

BetterBed
holding

Sleep better, live better.

H1 2022 Results



Agenda

H1 2022 Business

John Kruijssen

H1 2022 Financials

Gabrielle Reijnen

Q&A

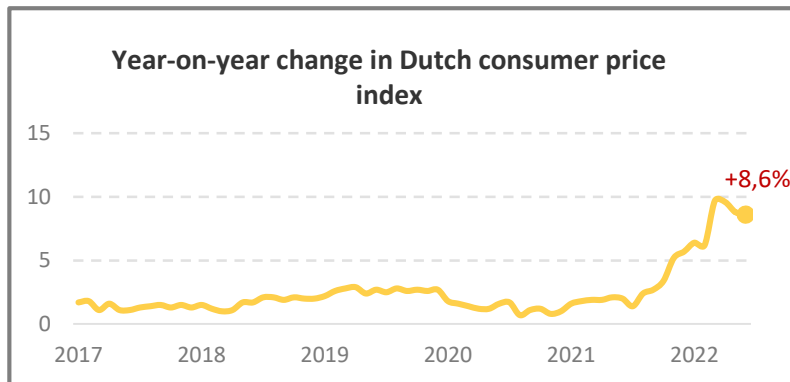


Solid commercial & financial performance

- Sales growth of 15.6% to € 112.4 million (H1 2021: € 97.2 million) with gross profit increase of 12.6% to € 61.2 million.
- Continued performance with Compound Annual Growth Rate over H1 2019 to H1 2022 (CAGR) of 9.5% in sales and 9.7% in order intake.
- EBITDA and EBIT of respectively € 13.7 million and € 3.7 million, in line with same period last year.
- Online sales CAGR of 38.7% since 2019, leading to online channel share of 19.7%.
- Strong performance of New Business with +13.5% sales growth compared to H1 2021.
- Order book at € 19.4 million (-24.1% compared to 30 June 2021).
- DBC signs agreement with the French Adova Group to get the exclusive right to sell the Simmons brand (Generation collection) in the Netherlands and the Flemish part of Belgium.
- Binding memorandum of understanding signed with long-standing supplier to acquire 33.3% interest in Polish bedding and mattresses factory.
- Newly developed supply chain network strategy to support the 2025 medium-term objectives.

Current market circumstances require us to once again show our resilience

- War in Ukraine.
- Increasing energy prices.
- Annual inflation rate currently at 8.6% for EU.
- Dutch consumer price index at +8.6% in June 2022.
- Dutch consumer confidence index historically low at -50.



Our strategic avenues for growth



Scalable Backbone

Sustainability as a key enabler

Store network starts transition towards Sleep better, live better

Current performance

Traffic

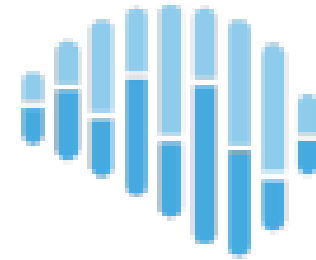
-

Conversion

+

Ticket value

+



Neuromarketing



- ✓ Neuromarketing research conducted in Beter Bed Experience & Boulevard store in Groningen.
- ✓ Experience store shows improvement on almost all KPIs.
- ✓ Customers were positively surprised by the service and inspirational value of the store.
- ✓ Textile assortment is rated highly because of brand recognition and convenience factor.
- ✓ Next Beter Bed Experience planned in South of Netherlands in Q4.
- ✓ Overall shopping NPS increased with 14% compared to last year.
- ✓ Enhancing look & feel of our existing store network has started, 5 more planned this year.



Beter Slapen ID deep dive

Customer benefits

- ✓ Thousands of people are starting to sleep better.
- ✓ Beter Slapen ID is helping customers with independent and data-driven sleep advice.
- ✓ 42 Beter Slapen ID's planned before September 1st.



