

Coles TAFS Pet Category Overview

21 April 2021

coles



01 Coles-Teys Value Creation

Coles-Teys Partnership: Current State



Teys Beenleigh – Cattle Service Processing Approx. processing value \$34M

YTD FY22' \$14.1M

(36% of Beenleigh throughput, 2,500hd/wk)

3-year agreement to July 2024

27% of Coles cattle service progressing network

7 Ready retail products direct from boning line

38% Export (CHN, KR, JAP, TAI & USA)

Supplementary Boxed Beef FY22' YTD Sale Value \$10M

Monthly HGP Free YP cattle, Angus & MSA
programs

Trim for mince, loin cuts for steaks etc.

Retail Case Ready, Chilled Beef Approx. processing value \$8.5M

Wagga Wagga NSW facility

Coles private label beef case
ready products

New vendor brand

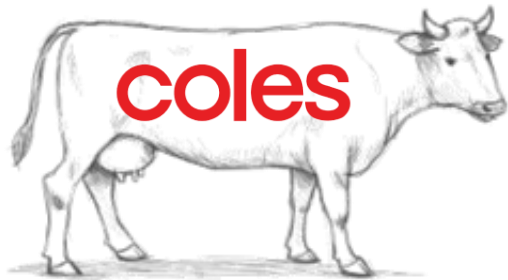
CW Farms Mince 1.5kg

Pet Treats Launching August 2022

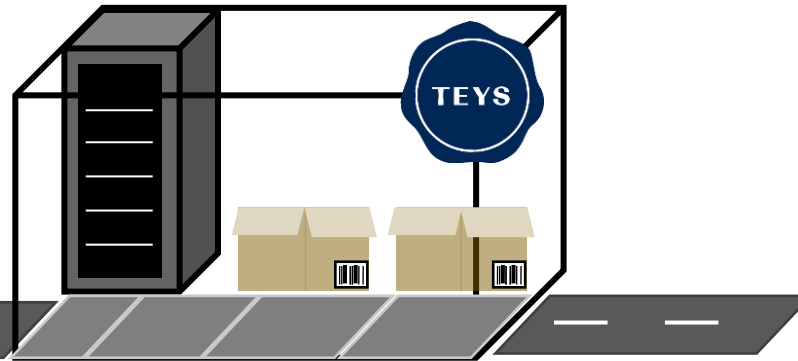
Beef Ear IV
Beef Jerky 100g

Beef raw materials sourced
from Coles service processing program

Supply chain integration: Coles carcasse utilisation proposal



Raw material supply sourced from Coles Service Kill programs



Finished goods produced at Teys Australia Murgon production facility (Safe Food approved)



Launch with 2 SKU extension for Coles' 'Woofin Good' with NPD pipeline

Trial for Coles new pet treat pick n' mix model

Value creation across the Coles enterprise

Aligning the Coles "Pet Treat" value chain has the potential to **create value** for Coles as follows

1

Improve Coles' pet treats GP through supply chain integration & investment

2

Support Coles private label (Woofin' Good) SKU extension/program growth & potentially Coles' store pick n' mix model

3

Utilise Coles owned cattle-beef & other livestock primary processing items and ability to provide strong consumer messaging on utilisation & closed supply chain (Coles' farmers paddock to pooch)

02 Teys Co-Products Capabilities

Teys Murgon Facility Co-Products

- › We make more than just great food
- › We minimise waste in production by repurposing what otherwise could have been leftover
- › Our co-products are used by customers in the manufacture of leather goods, animal feed and



Teys Murgon QLD Overview

44 Employees



Sustainability

- Recycled 7.6 ML Brine in 2020
- Recycled 3897Tn of Salt in 2020
- Reused 1.6ML Water from effluent system
- No irrigation of wastewater – all recycled

Murgon Munchies



- Commenced 2019
- Treats are made from 100% Australian Beef, with nothing else added
- Food safety accredited
- All raw material sourced from Teys establishments

Hide Processing since 1991



- 100% of our SE Qld hides
- 960,000 hides per annum for export, representing 60% of all hides that Teys produce
- AHSLEA export establishment approval (Australian Hide Skins Leather Exporters Association)

Export



Export over 800 containers per year



Sustainability, wastewater recycling

Murgon facility



100% reclaimed wastewater usage

30,000L of water reclaimed per day

Reduced 300,000L of town water usage per week

Salt recovered through reclaimed water process per week
= 70 tonnes per week

<https://www.youtube.com/watch?v=S1NGyv5js9M>

Specifications – Coles

100% Coles Australian Beef



**All
Natural**



**No
Hormones**



**No
Grains**



**No
Corn**



**No
Wheat**



**No
Soy**

03 Coles-Teys Pet NPD Pipeline

Range review March '23

Our current product capability

Each one of our treats has been created to make little paws tippy tap, tails go into hyperdrive and smiles break on the faces of dogs all across Australia. The range includes:



Bully Sticks



Beef Straps



Beef Ears



Raw Hide Jerky Wraps



Beef Jerky



Beef Liver



Raw Hide



Coles Service Kill NPD Pipeline

Offal & non-edible utilisation



**Trachea
(Beef Straps)**



**Pizzles
(Bully Sticks)**



**Beef
paddywhack /
tendon**



Beef Neck End Pieces*
*to be tested & trialled first

Coles Woofin' Good Current Product Brief Underway



**Pig Ears IW
Re-Launching
TBC Mar '23**

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Re-Launching
TBC Mar '23**

Other NPD Pipeline Opportunities



Pig snout discs
*to be tested & trialed first



**RROA By-Product
Dried Chicken
Wings**
*to be tested & trialed first