDACTED - Confidential	54.0%	REDACTED - Confidential	37.5%
Trays	REDACTED - Confidential	25.4%	REDACTED - Confidential	3.1%
Rewind Clear/Printed	REDACTED - Confidential	47.2%	REDACTED - Confidential	46.7%
Freight	REDACTED - Confidential	8.3%	REDACTED - Confidential	4.0%
Electricity/Gas	REDACTED - Confidential	-4.7%	REDACTED - Confidential	-6.5%
Labour	REDACTED - Confidential	NA	REDACTED - Confidential	NA
Other Overheads	REDACTED - Confidential	NA	REDACTED - Confidential	NA

For the majority of commodities, the Coles VMO commodity charts indicate a higher increase vs the Arnott's submission. This is consistent for products which last had a cost change in 2017 and for products which last had a cost change on 2019.

Products with last cost change in 2017

With 0% change on other ingredients, labour and overheads (REDACTED % of cost composition), the Coles VMO commodity increase is significantly higher than the Arnott's submission at 24.5% vs 16.2%.

Arnott's Submission

Commodity	Average Cost Composition %	Inc. / Dec. % in Commodity Price since last cost price increase	% cost movement from total
Flour/Wheat Comm	REDACTED - Confidential	REDACTED - Confidential	REDACTED - Confidential
Fats & Oils	REDACTED - Confidential	REDACTED - Confidential	REDACTED - Confidential
Sugar	REDACTED - Confidential	REDACTED - Confidential	REDACTED - Confidential
Dairy	REDACTED - Confidential	REDACTED - Confidential	REDACTED - Confidential
Cocoa	REDACTED - Confidential	REDACTED - Confidential	REDACTED - Confidential
Other Ingredients	REDACTED - Confidential	REDACTED - Confidential	REDACTED - Confidential
Cases	REDACTED - Confidential	REDACTED - Confidential	REDACTED - Confidential
Trays	REDACTED - Confidential	REDACTED - Confidential	REDACTED - Confidential
Rewind Clear/Printed	REDACTED - Confidential	REDACTED - Confidential	REDACTED - Confidential
Freight	REDACTED - Confidential	REDACTED - Confidential	REDACTED - Confidential
Electricity/Gas	REDACTED - Confidential	REDACTED - Confidential	REDACTED - Confidential
Labour	REDACTED - Confidential	REDACTED - Confidential	REDACTED - Confidential
Other Overheads	REDACTED - Confidential	REDACTED - Confidential	REDACTED - Confidential
TOTAL	100.0%	16.2%	

Coles VMO Commodity Charts

Commodity	Average Cost Composition %	Inc. / Dec. % in Commodity Price since last cost price increase	% cost movement from total
Flour/Wheat Comm	REDACTED - Confidential	REDACTED - Confidential	REDACTED - Confidential
Fats & Oils	REDACTED - Confidential	REDACTED - Confidential	REDACTED - Confidential
Sugar	REDACTED - Confidential	REDACTED - Confidential	REDACTED - Confidential
Dairy	REDACTED - Confidential	REDACTED - Confidential	REDACTED - Confidential
Cocoa	REDACTED - Confidential	REDACTED - Confidential	REDACTED - Confidential
Other Ingredients			
Cases			
Trays			
Rewind Clear/Printed			
Freight			
Electricity/Gas			
Labour			
Other Overheads			
TOTAL	100.0%	24.5%	

Products with last cost change in 2019

Consistent with 2017 products, with 0% change on other ingredients, labour and overheads (REDACTED % of cost composition), the Coles VMO commodity increase is above the Arnott's submission at 16.7% vs 10.1%.

