

Pricing tool for new products

IPF – Paris

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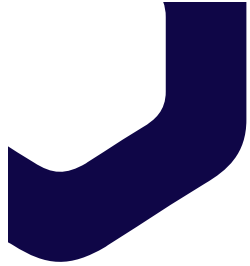




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COMPANY OVERVIEW



Albéa

At a glance

Albéa is a global leader in beauty, personal care, oral care, pharmaceutical and food packaging



15,000+
EMPLOYEES

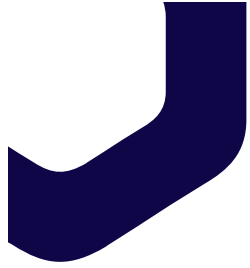
38
INDUSTRIAL
FACILITIES

IN **15**
COUNTRIES
WORLDWIDE

SALES
\$1.4
BILLION
IN 2016 (+2.7% vs 2015)

INVESTMENT
\$70
MILLION
IN 2016

INNOVATION,
DEVELOPMENT & DESIGN
~200 PEOPLE
IN TOP 50 PATENT
FILERS IN FRANCE



A comprehensive product range

Four expertise



TUBES

∨
#1 in plastic and laminate tubes



DISPENSING SYSTEMS

∨
#1 in foam pumps and fragrance samplers
#2 in fragrance pumps
recognized expert in lotion pumps



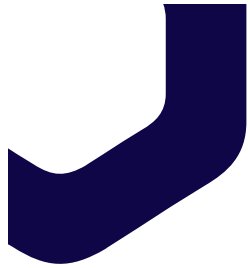
COSMETIC RIGID PACKAGING

∨
#1 in mascara (pack + brush)
#1 in lipstick (mechanism + shell)
recognized expert in fragrance caps, compact, lipgloss, skincare packs



BEAUTY SOLUTIONS

∨
market-valued provider of promotional items, standard packs and accessories, full-service solutions



Serving the world's leading brands

L'ORÉAL

LVMH
MOËT HENNESSY. LOUIS VUITTON

CHANEL



AIRFRANCE

Pierre Fabre

P&G

oriflame
natural swedish cosmetics

GROUPE
CLARINS



Elizabeth Arden
NEW YORK

COTY

AVON



YVES ROCHER

BDF
Beiersdorf

REVLON®



Walgreens Boots Alliance



GlaxoSmithKline

PUIG

Schering-Plough

SHISEIDO



Johnson & Johnson



Unilever

NUXE
PARIS

ESTÉE LAUDER



VICTORIA'S
SECRET



MARY KAY
COSMETICS

Amway

L'OCCITANE
EN PROVENCE

BOURJOIS
PARIS

Henkel



sisley
PARIS

HERMÈS
PARIS

interparfums, inc.

