



**OMNIUM**

Xin Lian

# 0.25oz OG EO

Natural & WholeFoods

## 0.25oz OG EO sees similar promotion event and effect in last 52 weeks compared with a year ago

### 0.25oz OG EO - Average Promotional Activity Year over Year Natural + Whole Foods Grocery

	YA52 Pre Covid	L52 Pre COVID
Everyday Price	\$11.05	\$11.52
Promotional Price	\$8.74	\$9.25
Discount %	21%	20%
Weeks of Promo	17.4	16.5
Average Lift%	75%	68%
% of Units Sold on Promotion	47%	44%

\* L52 weeks ending Feb 2020 (Pre COVID)

15% discount is most common promotion event.  
Deeper promotions have significantly higher %lift and positive return on investment.

**0.25oz OG EO - %Discount and Promotional Efficiency/Return on Investment**  
Natural + Whole Foods Channel (L104\*)

% Discount	%Lift	% of Base Unit Sales	Efficiency	Return on Investment
10%	37%	17%	2.3	61%
15%	60%	34%	2.2	49%
20%	71%	28%	1.8	24%
25%	102%	18%	1.8	21%
30%	108%	1%	1.5	3%
35%	145%	0%	1.5	1%
40%	365%	1%	1.7	17%
45%	419%	1%	1.6	7%

\* Last 104 weeks pre-COVID ending Feb 2020

# To include holiday discount events affects overall discount behavior minimally

## 0.25oz OG EO - %Discount and Promotional Efficiency/Return on Investment Natural + Whole Foods Channel (L104\*)

<b>% Discount Event</b>	<b>Include Holiday %Lift</b>	<b>Exclude Holiday %Lift</b>	<b>Absolute Difference</b>
10%	37%	35%	2%
15%	60%	57%	3%
20%	71%	73%	-1%
25%	102%	106%	-3%
30%	108%	108%	0%
35%	145%	151%	-6%
40%	365%	368%	-4%
45%	419%	419%	0%

\*last 104 weeks pre-COVID ending 2020-02-23

\*Holidays: December and first week of January

# 25% discount event has higher retail sales and profit compared with 15% discount, keeping positive ROI and efficiency

## 0.25oz OG EO - Promotional Event Analysis

### Natural + Whole Foods Grocery

Discount	10% off	15% off	20% off	25% off
Everyday Price	\$11.49	\$11.49	\$11.49	\$11.49
Promo Price	\$10.34	\$9.77	\$9.19	\$8.62
Retail Margin	45%	45%	45%	45%
Scan	\$0.63	\$0.94	\$1.25	\$1.57
Avg Lift%	37%	60%	71%	102%

### Weekly Aura Cacia Financials

Total Weekly Units	8,407	9,813	10,537	12,438
Efficiency	2.3	2.2	1.8	1.8
ROI	61%	49%	24%	21%

### Weekly Retail Financials

Retail Dollars	\$86,935	\$95,840	\$96,854	\$107,188
Retail Profit	\$39,518	\$43,565	\$44,026	\$48,724

List Price	\$5.45
COGs	\$1.71
DU	15%

\* Last 52 weeks pre-COVID ending 2020-02-23

\* Assume neutral Retail Margin: 45%

# Deeper and more frequent promotions can drive higher retail sales while maintain profit after trade.

## 0.25oz OG EO - Promotional Plan Comparison - Current vs Price Decrease

### Natural + Whole Foods Grocery

	Current Strategy	Proposed Deeper Promotion	%Change
Everyday Price	\$11.49	\$11.49	\$0.00
Retail Margin	45%	45%	0%
Weekly Based Unit S	6,145	6,145	0.00

### Promo Details

Promo Discounts	20%	25%	5%
Promo Weeks	17	24	7
Lift%	68%	102%	34%

### Annual Frontier Financials

Gross Sales	\$2,116,887	\$2,564,426	21%
Spend	\$208,158	\$467,712	125%
T:S	10%	18%	8%
Profit After Trade	\$1,244,493	\$1,292,049	4%

### Annual Retail Financials

Unit Sales	388,448	470,571	21%
Retail Dollars	\$4,081,629	\$4,549,357	11%
Retail Profit	\$1,855,366	\$2,067,979	11%

