

## RE: Cost Change Follow Up Meeting

**From:** Ryan Bowman <REDACTED@arnotts.com>  
**To:** Beccy Thompson <REDACTED@coles.com.au>  
**Cc:** Adrian Yik <REDACTED@arnotts.com>; Cameron Teale <REDACTED@arnotts.com>  
**Date:** Tue, 26 Apr 2022 10:44:41 +1000  
**Attachments:** Coles CPI Model - May 12 2022 (Final - V2).xlsx (131.87 kB)

Hi Beccy,

Hope you had a great long weekend. Thanks again for your feedback on Thursday, post our meeting I've revisited the plan and have secured business alignment on some further enhancements.

To drive additional volume in Creams and Kids we've made the following promotional changes:

- Creams – 2 X \$3.00 RPP frequencies upgraded to a \$2.50 RPP.
- Kids – 2 X \$3.00 RPP incremental frequencies

Attached is the updated CPI tactics model, it includes the above promotional upgrades on Creams and Kids and also the anticipated scan acceleration on Creams, Plains, Shapes and MPs resulting from shelf and penetration gains (as per our discussion). Below is a summary of the enhanced plan - volume is now almost flat, RSV and 5<sup>th</sup> Margin are growing at RE and Funding is increasing by RE.

RSV inc gst			5th Margin			Volume			Funding		
Current Tactics	Proposed Tactics	% Change	Current Tactics	Proposed Tactics	% Change	Current Tactics	Proposed Tactics	% Change	Current Tactics	Proposed Tactics	% Change
\$248,442,837	\$266,493,173	7.27%	\$REDACTED	\$REDACTED	RE%	97,140,789	96,325,053	0.84%	\$REDACTED	\$REDACTED	RE%

In regards to Multibuy, based on your feedback we've made further improvements to the plan, below are the changes and respective RPPs:

- Scotch Finger
  - 2 X 2 for \$5 frequencies upgraded to \$2.50
  - 1 X 2 for \$4 frequency upgraded to \$2.00
- Creams – 3 X 2 for \$5 frequencies upgraded to \$2.50
- Kids – 3 X 2 for \$5 frequencies upgraded to \$2.50
- Primary Plains – 4 X 2 for \$4 frequencies upgraded to \$2.00.

Below is an updated view of the Multibuy promotional frequency ratios we discussed on Thursday. "Current" represents what was shared last week, "Proposed" is the updated ratios with the above promotional upgrades included. We're now either consistent or favourable vs what has occurred F22 FYTD.

KPG	Current	Proposed	F22 FYTD
Creams	41%	32%	32%
Kids	46%	33%	37%
Primary Plains	46%	31%	33%
Scotch Finger	48%	38%	39%

I'm extremely confident that the enhanced plan achieves the key objectives of driving shopper value and creating value for Coles and Arnott's. Keen to get your thoughts, I can be available anytime to discuss.

Many Thanks,

**Ryan Bowman**  
Customer Director - Coles

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**From:** Ryan Bowman  
**Sent:** Thursday, 21 April 2022 1:29 PM  
**To:** Rebecca Thompson <REDACTED@coles.com.au>  
**Cc:** Adrian Yik <REDACTED@arnotts.com>; Cameron Teale <REDACTED@arnotts.com>  
**Subject:** Cost Change Follow Up Meeting

Hi Beccy,

Thanks for your time earlier. Please see attached the detail we discussed and below are the follow-up actions:

**Beccy**

- Ask Alanna to send through BOY promotional program for Creams, Scotch Finger, Kids and Primary Plains so multibuy frequency can be updated in the CPI model.
- Advise if any further information/support is required for the May implementation.

**Ryan**

- Review volume opportunities on Creams and Kids – frequency and depth.
- Review current promotional mix with the aim to transition some multibuy frequencies to straight price points across:
  - Creams
  - Kids
  - Scotch Finger
  - Primary Plains
- Update CPI model to reflect:
  - Shelf/range improvement on Creams, Primary Plains and Shapes.
  - Improved run rates on Multipacks driven by Project Elephant, Bluey and shelf improvements.
  - Accurate straight vs multibuy promotional detail in “current tactics” on Sweet ranges.

Please advise if I’ve missed anything, thanks again for your time.

Take care,

**Ryan Bowman**  
Customer Director - Coles

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