KOSÉ

Cartier

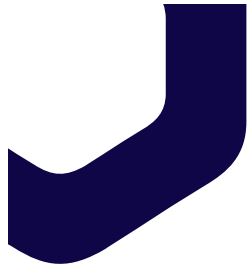


PROYA
珀莱雅

YANBAL

BELCORP

ALBÉA



Contributing to our customers' success



L'Oréal
Revitalift
Miracle Blur

Clarins
BB cream

Givenchy
Cushion Kiss

Dove
Derma Spa

L'Oréal
Casting
Nutrisse

Oriflame
Optimals Body

President
Toothpaste

J&J
Eczema
Essentials

Beneditca
Mayonnaise

K2R



Givenchy
Rouge Interdit
Vinyl

Avon
Ultra Color

Estée Lauder
Pore Vanishing
Stick

Guerlain
La Petite
Robe Noire

Coty
Miss Sporty

Lancôme
Grandiose

Clarins
Perfect Skin
Pores & Matite

Coach
Eau de Parfum

Cartier
L'Envol

Clarins
Christmas Pouch



Armani
Si Sampler

Lancôme
La Vie est Belle

Victoria Secret
XO

Louis Vuitton
Parfum

Kicks
Perfect Facial
Mist

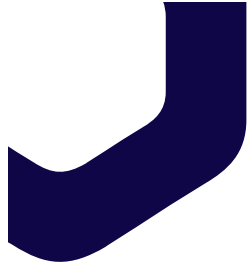
Oriflame
Energy Boost
Men

Sephora
Skin Booster

Church & Dwight
Oxi Clean

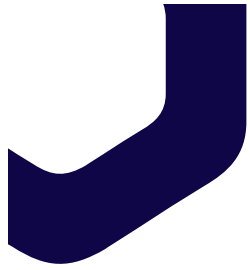
Natura
Mamae
Bebe

PRICING JOURNEY



Pricing journey at Albea





Pricing journey at Albea

By product line



TUBES



- Developed in 2016

- Go-live in 2017

- Pricing tool in MS Excel version initially



**DISPENSING
SYSTEMS**

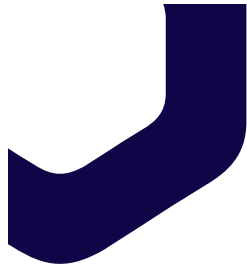


- Fully integrated with Salesforce in early 2018

- Price performance index evolution



STANDARD PACKS



Standard Packs

What are they?

- Black or white plastic injected
- Some metal components
- Basic decoration
- Focus on time to market



CM-105

- Contact us to discover our full range of compact packagings

Technical information

- Hinge type: Pinning
- Closing type: Push button
- Outer pack shape: cylindrical
- Mirror: available
- Packsize diameter: 76,5 mm
- Packsize height: 24,3 mm
- Pan diameter: 59,1 mm
- Material: SAN/ABS
- Transparent cover: not available

LS-040

- Contact us to discover our full range of lipstick packagings



Technical information

- Category: Lipstick
- Outer pack shape: Cylindrical
- Mecanism reference: BESO 10
- Filling mode: Top Fill
- Cup diameter: 12,7 mm
- Packsize diameter: 19,6 mm
- Material base: SAN-ABS
- Material cap: SAN-ABS
- Material collar: na
- Material mechanism: Alu Shell