Arnott's Submission

Commodity	Average Cost Composition %	Inc. / Dec. % in Commodity Price since last cost price increase	% cost movement from total
Flour/Wheat Comm	REDACTED - Confidential	REDACTED - Confidential	REDACTED - Confidential
Fats & Oils			
Sugar			
Dairy			
Cocoa			
Other Ingredients			
Cases			
Trays			
Rewind			
Clear/Printed			
Freight			
Electricity/Gas			
Labour			
Other Overheads			
TOTAL	100.0%	10.1%	

Coles VMO Commodity Charts

Commodity	Average Cost Composition %	Inc. / Dec. % in Commodity Price since last cost price increase	% cost movement from total
Flour/Wheat Comm	REDACTED - Confidential	REDACTED - Confidential	REDACTED - Confidential
Fats & Oils			
Sugar			
Dairy			
Cocoa			
Other Ingredients			
Cases			
Trays			
Rewind			
Clear/Printed			
Freight			
Electricity/Gas			
Labour			
Other Overheads			
TOTAL	100.0%	16.7%	



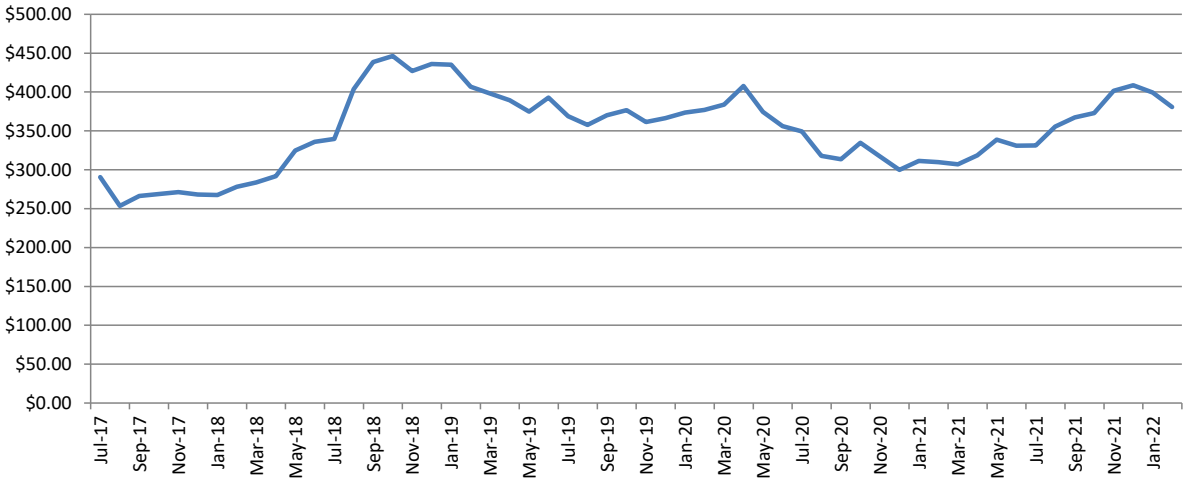
Appendix

VMO Commodity Charts

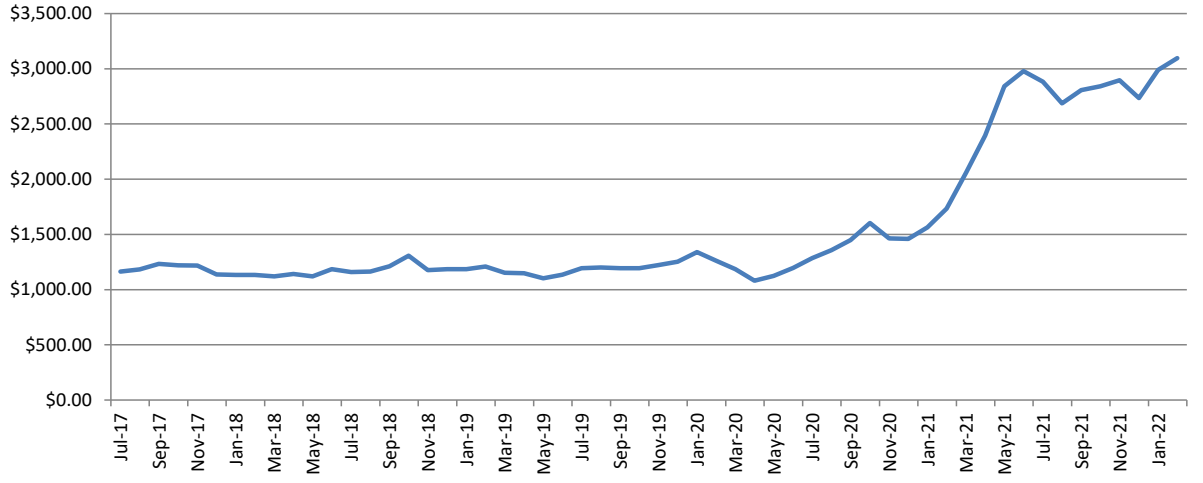


Commodity Charts

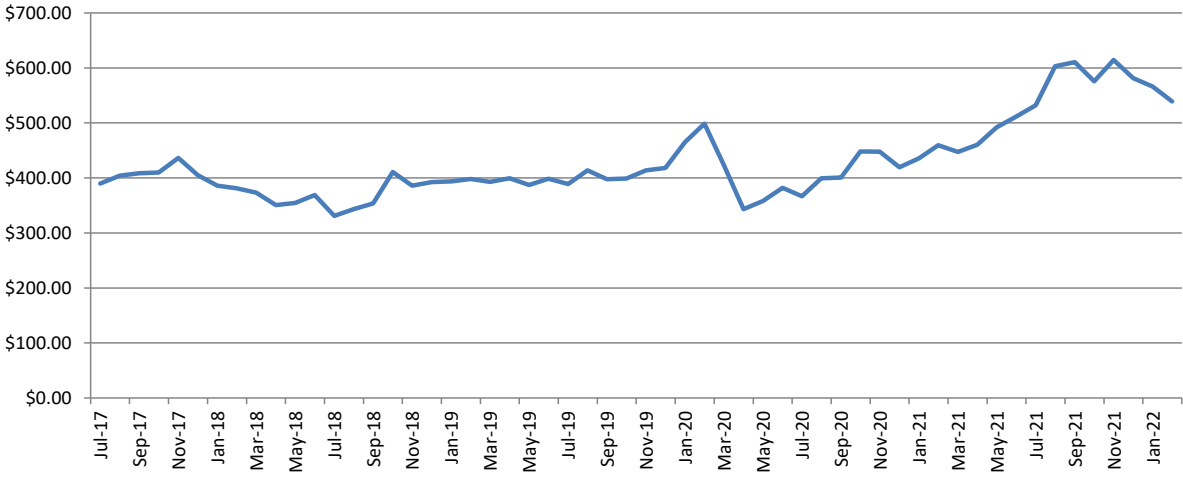
RL62 - Wheat APW del Melb AU
AUD/MT



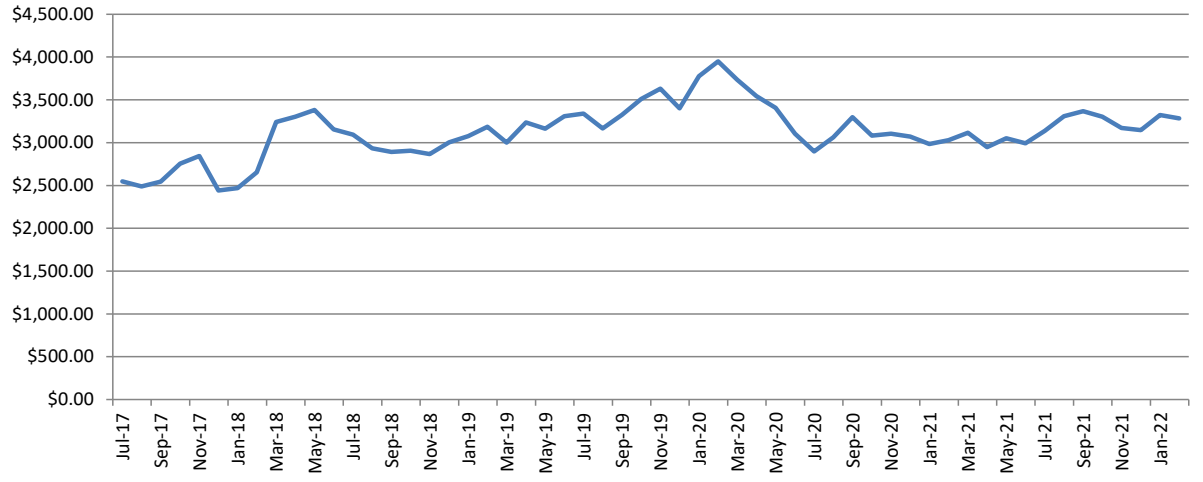
LU26 - Rapeseed oil RBD Toronto CA
AUD/MT



