

Half-year figures 2017

Beter Bed Holding N.V.

**MATRATZEN
CONCORD**
GANZ SCHÖN AUSGESCHLAFEN

beddenREUS [®] ₂

 **Mline**



30 August 2017

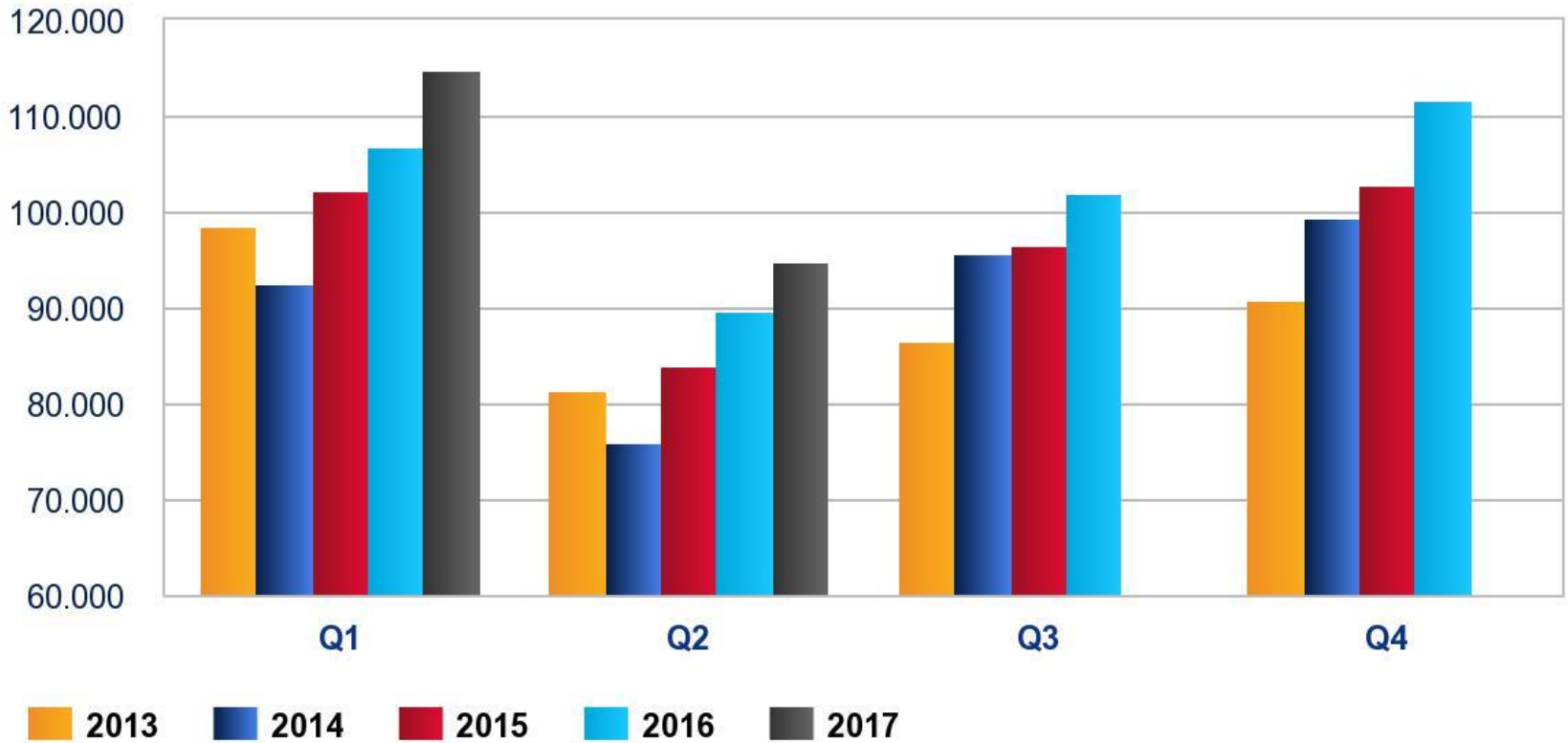
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Agenda