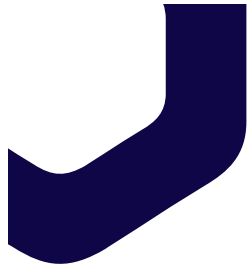


K-107

- Contact us to discover our full range of mascara packagings

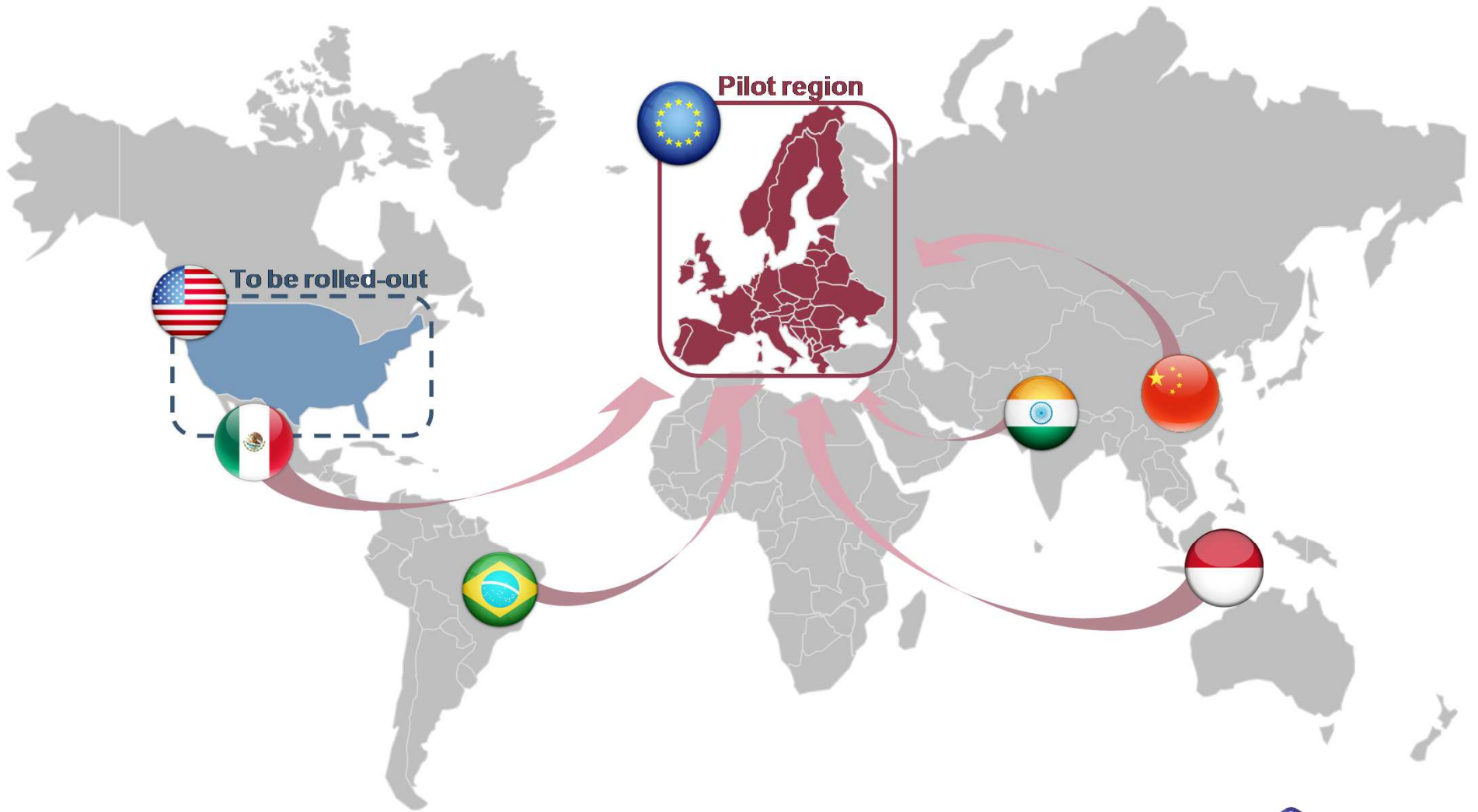
Technical information

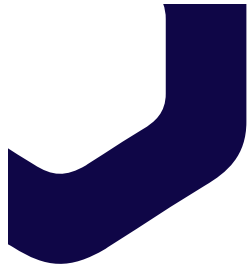
- Bottle shape: Cylindrical
- Bottle length : 47,4 mm
- Bottle diameter : 16 mm
- Filling capacity : 6,5 ml
- Bottle material : PETG
- Internal thread diameter: 12 mm
- Cap reference : CN-108-S1
- Cap length : 36,2 mm
- Cap diameter : 15,8 mm
- Cap material : Plastic
- Other caps available references: FCK-011A/FCK-011A-1