SUGN - Sugar #11 ICE NY (DH-3)
AUD/MT

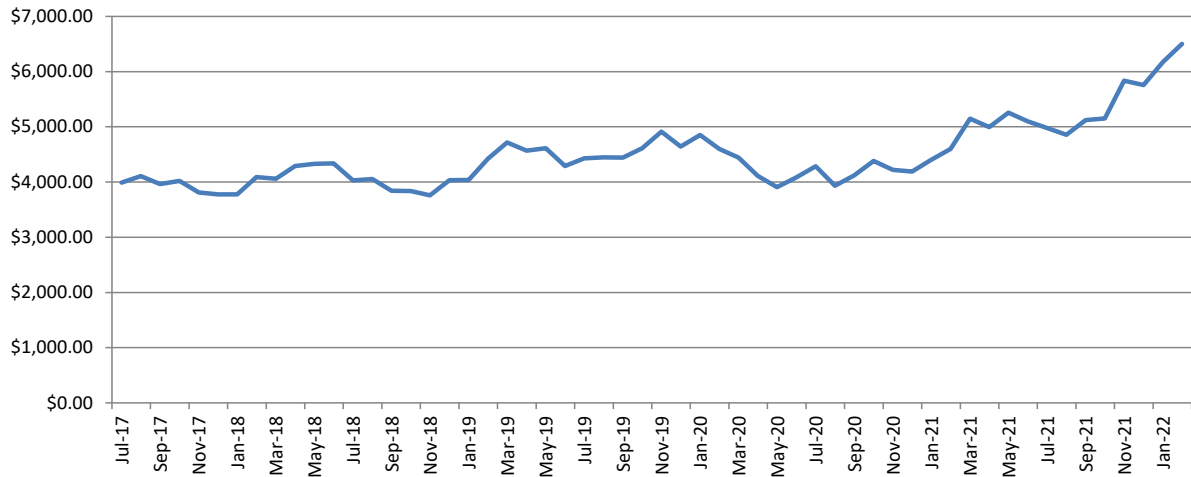


COCL - Cocoa bean London ICE (DH-3)
AUD/MT

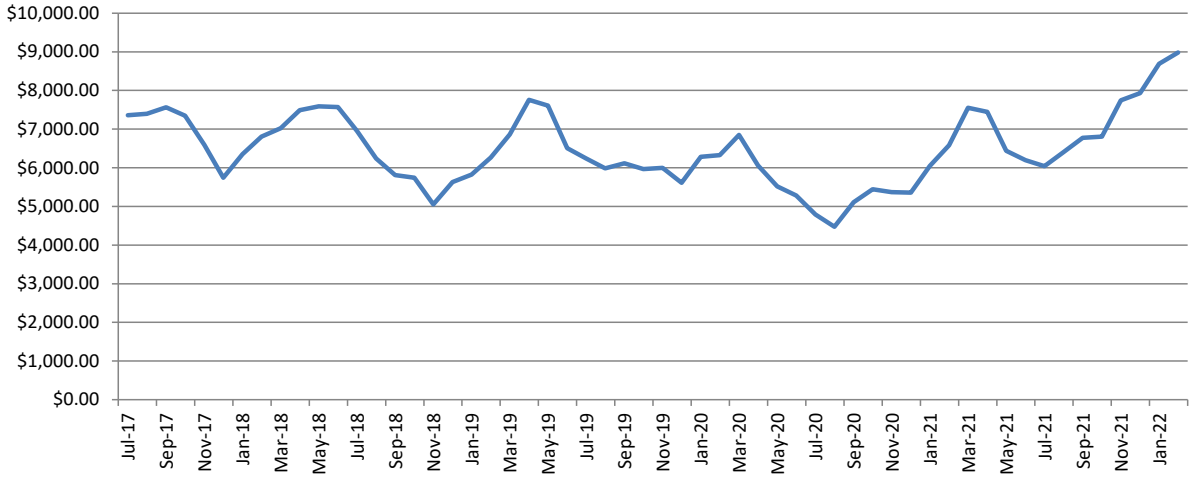