- Financials
- Objectives and strategy
- Formats
- Outlook

Revenue per quarter

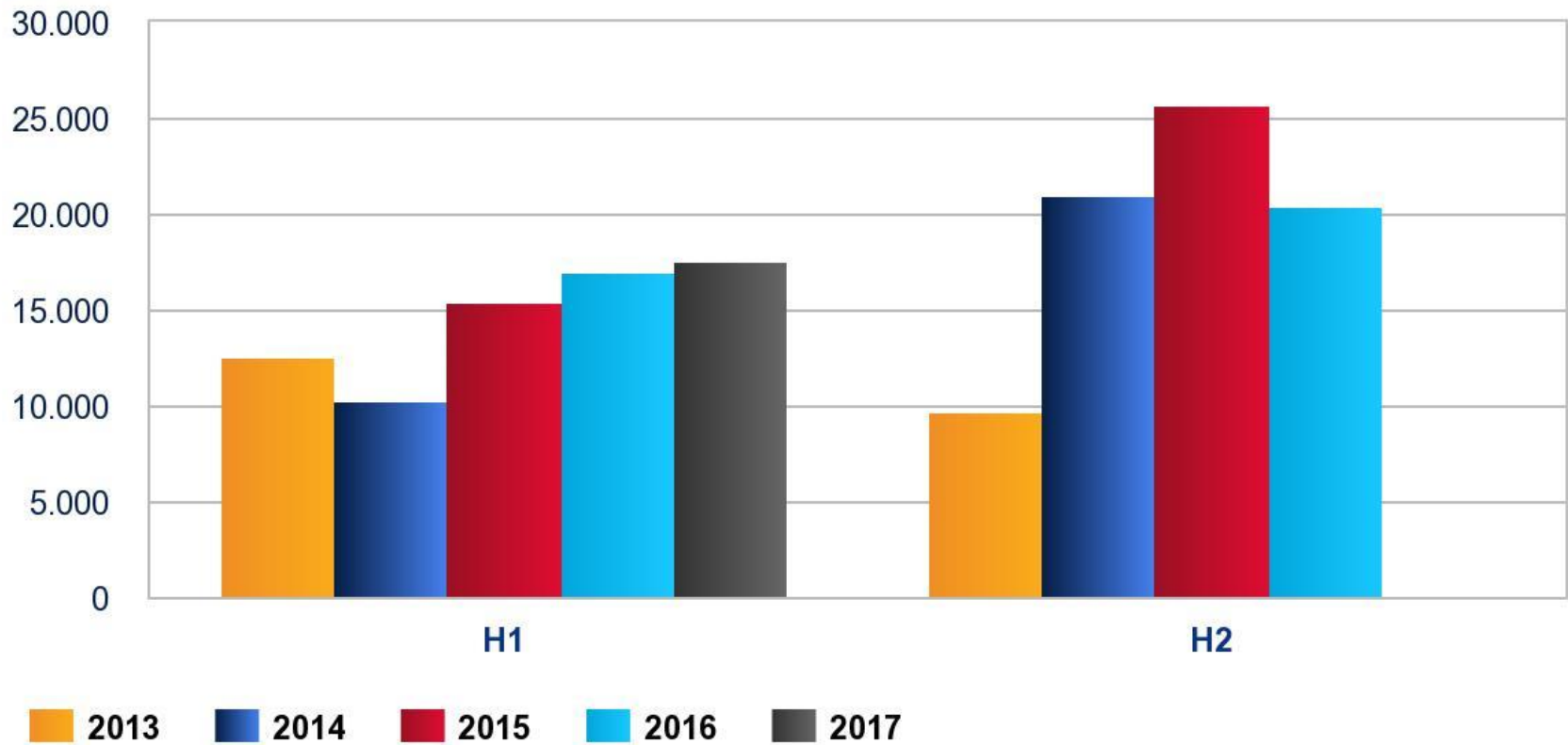
Eur x 1.000



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EBITDA per half-year

Eur x 1.000



Key data

	H1-2017	H1-2016
EPS (EUR)	0,34	0,38
Capex (EUR M)	9,9	9,7
Total assets (EUR M)	134,6	127,2
Sales/stocks	3,3	3,4
EBITDA	17,5	17,1
EBIT (EUR M)	11,5	11,6
Net profit (EUR M)	7,5	8,4

