



Beter Bed Holding

Strategy going forward

May 2021

Disclaimer

Certain statements in this communication may constitute forward looking statements. These statements are based on expectations, projections about the industry, management's beliefs and certain assumptions that are believed to be reasonable at the time they are made, and are subject to significant risks and uncertainties.

You should not rely on these forward-looking statements as predictions of future events and these statements are not guarantees of future results. We undertake no obligation to update or revise these statements.

Our actual results may differ materially and adversely from any forward-looking statements discussed in this communication due to a number of factors, including without limitation, risks from macroeconomic developments, operational risks, IT risks, risks associated with COVID-19, changes in customer demands, fraud, and changes in competition levels.

Topics for today

- 1 **Company overview**
- 2 **Market trends**
- 3 **Growth strategy**
- 4 **Financials**
- 5 **Questions & Discussions**

After a rigorous restructuring BBH is well-positioned for a bright future

2018 – 2019: Restructuring



Discontinuation of Spanish business



Restructuring & divestment of Matratzen Concord (DACH region)



Sale & lease back of DC Uden, DC Hoogeveen & DC Nieuw-Vennep



Shareholder loan provided by three major investors



Share issue to **deleverage** company

2020: Drive operational performance



Generated **profitable growth**



Improved operations to reduce cost pressure



Improved cash position and further leveraged company



Defined strategy for the future

2021: Strategic transition



Serving the growing group of **health-conscious and sustainable** customers



Moving from a classic retailer to a subscription-based **service provider**



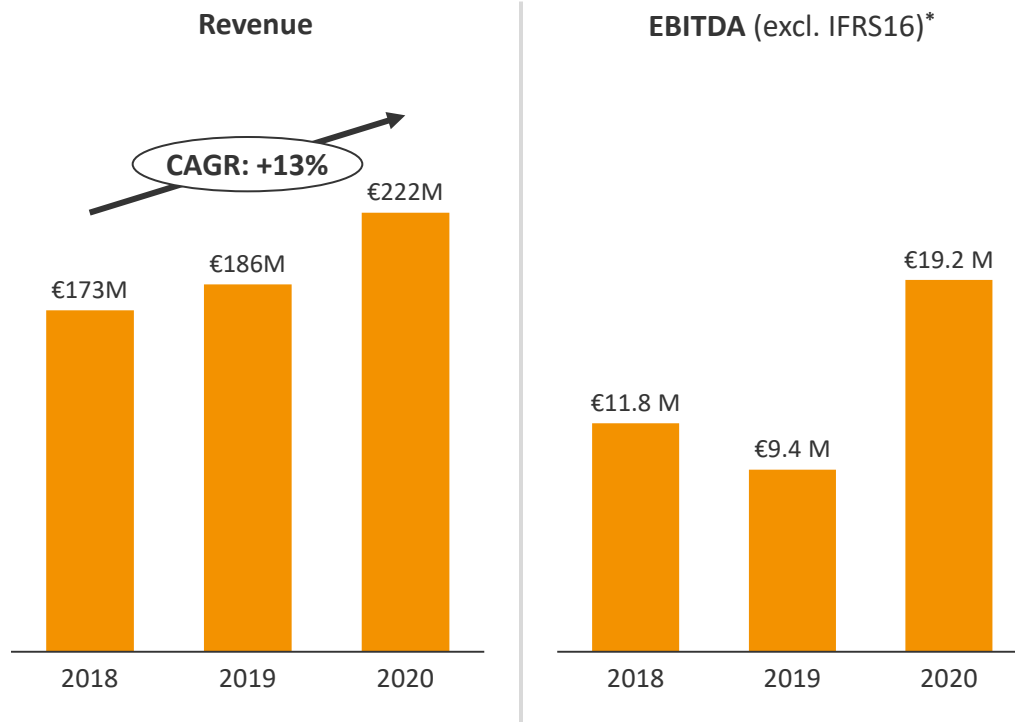
Pushing for **online dominance**



Entering **new B2B market** segments

2020: Order intake and sales showing strong growth

Core BBH financials




*) EBITDA is EBIT plus depreciation of PPE and amortisation of intangible fixed assets. EBITDA is not considering depreciation on right of use assets arising from lease agreements (IFRS16 effect)

**) EBITDA 2018 and 2019 represent result for the continuing operations

Benelux




Order Intake
+ 24.0% LFL


Revenue
+ 21.1%


Stores
135


FTE
929


Outgrowing market
with >10%pt

New business




Order Intake
+31.4% LFL


Revenue
+ 8.7%

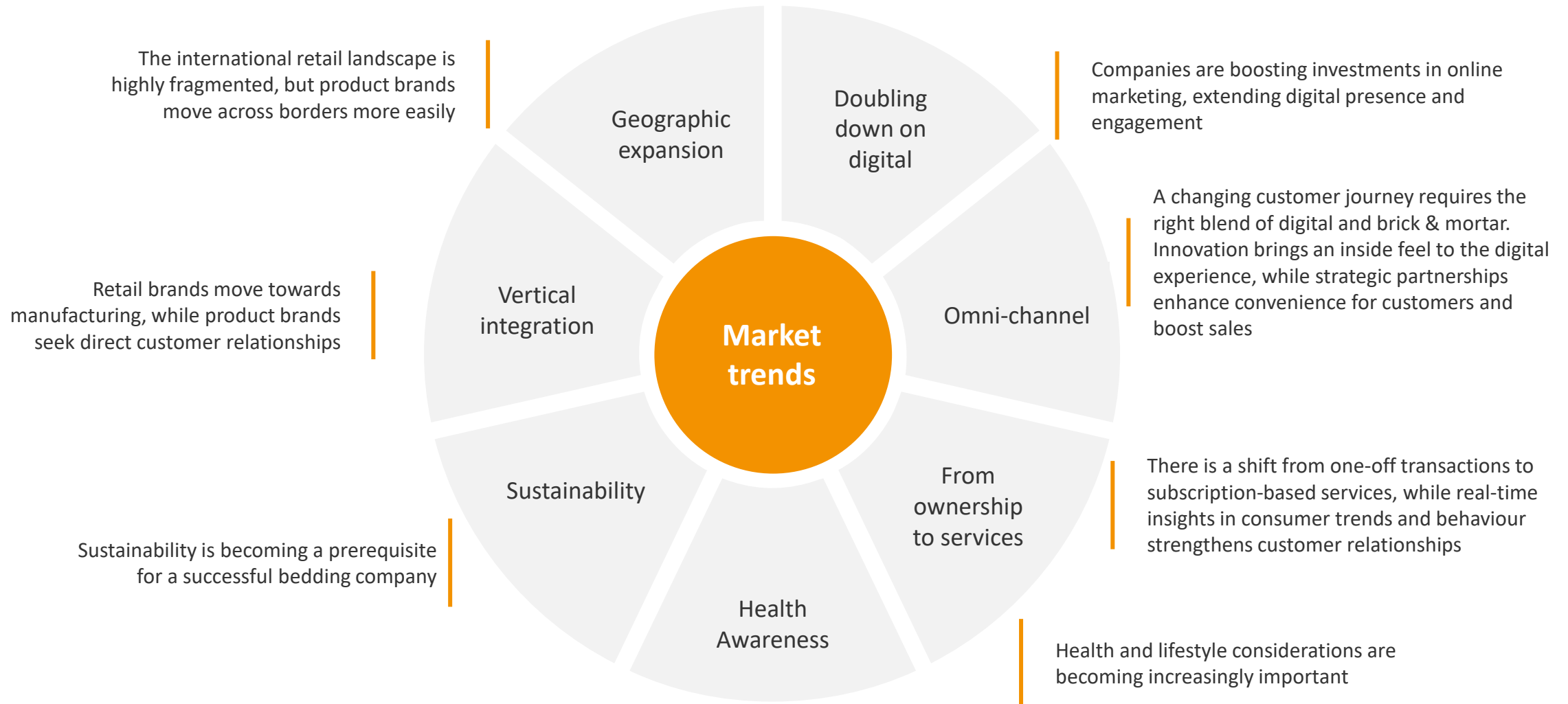

Stores
16
(Sängjätten only)


FTE
91



























02. Market trends

Seven trends that shape the future of the bedding market



Online is there to stay, yet only omni-channel retailers offering full domain of sleep will flourish

Established Formulas in bedding market	Product brands	Category specialist	Home furniture generalist	C&C generalist	Independent stores
	  	   	    		
New Formulas in bedding market	Online specialist			Platforms	Traditional retailers
	 	 	 	 	 



Extremely high marketing spend

- Online business models are dependent on high marketing spend to generate traffic
- Marketing spend is not outweighed by earnings. Most online players have a weak economic structure



Competition creates high margin pressure

- As more players are entering the market with low prices, margins are put further under pressure
- So far, very few players are able to create a profitable business model



Online margins insufficient to finance a physical footprint

- Lower prices do not allow for physical presence and service of pure online players



High dependency on customer organisations' reviews

- As online players have limited testing possibilities, customers rely on external quality reviews
- As competition increases and incumbents fight back, it becomes challenging to earn a quality award