Commodity Charts

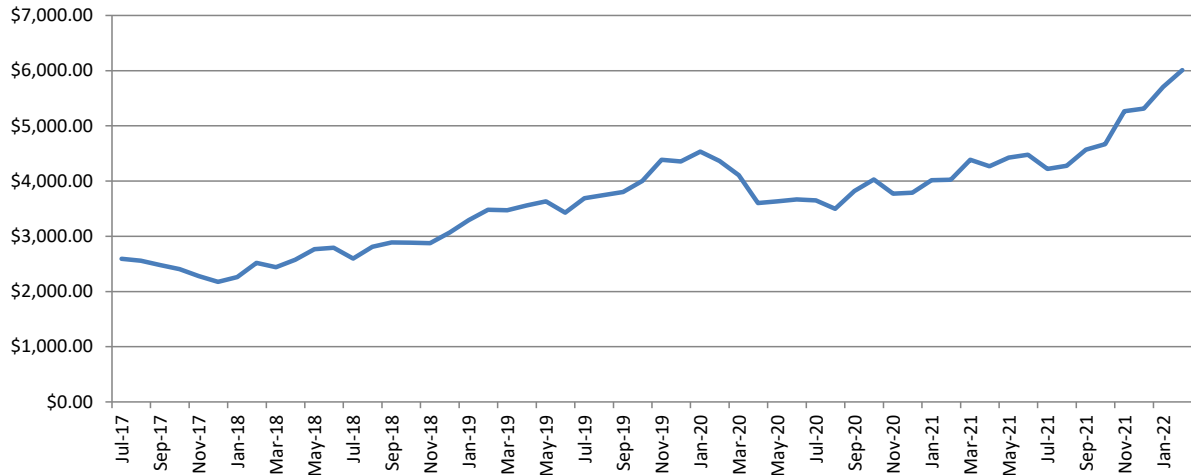
WMPN - WMP NZX NZ (DH-3)
AUD/MT



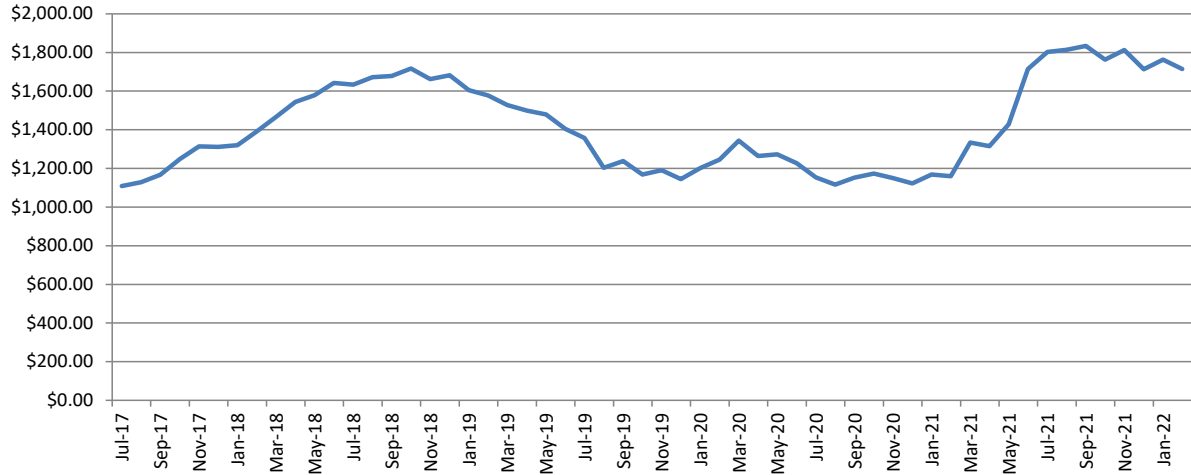
1X11 - Butter auction fas NZ/AU
AUD/MT