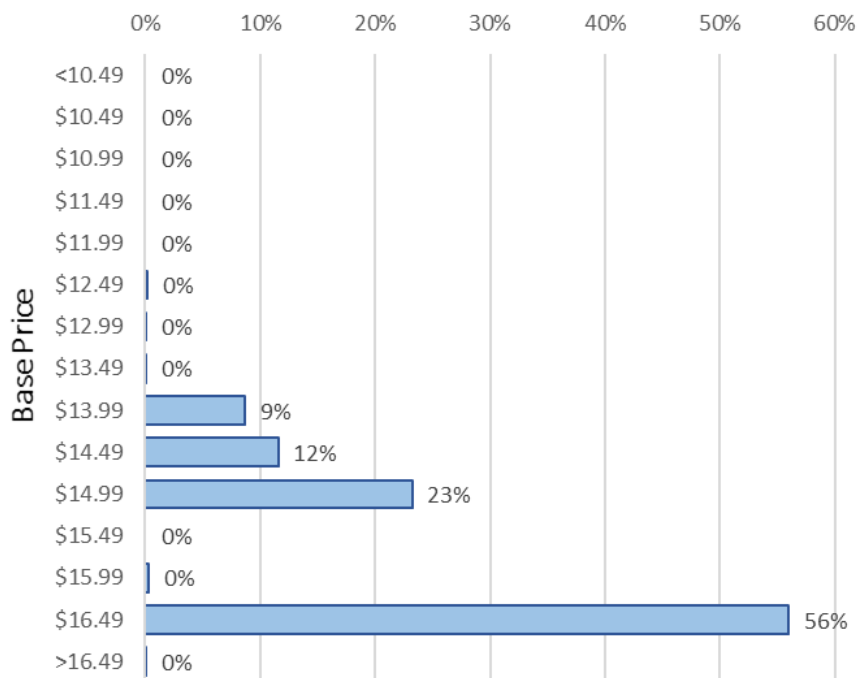
List Price	\$5.45
COGs	\$1.71
DU	15%

\* Last 52 weeks pre-COVID ending 2020-02-23

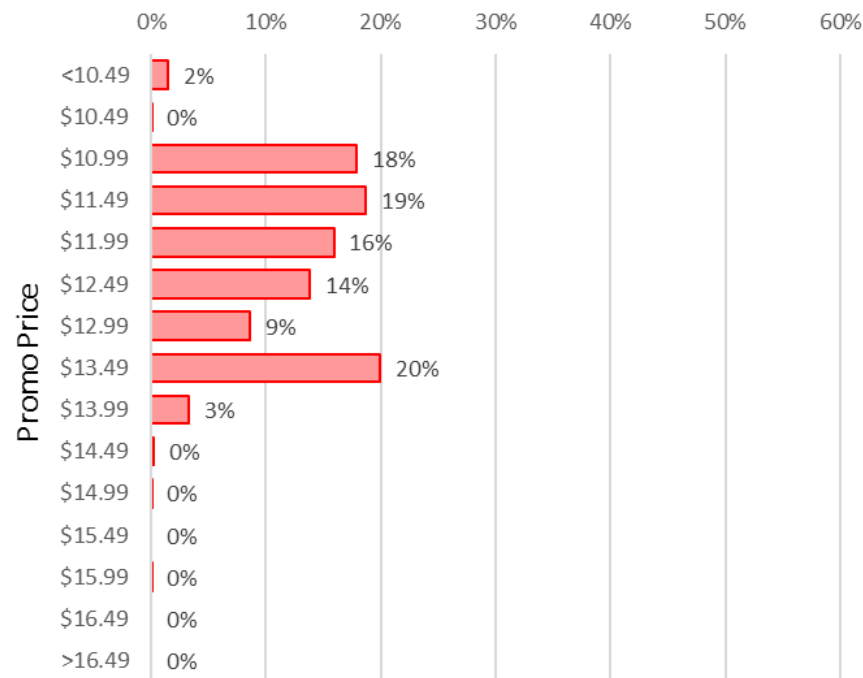
\* Assume neutral Retail Margin: 45%

# 0.25oz Lavender in Whole Foods and Natural channel mostly has discounts events between 15%~25%.

0.25oz Lavender OG EO - Natural + Whole Foods Channel  
Percentage of Base Units by Base Price (L52 Pre COVID)



0.25oz Lavender OG EO - Natural + Whole Foods Channel  
Percentage of Base Units by Promo Price (L52 Pre COVID)



\*L52 weeks ending Feb 2020 (Pre COVID)

\*93% unit sales by base price \$16.49 was from Whole Foods Channel



# 0.25oz Lavender sees over 50% lift for its most common discount events

## 0.25oz Lavender OG EO Average Promotional Lift by Base Price and Promo Price

Natural Grocery L104\*

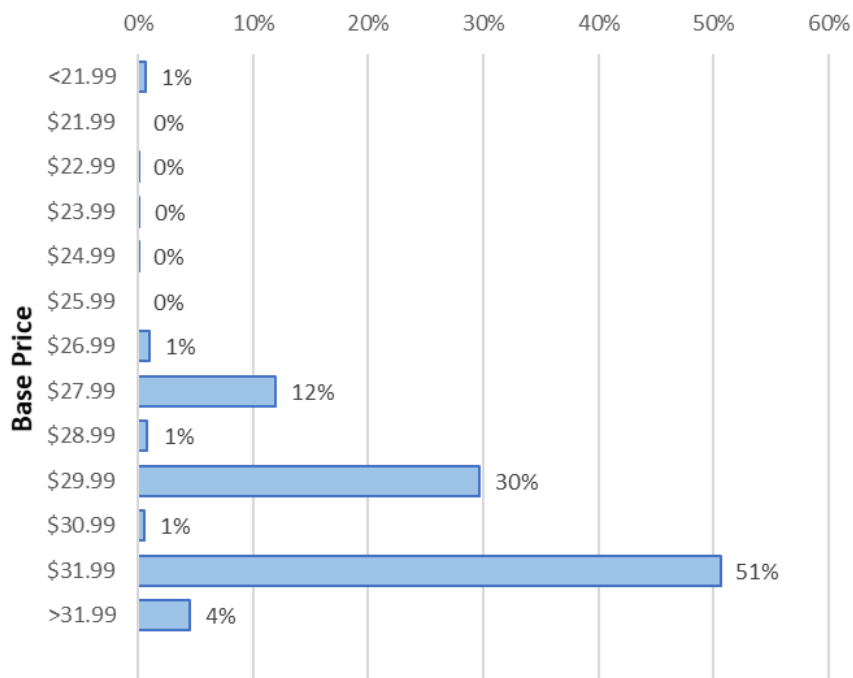
Base Price	Base Units by Base Price	Promo Price					
		\$10.49	\$10.99	\$11.49	\$11.99	\$12.49	\$12.99
\$13.99	37%	135%	75%	67%	54%		
\$14.49	17%		82%	43%	36%	36%	12%
\$14.99	26%		155%	77%	63%	69%	72%
\$15.49	3%					83%	39%
\$15.99	0%	100%			49%	40%	
\$16.49	4%		60%			45%	32%
Promoted Base Units by Promo Price		20%	22%	14%	15%	10%	12%