P&L H1-2017

(EUR x 1.000)	H1-2017		H1-2016	
Revenue	209.772		196.663	
Cost of sales	89.170		84.562	
Gross profit	120.602	57,5%	112.101	57,0%
Personnel expenses	52.871		47.793	
Depreciation and amortisation	5.993		5.440	
Other operating expenses	50.272		47.248	
Total operating expenses	109.136	52,0%	100.481	51,1%
EBIT	11.466	5,5%	11.620	5,9%
Finance income and costs	113-		73-	
Income tax expense	3.890-		3.149-	
Net profit	7.463	3,6%	8.398	4,3%
EBITDA	17.537	8,4%	17.060	8,7%

Consolidated Balance sheet

Total Assets

(EUR x 1.000)	30-6-2017	31-12-2016
Tangible assets	41.339	38.070
Intangible assets	7.593	7.002
Financial assets	1.922	1.877
Inventories	65.574	61.884
Receivables	11.478	12.992
Cash and cash equivalents	6.648	21.792
Total	134.554	143.617

Consolidated Balance sheet

Total Equity and Liabilities

(EUR x 1.000)	30-6-2017	31-12-2016
Equity	75.712	76.878
Non-current liabilities	2.313	2.352
Current liabilities	56.529	64.387
Total	134.554	143.617

Cash flow (1/2)

EUR x 1.000

	H1-2017	H1-2016
Operating profit	11.466	11.620
Interest paid	110-	67-
Income tax paid	6.318-	5.246-
Depreciation and amortisation	5.993	5.294
Costs of share-based compensation	163	136
Movements in:		
- Inventories	3.690-	450 *
- Receivables	2.486	874
- Provisions	39-	301-
- Current liabilities	6.446-	342- *
- Other	10-	46-
Cash flow from operating activities	3.495	12.372

* adjusted for comparison purposes

Cash flow (2/2)

EUR x 1.000	H1-2017	H1-2016
Cash flow from operating activities	3.495	12.372
Additions to (in)tangible assets	9.931-	6.812- *
Acquisitions	-	3.287- *
Disposals of (in)tangible assets	78	146
Changes in non-current receivables	4-	115-
Cash flow from investing activities	9.857-	10.068-
Dividend paid	8.782-	10.539-
Cash flow from financing activities	8.782-	10.539-
Change in net cash and cash equivalents	15.144-	8.235-

* adjusted for comparison purposes

Vision & Mission

Vision

To become **market leader** in the ‘**value for money**’ segment of the bed and mattress market, in a socially responsible manner

Mission

Nothing inspires and motivates us more than ensuring that all our customers sleep every night in a healthy and comfortable way at an affordable price:

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Objectives

- Increasing customer satisfaction
- Increasing net profit
- Strong and healthy balance sheet
- Corporate Social Responsibility

Strategy 2016 – 2020 (1/5)

From Good to Great

Retail Marketing

- Continuously sharpening the positioning of the formats by offering top quality products and advice against lowest/best price
- Increase of market share in an omnichannel retail environment
- Improvement of the customer satisfaction
- Improvement of transaction power in the Benelux and attraction power in other countries
- Growth of revenue by continuous innovation in product and brands
- Increase of marketing contribution by unambiguous communication

Strategy 2016 – 2020 (2/5)

From Good to Great

E-commerce

- Sharpening the omnichannel e-commerce proposition by optimally facilitating the customer journey
- Developing of 'web only' assortments
- Drop shipments
- Significant investment in e-commerce activities
- Substitution of Hybris platform by Epi server
- Extension of e-commerce departments

Expansion

- Expansion in existing and new countries with low investments store, low cost and flexible lease periods per store
- Acquisitions

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Strategy 2016 – 2020 (3/5)

From Good to Great

Purchasing

- Gross margin improvement
- Development of online product range
- Optimisation of delivery times
- Less (but more strategic) suppliers/less complexity
- Innovation and development of additional assortments
- Maximum synergy between the various formats in the various countries

Sales

- Optimal customer experience supported by advice tools, configurators, NPS and customer reviews

Strategy 2016 – 2020 (4/5)

From Good to Great

Backoffice (HR, Finance, Logistics and IT)

HR

- Further professionalisation of HR (incl. 360 degree assessment)
- Creating customer centered high performance KPI and team culture

