

Uden, the Netherlands, 18 April 2019

Beter Bed Holding announces Q1 trading update

Highlights first quarter:

- Sales in Q1 amounted to € 97.5 million.
- Confident that the previously communicated strategy and action plans are the right ones.
- At Matratzen Concord, the first results of the action plans are promising. To accelerate the execution of the plans leadership changes have been implemented.
- Good progress in the Benelux with strong like-for-like order intake of +6.8%.
- Good acceleration in Sweden, DBC wholesale business and Online channel.

John Kruijssen, CEO of Beter Bed Holding, comments:

'After successfully completing the necessary restructuring of the Group, as announced during last years' Capital Markets Day, we fully shifted our focus to recover profitable sales growth. We are making good progress as part of the new mid-term strategy with the overarching customer promise to offer best quality rest @ affordable prices. Especially in the Benelux and in Sweden, as well as the wholesale organisation DBC, very promising results have been delivered. The Online channels in all our markets are developing well and accelerating pace.

In order to deliver the turnaround at Matratzen Concord several commercial and operational steps have been taken. Although sales in Germany showed a strong decrease over the period, it is promising to see some first positive developments in the underlying performance, and we are confident that the action plans to strengthen our value-for-money proposition are the right ones. To further accelerate the recovery process we decided to change the leadership structure at Matratzen Concord by bringing it under direct leadership of the Group board and increasing the focus on the specific German operation.

All in all we are pleased with the initiatives taken after announcing our new mid-term strategy. We are confident that all changes made will contribute to growing to 4-5% sales growth in the continuing portfolio and realising an EBITDA margin of 7-9% in the mid-term.'

The table below shows the key figures for Q1 2019.

€ million	Sales			Online channel		Store portfolio		
	Q1 2019	% vs 2018	like-for-like orderintake	Q1 2019 % of sales	%pts vs Q1 2018	# at Q1-end	vs Q1 2018	vs 1-1-2019
Benelux	44,4	0,0%	6,8%	10,1%	1,5%	134	5	1
DACH	47,2	-20,7%	-9,7%	4,1%	2,2%	839	(162)	(10)
New business	5,9	18,0%	2,7%	1,9%	-0,7%	27	9	0
Total Group	97,5	-10,5%	-2,7%	6,4%	1,7%	1.000	(148)	(9)

Q1 2019 performance by market

Benelux

The commercial changes realised in the Benelux markets led to a strong like-for-like order intake of +6.8%. This was mainly driven by Beter Bed in the Netherlands where a strengthened online and digital proposition, new campaigns and good promotional power contributed to achieve a leading, and steadily growing market share in the Benelux. Total sales of € 44.4 million were in line with last year, with a successful growth of orders translating into an order book that is more than € 5 million ahead of last year to be delivered during Q2 2019.

The online channel share in the Benelux increased to over 10%, especially driven by strong progress through *beterbed.nl* and supported by growth in key marketplaces such as *bol.com*, *Wehkamp* and *Fonq*.

The performance in Belgium was satisfactory, with several actions taken to turn the successful commercial program of Beter Bed in the Netherlands into a strong local Flemish proposition.

To sustain the strong order intake in the Benelux, several additional innovative initiatives were launched. Especially the addition of the signature brand *Tempur* and the launch of the first ever completely circular box spring *Element* jointly developed with the national leading research group *TNO*, offer great opportunities to further strengthen the leadership position in the Benelux.

DACH

The *Matratzen Concord* stores in Germany, Austria and Switzerland (DACH) delivered € 47.2 million sales in Q1 2019, a decrease of 20.7% compared to the same period last year. The negative development is partly due to the closure of 162 unprofitable stores in Q4 2018, and partly due to negative like-for-like order intake of -9.7% in the remaining stores.

Despite the negative like-for-like performance the Group is confident that the actions taken as part of the previously communicated strategy are the right ones. The actions include the sharper value-for-money proposition through an improved assortment, new communications, simplified store format, better employee incentives and online acceleration.

Some first results are already promising, and to accelerate the implementation of the new strategy the Group decided to simplify the leadership structure of *Matratzen Concord* in DACH and shift the direct leadership to the Group CEO, Group CFO and an external turnaround manager fully focused on *Matratzen Concord* in Germany.

In the period under review the costs were under control, which led to more than € 4 million cost reduction in Q1 2019 compared to Q1 2018 in line with the ambitions shared for the Q4 2018 restructuring.

The performance of *Matratzen Concord* in Austria and Switzerland was satisfactory. Strong operational performance in both countries has led to a healthy network and store organisation, which will be further pushed by extending the range of local brands and tailoring the communication to local requirements.

New business

The new businesses comprising *Sängjätten* in Sweden and the *DBC* wholesale business delivered a like-for-like order intake growth of +2.7% and increased to € 5.9 million sales.

The performance of *Sängjätten* was satisfactory, with good progress made in building support to growing a sustainable like-for-like performance going forward. The assortment has been reviewed and improved by adding the biggest national brand *Tempur* and adding the key local sustainable brand *Ecolife*. The organisational structure has been simplified and strengthened with several improved store processes and training programs as a result. Furthermore, the supply chain has been reorganised and tailored to the local requirements with significantly improved customer service and lower expenses as a result.



The performance of the DBC wholesale business is very promising. The first orders to new customers have been delivered, including holiday parks, hotels and international European retailers. Going forward, growth is expected to be accelerated through both adding new local dealers, and adding new international retailers in several new markets.

Profile

Beter Bed Holding is a European retail organisation that offers its customers the best quality rest at affordable prices. The organisation will do this through its international brands Matratzen Concord, Beter Bed, Beddenreus, Sängjätten and own wholesaler operation DBC International. All brands provide the best advice to their customers on all relevant channels including online. In 2018, the company achieved € 396.3 million sales with a total of 1,009 stores and an increasingly relevant share of online sales.

For more information

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Offer best quality rest @ affordable prices