\*Last 104 Weeks pre-COVID ending 2020-02-23

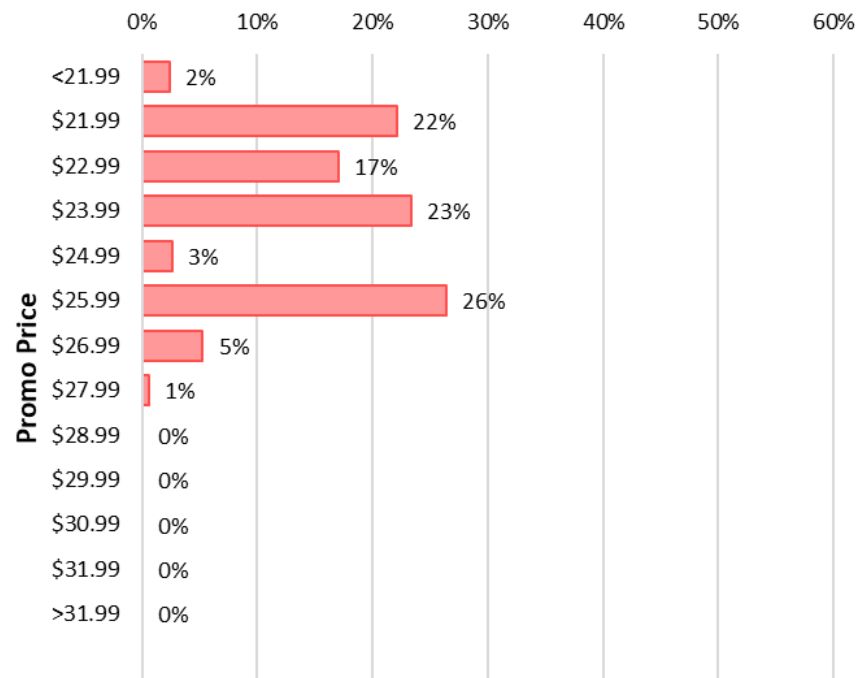
Low Sample <=5 Weeks of Promo

# 20% discount is the most common event for 0.25oz Frankincense OG EO.

0.25oz Frankincense OG EO - Natural + Whole Foods  
Percentage of Base Units by Base Price (L52 Pre COVID)



0.25oz Frankincense OG EO - Natural + Whole Foods  
Percentage of Base Units by Promo Price (L52 Pre COVID)



*\*L52 weeks ending Feb 2020 (Pre COVID)*

*\*99% unit sales by base price \$31.99 was from Whole Foods Channel*

# 0.25oz Frankincense OG sees over 60% lift for most of its discount events

## 0.25oz Frankincense OG EO Average Promotional Lift by Base Price and Promo Price Natural Grocery L104\*

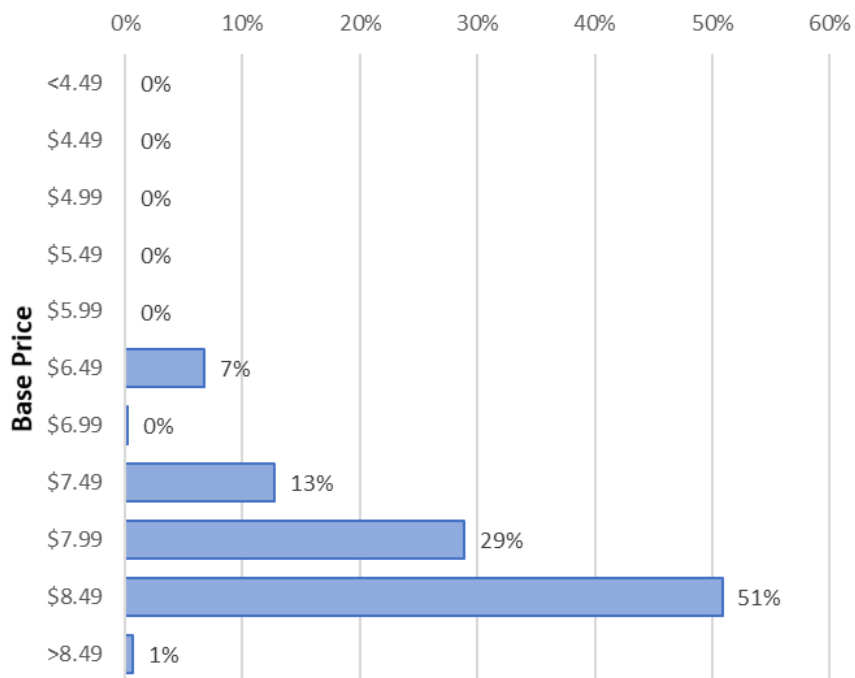
Base Price	Base Units by Base Price	Promo Price				
		\$21.99	\$22.99	\$23.99	\$24.99	\$25.99
\$27.99	18%	70%	34%	65%	28%	
\$28.99	7%	16%	21%	50%	18%	
\$29.99	59%	140%	94%	72%	62%	67%
Promoted Base Units by Promo Price		28%	19%	12%	9%	18%