S T A R T

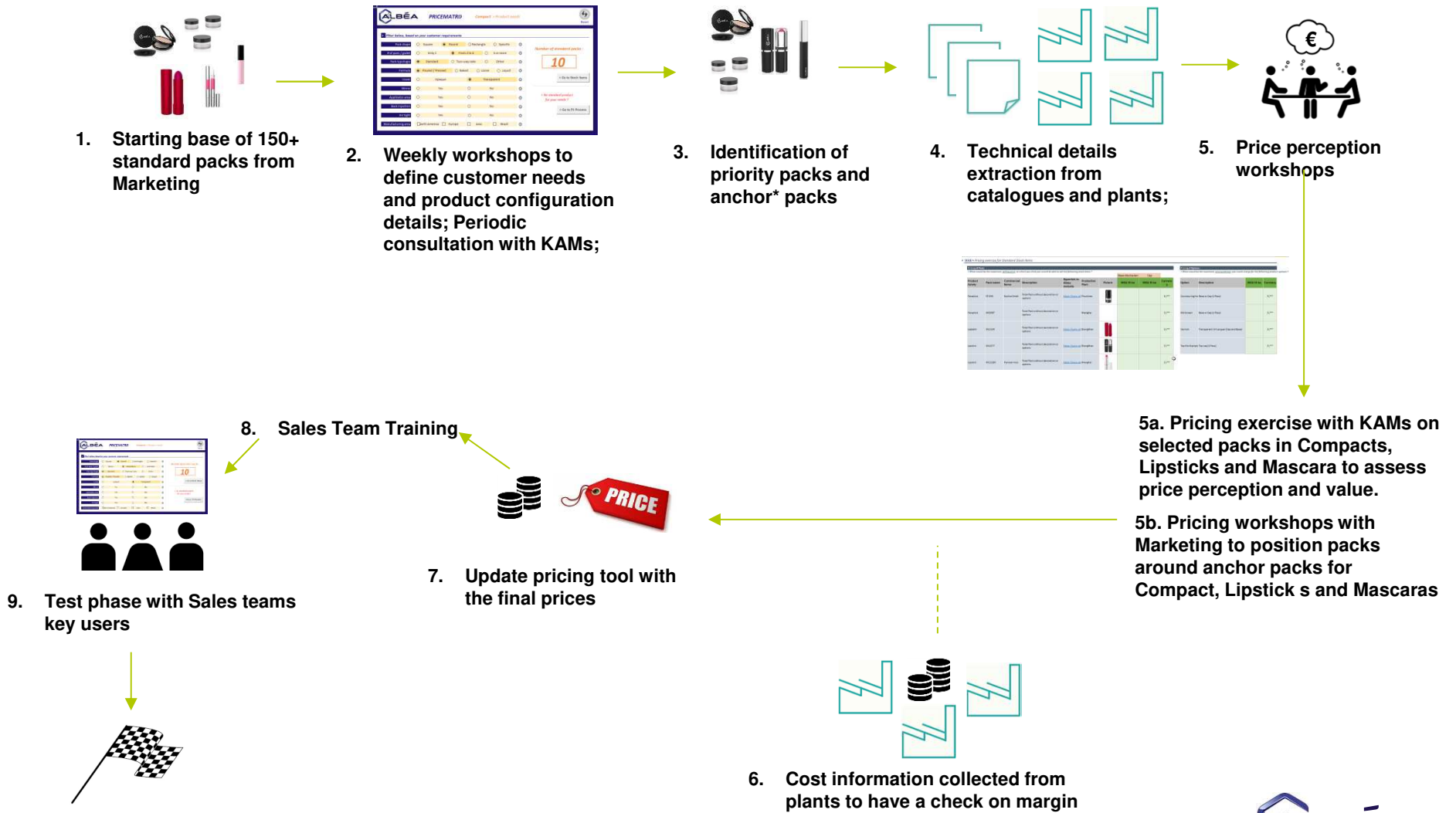
Standard Packs Scope



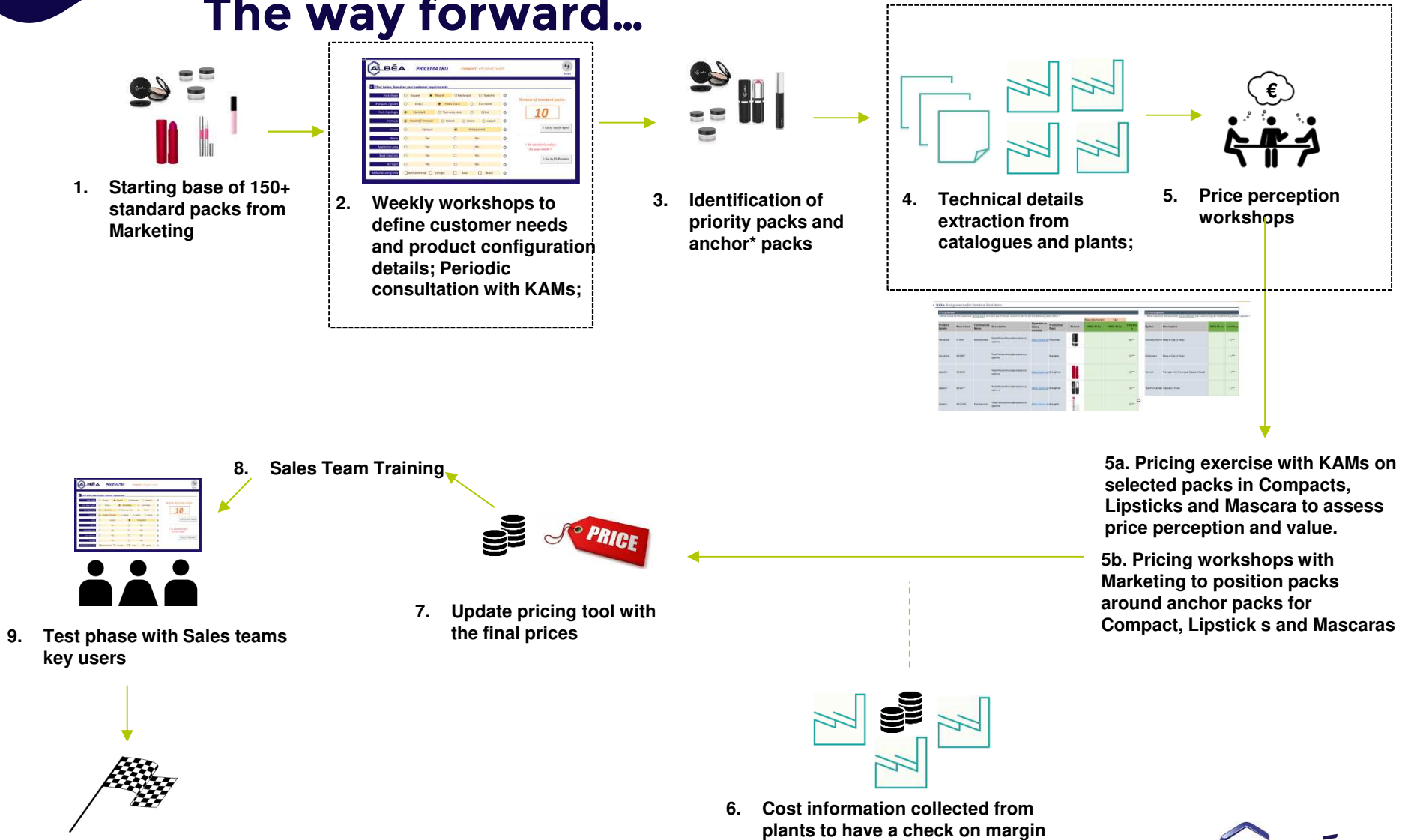
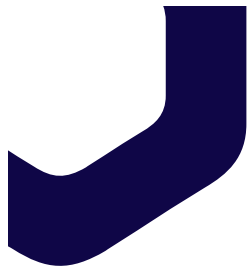