Shake out of players in the bedding market is expected

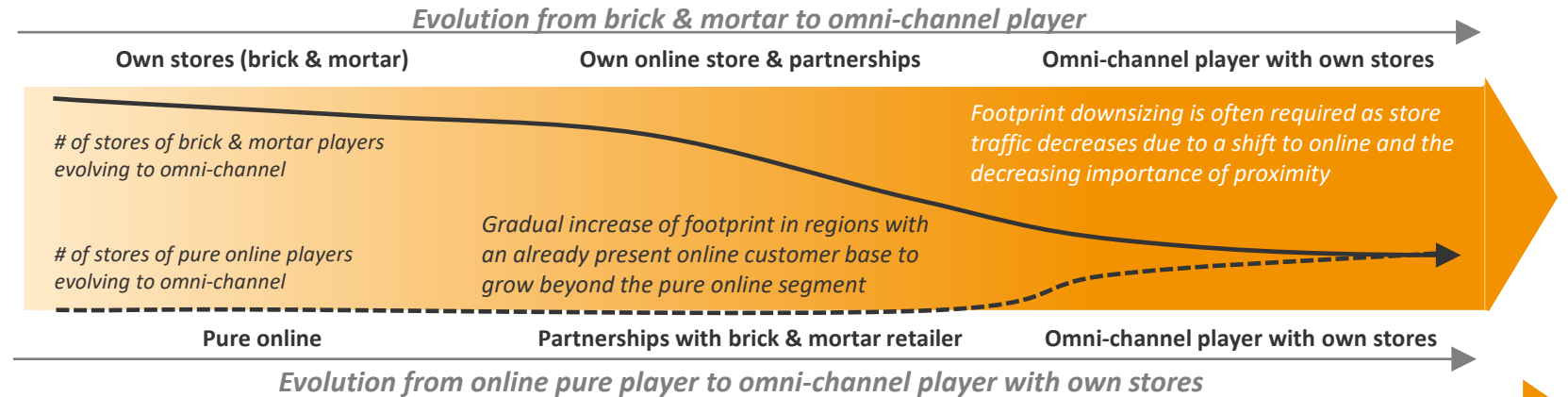
Only omni-channel retailers delivering the full domain of sleep will be able to generate profitable growth

Brick & mortar retailers rationalising store footprint, online players seek physical presence



COVID-19 affects preferences

- This slide focuses on the longer-term trend towards omni-channel
- Due to COVID-19, customers temporarily value convenience, value and availability more strongly than usual, while giving less weight to quality and purpose-driven propositions



Experience

A changing customer journey favors a digital-driven experience center instead of transactional store formats

Transaction

Experience centre

Purpose

Provide branded experiences to drive loyalty and advocacy

Characteristics

Amplify the brand with digital experiences and amenities such as a bar or café. Located outside city centre but with an exhaustive assortment

Expertise labs

Purpose

Give information, content and confidence for a purchase decision

Characteristics

Enable superior in-store service & information provision with digital tools for the customer. Located in cities and with complete assortments

All-round shop

Purpose

Provide customers with an all-round experience and complete offering

Characteristics

Provide all-round experience, from inspiration to fulfilment. Wide store assortment and extended (digital) aisle

Product store

Purpose

Focus attention and sales on a specific product category

Characteristics

Provide detailed product information regarding specific categories, with aligned marketing effort at high-traffic locations. Could be in pop-up format

Mini store

Purpose

Instigate opportunism and boost deal conversion

Characteristics

Cater to fast shoppers with frictionless payments and self-service. Concise assortments at high-traffic locations

From ownership of products to provision of services

Expert view



- “Retailers have to develop new business models which focus on customer relations instead of transactions. Thereby expanding the lifetime of a bed and granting customers the right to repair, re-use and recycle”

Expert view



- “There is a move towards service-driven retail: offering sleep services (e.g. lease) instead of ownership of products”



Consumer trends

- Across industries, consumers shift away from traditional product ownership towards subscription-based services with life-time relationships
- Customers are drawn to subscription-based services due to a high level of service, simplicity and considerations around sustainability
- Another reason for the popularity of subscription-based services is the possibility to avoid large one-off expenses



From ownership to subscription

- Although media subscription services (e.g. Netflix, Spotify) have been around for some time, consumers are now turning to subscriptions-based services for consumer goods
- The market for subscription-based services has shown impressive growth – it has more than doubled each year from 2011 to 2017
- Ignited in the US, the trend is now rapidly spreading to Europe
- Subscription-based services are financially attractive due to recurring revenues and smooth demand
- However, acquiring and retaining customers has proven to be difficult



Industry dynamics

- Parallel to other industries, players in the sleeping industry are expected to shift away from traditional retail models
- Shifting away from the traditional retail model of facilitating a one-off transaction for a bed or mattress every 8-10 years, sleep-as-a-service solutions serve as a potential gateway to lifetime relationships

Swapfiets

HelloFRESH

BOLDKING

bloomon

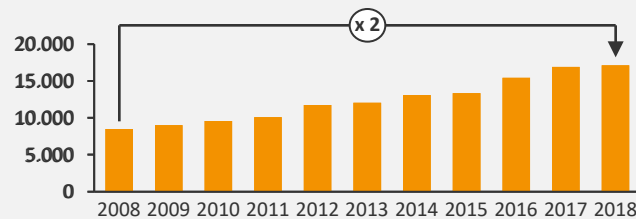
NETFLIX

Increasing awareness importance of sleep, quality sleep under pressure

Knowledge about the importance of quality sleep is increasing...

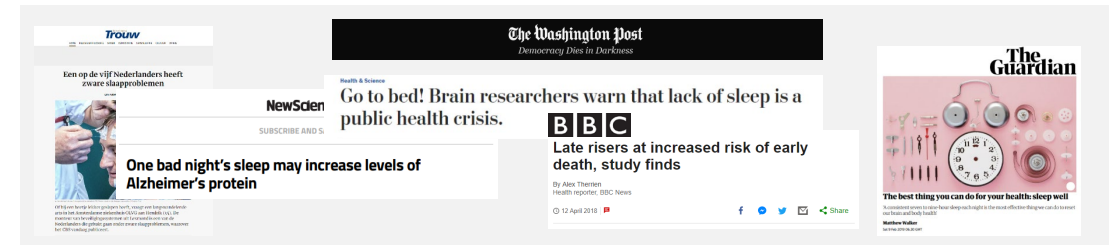
- A fast-growing body of scientific research on sleep has increased knowledge about sleep dramatically in the past years
- Sleep researcher in NL: “for many years, science did not pay any attention to sleep. This has changed dramatically in the last couple of years”

The yearly amount of published scientific articles with ‘sleep’ as keyword has doubled between 2008 and 2018

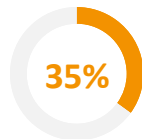


... and increased media coverage on sleep drives the awareness amongst consumers

- Extensive media coverage about the risks of sleep deprivation and the benefits of good quality sleep
- Driving the interest of society in the factors that affect sleep quality



But quality sleep is under pressure, leading to serious problems



35% of people sleep less than 6 hours, whereas adults need 7 or more hours of sleep per night for the best health and well-being



Insufficient sleep leads to **short-term health and performance problems** due to reduced cognitive performance. In 20% of traffic crashes fatigue is the cause of driver's failure



Insufficient sleep leads to **chronic health problems** due to an increased risk of a.o. obesity, diabetes, heart disease and strokes, leading to a 13% higher mortality rate



Insufficient sleep leads to significant **productivity loss**. In the Netherlands this is estimated to sum up to 1.5 – 3% of GDP per year, equalling €13-26B in 2018

Amid an unprecedented public health crisis, sleep has become more relevant than ever

Importance of healthy lifestyle is getting reinforced by COVID...

In November 2020, a group of 70 prominent doctors, scientists and public health professionals wrote an urgent letter to the Dutch cabinet stating that

- ✓ fostering healthy lifestyles is crucial to fight off the COVID-19 pandemic;
- ✓ a healthy lifestyle boosts the immune system, which makes people less susceptible to viruses and thus reduces the chance of contracting COVID-19;
- ✓ people with a healthy lifestyle who do contract COVID-19 generally have much less severe symptoms;
- ✓ healthy lifestyles lead to a dramatic drop in non-COVID related diseases, alleviating pressure from the public health system;
- ✓ a healthier lifestyle strengthens the immune system within weeks and improves mental health;
- ✓ vaccines are generally less effective when people have an unhealthy lifestyle.

... with focus on 5 core building blocks

In their letter, the group of experts advised the cabinet to launch a broad campaign to inform the general public of the importance of a healthy lifestyle. They stressed five aspects of a healthy lifestyle:



Healthy
nutrition



Sleep and
relaxation



Sufficient
exercise



Limit
alcohol



Avoid
smoking

Our 'Slaapkoppen' campaign and our new Sleep-as-a-Service propositions directly build on this



Sustainability is gradually becoming a critical prerequisite



Current state

- In the Netherlands, approximately 1.2m mattresses are being disposed every year, of which:
 - 35% are used for down- and recycling
 - 65% are sent to incinerators
- Sustainability initiatives are becoming increasingly important to consumers
- However, consumers are hesitant to pay a premium for sustainability



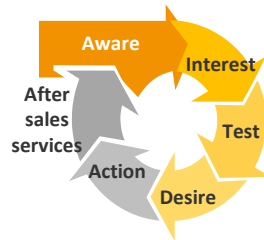
Government initiatives

- The Dutch government has set ambitious sustainability targets
 - Realise a 50% reduction in the use of primary raw materials by 2030
 - Convert into a sustainability-driven, fully circular economy by 2050
- Despite communicated ambitions, the government is yet to impose legislation on the bedding industry



Industry initiatives

- So far, industry players have enjoyed relative freedom in terms of legislation
- Meanwhile, sustainable initiatives are gradually being introduced
- However, with growing pressure from both consumers and government, sustainability is becoming an absolute prerequisite to survive in the industry



Our strategy

- How can we properly recycle mattresses & beds?
- Will we still use foam 5 years from now?
- What recycled materials can be used to produce new top-quality products?
- How to ensure used products do not end up at the land-fill or incinerator?

