

RE: Matt / Chris (Unilever) CPI Review 3/3/22

From: "Charlton, Chris" <[REDACTED]@unilever.com>
 To: Matthew Hankin <[REDACTED]@coles.com.au>
 Date: Tue, 08 Mar 2022 07:47:20 +1100

Hi Matt

Further to below – please find updated position on investment required to deliver margin maintenance. I have pulled a specific example on Rexona 220ml 50% as follows:

	Rexona 220ml 50%		
	Current Funding	Post CPI Funding Held	Post CPI Funding Increased
List Price	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Terms	[REDACTED - CONFIDENTIAL]		
NIV	[REDACTED - CONFIDENTIAL]		
Promo Funding	[REDACTED - CONFIDENTIAL]		
Net Cost	\$ 4.00	\$ 4.25	\$ 4.25
In Store	[REDACTED - CONFIDENTIAL]		
5th Margin %	[REDACTED - CONFIDENTIAL]		

First thing to say is you were right on base – there is no cost to Unilever of margin maintaining on base. As you can see with no change in funding there is a decline in 5th margin on 50% from [REDACTED] to [REDACTED]. However by increasing the deal rate by [REDACTED] (5% -> 5.5%) margin is maintained to current funding agreement. Given that we annually scan c.2.8m units on 50% the cost to Unilever to maintain that margin at current rate is c.\$[REDACTED]. I've pulled the below at a category / brand / promo depth level to give a full picture of the increased investment. Intention here is not to erode margin – more to reflect the increase in investment as a driver of closing the VMO gap.

Category	Promo Group	50%			Shallow		
		Annualised Units	Incremental Margin Maintain Funding	Investment increase	Annualised Units	Incremental Margin Maintain Funding	Investment increase
Deos	Rex 220ml	2,795,778	[REDACTED - CONFIDENTIAL]	[REDACTED - CONFIDENTIAL]	589,513	[REDACTED - CONFIDENTIAL]	[REDACTED - CONFIDENTIAL]
Deos	Lynx 165ml	1,665,000			840,000		
Deos	Lynx RO	62,510			49,200		
Deos	Dove 250ml	588,426			444,324		
Deos	DM+C 250ml	300,000			252,000		
Deos	Dove W RO	325,000			342,000		
Deos	Dove RO Clear	49,000			62,400		
Deos	Dove Men RO	89,000			121,416		
Deos	Rex W RO	357,000			185,000		
Deos	Rex M RO	287,000			145,170		
Deos	Rex 180ml M	115,200			40,500		
Deos	Rex 180ml W	187,200			72,000		
Deos	Dove 160ml	29,000			33,600		
Mens	Lynx 400	176,000			138,000		
Soaps	Radox 900g				31,824		
Soaps	Dove 500ml	76,500			115,000		
Hair	T&G 250ml S	8,200			21,762		
Hair	T&G 250ml C	56,000			17,544		
Hair	T&G 600ml S&C	40,000			14,000		
Hair	T&G Styling	82,900			36,200		

Lets chat through this in the call this morning.

Thanks
Chris

From: Charlton, Chris
 Sent: 04 March 2022 14:20
 To: Matthew Hankin <[REDACTED]@coles.com.au>
 Subject: RE: Matt / Chris (Unilever) CPI Review 3/3/22

Hi Matt

Thanks for your time yesterday – good to connect on CPI. Actions I took as follows:

- CC to share deck – see attached
- CC to provide EDLP SKU list – see below
- CC to set up session early next week for next check in – sent earlier today
- CC to share Margin Maintain logic – to follow 7/3
- MH to follow up with VMO to clarify points discussed today on capping, composition (deos) and timing (Rexona 220ml)

EDLP SKU's Impacted by CPI:

Rexona 250ml \$5 Down Down to \$6 EDV

4713073 REXONA ANTI PERSP DEODORANT 250 ML
 5879187 REXONA ANTI PERSP DEODORANT 250 ML
 8949220 REXONA ANTI PERSP DEODORANT 250 ML
 3054072 REXONA MEN ANTIPERSPIRANT SPORT FRESH 250ML 250 ML
 6554843 REXONA ANTIPERSPIRANT QUANTUM 250ML 250 ML
 7620105 REXONA ANTIPERSPIRANT ADVENTURE 250ML 250 ML
 89100 REXONA ANTIPERSPIRANT FOR MEN 250ML 250 ML