BBH benefits

- ✓ Raising sleep awareness
- ✓ Enabler for brand preference
- ✓ Increase in conversion rate
- ✓ Increase in average order value
- ✓ Increase in NPS

The beginning of a journey

Beter Slapen ID → Online guided selling → In-store Beter Slapen method → Sleep data → Personalised sleep guidance

Driving conversion by improving the online customer journey

Continue to outperform the market in the first two quarters of the year – driving traffic to our website more effectively*.



Analysis shows that the biggest revenue **growth potential** is in **online textile** and (international) **market places**:

In the bedding textile category, new photography & CGI is being introduced to create a uniform and pleasing customer experience that will drive conversion and growth.

Set up supply chain for mattress sales in Germany. And revitalisation of Alpine Plus as an international brand for market places.



Configurator with amazing 3D images implemented, guided selling improvements, updates customer service and store pages, preparations My BeterBed account, Blog platform, server side tracking implemented.



Data lake project started and organisation-wide nomination for the Experimentation Culture award 2022.



Category management – collection improvements

Category Management

Bedding

- ✓ Rollout B Bright box spring collection completed.

Matresses

- ✓ Rollout B Bright mattress collection completed.
- ✓ M line Green motion circulair mattress introduced.

Bedding textile

- ✓ Successful focus on cool sleeping (during a hot night).
- ✓ Pillow-advice tool online doubled conversion in category.

Beddenreus:

- ✓ Introduction of P1 box spring assortment and available stock in-store.
- ✓ Purchase price reductions by coasting along with production capacity (buy off the shelf).



Laat ons je helpen om jouw perfecte kussen te vinden

Met kopen van een hoofdkussen is lastig. Er zijn enorm veel verschillen als het gaat om hardheid, materialen, verstelbare en ergonomische kussens. Om je een handje te helpen hebben we een keuzehulp. Beantwoord de vragen en krijg een selectie van kussens die voor jou geschikt zijn. Succes!

Wat is jouw favoriete slaaphouding?

Slaap jij op je rug, op je zij of op je buik?

Ik slaap op mijn rug

Ik slaap op mijn zij

Ik slaap op mijn buik

[Ga door](#) [Volgende](#)



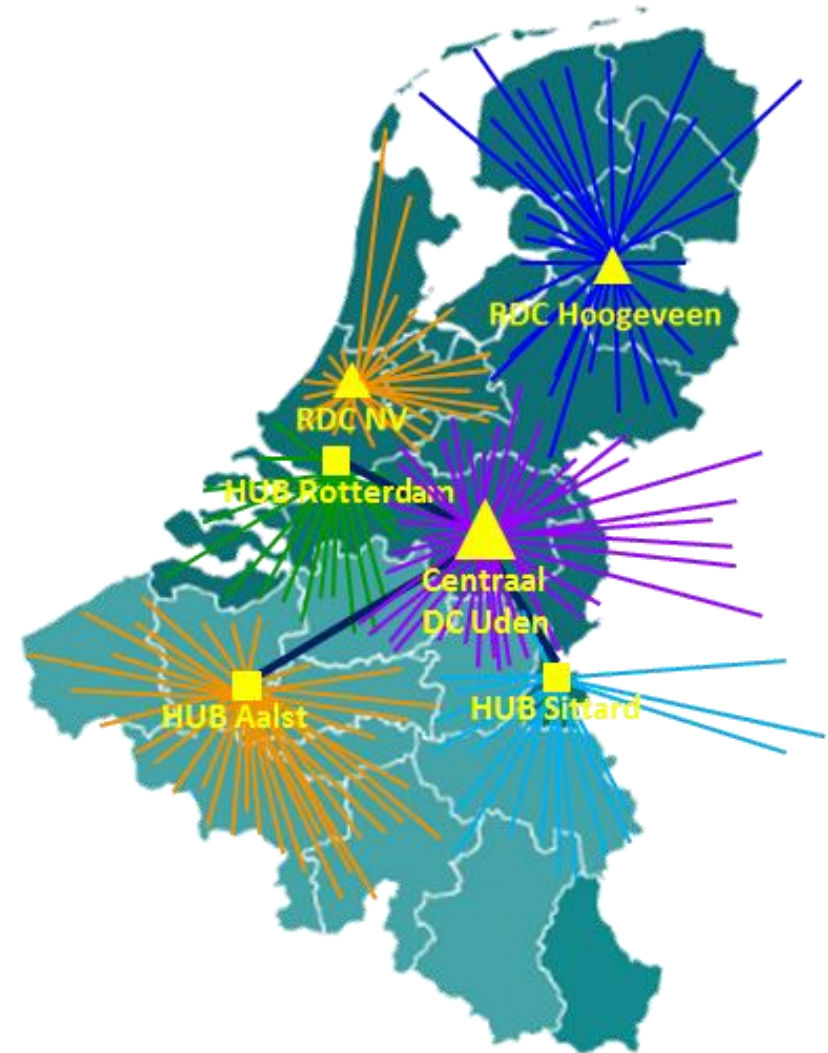
Our supply chain footprint will be optimised in the next few years