Our efforts to improve consumers' sleep will lead to more frequent bed- & mattress replacements, growing the bedding market but also increasing waste...

...which means we will have to step up our efforts to reduce waste and increase circularity in order to grow sustainably

Product brands seek direct access to consumers, retailers increasingly getting involved in manufacturing

Expert view



- “Brands will eventually get squeezed out unless they get control over the relationship with the end-user”

Expert view



- “The strong brands that survive will seek vertical integration by taking an interest in the retail environment. The dynamics will change”
- “The market is at an inflection point where there may be a form of first mover advantage for a brand integrating towards end consumers”

Various types of vertical integration

Product brands acquiring retailers

- Product brands look to integrate multi-brand retail as part of their holding company structure
- This allows them to gain control over the retail end and get access to the end consumer

EXAMPLE

TEMPUR+SEALY

Tempur Sealy has taken a majority stake in Swedish retailer Solva

Retailers move towards manufacturing

- Cost efficiencies by eliminating the middleman
- Enhanced product marketing due to better product knowledge
- Increased control over production and supply chain

EXAMPLE



UK retailer Bensons (a Steinhoff company) integrated into manufacturing chain and now sells brands to general trade

Product brands opening own stores

- Stores as brand statement for increased awareness
- Controlling a relevant and smooth experience for the customer
- Better insight in what drives the end consumer

EXAMPLE



Tempur has opened 60-70 stores in EU

Product brands have more potential to expand internationally

The retail brand landscape is highly fragmented

- The European retail bedding market is highly fragmented. In each country a different player is the biggest
- Most retailers that tried to cross borders did not succeed. Beter Bed's own efforts to acquire foreign retail businesses have led to limited success

Different key multi-brand retailers in Europe's top-8 economies



Various reasons explain these market characteristics

- Retail brands have little brand value outside the home country
- Creating cross-border synergies proves challenging
- Local knowledge of the market is crucial

There is a largely potential to expand with product brands

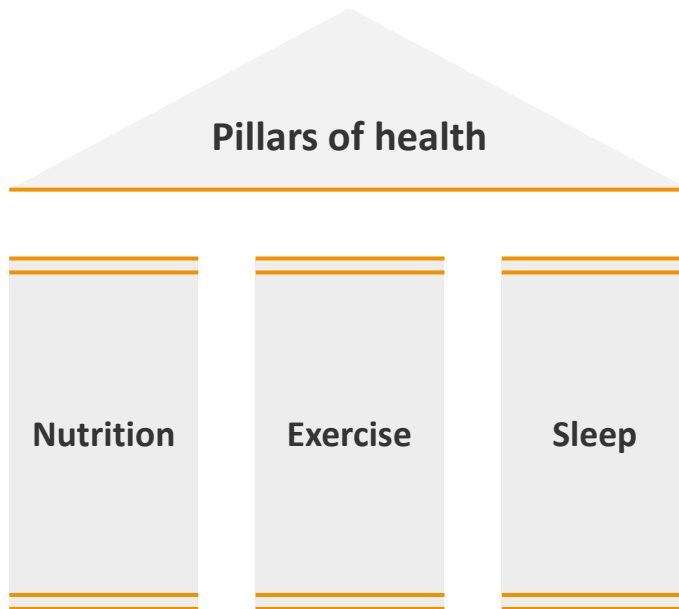
- Product brands allow for more focused and distinctive marketing than retail brands
- Product brands can make use of existing retail channels in new geographies, therewith reducing upfront investments
- Start-ups like Casper and Emma are actively aiming to create brand loyalty, with loyalty programs and close contact with customers
- 'Ingredient branding' could increase perceived brand value but is so far limitedly applied in bedding
- The fastest growing market is China, which is dominated by brand stores and does not have a multi-brand environment



03. Growth Strategy

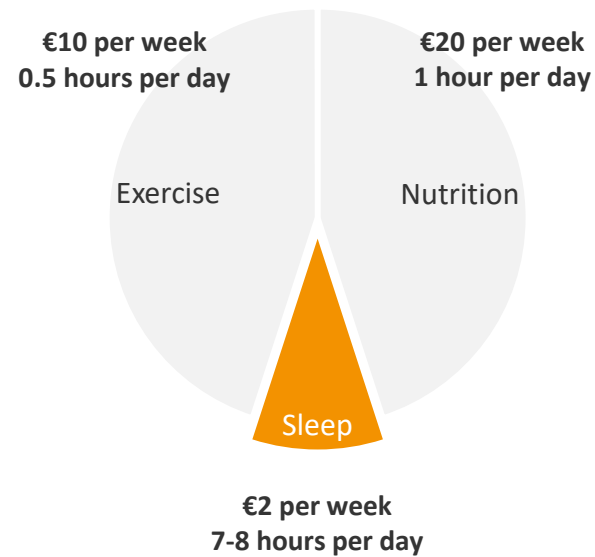
The sleep domain is more relevant than ever

Sleep as 'third pillar of health'...



...is currently significantly undervalued by consumers...

Average EUR spend and time allocated



... and is increasingly targeted by non-traditional tech-oriented sleep businesses

Expected annual growth of Sleep devices and health trackers

+ 8-20%

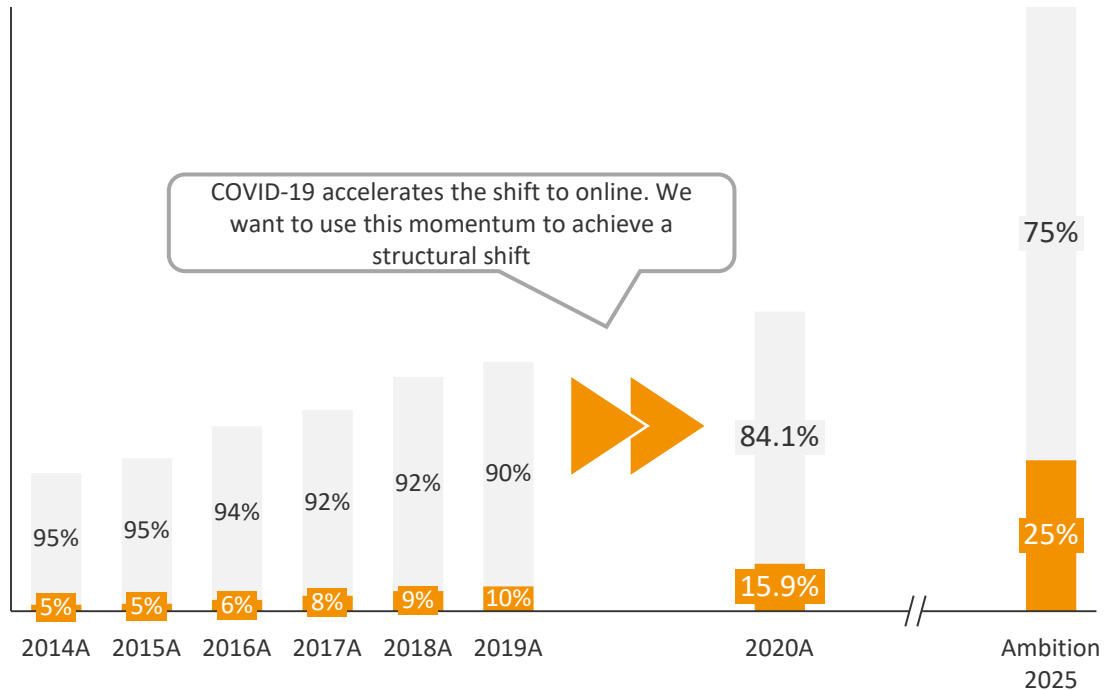
New tech-entrants in sleep, multiple tech-giants stepping in



We are changing the way we interact with our customers

Moving to dynamic and continuous relationships across all channels

Benelux online vs. offline revenue



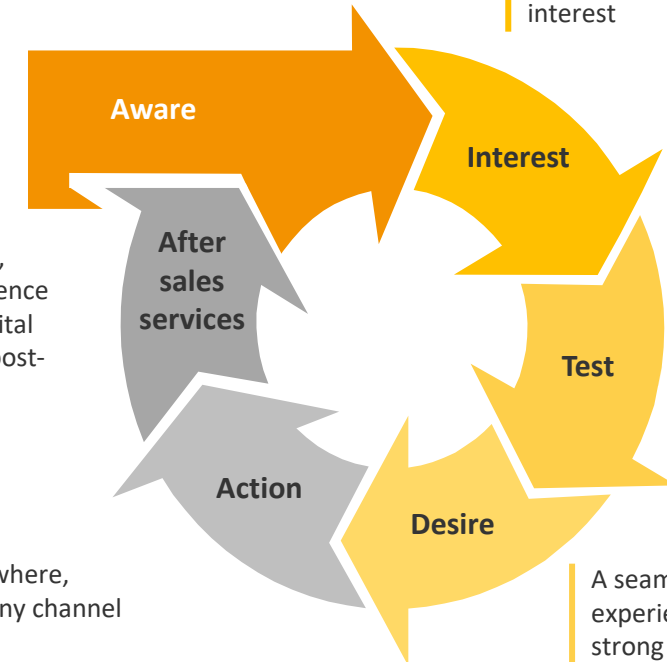
Moving to dynamic and continuous relationships across all channels

The customer orientation process starts online

Hyper-personalised offerings, marketing and content are key to spark and retain customer interest

Innovative services, supply chain excellence and continuous digital interactions drive post-purchase customer engagement

Transactions anywhere, anytime and via any channel



A seamless omni-channel experience requires a strong digital presence to complement physical stores

Our mission

*We believe the better people sleep,
the **happier** they are
the **healthier** they are and
the **more productive** they are.*

And we won't rest until everyone gets the high-quality sleep they deserve.