\*Last 104 Weeks pre-COVID ending 2020-02-23

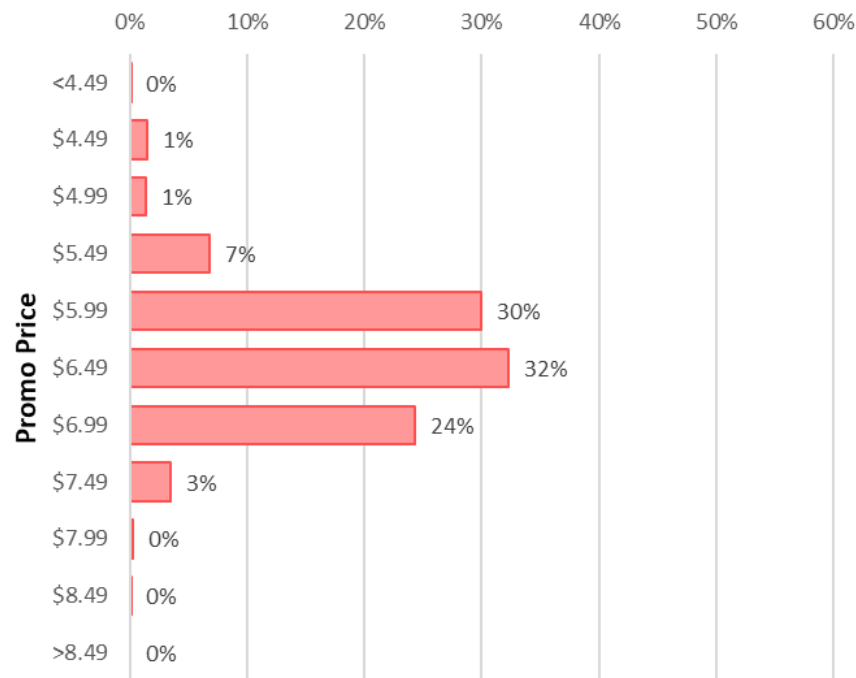
Low Sample <= 5 Weeks of Promo

# 15%~20% discount is most common promotion for 0.25oz Tea Tree

0.25oz Tea Tree OG EO - Natural + Whole Foods Channel -  
Percentage of Base Units by Base Price (L52 Pre COVID)



0.25oz Tea Tree OG EO - Natural + Whole Foods Channel -  
Percentage of Base Units by Promo Price (L52 Pre COVID)



\*L52 weeks ending Feb 2020 (Pre COVID)

\*94% unit sales by base price \$8.49 was from Whole Foods Channel

# 0.25oz Tea Tree OG in Natural channel

## 0.25oz Tea Tree OG EO Average Promotional Lift by Base Price and Promo Price Natural Grocery L104\*

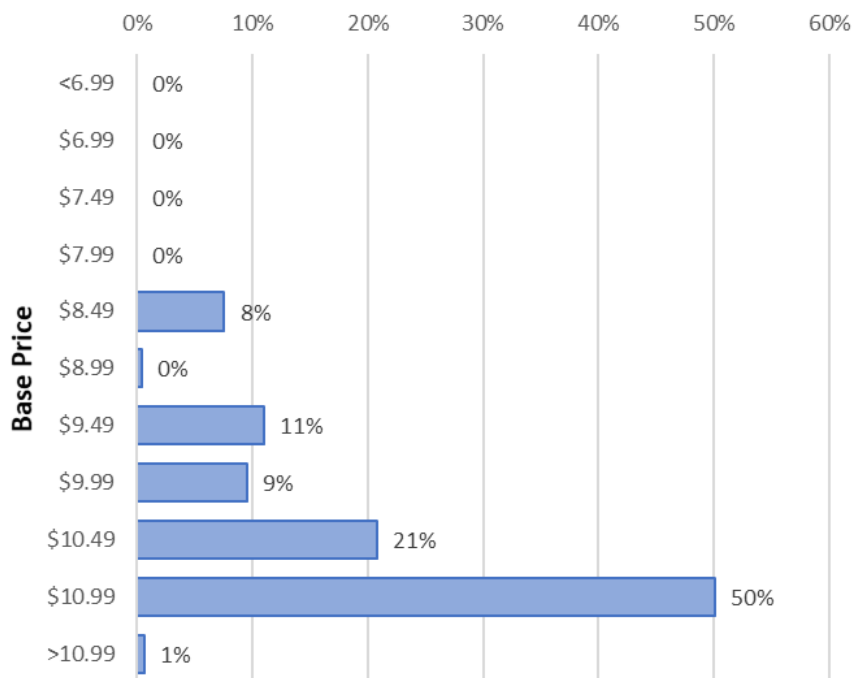
Base Price	Base Units by Base Price		Promo Price				
			\$4.99	\$5.49	\$5.99	\$6.49	\$6.99
\$6.49	<div></div>	13%	17%	35%	21%		
\$6.99	<div></div>	0%		94%	4%		
\$7.49	<div></div>	26%	62%	73%	49%	27%	12%
\$7.99	<div></div>	53%	104%	13%	84%	28%	20%
\$8.49	<div></div>	6%				65%	34%
Promoted Base Units by Promo Price			2%	11%	50%	22%	11%

