SAF Distribution update Supplies Q321

Tryfon Geragotelis

Paula Harvey

April 1st, 2021

SAF Supplies – Distribution update Q321

Content		Presenter	Timing – 60mins
1	Opening	Tryfon Geragotelis	
2	DCP update	Paula Harvey	5 min
3	Market update/Regional availability	Paula Harvey	5 min
4	Product Roadmap FY21/FY22	Tryfon Geragotelis	15 min
5	Supplies loyalty program	Tryfon Geragotelis	10 min
6	Supplies channel priorities	Tryfon Geragotelis	15 min
7	Summary – wrap up	All	5 min

Online Distributor capabilities & collaboration

Online strategy & organization
Digital Transformation is one of their top 2 corporate priorities.
Distributor is planning to develop or already developing their Digital Capabilities (Digital selling, marketing, digital services)
Distributor is having online resources (managing the campaign, at least one resource)

Assortment & logistics
Distributor is offering multiple HP product Categories (broadliner vs Specialist)
Distributor is covering multiple countries
Distributor is having a strong supply chain (Warehouse, Logistics, order consolidation)

Promotions & Investments
Distributor actively running Search or Display Digital campaigns (Agency, partner led)
Distributor is active in at least 2 Social media channel (at least one post / month ...)
Distributor is on the top 10 for Digital Investments in their region (see reference in the sheet)

Infrastructure
Distributor has a strong IT infrastructure (i.e. cloud ERP solutions)

Digital Services
Distributor is offering other Digital services to partners (sales/marketing)
Distributor is having a marketplace

Collaboration
Distributor is willing to share insights with HP (beyond data, online strategy etc.)
Distributor is sharing Campaigns results with HP or collaborating to the official Data sharing program

Hp is looking at the capabilities of distribution partners:
This could be a change in the future influence of the DCP structure as digital
capabilities become more important
Internal disti IT capabilities
As we are currently experiencing MDF utilisation for more digital campaigns with sales
incentives are not being approved – this is being provided for through the Hp central
Loyalty Program

Market Opportunities

Customer Count Average FY19-FY20			
FY20	Count	Q Average	Growth
RSA	12014	3000	0%
Southern	1708	427	-10%
Total	13722	3427	-4%

Regional Availability – Southern

 Rest of Southern : From 3% - 2.5% - H2FY21
No changes to product list measures
Those changes will be reflected on the Q321 T&Cs which will be available end of March
FY22 will have to request once more for approval from WW

Please note that to be on the Regional availability program you are needed to have a
warehouse and sales staff & stock on the ground – fully fledge operation distribution set up

Supplies loyalty program – South Africa
April 1st 2021

South Africa Supplies Proximity – Overview

Sum of GTM Sell-thru Net USD		Fiscal Quarter				
Customer District	Curren	FY18-Q1	FY18-Q2	FY18-Q3	FY18-Q4	Grand Total
⊟ Southern Africa	⊞ Toner	4 196 063	6 409 925	7 755 807	7 097 586	25 459 380
	⊞ Ink	2 283 362	2 496 217	2 492 867	2 341 107	9 613 552
Southern Africa Total		**6 479 425**	**8 906 141**	**10 248 674**	**9 438 693**	**35 072 932**
Grand Total		**6 479 425**	**8 906 141**	**10 248 674**	**9 438 693**	**35 072 932**

Sum of GTM Sell-thru Net USD		Fiscal Quarter				
Customer District	Curren	FY19-Q1	FY19-Q2	FY19-Q3	FY19-Q4	Grand Total
⊟ Southern Africa	⊞ Toner	5 954 757	6 462 494	5 504 075	4 815 170	22 736 497
	⊞ Ink	2 105 670	2 268 992	2 164 783	2 193 187	8 732 631
Southern Africa Total		**8 060 427**	**8 731 486**	**7 668 858**	**7 008 357**	**31 469 128**
Grand Total		**8 060 427**	**8 731 486**	**7 668 858**	**7 008 357**	**31 469 128**

Sum of GTM Sell-thru Net USD		Fiscal Quarter				
Customer District	Curren	FY20-Q1	FY20-Q2	FY20-Q3	FY20-Q4	Grand Total
⊟ Southern Africa	⊞ Toner	4 072 736	3 166 806	3 111 871	3 791 226	14 142 640
	⊞ Ink	1 869 519	1 530 720	1 913 638	1 858 368	7 172 245
Southern Africa Total		**5 942 255**	**4 697 526**	**5 025 510**	**5 649 594**	**21 314 885**
Grand Total		**5 942 255**	**4 697 526**	**5 025 510**	**5 649 594**	**21 314 885**