2021 wordt
het jaar van de
Slaapkop



Beter slapen, beter leven

Slaapkoppen
geven het goede
voorbeeld



Beter slapen, beter leven

Slaapkoppen
wordt meer mee
geflirt



Beter slapen, beter leven

Slaapkoppen
kunnen er de hele
dag tegenaan



Beter slapen, beter leven

Slaapkoppen
staan nu 8 uur uit



Beter slapen, beter leven

Slaapkoppen
die komen er wel



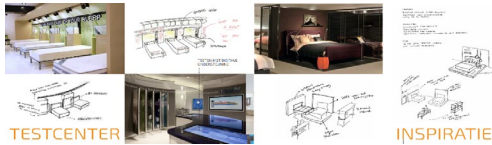
Beter slapen, beter leven

Strategic vision: better sleep for everyone through three avenues for growth

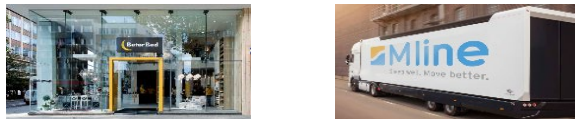
1

Solidify brick & mortar base

Current stores



New store formats



2

Push for online dominance

Own & Operated



Platforms



SCALABLE BACKBONE

Operational excellence

Marketing & innovation

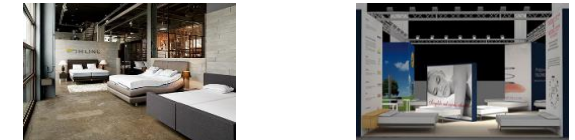
3

Nourish the new

Subscription Models



Wholesale & B2B



Data intelligence

Financial strength with mitigated debt

Impeccable supply chain

Agile digital & IT

BBH will continue transforming into a digital-first omni-channel organisation

1

Solidify brick & mortar base

2

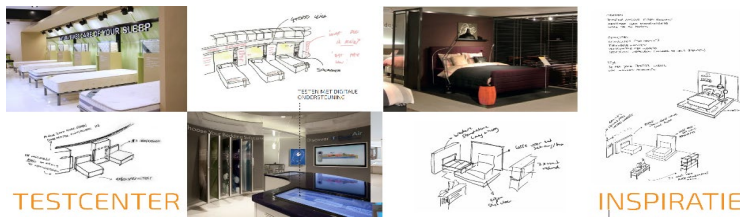
Push for online dominance

3

Nourish the new

Updated and new store formats to better serve our customers across the customer journey

Update current store



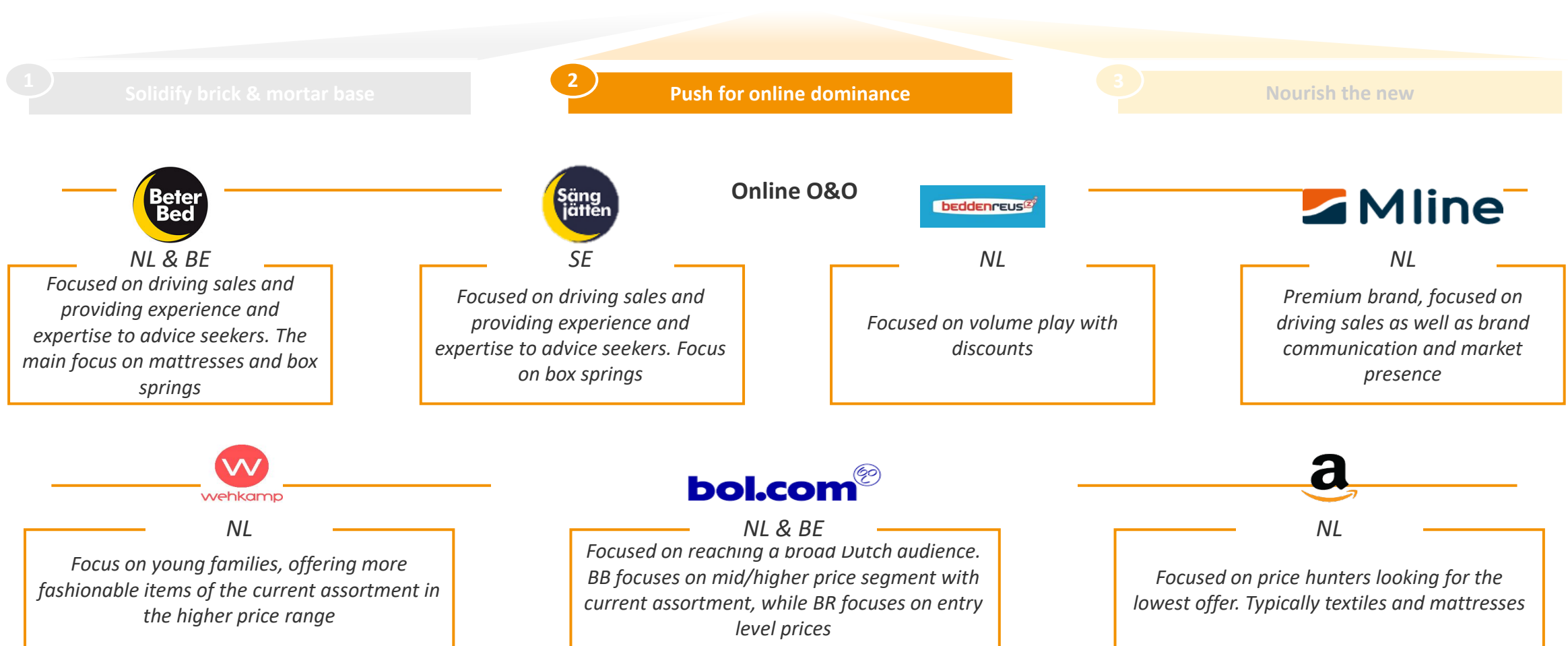
Enhanced visual merchandising and in-store technology at existing larger and strategic stores to improve current store economics

Inner-city store



Smaller inner-city stores on high traffic locations to receive personal data-driven advice and experience a concise assortment

BBH reaches customers online through its own websites as well as 3rd party platforms



Nourish the new focus on expanding existing business and launching new business models



B2C and B2B2C propositions aim to reach new customers directly and via third parties

Wholesale & B2B



Scaling nationally as well as internationally, leveraging M line as well as Beter Bed products through 2 main channels

B2B2C: Partner up with major retailers to sell mattresses, box springs and pillows via their store networks

B2B: Generate business particularly in the hospitality sector at hotels and holiday parks

Subscription Models



B2C: Offer new Sleep-as-a-Service (SaaS) propositions to consumers, with products from the Beter Bed and M line assortment. Successful launch requiring substantial marketing investment upfront

B2B: Better serve existing and new relations at hotels & parks through Sleep-as-a-Service (SaaS) subscriptions

We will move from selling beds to providing better sleep for our customers

While a good mattress and bed are crucial, good quality sleep depends on more factors which can be improved in a data-driven way

Personal factors



Age & gender
Lifestyle
Exercise
Nutrition

Environmental factors



Temperature



Humidity



Air quality

Noise



Light

Connected sleeping environment



Bedroom sensor



Smart mattress



- Sleep phases
- Heartbeat
- Respiration
- Body movement
- Body temperature
- ...

Sleep advice & improvement

- Personalised sleep coaching
- Turning your bedroom in your own sleep laboratory to measure & improve sleep
- Smart devices to actively improve air, light & sound when needed
- Smart alarms & lights to manage awakening