\*Last 104 Weeks pre-COVID ending 2020-02-23

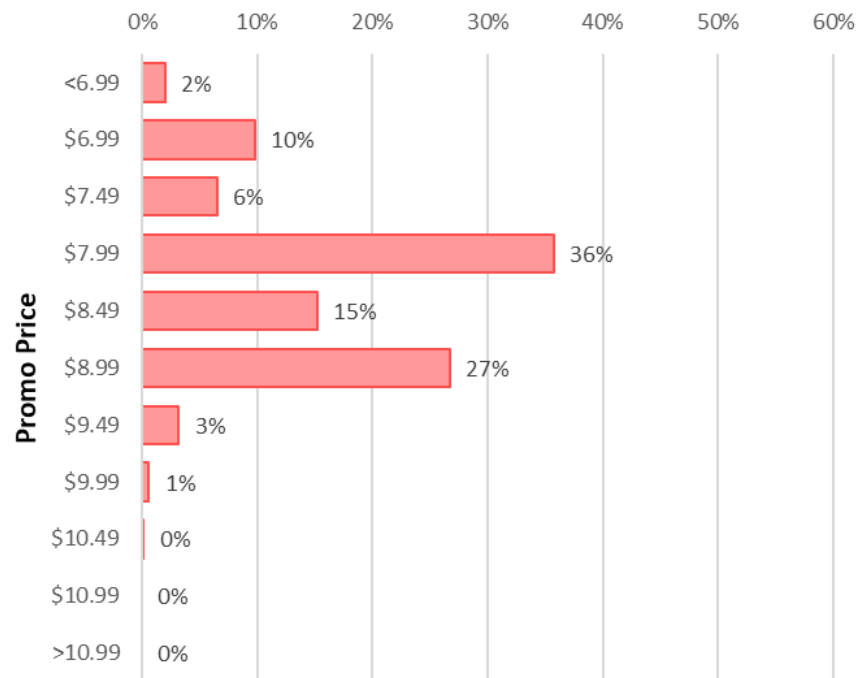
Low Sample <= 5 Weeks of Promo

# 15%~20% discount is most common promotion for 0.25oz Peppermint

**0.25oz Peppermint OG EO - Natural + Whole Foods -  
Percentage of Base Units by Base Price (L52 Pre COVID)**



**0.25oz Peppermint OG EO - Natural + Whole Foods -  
Percentage of Base Units by Promo Price (L52 Pre COVID)**



*\*L52 weeks ending Feb 2020 (Pre COVID)*

*\*92% unit sales by base price \$10.99 was from Whole Foods Channel*

# 0.25oz Peppermint OG – Natural channel

## 0.25oz Peppermint OG EO Average Promotional Lift by Base Price and Promo Price Natural Grocery L104\*

Base Price	Base Units by Base Price	Promo Price				
		\$6.99	\$7.49	\$7.99	\$8.49	\$8.99
\$8.49	14%	61%	26%			
\$8.99	1%	46%	47%	8%		
\$9.49	22%	99%	84%	50%	30%	
\$9.99	14%		31%	28%	21%	1%
\$10.49	41%	62%	70%	115%	65%	32%
\$10.99	7%			43%	88%	47%
Promoted Base Units by Promo Price		14%	8%	33%	21%	18%

\*Last 104 Weeks pre-COVID ending 2020-02-23

Low Sample < =5 Weeks of Promo

# Deeper promotion drives higher retail sales and retail profit while still generate positive return

## 0.25oz OG EO - Promotion Analysis

WFM\_CORP

Everyday Price	\$12.30
Retail Margin	48%
Weekly Base Unit Sales	3,106

### Promotional Details

Promo Price	\$10.31	\$9.21
Discount %	16%	25%
Scan	\$1.03	\$1.60
Avg Lift %	49%	92%

### Weekly Incremental Frontier Financials

Incr Gross Sales	\$8,450	\$15,850
Incr Spend	\$4,772	\$9,555
Incr Profit Net Spend	\$950	\$1,178

Efficiency	1.8	1.7
Return on Investment	20%	12%

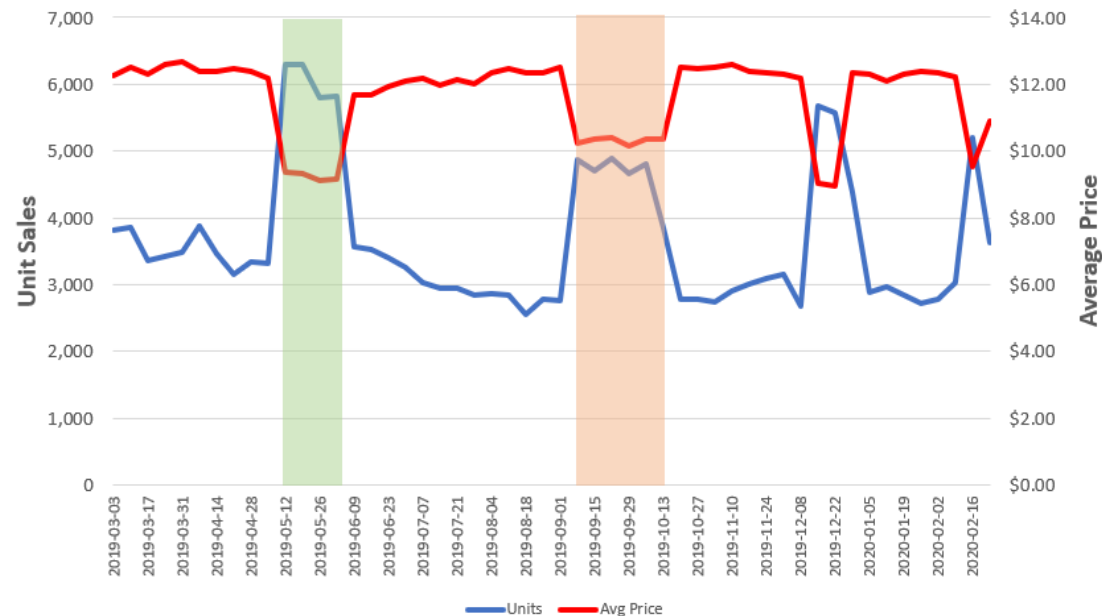
Average Product Group List Price: \$5.53