Sum of GTM Sell-thru Net USD		Fiscal Quarter		
Customer District	Curren	FY21-Q1	FY21-Q2	Grand Total
⊟ Southern Africa	⊞ Toner	3 236 152	1 992 500	5 228 652
	⊞ Ink	1 526 990	1 087 463	2 614 453
Southern Africa Total		**4 763 142**	**3 079 963**	**7 843 104**
Grand Total		**4 763 142**	**3 079 963**	**7 843 104**

Who qualifies ?

- All business partners/Proximity – Must have registered for FY21.
- Power, Power CDR, Power services and Synergy do not qualify for the program.
- HP to provide Partner list.

Login to your Business Partner account. As soon as you have activated your HP Reward Program access (by accepting the HP Business Partner Reward Program Terms and Conditions), you will start cumulating points for every Ink and toner purchased from authorized distributors. The more you purchase the more you can earn in points.

How does it work ?

Point system

Point system.

For every ink cartridge purchased you will earn $0,5.
For every Toner cartridge purchased you will earn $3.0.

	Points	Value
1 Ink cartridge	5	$ 0.5
1Toner cartridge	30	$ 3.0

Products in scope, CAPS & SOB requirements

All ink and toner products eligible excluding:
    Large format supplies
    Ink tank and Neverstop supplies
    Supplies for SBD, i.e. C-SKUs
    Supplies for c-MPS, the so-called Contractual SKUs

    Premier and Core Managed SKUs, i.e. M-SKUs; and
    Supplies for channel MPS, i.e. H- and JC-SKUs

CAP of 2000 units in place for ink per quarter.
CAP of 1000 units in place for toner per quarter. All participating partners will be required to submit their HP share of business (by toner/ink) at the end of HP's fiscal quarter. Pls refer to the T&C's for full details.

How to Redeem

Your incentive is automatically calculated and updated at each purchase. You can redeem you points in the portal at any time, providing your balance is sufficient (check for minimum balance necessary to redeem).

eDM communication.

Original HP supplies

Quality

Precision output, page after page[1,2]

Designed to work the first time, every time[1,2]

Sustainability

Designed with the planet in mind

Free and easy recycling to help reduce waste[3]

Indoor air quality

Meets eco-label emission criteria[4]

To help maintain the indoor air quality where you live and work

Security

Engineered for security

Protect your printer and your data[5]

Benefits of Original HP supplies

QUALITY
Precision output, page after page[1]

Designed to work the first time, every time[1]

- Depend on print jobs with 98% customer-ready prints from the first print[1]

- On average, Original HP Inks print more than 2x the pages than non-HP inks tested[1]

SUSTAINABILITY
Designed with the planet in mind

Free and easy recycling to help reduce waste[2]

- 100% of Original HP toner cartridges and 80% of Original HP ink cartridges contain recycled content[3]

- HP diverts almost 1 million plastic bottles per day by using them as recycled content in new ink cartridges[4]

INDOOR AIR QUALITY
Meets eco-label emission criteria[5]

To help maintain the indoor air quality where you live and work

- HP voluntarily designs and tests its printing systems[5] to meet eco-label emission guidelines

- Original HP inks are water-based for odorless, low-emission printing and indoor air quality performance[6]

SECURITY
Engineered for security

Help protect your printer and data[7]

- Security is applied throughout the HP supply chain to provide product integrity for the customer[8]

- Original HP office cartridge chips contain tamper-resistant HP proprietary firmware

For use by HP or Partner with customers. Not for public posting or use. Can be left behind.