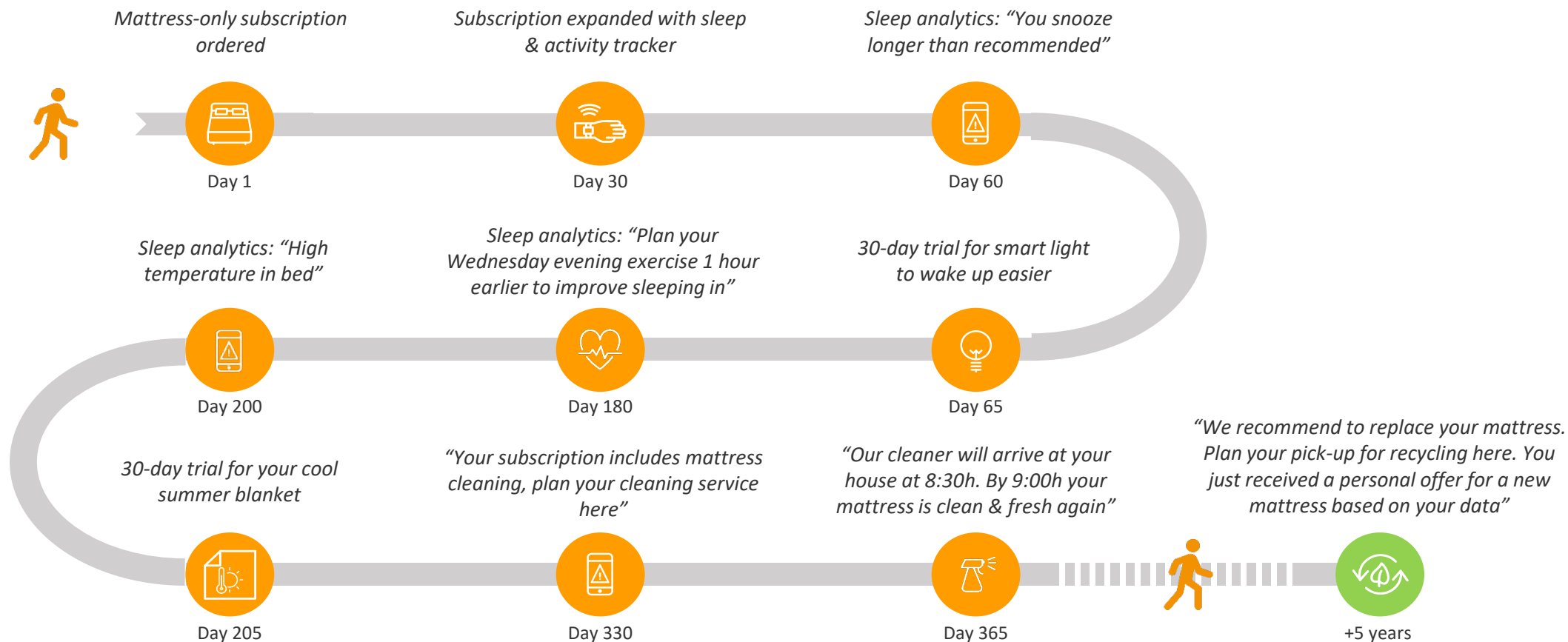


Through our move towards continuous customer relationships and subscription-based services, we are able to provide high-quality personalised sleeping solutions



This helps our customers sleep better and unlocks additional spending on sleep as the 3rd pillar of health

Sleep-as-a-Service from a customer perspective

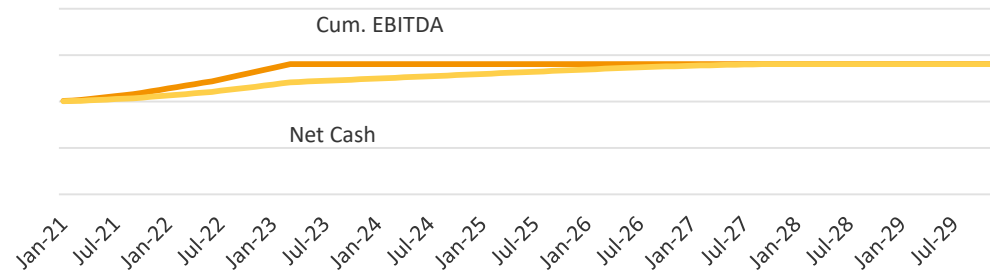


The subscription model is more profitable under full ownership, but this requires additional capital

Subscriptions through an intermediary

- Beter Bed currently has an agreement with a partner to limit the negative working capital implication of subscription models and limit credit risk
- The consumer pays the monthly fee to this partner, while Beter Bed delivers products and services directly to the consumer
- The partner transfers a large part of the total subscription lifetime value to Beter Bed upon the start of the subscription
- The graph below shows the effects of a gradual roll-out of subscriptions between 2021 and 2023 through an intermediary on cumulative EBITDA and net cash

Subscription financials in €M

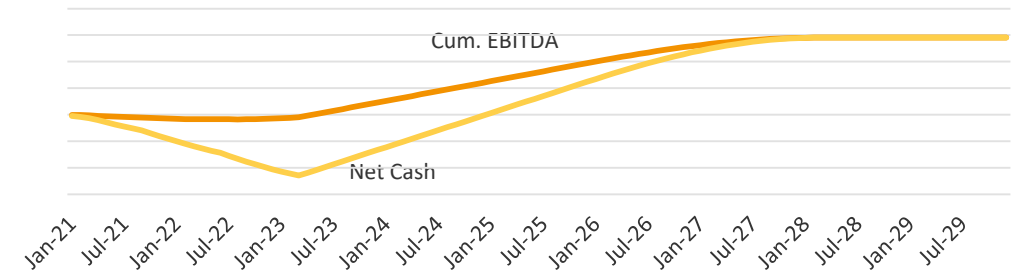


Starting point for B2C

Subscriptions under full ownership

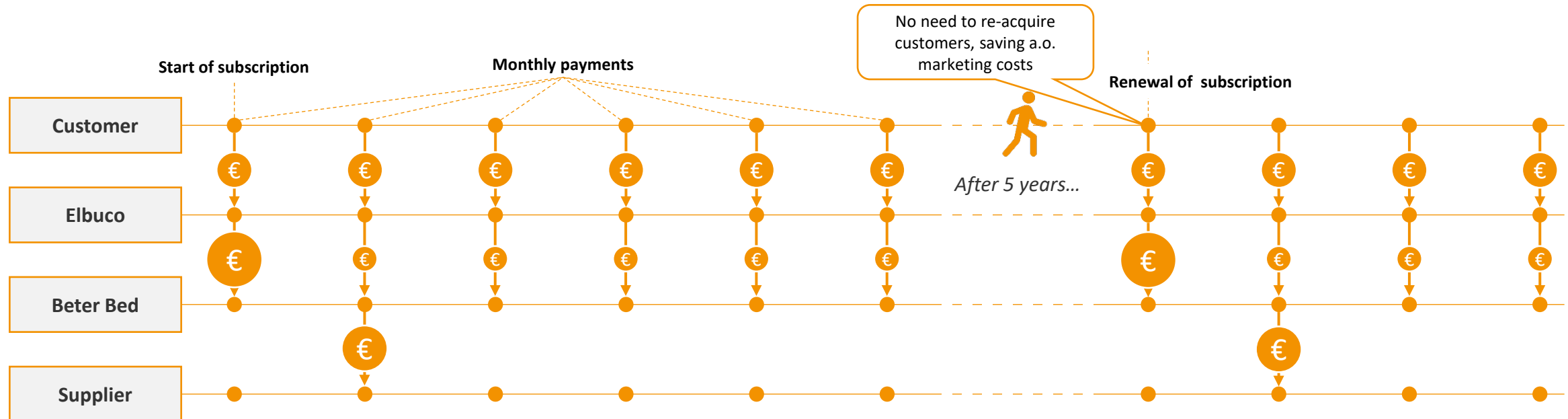
- In the long term, Beter Bed wants to take full ownership of the subscriptions to be able to capture the full financial benefits
- At this point, Beter Bed will have ample experience with subscription services, enabling better credit risk assessments and finetuning margins
- Given the significant working capital implications of subscription services versus one-off transactions, Beter Bed would need to attract additional capital. Beter Bed could then expand into adjacent markets such as holiday parks
- The graph below shows the effects of a gradual roll-out of subscriptions between 2021 and 2023 under full ownership on cumulative EBITDA and net cash

Subscription financials in €M



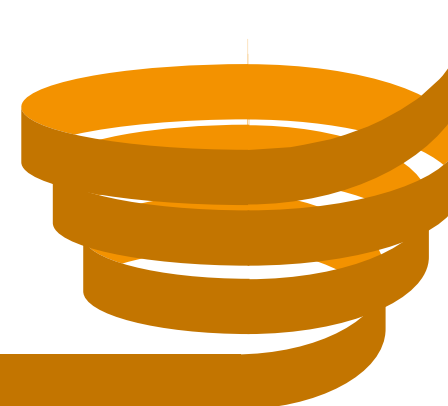
Starting point for B2B

Financing through an intermediary results in a negative working capital available for marketing efforts



- Lease proposition starts with box springs only
- When consumer starts subscription, the box spring is financed by Elbuco and is transferred to their balance sheet
- BB receives a large amount of the total value of the contract upfront, and receives a small monthly fee afterwards
- BB has negotiated lenient terms with its suppliers. This means that it already receives payment from Elbuco before paying the suppliers, resulting in a negative working capital
- This negative working capital allows BB to fund marketing investments and create a self-funding upwards spiral

Step 1: Box spring lease - Start in Q2 2020



Step 2: Launch of SaaS - Start in Q4 2020

- Lease proposition expanded to a wider product range
- Launch of service packages:
 - IOT devices in mattresses and bedroom
 - Beter Bed & M line sleep app
 - Sleep analytics and advice capabilities
 - Service organisation

Introducing our new proposition: LEAZZZY



B2C Subscription: “Boxspring Lease” pilot successfully results in a new business model for BBH with additional benefits:



Additional sleep quality improvement services (sleep-as-a-service)



Customer journey runs from offline store to online platform (omnichannel)



Lease allows for long-term, dynamic customer relations during lease period

LEAZZZY

LOGO COMING SOON

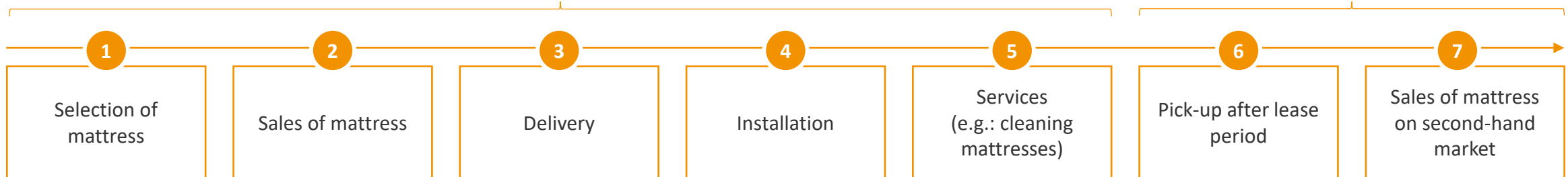
LEAZZZY gives Beter Bed the opportunity to expand internationally with an additional business model.