Average Product Group COGs: \$1.79

\*Everyday Price and Base Units are based on L52 weeks pre-COVID

\* Assume Neutral Retail Margin

0.25oz OG EO - Average Price and Unit Sales - L52 weeks



**25% Event**

**16% Event**



# BOGO event at Sprout has high efficiency and ROI at neutral retail margin.

## 0.25oz OG EO - Promotion Analysis

Sprout

Everyday Price	\$11.64	
Retail Margin	45%	20%
Weekly Base Unit Sales	999	

### Promotional Details

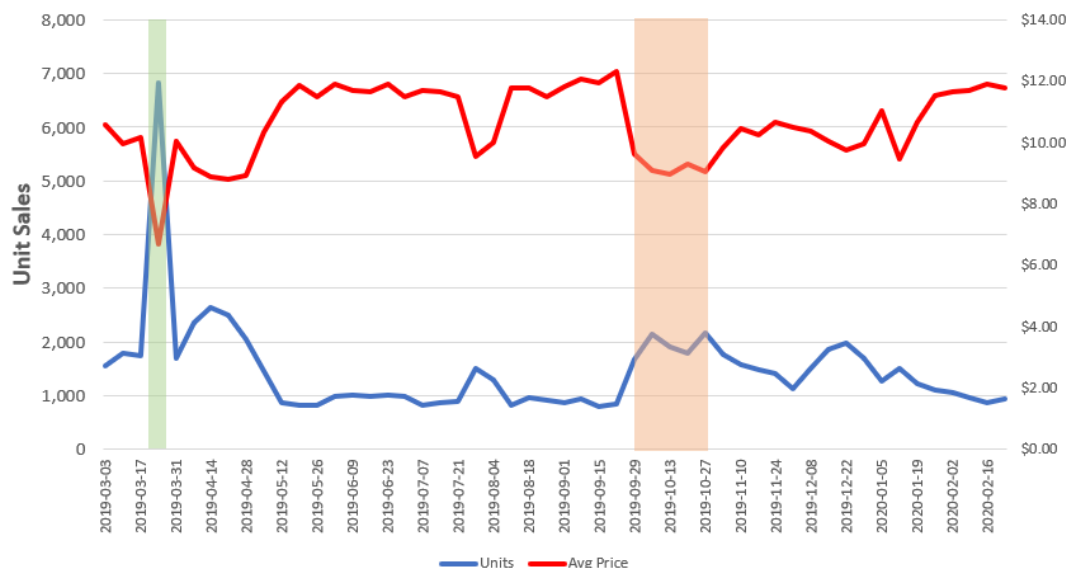
Promo Price	\$9.17	\$6.67	\$6.67
Discount %	21%	43%	43%
Scan	\$1.35	\$2.73	\$1.05
Avg Lift %	94%	584%	584%

### Weekly Incremental Frontier Financials

Incr Gross Sales	\$5,216	\$32,380	\$32,380
Incr Spend	\$2,619	\$18,630	\$7,193
Incr Profit Net Spend	\$1,105	\$4,492	\$15,929

Efficiency	2.0	1.7	4.5
Return on Investment	42%	24%	221%

0.25oz OG EO - Average Price and Unit Sales - L52 weeks



Average Product Group List Price: \$5.53

Average Product Group COGs: \$1.79

\*Everyday Price and Base Units are based on L52 weeks pre-COVID

\* Assume Neutral Retail Margin

43% Event

21% Event

# 0.25 OZ

Food Channel

Last 52 weeks saw loss on weeks of promo due to loss in distribution. The lift% is more significant during last 52 weeks than a year ago attributed to a higher discount%.

### 0.25oz OG EO - Average Promotional Activity Year over Year

#### Food Channel

	YA52 Pre Covid	L52 Pre COVID
Everyday Price	\$8.14	\$8.29
Promotional Price	\$6.99	\$6.86
Discount %	14%	17%
Weeks of Promo	7.2	6.0
Average Lift%	36%	52%
% of Units Sold on Promotion	18%	17%

\* L52 weeks ending Feb 2020 (Pre COVID)

# Excluding discount events higher than 50%, discount events during last 52 weeks still show higher lift%

## 0.25oz OG EO - Average Promotional Activity Year over Year Food Channel

	YA52 Pre Covid	L52 Pre COVID
Everyday Price	\$8.14	\$8.29
Promotional Price	\$7.02	\$7.24
Discount %	14%	13%
Weeks of Promo	7.2	5.8
Average Lift%	36%	42%
% of Units Sold on Promotion	18%	15%

\* L52 weeks ending Feb 2020 (Pre COVID)

While most discount events are below 20%, 15% discount is the most common.

Deeper discounts are less efficient and have negative ROI due to limited %lift.

0.25oz OG EO - %Discount and Promotional Efficiency/Return on Investment				
Food Channel (L104*)				
% Discount	%Lift	% of Base Unit Sales	Efficiency	Return on Investment
10%	27%	29%	1.8	27%
15%	35%	31%	1.5	5%
20%	44%	26%	1.3	-7%
25%	52%	7%	1.2	-18%
30%	56%	2%	1.0	-28%
35%	75%	2%	1.1	-26%
40%	79%	1%	1.0	-34%
45%	109%	0%	1.0	-30%
50%	137%	1%	1.0	-30%
55%	252%	0%	1.1	-21%

