

Uden, the Netherlands, 17 April 2020

Beter Bed Holding announces strong Q1 sales, with upturn in online channel

Highlights first quarter:

- Q1 2020 sales increased by 8.0% to € 54.3 million, with like-for-like sales growth of 6.9%, with both Benelux and New Business contributing.
- Q1 2020 online sales increased by 29.6% to € 5.6 million, amounting to 10.3% of total sales.
- Order intake decreased by 2.0% over Q1 2020, following the COVID-19 outbreak, while the level until mid-March was 9% above last year.
- Discussing term sheet for extension of bank agreement with current banks. Expected to conclude in Q2 2020.

John Kruijssen, CEO of Beter Bed Holding, comments:

"We started the year 2020 strongly with a sales increase over the first quarter in both Benelux and New Business. Order intakes until mid-March were well above last year, but as can be expected, were affected by the different measures in the countries Beter Bed is active following the COVID-19 outbreak. At the same time, we are experiencing a tremendous step up in the growth pace of our online sales. Since the beginning of April order intake is exceeding last year's numbers again.

Since the outbreak of COVID-19 we are actively adapting our businesses to the new reality. Moreover we are investing and putting more resources towards our online channel. We experience immediate effect of these investments through higher traffic, improved conversion and higher order intake above last year. In this uncertain period our focus continues to be the wellbeing of our employees, customers and other stakeholders. I am very impressed that our employees continue to sell and deliver our products and services to our valued customers. Our commitment to 'offer quality sleep for everyone' is even more important than ever before, and it is fantastic to see that our Company stands behind delivering this with full passion, even in these unprecedented times.

Following our restructuring last year we have come out smaller and healthier and the resilience, our business has shown, combined with our solid financial position, gives us confidence that Beter Bed Holding will be able to continue this journey to a prosperous future, despite the current temporary headwinds due to COVID-19."

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COVID-19 update

Following the outbreak of the coronavirus we were forced to close our stores in Belgium as of 17 March 2020 and we have seen a decrease in traffic in our Dutch stores, due to the measures announced by Dutch authorities. After a strong negative effect on order intake in the last two weeks of March we have been able to mitigate the impact by further boosting our online channel, dedicating our resources to servicing customers through digital options like chat, WhatsApp, and 'call me now'. While taking all necessary precautions in order to continue to keep our stores open, we also allow for private in-store appointments, enabling Beter Bed and Beddenreus to further improve conversion rates. Furthermore intensifying our online communication and initiatives are resulting in a steep increase in the online order intake.

Our supply chain is fully operational with 90% of our materials sourced from strategic European suppliers. Our Chinese suppliers are fully operational again, although we see some slightly longer leadtimes. We have initiated alternatives with regard to products, commodities used and suppliers, redefined our assortment and exchanged products in marketing initiatives to products readily available.

To safeguard the continuity of our business in these unprecedented times we have taken precautionary measures, including a greater focus on cost control, disciplined capital and strict cash flow management. Since the outbreak we have come to mutual agreements with various landlords for a temporary lowering and/or payment holiday of our rents. We continue to assess whether we qualify for facilities provided by the national authorities to assist companies through the crisis are relevant to us and if so, can take additional measures. We are currently discussing a term sheet with our incumbent banks to extend the term of our existing credit facilities which will expire mid-2020.

Further details

The table below shows the key figures for Q1 2020.

Q1 2020

€ million	Sales Q1				Online channel Sales Q1	
	2020 Q1	% Growth vs Q1 2019	LFL sales growth vs Q1 2019	LFL orderintake growth vs Q1 2019	Online sales as % of total sales	% pts vs Q1 2019
Benelux	47,8	7,7%	7,3%	-0,6%	11,2%	26,9%
New Business	6,5	10,7%	3,8%	-0,5%	4,2%	119,3%
Total	54,3	8,0%	6,9%	-0,6%	10,3%	29,6%

Q1 2020

Number of stores	Stores			
	1-1-2020	Opened	Closed	31-3-2020
BB Netherlands	83	0	1	82
Beddenreus	34	0	1	33
BB Belgium	17	0	0	17
Total Benelux	134	0	2	132
Sängjätten	27	0	6	21
Total	161	0	8	153

Benelux

Q1 sales increased by 7.7% to € 47.8 million compared to last year, representing a 7.3% like-for-like sales growth. This growth rate is a reflection of (i) the continuation of the 'always on' marketing activities started in Q4 2019 with an even more intensified message, supported by the further improved omni-channel proposition, (ii) further optimisation of the available capacity in the supply chain in combination with a better balanced delivery process and (iii) the development of an embedded performance-driven culture.

Until COVID-19 started to impact the retail environment the growth rates were even higher. Despite these current challenges, the order intake for the Benelux was at the same level as in the same period last year.

New Business

Sales in New Business, comprising the DBC wholesale business and Sängjätten in Sweden, of € 6.5 million increased by 10.7% compared to last year with a like-for-like sales growth of 3.8%.

DBC

In Q1 2020 DBC has grown 17.8% order intake to external B2B customers and we have seen a continued growth in the international customer base. In the first quarter DBC has run shows in Cologne (IMM) and at the Sleep Expo in Dubai in order to engage international retail and hospitality customers. From the second half of March we experienced declining traffic at our retail customers, leading to lower order intakes at DBC. DBC has increased efforts online and we are registering encouraging growth. At the IMM show in Cologne, DBC launched the 'Iconic' mattress and pillow collection as well as a new bedstead with technological slatted bedbases.

Sängjätten

In Q1 2020 Sängjätten has intensively worked on adjusting the network and organisation based on the plans made in 2019. We closed six stores, as they were not viable for the future, and the central warehouse. We are now working through regional hubs and are further reducing overhead headcount. As a result of COVID-19 the remerchandising of the stores, in partnership with suppliers, and the start of the new marketing campaign were delayed until April/May.

AGM Update

In order to minimise the risk associated to COVID-19 we have decided to make use of the right – established by the Decree – to not allow any shareholders' attendance in person at the upcoming Annual General Meeting on 13 May 2020 ('AGM'). Shareholders will exclusively be able to attend through the live webcast. The latest information on the AGM, such as the agenda including the explanatory notes and the voting instructions, is available on the company's website www.beterbedholding.com.

We apologise for the inconvenience, but believe that under the current circumstances this is in the best interest of all stakeholders involved. We advise shareholders to check our website for any further updates.



About Beter Bed Holding

Beter Bed Holding N.V. is a retail and wholesale organisation that offers its customers the best quality rest at affordable prices. The Group operates offline through physical stores and online through its own web shops for the specific brands. The Group is also active on national and international online retail platforms.

The Group operates in the following regions:

- The Netherlands and Belgium, via the Beter Bed brand and Beddenreus brand (only in the Netherlands).
- Sweden, via the Sängjätten brand.

Via its subsidiary DBC International, Beter Bed Holding operates a wholesale business in branded products in the bedroom furnishings sector, including international brands such as M line and Wave. Beter Bed Holding is listed on Euronext Amsterdam. Employing approximately 1,100 people, Beter Bed Holding achieved revenue of € 186 million in 2019.

For more information

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