Mistlight

Illustrative figures. Not a client's data.

ONE-PAGE EXAMPLE · TRADE SPEND BY PRODUCT

What each product really earns

A supplier of household and personal-care products sells six products to five grocery chains, Retailer A to Retailer E: 2.2 million cases and EUR 56.6m of invoiced sales in the year. Every off-invoice term sits on the products each customer bought.

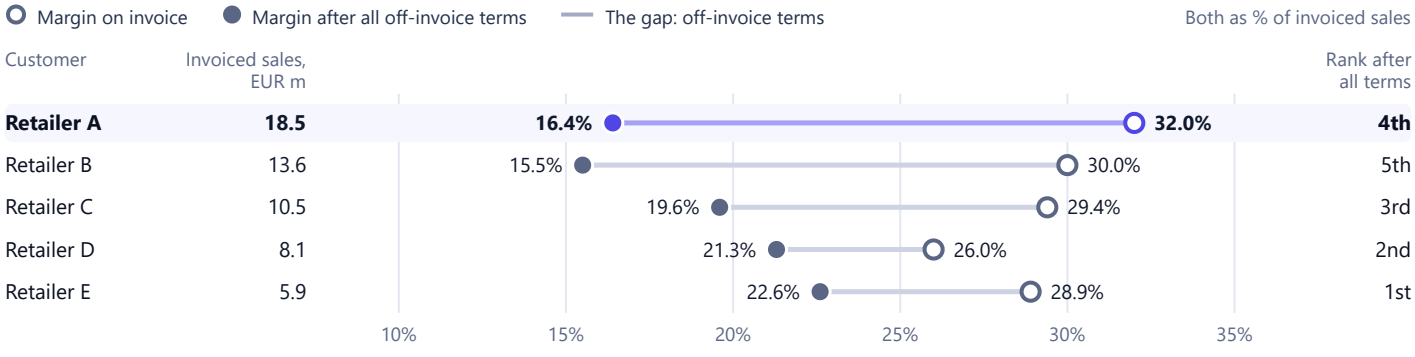
THE HEADLINE

Laundry capsules bring in the most invoiced sales and keep the smallest share of list price: 78.4% after every term. Their margin is 14.1% of net-net, against 28.5% on hand wash.

From list price to net-net, product by product

Per case, EUR, unless stated	Laundry liquid 1.5 l	Laundry capsules 30 pack	Dishwasher tablets 40 pack	Washing-up liquid 900 ml	Hand wash 500 ml	Shower gel 400 ml	All products total / average
Cases sold, thousand	405	389	300	520	299	287	2,200
Invoiced sales, EUR thousand	12,246	13,621	9,916	8,574	5,924	6,312	56,593
List price	33.00	38.00	36.00	18.00	21.60	24.00	28.02
On-invoice discount	−2.76	−2.99	−2.95	−1.51	−1.79	−2.01	−2.30
Invoiced price	**30.24**	**35.01**	**33.05**	**16.49**	**19.81**	**21.99**	**25.72**
Volume rebates	−1.06	−1.31	−1.19	−0.57	−0.70	−0.77	−0.92
Promotion funding	−1.49	−2.56	−1.85	−0.51	−0.65	−0.76	−1.29
Display and marketing fees	−0.40	−0.73	−0.56	−0.17	−0.23	−0.26	−0.38
Payment terms and other	−0.50	−0.60	−0.55	−0.27	−0.32	−0.36	−0.43
Net-net price	**26.79**	**29.81**	**28.90**	**14.97**	**17.91**	**19.84**	**22.70**
Net-net, % of list price	81.2%	78.4%	80.3%	83.2%	82.9%	82.7%	81.0%
Off-invoice terms, % of invoiced price	11.4%	14.9%	12.6%	9.2%	9.6%	9.8%	11.7%
Cost per case	−21.80	−25.60	−23.50	−11.30	−12.80	−14.50	−18.04
Gross margin per case	**4.99**	**4.21**	**5.40**	**3.67**	**5.11**	**5.34**	**4.66**
Gross margin, % of net-net	18.6%	14.1%	18.7%	24.5%	28.5%	26.9%	20.5%
Gross margin, EUR thousand	**2,023**	**1,638**	**1,619**	**1,911**	**1,526**	**1,532**	**10,249**

Each customer's margin, before and after its off-invoice terms



All customers: 29.8% on invoice, 18.1% after all terms (20.5% of net-net, as in the table).

Terms differ by product

Off-invoice terms take 11.7% of invoiced sales overall: 9.2% on washing-up liquid, 14.9% on laundry capsules.

The biggest account ranks fourth

Retailer A leads on margin at invoice, 32.0%. After all its terms it keeps 16.4%, behind Retailer D, which starts at 26.0% and keeps 21.3%.

Every term has a home

Every euro of the 6,642 thousand in off-invoice terms sits on a product and a customer, so the next price round can start from net-net.

Built on your own sales data: your invoice lines and your trade-terms file.

www.mistlight.eu

Key tables export to Excel with their formulas. Illustrative figures. Not a client's data. Volume rebates and payment terms are spread over each customer's products by invoiced sales; promotion funding and display and marketing fees sit on the product they were agreed for. Cost per case is cost of goods sold.