Our network strategy:

- ✓ One Central DC (Uden) to hold most of the stock.
 - e-DC to be integrated in Uden in due course.
 - DBC to be integrated in Uden.
 - New head office to make room for existing DC in Uden.
- ✓ Two regional DCs with limited stock & regular transport function in Nieuw-Vennep and Hoogeveen.
- ✓ Three potential hubs with transport function in Belgium and the Netherlands.

Planning

- ✓ Dialogue with local residents conducted.
- ✓ Permit to enlarge building area to be submitted in September.
- ✓ Negotiations with current landlord almost completed.
- ✓ Specialised Supply Chain consultant for warehouse layout and automation.



Sleep better, live better – translation into our business

Distinctive brands positioned well to address a broad range of customers:



- Market leading sleep specialist, personal advice at excellent value for money.



- Offers no-nonsense good sleep at the lowest possible price.



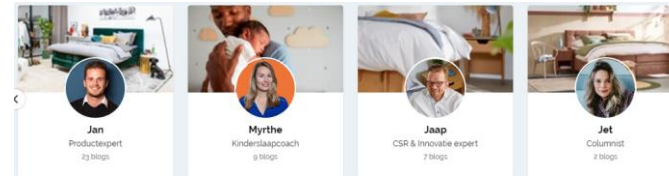
- Premium quality sleep to help 'athletes' with faster recovery of body and mind.

Beter Bed: claim thought leadership in the sleep domain

Brand ambassadors/influencers



Sleep and health experts



Blog content



PR / sponsorships



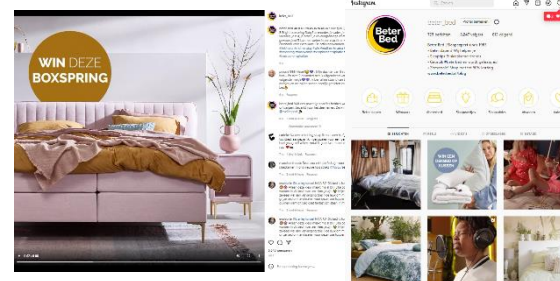
Brand activation



Podcast- & YouTube series



Social media



Beddenreus: simply good sleep at the right price

Revised Beddenreus retail concept

- ✓ Beddenreus as a powerful discount formula.

Proposition

- ✓ Good sleep for the best price.
- ✓ At Beddenreus we don't make things complicated.
- ✓ Fast: short delivery times, with in-store stock, fast delivery service for online items.

Concept store

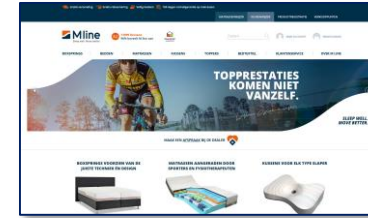
- ✓ Revised Beddenreus concept will be tested in Beverwijk.