SMPN - SMP NZX NZ (DH-3)
AUD/MT

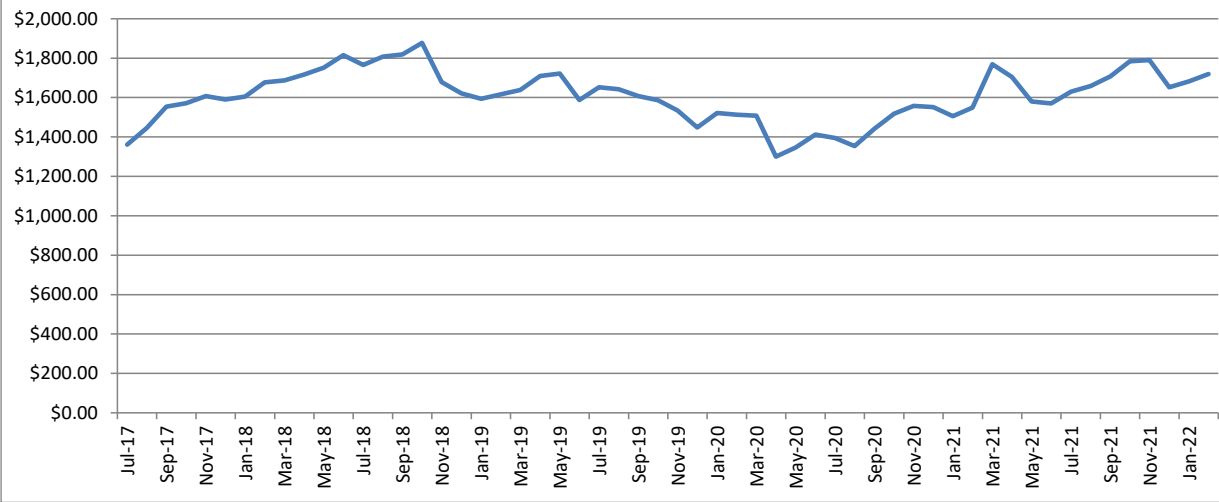


SZ129 - Pulp NBSK cif port Eur
AUD/MT

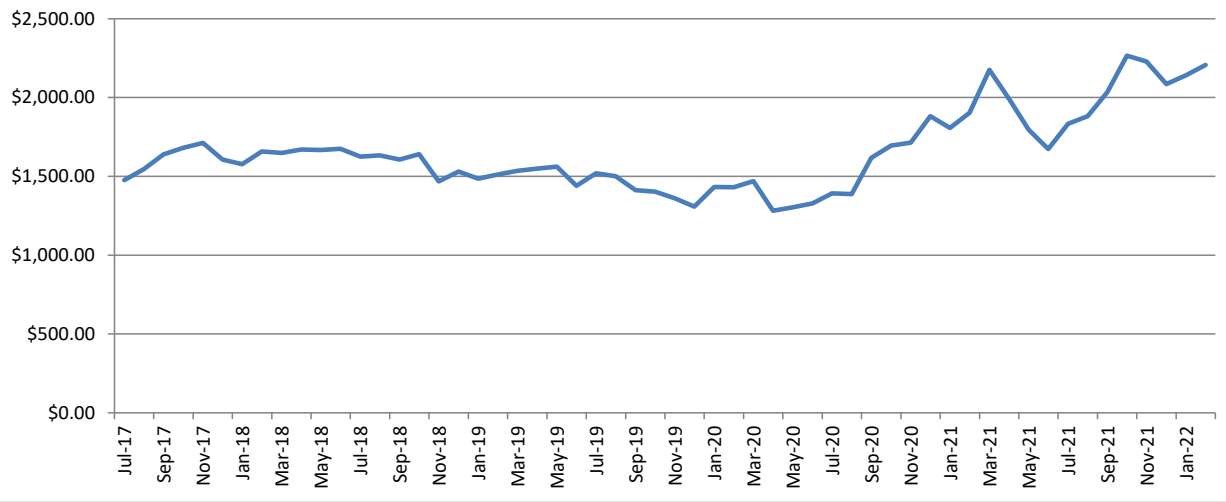


Commodity Charts