Standard Packs

The way forward...



Standard Packs The way forward...



Standard Packs

Customer needs segmentation to get the right product

Pack Type: Lipstick/Lip-balm/Face-stick

Formula: Liquid/Soft/Rigid

Cup diameter: 11.3mm/12mm/12,7mm/Other

Capacity: <2ml/2 & 4ml/>4ml

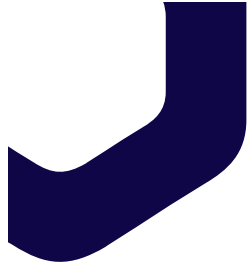
Pack shape: Cylindrical/Square/Special

Base/Cap ratio: 50-50/Other

Air tight: Yes/No

Filling process: Top/Bottom/Top & Bottom

Manufacturing Area: Americas/Europe/Asia

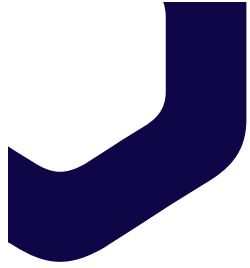


Standard Packs Price perception

S T **A** R T

~~CUSTOMER~~ PRICE PERCEPTION
(Willingness To Pay)

SALES REP PRICE PERCEPTION
(Willingness To Buy)



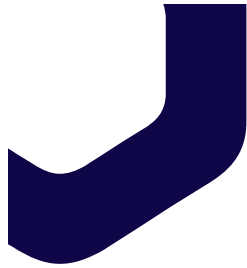
Standard Packs

Price perception

We asked our Sales Managers

“If you were to offer this standard pack for your customer, how much would you price it at?”

- 10-12 Sales Managers were asked to price 15 anchor standard packs
- Sales Managers were told to not contact the plants for any cost information
- Pricing to be determined based on their own selling experience of similar products to Customers
- Results from the study were added to the Pricing Tool