Beter Bed’s extensive amount of experience, combined with an innovative, new way of looking at the bedding market, makes **LEAZZZY** a unique player in the industry.

Servicification in B2B: new propositions include unburdening the B2B customer

Proposition for the hospitality sector

A contract is offered to B2B customers to deliver, install, service, and pick-up mattresses during the lease period in collaboration of DBC and Used Hotel Products (UHP)

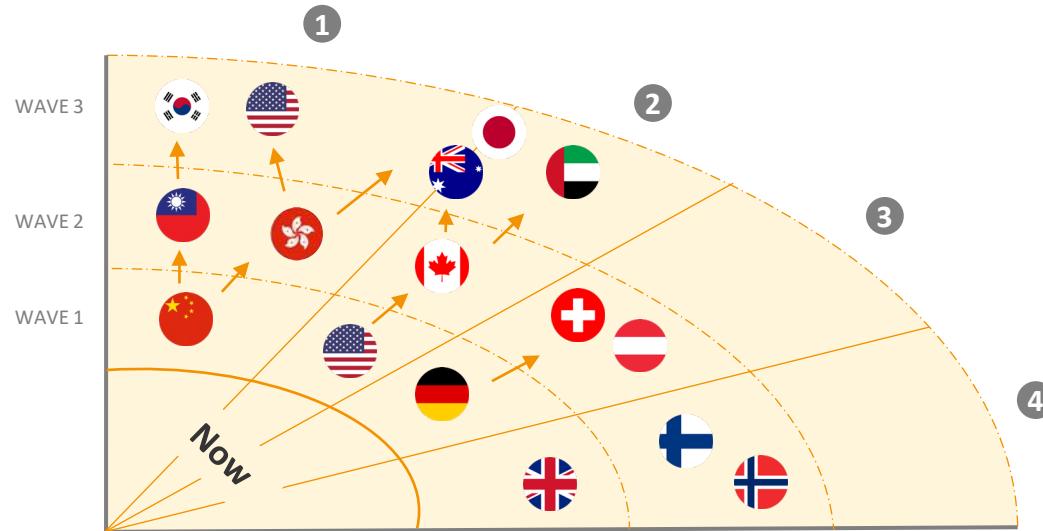


First customer



We will expand international wholesale along 4 routes, with phasing taking place in 3 waves

Proposed waves of expansion



Route	Countries
1 Going east	Wave 1: China Wave 2: Taiwan + Hong Kong Wave 3: US, South Korea, Australia & Japan
2 Going west	Wave 1: United States Wave 2: Canada Wave 3: Australia, Japan & UAE
3 Expanding Europe	Wave 1: Germany Wave 2: Austria and Switzerland
4 Standalone opportunities	Wave 1: UK Wave 2: Finland and Norway

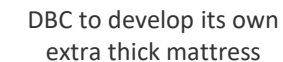
Expansion progress tracking via contact status funnel

		Phase in negotiations									
		Win chance									
		5%	5%	10%	25%	75%	90%	100%	2%	1%	
Company name	Country	Identified as lead	Qualified lead	Exploratory meetings	Proposal requested	Negotiations	Finalisation of deal	Customer contracted	No direct opportunity	Lost opportunity	
XXX	XXX	1	1	1	1	1	0	0	0	0	
XXX	XXX	1	1	1	1	0	0	0	0	0	
XXX	XXX	1	1	1	0	0	0	0	0	0	
XXX	XXX	1	1	1	0	0	0	0	0	0	
XXX	XXX	1	1	0	0	0	0	0	0	0	
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XXX	XXX	1	1	0	0	0	0	0	0	0	
XXX	XXX	0	0	0	0	0	0	0	0	0	
XXX	XXX	0	0	0	0	0	0	0	0	0	
XXX	XXX	0	0	0	0	0	0	0	0	0	
XXX	XXX	0	0	0	0	0	0	0	0	0	

Assortment requirements



3 Extra thick mattress



Improving operations by outsourcing parts of the logistical processes

Own
logistics



3rd party
logistics

Current situation

The majority of deliveries are fulfilled from Beter Bed's three distribution centres through the own logistics network, which is specialised in delivery and assembly of large, complex bedding products



Commodity products are shipped through network designed for big, complex items, leading to high cost base



Three distribution centres in the Netherlands, leading to high warehousing costs



Large inventory on multiple locations, increasing working capital requirements

Aspired state

As a first step, warehousing & logistics of textiles is outsourced. Eventually the own logistical network focuses exclusively on assembly and too big to carry; all commodity deliveries including store deliveries are outsourced



Most deliveries are fulfilled by externals specialised in bulk handling of commodities, leading to cost advantages

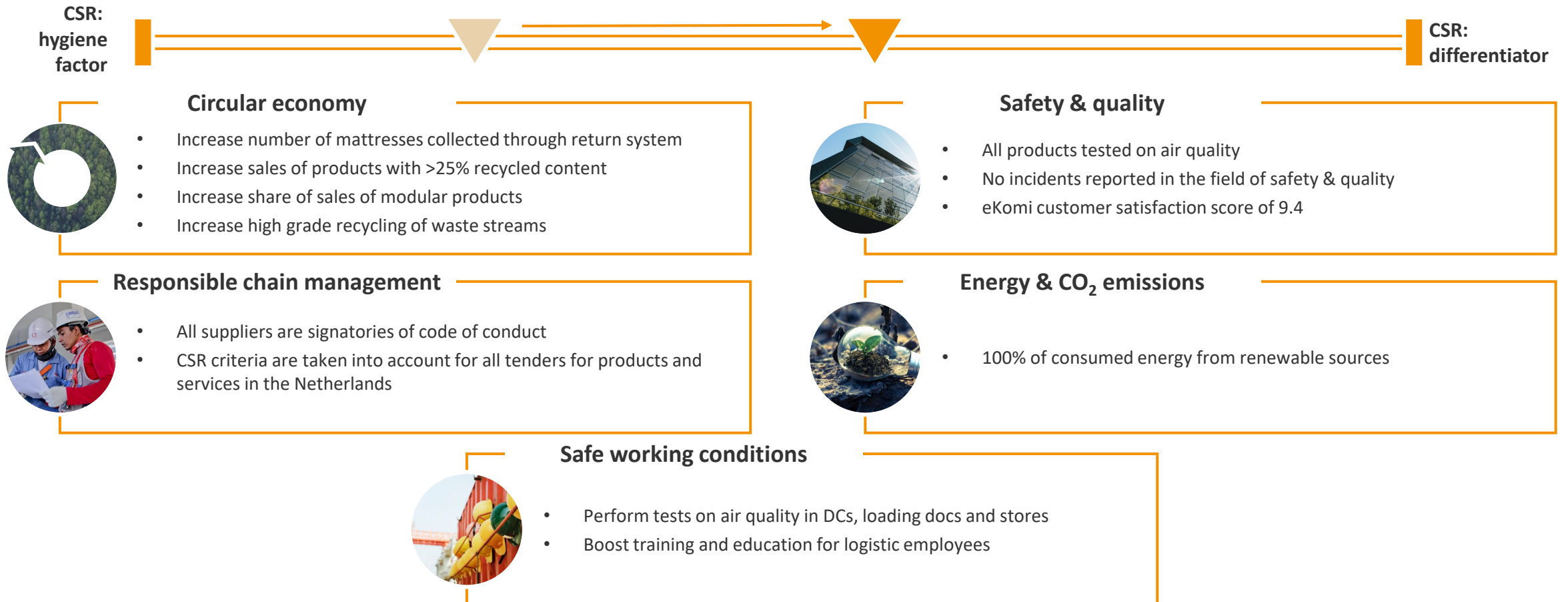


The number of distribution centres can be reduced, leading to direct cost savings (one distribution centre and semi-automation) and reduced inventory



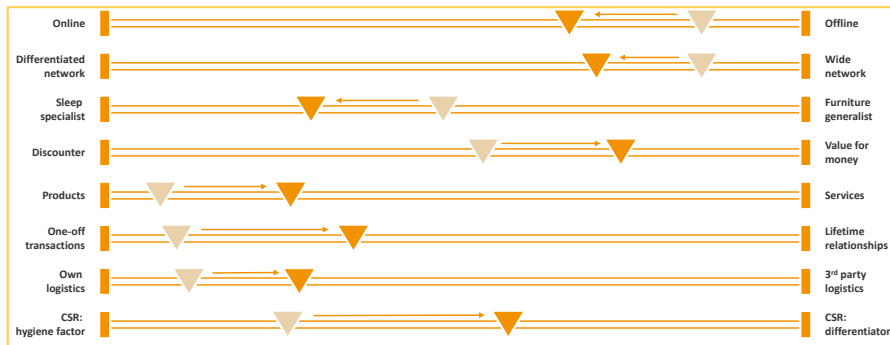
The own logistics network focuses exclusively on assembly and too big to carry, increasing customer satisfaction