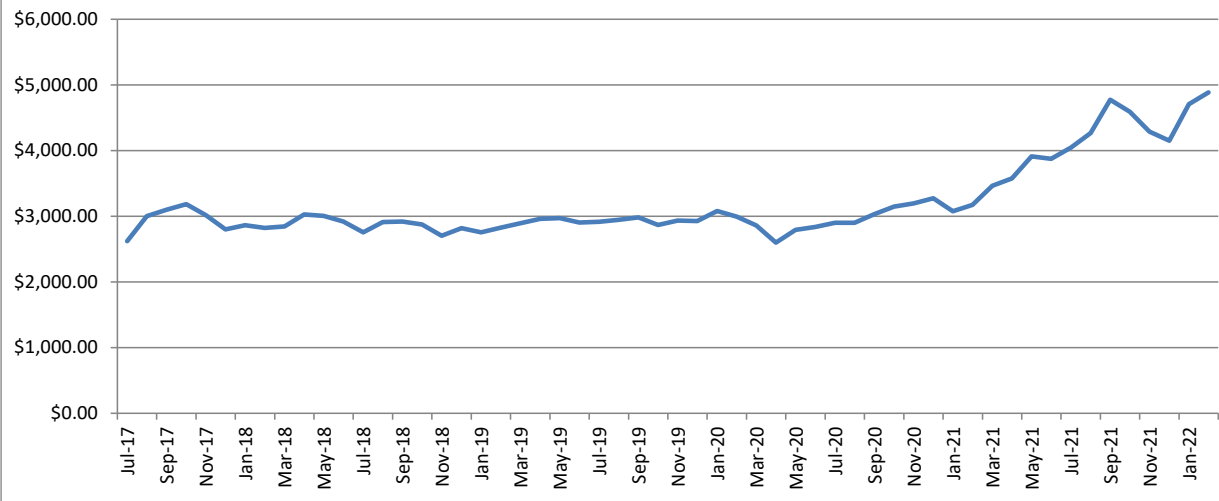
2005 - PP spot cfr CN
AUD/MT



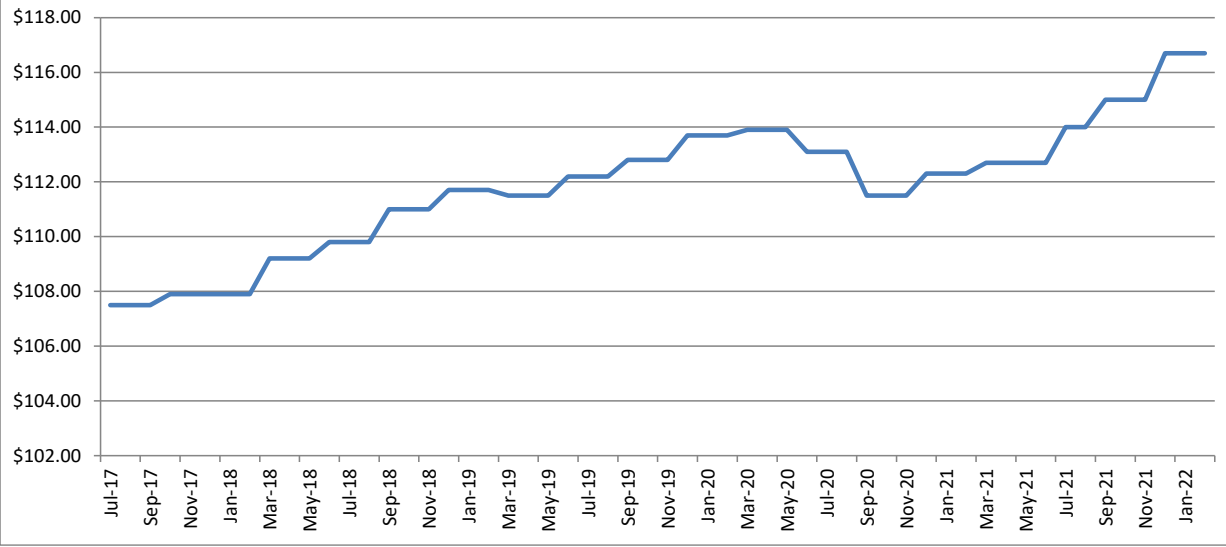
2002 - LDPE spot cfr CN
AUD/MT



2Y15 - Aluminium CN