\* # Promo Weeks <30

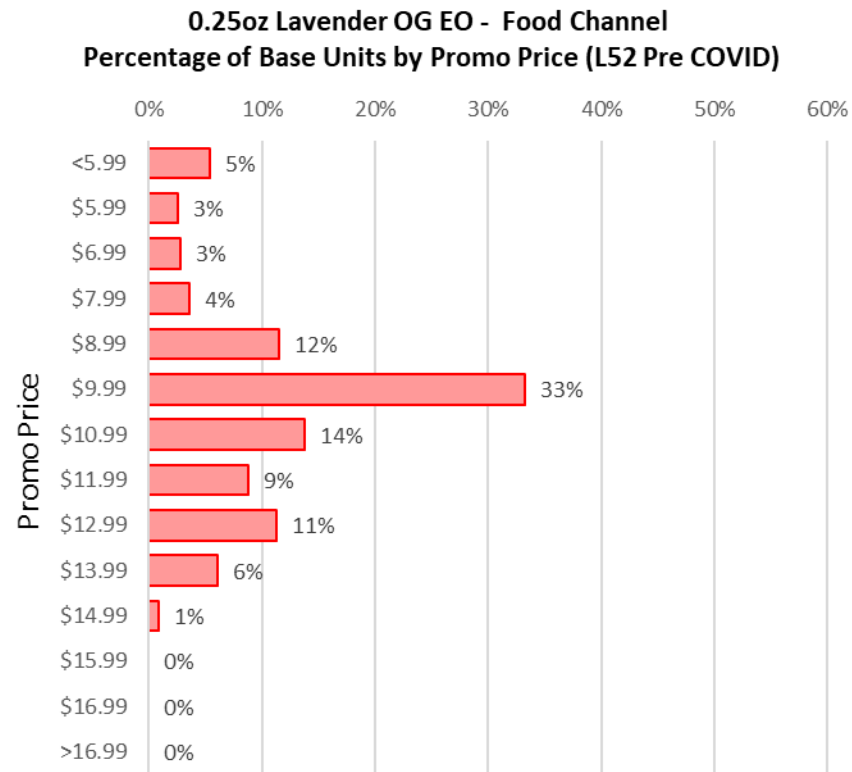
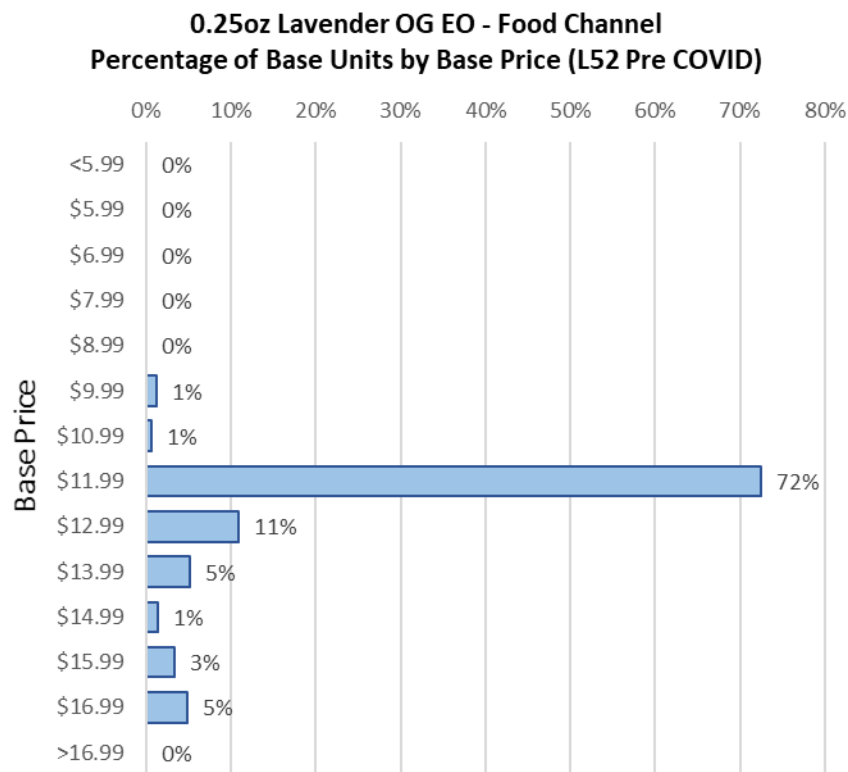
\* Last 104 weeks pre-COVID ending Feb 2020

Assume neutral Retail Margin: 45%

Average Gross Margin: 67%

Breakeven Efficiency: 1.44

# 10%~20% discount is most common promotion for 0.25oz Lavender



*\*L52 weeks ending Feb 2020 (Pre COVID)*

# Discount events with lower than 20% on Lavender in food channel have 30%~46% lift

## 0.25oz Lavender OG EO Average Promotional Lift by Base Price and Promo Price Food Channel L104\*

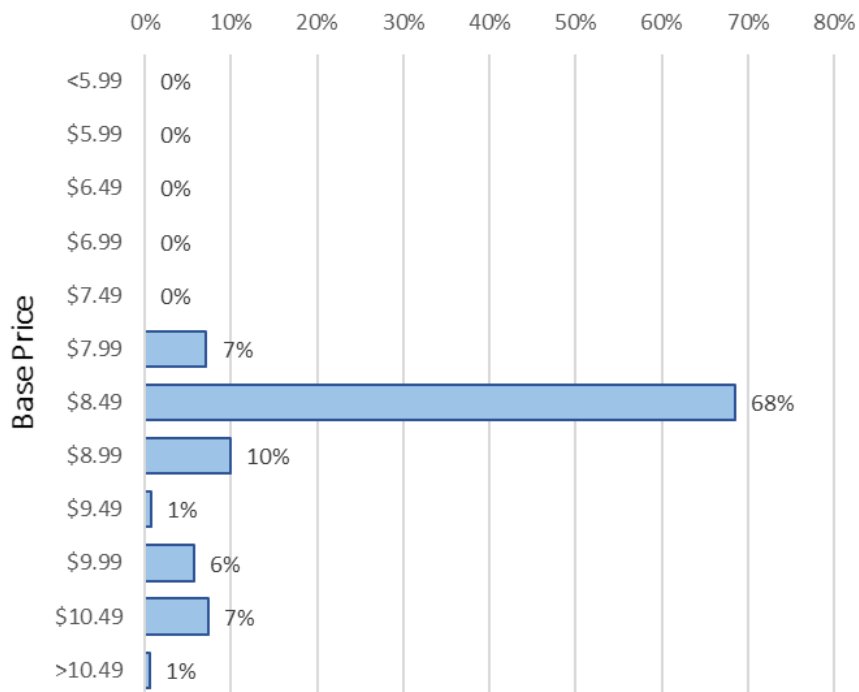
Base Price	Base Units by Base Price	Promo Price					
		\$8.99	\$9.99	\$10.99	\$11.99	\$12.99	\$13.99
\$11.99	44%	54%	31%	24%			
\$12.99	10%	35%	47%	35%	58%		
\$13.99	5%		43%	33%	38%	38%	
\$14.99	7%	69%	48%	51%	46%	22%	
\$15.99	2%			79%	65%	26%	33%
\$16.99	2%	108%	156%		81%	41%	29%
Promoted Base Units by Promo Price		18%	33%	19%	11%	10%	3%