Compare with substitutes

QUALITY

- 58% of tested non-HP inks and 36% of tested non-HP toner cartridges were dead on arrival or failed prematurely[1,2]
- Technicians are 3X more likely to make a service call due to the use of non-HP toner cartridges[3]

SUSTAINABILITY

- Nearly 90% of non-HP ink and toner cartridges end up in landfills[4]
- Non-HP toner cartridges have a 46% higher impact on carbon footprint and use 43% more energy than Original HP[5]

INDOOR AIR QUALITY

- 96% of non-HP toner cartridges tested failed eco-label guidelines[6] and could be harmful for your health[7]
- Non-HP toner cartridges tested emitted up to 191% over the allowed limit of total volatile organic compounds[6]

SECURITY

- Non-HP supplies include chips of unknown origin that may employ untrusted firmware
- Many imitation cartridges have chips that can be reprogrammed to add malicious code

1. Based on a SpencerLab 2018 study commissioned by HP for the on-average performance of 12 brands of remanufactured cartridges, refilled cartridges from leading refill service providers, and refill kits compared to Original HP ink cartridges (61XL, 62XL, 63XL, 564XL, 950XL, 951XL, 970XL & 971XL) sold in North America. See www.spencerlab.com/reports/HPInkReliability-NA-2018.pdf. 2. 2018 SpencerLab Color and 2019 SpencerLab Monochrome Reliability studies for North America, both commissioned by HP. Color study compared Original HP color cartridges with six brands of non-HP cartridges for the HP LaserJet Pro 400 M451dn; CE410A/X, CE411A/12A/13A cartridges. See www.spencerlab.com/reports/HP-CLR-Reliability-NA-2018.pdf. Monochrome study compared Original HP cartridges with seven brands of non-HP cartridges for the HP Pro M402 and Pro M521 printers; HP 26A and 55A cartridges. See www.spencerlab.com/reports/HPReliability-NA-2019.pdf. 3. 2019 NA Market Strategies International study commissioned by HP. Results based on 222 surveys from HP ServiceOne Partners who have at least 6 months of experience servicing HP monochrome and Color LaserJet printers with HP and non-HP toner cartridges installed and have done so within the previous 12 months of the study. See www.marketstrategies.com/hp/NA-Technician2019.pdf.
4. 2018 NA InfoTrends Supplies Recycling study, commissioned by HP. Findings are based on average results of interviews with 7 remanufacturers, 2 NBC manufacturers, 3 empty collectors and 3 distributors. See hp.com/go/NA-2018InfoTrends. 5. 2019 NA Four Elements Consulting LCA study, commissioned by HP, compared Original HP 55A and 26A monochrome toner cartridges with a sample of imitation and remanufactured alternatives across eight environmental impact categories. See hp.com/go/NA-LJLCA-NBC-2019 and hp.com/go/NA-LJLCA-RM-2019. The LCA leverages a 2019 SpencerLab study, commissioned by HP, comparing Original HP toner cartridges with two brands of imitations, and five brands of remanufactured toner cartridges sold in NA. See www.spencerlab.com/reports/HPReliability-NA-NBC2019.pdf and www.spencerlab.com/reports/HPReliability-NA-RM2019.pdf. 6. Nov 2019 WKI Blue Angel Indoor Air Quality study, commissioned by HP, in compliance with DE-UZ 205: 21 imitation and five remanufactured toner cartridge brands compatible with HP Color LaserJet Pro MFP M477fdw (sku# CF410A, 411A, 412A, 413A) purchased in EMEA, LA and NA regions. See hp.com/go/IAQnonhpWKI2019. 7. Nov 2019 Intrinsik risk evaluation commissioned by HP. Based on 2019 Blue Angel indoor air quality compliance study which included VOCs emitted from imitation and remanufactured toner cartridges in accordance with DE-UZ 205 and health-based screening levels established by USEPA (2019) and Cal/EPA Department of Toxic Substances Control (2019a). See hp.com/go/IntrinsikNonHPtoner2019.
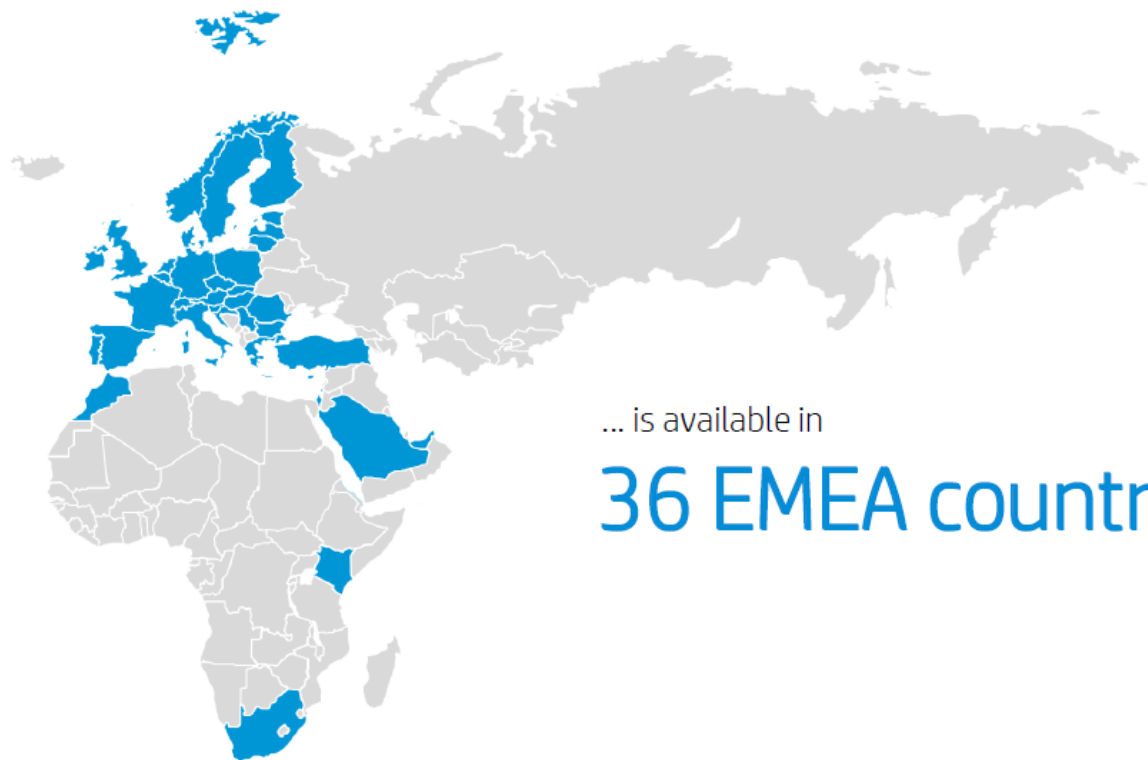
Planet Partners Program