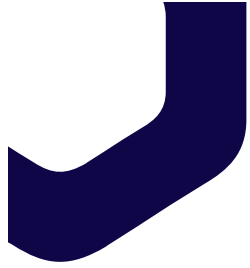
Standard Packs

Price perception

Product Family	Pack name	Commercial Name	Description	Hyperlink to Albea website	Production Plant	Picture	MOQ 30 ku	MOQ 30 ku	Currency	MOQ 30 ku	MOQ 30 ku	Currency	MOQ 25 ku	MOQ 25 ku	Currency	MOQ 30 ku	MOQ 30 ku	Currency
Facestick	ST-045	Skyline Small	Total Pack without decoration or options	https://www.alb	Plouhinec		381	115	€ / ⁰⁰⁰	468	75	€ / ⁰⁰⁰	NA	NA	\$ / ⁰⁰⁰	350	100	€ / ⁰⁰⁰
Facestick	DK5097		Total Pack without decoration or options	N/A	Shanghai		438	130	\$ / ⁰⁰⁰	490	63	\$ / ⁰⁰⁰	304	49	\$ / ⁰⁰⁰	320	65	\$ / ⁰⁰⁰
Lipbalm	DK1104		Total Pack without decoration or options	https://www.alb	ZhongShan		104	53	\$ / ⁰⁰⁰	145	65	\$ / ⁰⁰⁰	105	53	\$ / ⁰⁰⁰	100	50	\$ / ⁰⁰⁰
Lipstick	DK1077		Total Pack without decoration or options	https://www.alb	ZhongShan		220	65	\$ / ⁰⁰⁰	243	70	\$ / ⁰⁰⁰	213	39	\$ / ⁰⁰⁰	220	65	\$ / ⁰⁰⁰
Lipstick	RX12280	Parisian Kiss	Total Pack without decoration or options	https://www.alb	Shanghai		238	55	\$ / ⁰⁰⁰	283	62	\$ / ⁰⁰⁰	NA	NA	\$ / ⁰⁰⁰	260	65	\$ / ⁰⁰⁰
Lipstick	RX2168	Tear Drop	Total Pack without decoration or options	https://www.alb	Shanghai		193	69	\$ / ⁰⁰⁰	212	81	\$ / ⁰⁰⁰	138	29	\$ / ⁰⁰⁰	280	70	\$ / ⁰⁰⁰
Lipstick	RX2169	Kiss Liner	Total Pack without decoration or options	https://www.alb	Shanghai		183	65	\$ / ⁰⁰⁰	207	80	\$ / ⁰⁰⁰	255	78	\$ / ⁰⁰⁰	280	70	\$ / ⁰⁰⁰

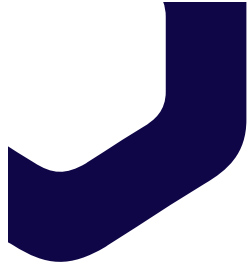
PRICING JOURNEY

BUILDING THE
PRICING TOOL



Standard Packs Customer Scoring

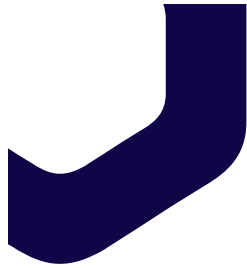
- Is the customer existing or prospect?
- Does the customer have business at any other product line?
- What are the customer's product quality requirements?
- What are the customer's payment terms with us?
- What is the customer's overdue situation with us?
- Does the customer receive a rebate? If yes then how much?



Standard Packs

Deal + Service scoring

- Is the product for mass or specific market?
- What is the contract duration?
- Are we an exclusive supplier?
- Are we dependent on any suppliers?
- What kind of a business is this? (penetration, conversion etc.)
- Is this make-and-ship or do we have to hold inventory?
- Are raw materials indexed?
- Is there any CapEx involved?
- Are there any penalties in the contract for us or the Customer?
- Are we charging the customer for services? E.g. samples



Standard Packs

Price recommendation

- Combining the 3 scores, we get a weighted average score
- Along with the weighted average score, we also review
 - If the product is for the mass market or the niche market
 - What is the annual quantity involved?
 - What region is this product for? (Asia/Europe/Americas)
- Using the above factors we get a price grid with the varying levels of discount or premium or both