\*L104 Weeks pre-COVID ending 2020-02-23

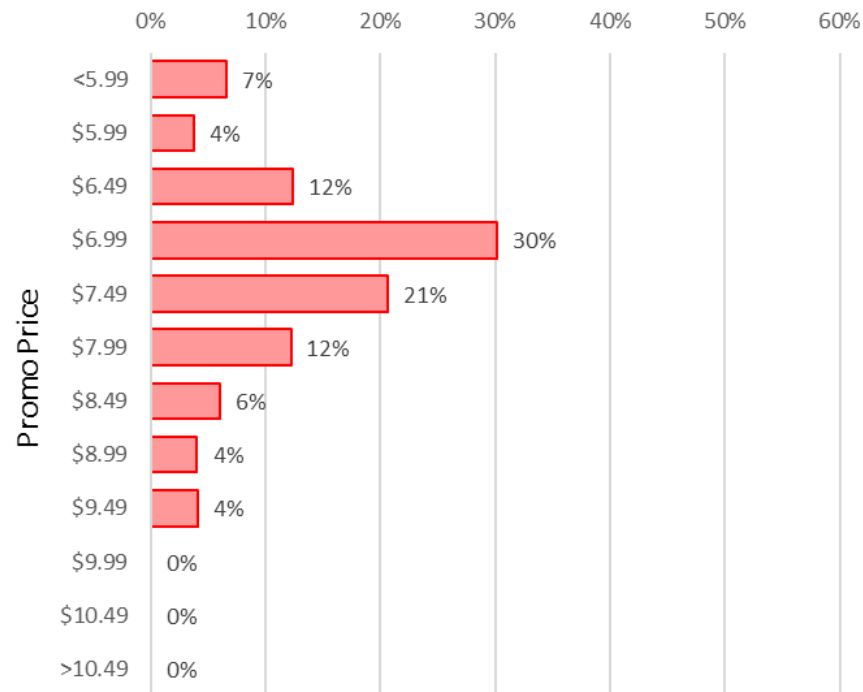
Low Sample <=5 Weeks of Promo

# 10%~20% discount is most common promotion for 0.25oz Peppermint OG EO

0.25oz Peppermint OG EO - Food Channel  
Percentage of Base Units by Base Price (L52 Pre COVID)



0.25oz Peppermint OG EO - Food Channel  
Percentage of Base Units by Promo Price (L52 Pre COVID)



\*L52 weeks ending Feb 2020 (Pre COVID)



# Discount events with lower than 20% on Lavender in food channel have 30%~46% lift

## 0.25oz Peppermint OG EO Average Promotional Lift by Base Price and Promo Price Food Channel L104\*

Base Price	Base Units by Base Price	Promo Price					
		\$5.99	\$6.49	\$6.99	\$7.49	\$7.99	\$8.49
\$8.49	54%	100%	64%	35%	21%	22%	
\$8.99	11%	51%	48%	40%	47%	27%	
\$9.49	1%					50%	
\$9.99	3%			46%	24%	46%	41%
\$10.49	8%		19%	63%	18%	50%	32%
Promoted Base Units by Promo Price		5%	14%	31%	21%	12%	7%

\*L104 Weeks pre-COVID ending 2020-02-23

Low Sample <=5 Weeks of Promo

By increasing spending on increasing frequency of discount events, Retail Sales can be gained without sacrificing profit.

**0.25oz OG EO - Promotional Plan Comparison - Current vs Price Decrease**

**Food Channel**

	<b>Current Strategy</b>	<b>Proposed Increased Promotion Frequency</b>	<b>%Change</b>
Everyday Price	\$8.29	\$8.29	\$0.00
Retail Margin	67%	67%	0%
Weekly Based Unit S	1,134	1,134	0.00
<b>Promo Details</b>			
Promo Discounts	13%	15%	2%
Promo Weeks	6	24	18
Lift%	42%	35%	-6%
<b>Annual Frontier Financials</b>			
Gross Sales	\$144,865	\$161,106	11%
Spend	\$3,176	\$14,930	370%
T:S	2%	9%	7%
Profit After Trade	\$97,409	\$96,932	0%
<b>Annual Retail Financials</b>			
Unit Sales	61,720	68,639	11%
Retail Dollars	\$502,015	\$523,284	4%
Retail Profit	\$338,597	\$352,942	4%

List Price \$2.35

COGs \$0.72

Distributor Upcharge 15%

\* Last 52 weeks pre-COVID ending 2020-02-23

\* Assume neutral Retail Margin: 67%

# 0.25oz OG EO–Promotion Summary

- Promotions during last 52 weeks pre-COVID had similar performance as 52 weeks a year ago.
- 15% off is the most common discount strategy in Food, Natural and Wholefoods.
- Promotion events with higher discount offer are received well in Natural and Wholefoods with significant higher lift% and therefore high efficiency and positive return on investment.
- Given current everyday price and retail margin, 0.25oz OG EO has on average 69% internal margin in natural channel and Wholefoods.
  - Aura Cacia can gain retail sales by relocating the internal margin to spend on trade.
- **Recommended strategy:**
  - Increase spend on trade(18% T:S) to operate deeper(25%) and more frequent promotions (24 weeks) including BOGOs in Natural channel and Wholefoods.
  - More frequent promotions (24 weeks) in Food channel.