Toni & Guy 2F\$25 to 2F\$30

2335699 TONI & GUY GLAMOUR DRY SHAMPOO VOLUME 250ML 250 ML
 3157596 TONI & GUY SHAMPOO PURPLE 250ML 250 ML
 3157712 TONI & GUY CONDITIONER PURPLE 250ML 250 ML
 3417325 TONI & GUY PURPLE MASK 265ML 285 ML
 3710691 TONI&GUY SHAMPOO STRENGTHPLEX BOND REPAIR 250 ML 250 ML
 3710705 TONI&GUY CONDITIONER STRENGTHPLEX BOND REPAIR 250 ML 250 ML
 3769630 TONI & GUY DRY SHAMPOO BRUNETTE 250ML 250 ML
 3837047 TONI & GUY OIL STRENGTH PLEX 80ML 80 ML
 3977760 TONI & GUY SHAMPOO SCALP CARE 250ML 250 ML
 3977884 TONI & GUY CONDITIONER SCALP CARE 250ML 250 ML
 3978130 TONI & GUY TREATMENT SCALP CARE SCRUB 175ML 175 ML
 9192705 TONI & GUY SHAMPOO DAMAGE REPAIR 250ML CLEANSE DAMAGED : 250 ML
 9192716 TONI & GUY SHAMPOO CLEANSE FINE HAIR 250ML CLEANSE FINE HAIR : 250 ML
 9192749 TONI & GUY DRY SHAMPOO CLEANSE 250ML 250 ML
 9192816 TONI & GUY CONDITIONER DAMAGE REPAIR 250ML NOURISH DAMAGED : 250 ML
 9192829 TONI & GUY CONDITIONER FINE HAIR 250ML NOURISH FINE HAIR : 250 ML
 9193071 TONI & GUY HEAT PROTECTION MIST 150ML 150 ML
 9193082 TONI & GUY PREP LEAVE IN CONDITIONER 100ML PREP LEAVE IN : 100 ML
 9194981 TONI & GUY CASUAL SPRAY SEA SALT TEXTURISING 200ML 200 ML

Impulse 75ml \$4 Down Down to TBC

2007849 IMPULSE BODY SPRAY ILLUSIONS 75 ML
 2007882 IMPULSE BODY SPRAY MERELY MUSK 75 ML
 3303667 IMPULSE BODY SPRAY FESTIVAL SUMMER EDITION 75 ML
 3579065 IMPULSE DEODORANT WANDERLUST 75ML 75 ML
 3720684 IMPULSE BODY SPRAY SUMMER DREAMS 75 ML 75 ML
 3720709 IMPULSE BODY SPRAY BURNT MSHMALLOW+LEATHER JACKET 75 ML 75 ML

Lynx 250ml \$8.50 Down Down to High Low

3822889 LYNX DEODORANT AEROSOL AFRICA 250 ML 250 ML
 3822902 LYNX DEODORANT AEROSOL BLACK 250 ML 250 ML
 4479623 LYNX ANTIPERSPIRANT DEODORANT AFRICA 250ML 250 ML
 4506420 LYNX ANTIPERSPIRANT DEODORANT BLACK 250ML 250 ML

Lynx 250ml \$10 EDV to High Low
3363383 LYNX BODY WASH AFRICA 1 LITRE

Lux 6pk \$3.60 EDV to \$4 EDV
4806006 LUX SOAP WHITE...6 PACK

Have a good weekend – talk next week.

Thanks
Chris

Chris Charlton
Head of Coles - HBPC
Unilever Australia & New Zealand
Email: Chris.Charlton@unilever.com
Mobile: 

-----Original Appointment-----
From: Charlton, Chris
Sent: 11 February 2022 07:08
To: Charlton, Chris; Matthew Hankin
Subject: Matt / Chris (Unilever) CPI Review
When: 03 March 2022 10:00-10:45 (UTC+10:00) Canberra, Melbourne, Sydney.
Where: Coles HO / Teams TBC

Microsoft Teams meeting

Join on your computer or mobile app

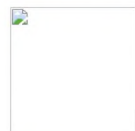
[Click here to join the meeting](#)

Or call in (audio only)

[+61 2 8318 0016.355613563#](tel:+61283180016355613563#) Australia, Sydney

Phone Conference ID: 355 613 563#

[Find a local number](#) | [Reset PIN](#)



[Learn More](#) | [Meeting options](#)

Hi Matt

Locking in some time to come together on CPI – expecting by this time to be able to come to you with full clarity on VMO position and a commercial proposal.

Timeline I am working to s follows:

- 15/2 (latest) – initial VMO response
- w/c 18/2 – conclude internal discussions
- w/c 28/2 – BCM discussions

(I'm on leave w/c 21/2)

IMPORTANT NOTICE: This email and any attachments may contain information that is confidential and privileged. It is intended to be received only by persons entitled to receive the information. If you are not the intended recipient, please delete it from your system and notify the sender. You should not copy it or use it for any purpose nor disclose or distribute its contents to any other person.