> 3. Price Recommendation See List Price details >

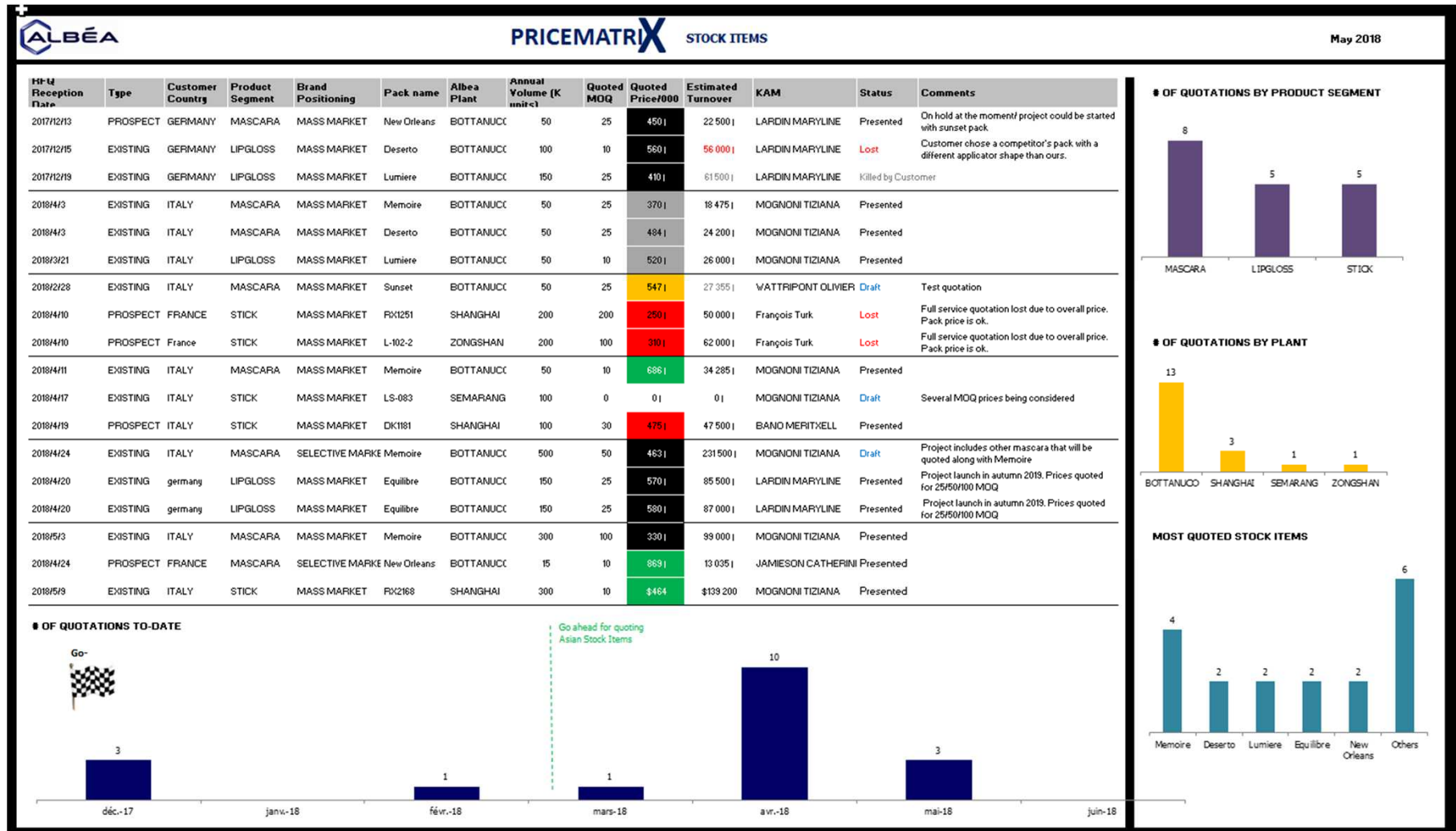
> price including Freight, Custom & Tooling

MOQ in Kunits	10	25	50	75	100	200	300
List Price / 000	820 €	593 €	505 €	476 €	459 €	440 €	416 €
+2,5%	840 €	607 €	517 €	488 €	470 €	451 €	426 €
0,0%	819 €	592 €	505 €	476 €	459 €	440 €	416 €
-2,5%	799 €	578 €	492 €	464 €	447 €	429 €	405 €
-5,0%	778 €	563 €	479 €	452 €	436 €	418 €	395 €
-7,5%	758 €	548 €	467 €	440 €	425 €	407 €	385 €

PRICING TOOL

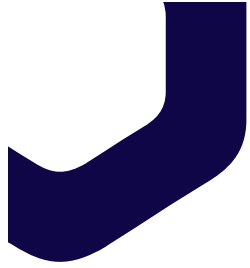
INITIAL RESULTS

Pricing tool Initial results



PRICING TOOL

TAKEAWAYS



Pricing tool Takeaways

- Governance
 - Keep Executive Committee and Sales Directors always in the loop
 - Massive coordination effort across teams to update the tool - This takes time. Be patient!
 - Portfolio rationalization - New standard packs waiting to come in; Some of them are outdated
 - Periodic refresher trainings on the pricing tool - Making sure Sales are using the pricing tool the right way
- Pricing
 - Costs, FX and resin impact on prices - Always keep an eye on this!
 - Regular price reviews with Sales reps and Sales directors on quotations
 - Review discount corridors every 6 months

THANK YOU!



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