Beter Bed has an ambitious CSR agenda

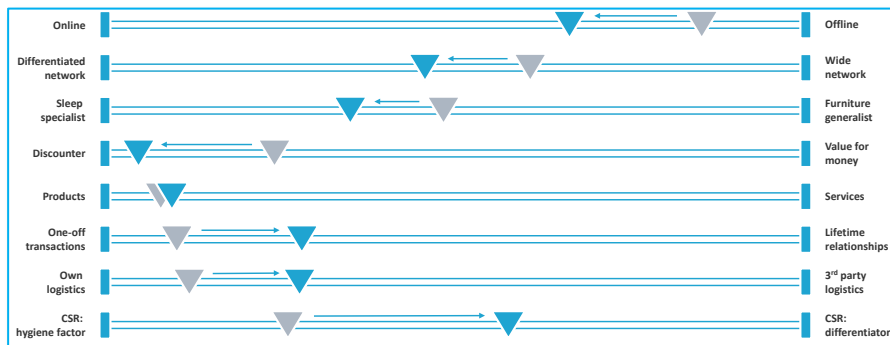


Beter Bed is evolving in the competitive landscape to strengthen its leadership position

Refined strategic positioning Beter Bed



Refined strategic positioning Beddenreus



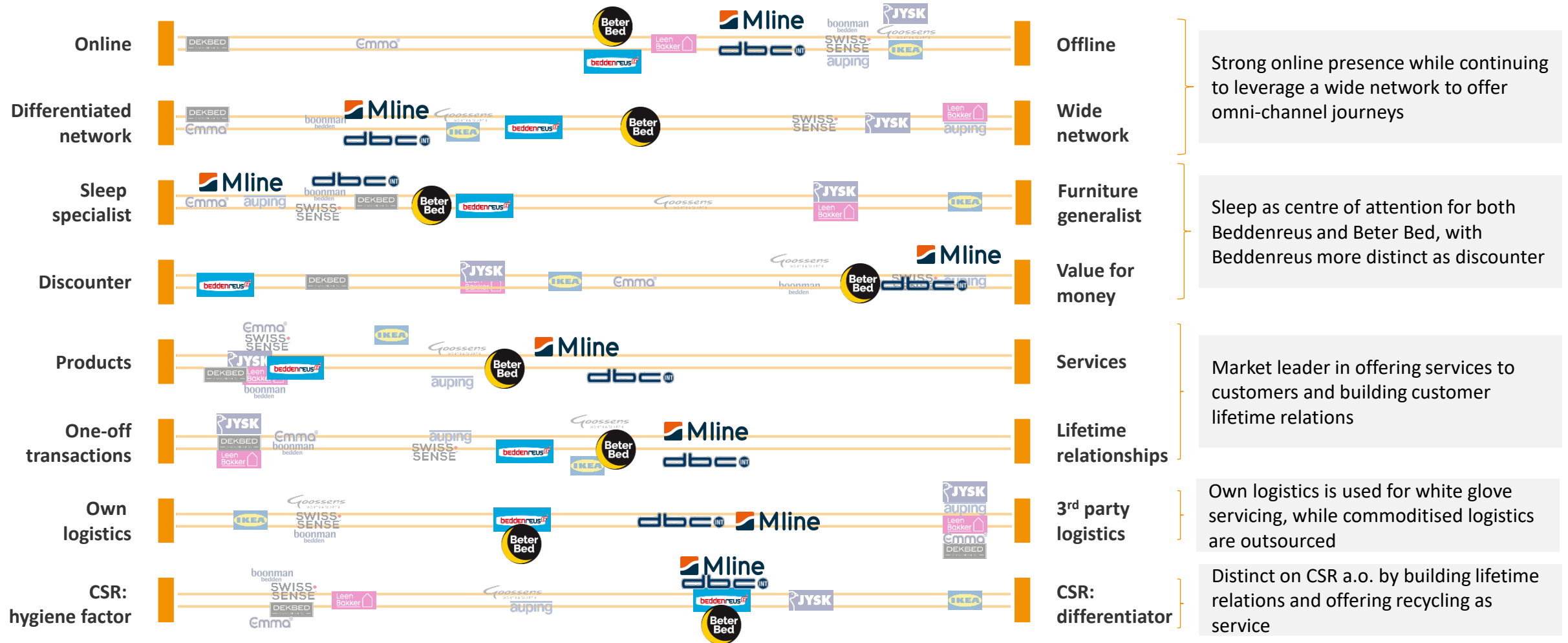
Implications across the holding:

- Continue strengthening online, some network rationalisation in offline but still valuing for omni-channel
- Shift from furniture to sleep, move away from one-off transactions and become a leader in lifetime relations as sleep service provider
- Outsource commoditised logistics
- Take a leading role in circularity

With Beter Bed & Beddenreus will becoming more distinct:

- Beter Bed will further reinforce value for money and start offering more sleep-related services
- Beddenreus will reinstate its focus on being a discounter and remain focused on selling products

Envisioned positioning vs. competitive landscape – Netherlands





04. Financials

2020 review

Financial framework 2025

Drive growth

- Aim to double the business over the next 5 years
- Accelerate online sales to achieve online channel share of at least 25% of total sales
- EBITDA^{*)} margin ambition at 16%-19%

Save

- Enhance logistics to facilitate accelerated online growth
- Advanced data analytics to drive continuous and lasting improvements in
 - Marketing
 - HR planning
 - Overhead structure

Invest

- Funding three avenues of growth
 - Digitalisation
 - Development of store network
 - Roll-out of B2B / wholesale activities and subscription
- Average capex of ~3% of sales over the next 5 years, not equally distributed over period with slightly higher capex in first two years

Generate cash

- Free Cash Flow^{**)} generation driven by
 - Operating cash flow
 - Continued improvements in working capital
- Best-in-class cash generation to build equity, fund investments and resume distribution of dividends

^{*)} EBITDA is EBIT plus depreciation of PPE, amortisation of intangible fixed assets and depreciation on right of use assets arising from lease agreements

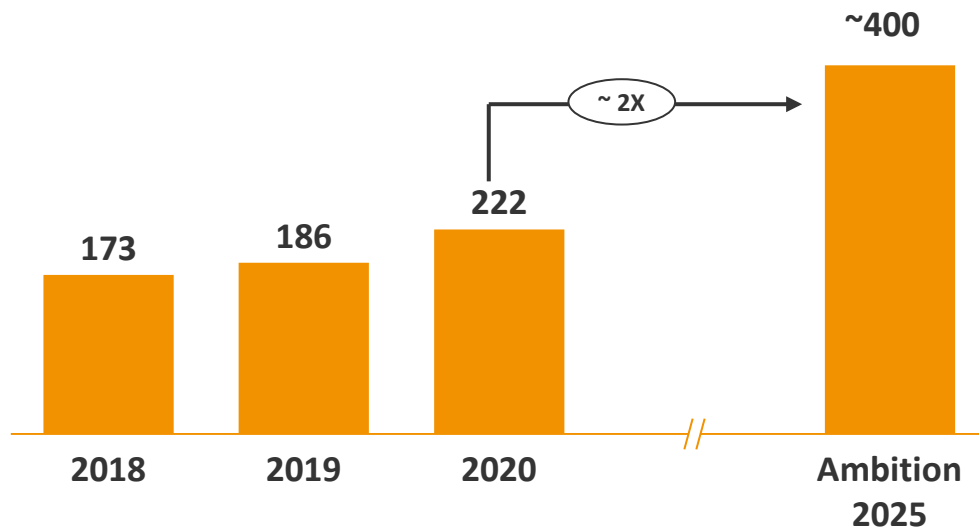
^{**)} Free cash flow is cash from operating activities less investments/sale of PPE and intangible assets, and less payments of lease liabilities and less interest paid

We aim to double business over the next 5 years

Sales Ambition 2025

(in €M)

Drive growth

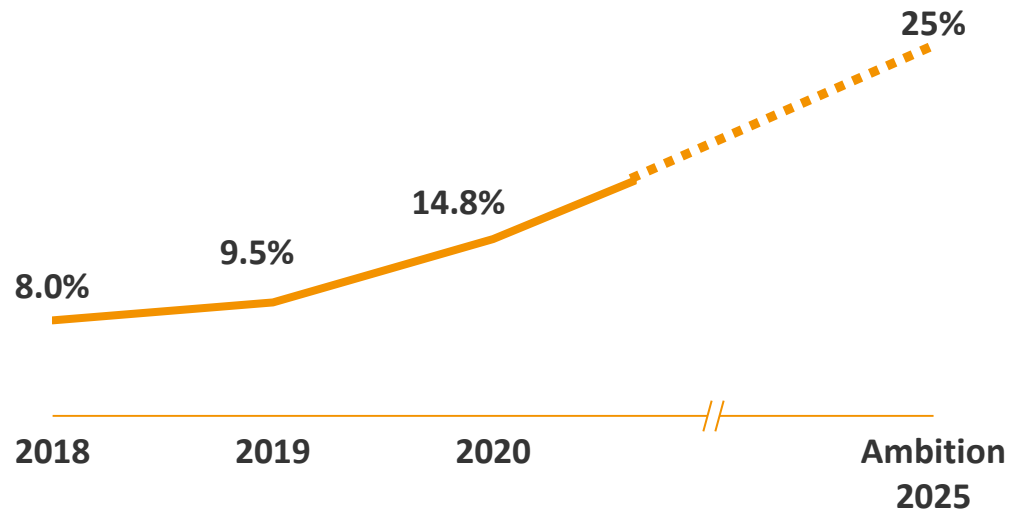


- Net sales to nearly double by 2025 compared to 2020 level
 - Offline growth driven by innovation, implemented technology and enhanced store network
 - Online growth
 - Implementation of subscriptions
 - Scaling DBC and M line
- 2021 sales impacted by COVID-19 lockdown impact