AUD/MT

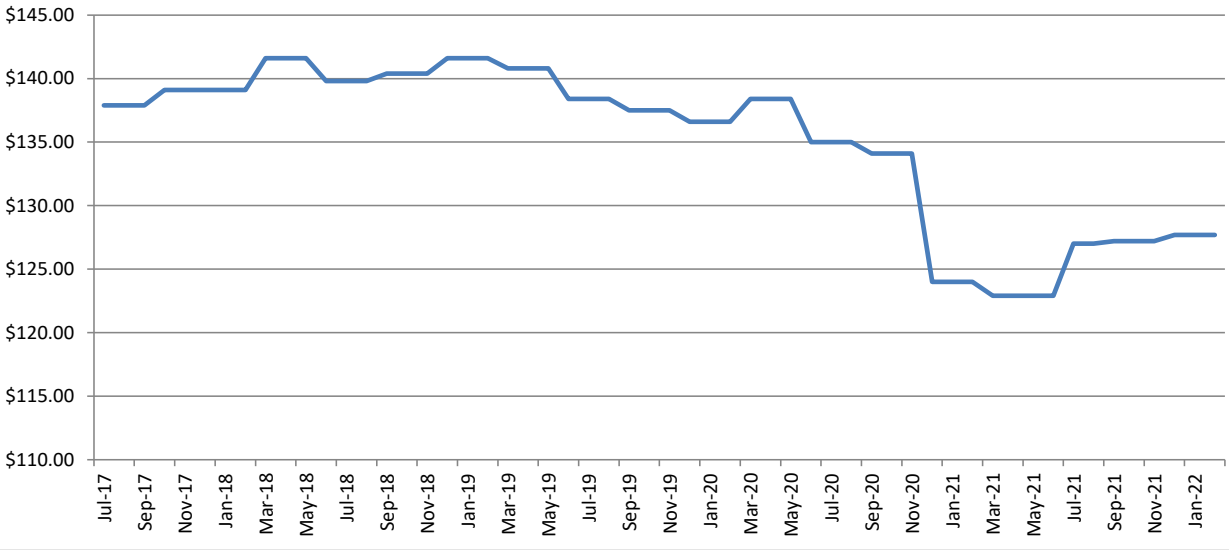


Freight - ABS Road Freight Index



Commodity Charts

Electricity - ABS Australia



Gas and other household fuels