SAF – H221

The HP Planet Partners Programme ...

... is available in

36 EMEA countries

Click for a detailed overview of available services per country

WEU

CEMA

The HP Planet Partners Programme ...

... is HP's return and recycling programme for Original HP ink and toner cartridges.

... is free of charge and offers you easy return options.

... takes care that no Original HP cartridge returned via PPP ends up in a landfill.

Participation in HP Planet Partners is possible for ...

... consumers

... small and medium business customers

... enterprise and public sector customers

Customers can choose between three return options

Individual returns

Return the HP- or Samsung-branded cartridges with printed postage-paid labels or ordered postage-paid envelopes.

Bulk returns

Use collection boxes – delivery and pick-up of the boxes are included and can be ordered online.

Premium Service is available

Return via HP resellers/retailers

Hand over the HP- or Samsung-branded cartridges to a participating HP reseller or retailer.

Details about country coverage

HP's dedication to protecting its customers and its brand

HP Anti Counterfeiting and Fraud (ACF) Programme
for channel partner and customer protection in EMEA

HP ACF aims to protect HP's partners and customers as well as market share

HP Anti Counterfeiting and Fraud (ACF) Programme
for channel partner and customer protection in EMEA

PROTECT

> Conduct **Channel Partner Protection Audits** (CPPAs)

> Provide **Customer Delivery Inspections** (CDIs)

COMMUNICATE

> Raise **awareness** among stakeholders

> **Educate partners, customers** on how to avoid fakes/purchase originals

INVESTIGATE

> Co-operate with authorities for **investigation** and **enforcement**

> Actively monitor **online fraud** risks

Channel Partner Protection Audits
(CPPAs)

HP conducts random audits of its channel partners
to ensure that the HP sales channel is a reliable,
safe place to purchase HP printing supplies products.

~4,800

CPPAs were carried out by
HP ACF auditors in EMEA
since 2016.

~85

countries in EMEA
saw HP ACF audits
since 2016.

Status: October 2018; approx. figures

Customer Delivery Inspections
(CDIs)

Customers who are suspicious about a large/mid-sized cartridge delivery can contact HP for a free-of-charge, on-site inspections at their convenience.

~2100

Customer Delivery Inspections were carried out by HP ACF experts in EMEA since 2016.

~450,000

potentially suspicious products were checked by HP ACF experts on-site.

Status: October 2018; approx. figures; CDIs are a non-binding offer by HP.

Thank you