Accelerate online sales to channel share of at least 25%

Online channel share

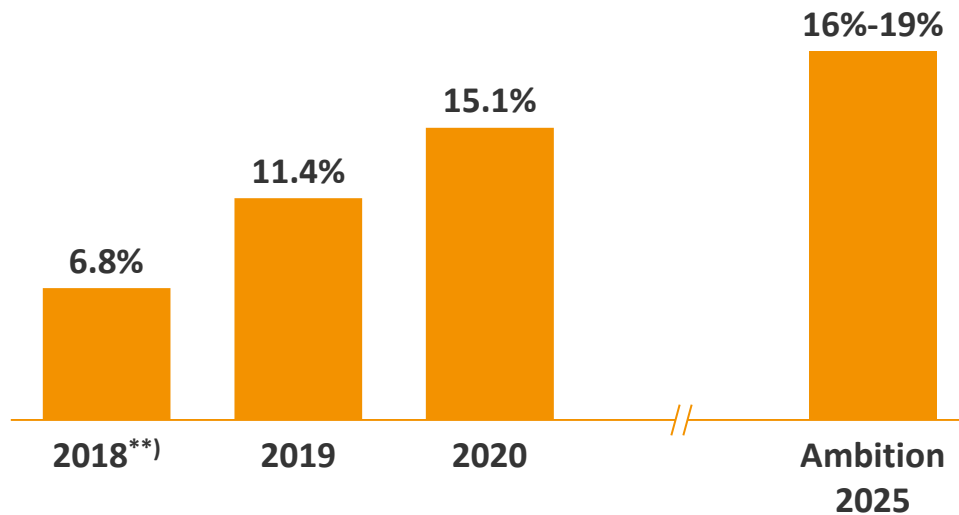
% of total sales



- COVID-19 has accelerated shift of customer traffic to digital channels
- Online sales to grow to at least 25% of total sales by 2025
- E-commerce roadmap designed for significant scaling up

EBITDA-margin ambition of 16%-19%

EBITDA^{*)} margin % of sales



- Smartly invest - future proof and sustainable - to drive growth and margin
- Product and margin mix will change as a result of relative share of B2B and subscription
- Commodity price volatility expected to be mitigated by sourcing tactics
- Scalable backbone

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^{**)} EBITDA pre IFRS16 - is EBIT plus depreciation of PPE, amortisation of intangible fixed assets and excludes depreciation on right of use assets arising from lease agreements

Enhanced operational excellence and flexible cost structure

Further optimisation of the cost base...

- Focus on logistic costs
 - Shift towards more flexible logistic model with enhanced scalability
 - Lower incremental logistic costs
 - Continue to focus on sourcing strategy and product cost optimisation

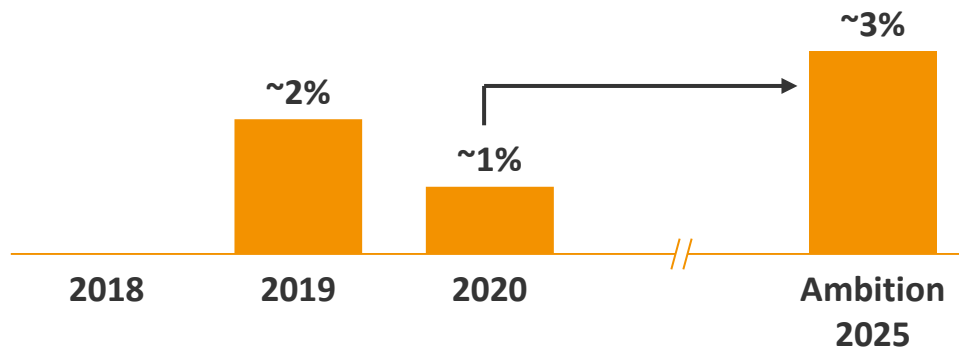
Data and intelligence...

- Further improve marketing spend effectiveness with data driven insights and predictions
- Flexible workforce planning and resource deployment
- Rationalise overhead structure with integrated system landscape and improved digital infrastructure

Value driven approach to capital investments

Capex margin

% of sales



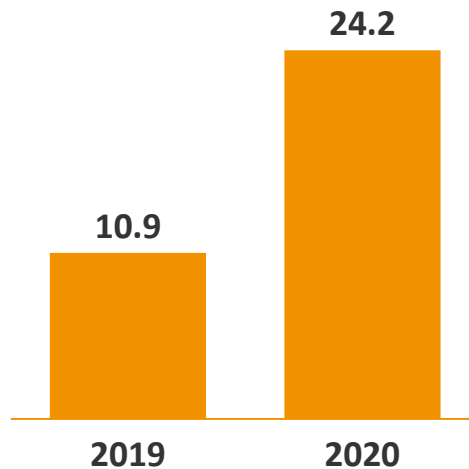
- Industry benchmark of 3-4% in relation to Sales
- 2019-20 reduction to ~2% due to restructuring / COVID-19, while continuing investments in digital & e-commerce
- Short-term increased investments in 3 areas:
 - Digitalisation
 - Development of store network
 - Roll-out B2B/wholesale activities and subscription

to position for sustainable future...

...with average annual capex spend of ~3% of sales over next 5 years; not equally distributed over period with slightly higher capex in first two years

Best-in-class cash generation

Free cash flow ^{)} (in €M)**
€ million



From...

- Restructuring 2018/19 → impact on solvency

To...

- 2021/22
 - Rebuilding solvency position and deleveraging
 - Rebuilding asset integrity, digital and e-commerce → position company for sustainable future

Key notes:

With continuous focus on free cash flow

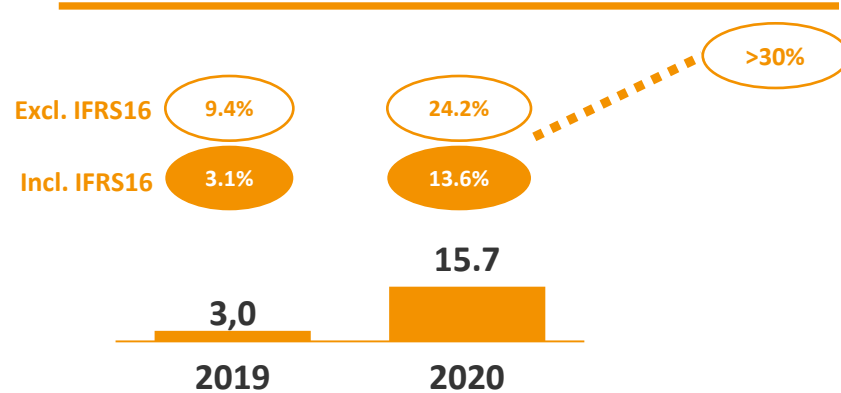
- Operational cash flow
- Continued improvements in working capital management
 - Improving payables process and receivables collection
 - Optimising inventories
 - Forecasting & replenishment
 - Data & analytics

^{**)} Free cash flow is cash from operating activities less investments/sale of PPE and intangible assets, and less payments of lease liabilities and less interest paid

Resume returning excess cash liquidity to shareholders

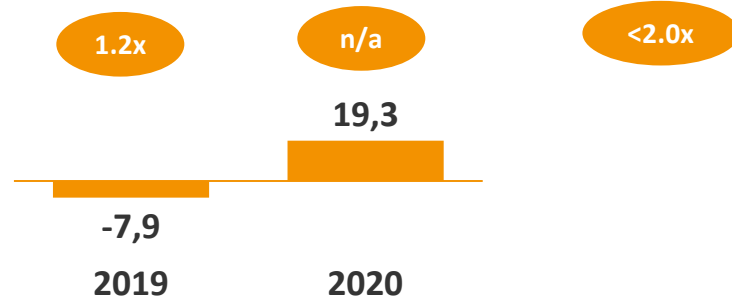
Minimum solvency*) of 30%

Equity in € million



Maximum leverage**) of 2.0x

Net debt in € million



Both criteria
to be met in
order to
resume
dividends
payouts

- Best-in-class cash generation to build equity, fund investments and resume dividends
 - Drive performance
 - Adhere to bank covenants
 - Ability to invest
 - Resume dividends

*) Solvency ratio calculated as total equity divided by total assets; values presented in white filled circles represent ratio excluding IFRS16 (not considering depreciation on right of use assets arising from lease agreements)

**) Leverage calculated as net debt divided by EBITDA (bank covenants definition):
Net debt represents cash and cash equivalents less current and non-current financial liabilities
EBITDA is EBIT plus depreciation of PPE and amortisation of intangible fixed assets. EBITDA is not considering depreciation on right of use assets arising from lease agreements

Financial framework 2025

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Our Build-Buy-Build strategy: organic growth enabling acquired growth, followed by integration and scaling



Offer sleep...

Sleep as centre of attention for both Beddenreus and Beter Bed, with Beddenreus more distinct as discounter



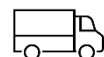
... Lead in services...

Market leader in offering services to customers and building customer lifetime relations



... with a balanced channel mix

Strong online presence while continuing to leverage a wide network to offer omni-channel journeys



Own logistics differentiates

Own logistics is used for white glove servicing, while commoditised logistics are outsourced



Leader on CSR

Distinct on CSR a.o. by building lifetime relations and offering recycling as service

Buy & build to scale*

Vertically integrate, growth through sizeable acquisitions and strict post-merger integration



05. Questions & Discussions

BeterBed
holding



Thanks for your attention