Finance

- Strengthen business support position
- Extension of the analysis capacity by implementation of contemporary business information warehouse

Strategy 2016 – 2020 (5/5)

From Good to Great

Backoffice (HR, Finance, Logistics and IT)

Logistics

- Optimisation of infrastructure; acceleration in the chain

IT

- Developing a new customer and employee friendly 'front end' on the basis of a robust (SAP/technical webshop platform) backbone

Corporate Social Responsibility

- Within the sector and in consultation with strategic suppliers further developing of circular economy

CSR Objectives

- Two strategic goals:
 - Development of sustainable and recyclable bedding systems
 - Contributing to the development of an Industry Innovation Fund focused on research around eco-designed innovations stimulating recycling of raw materials

Breakdown of revenue

	%+/- vs. 2016			
(EUR x 1,0 million)	H1-2017	H1-2016	Total	LFL
Matratzen Concord	123,9	123,6	0,3	-1,6
Beter Bed	66,5	61,1	8,8	5,9
Beddenreus	7,0	5,5	27,6	23,9
El Gigante del Colchón	3,8	3,2	17,3	-3,6
Sängjätten	5,2	0,2	-	-
DBC	8,2	8,1	1,6	-
Literie Concorde	0,4	0,3	23,5	-8,3
Intercompany	-5,2	-5,3	-1,9	-
Total	209,8	196,7	6,7	1,5

Like-for-like development

%	2017	2016	2015	2014	2013
H1	1,5	3,5	9,1	-2,6	-9,9
H2		2,2	2,3	12,2	-12,4
Year		2,8	5,4	4,8	-11,2

Gross profit

%	2017	2016	2015	2014	2013
H1	57,5	57,0	56,6	57,2	56,4
H2		58,5	58,7	57,4	57,3
Year		57,8	57,7	57,3	56,9

Number of stores per format

	31-12-2016	closed	opened	30-6-2017
Matratzen Concord	1.004	26	16	994
Beter Bed	100	4	1	97
El Gigante del Colchón	48	2	2	48
Beddenreus	33	4	4	33
Sängjätten	16	-	-	16
Literie Concorde	5	-	1	6
Total	1.206	36	24	1.194

Number of stores per country

	31-12-2016	closed	opened	30-6-2017
Austria	84	-	-	84
Belgium	10	-	1	11
Germany	861	22	11	850
France	5	-	1	6
The Netherlands	123	8	4	119
Spain	48	2	2	48
Sweden	16	-	-	16
Switzerland	59	4	5	60
Total	1.206	36	24	1.194

Matratzen Concord

- LFL Germany in H1-2017: -1,4%
(H1-2016: -4,4%), Q1-2017: -1,7%,
Q2-2017: -0,9%
- Continued growth boxspring segment
- Complexity reduction of assortments with more prominent attention for boxsprings and textiles

Beter Bed

- H1-2017 LFL growth with 5,9% (H1-2016: 20,9%)
- Outperforming market growth
- Execution of 'Good to Great' strategy successful and ahead of plan
- Continued improving customer reviews and NPS scores
- Online sales continue to grow



Beddenreus

- H1-2017 LFL growth with 23,9%
(H1-2016: 15,8%)
- Expansion



Sängjätten

- Successful relaunch
- Significant growth order intake
- Gross profit increased significantly
- Expansion under consideration



Other

- DBC / M line
- El Gigante del Colchón



Outlook H2 2017 (1/3)

- Sales growth in all countries
- Complexity reduction in the assortments with more prominent attention for boxsprings and textiles with MC
- Net working capital improvement
- Continued focus on customer satisfaction, retail marketing, innovation, expansion and omnichannel e-commerce

Outlook H2 2017 (2/3)

- Increase of online sales in DACH and Benelux countries fuelled by new webshop platforms
- Likely decline in gross profit percentage due to the introduction of boxsprings and textiles with MC
- Expectation that cost reduction target as percentage of sales will be achieved
- Cooperation with Emma will have a positive impact

Outlook H2 2017 (3/3)

- Closure of Literie Concorde in France
- Management team changes
 - CEO BBH
 - GM DACH
 - GM Spain
- Apart from unforeseen circumstances further improvement of EBITDA is expected

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