M line builds momentum through brand building in sports

M line

- ✓ Strong double-digit growth in the Netherlands through Beter Bed, dealers and online.
- ✓ M line launches new TV commercial with Vivianne Miedema and Cody Gakpo .
- ✓ The M line brand store is showing strong growth in the first half year.



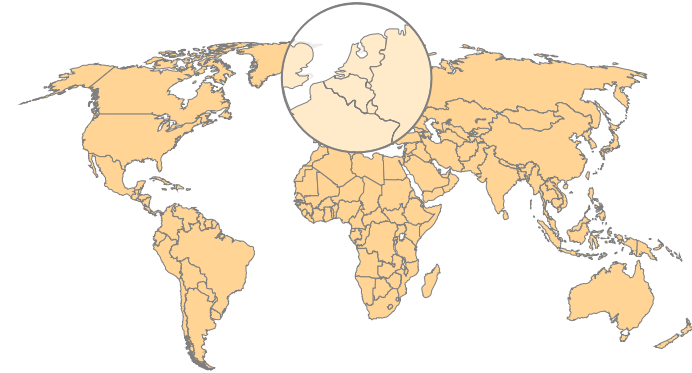
DBC: M line brings performance to both athletes and your 'home team'



New business opportunities for DBC

Innovation & New Business

- ✓ M line has signed long-term contract as exclusive supplier with Unbrick and Europarcs.
- ✓ DBC has signed a contract with the Adova Group from France and has obtained the exclusive right to sell the Simmons brand (Generation collection) in the Netherlands and the Flemish part of Belgium.
- ✓ New international expansion has been accomplished within the leisure business.



Recap – our sustainability pillars



Customer
awareness

Accessibility &
affordability

Innovation for
better sleep

Community
engagement

Sustainable
operations



Talent
attraction

Employee
wellbeing

Training &
development

Diversity &
inclusion

Human rights
&
supply chain



Durable
product
development

Collaboration
for re-use &
recycling

Certified
materials

Sustainable
packaging

Sustainability achievements



Promise

12→42 Beter Slapen
ID in-store

Innovation for better sleep

44% Reduction
CO₂

Sustainable operations

2 Electrified
distribution vehicles
First pilot

Sustainable operations



People

83% Suppliers signed
Code of Conduct

Human rights & supply chain

3h Training hours
per employee

Training & development



Product

16.5 % More sustainable
products
+ visible online

Durable product development

96% Packaging
recycled

Sustainable packaging

BBH forms manufacturing joint venture in Poland

- BBH has entered into a binding memorandum of understanding with the Bovelli Group and the Veldeman Group to acquire a 33.3% interest in a Poland based bedding and mattress factory.
- Partnership creates innovative power, purchasing advantage of raw materials, influence on margin, participation in company profit.
- There are future possibilities to further scale up production.
- Final closing expected in Q4 2022.



VELDEMAN GROUP

Agenda

H1 2022 Business

John Kruijssen

H1 2022 Financials

Gabrielle Reijnen

Q&A



Key figures H1 2022

H1 2022 vs. H1 2021 figures (continuing operations)

BBH GROUP		BENELUX	NEW BUSINESS
Revenue	112.4 mEUR +15.6%	LFL order intake growth	8.4%
			-12.3%
Gross margin	54.4% -1.5%pt		
EBITDA	13.7 mEUR +0.0mEUR	Revenue	105.5 mEUR +15.7%
			6.9 mEUR +13.5%
EBIT	3.7 mEUR +0.0mEUR		
Free Cash Flow	-9.5 mEUR	Online channel share	20.5%
			8.2%
Net Cash	24.5 mEUR		
Online channel share	19.7%		

*) EBITDA is EBIT plus depreciation of PPE, depreciation of right-of-use assets and amortisation of intangible fixed assets.

**) 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.

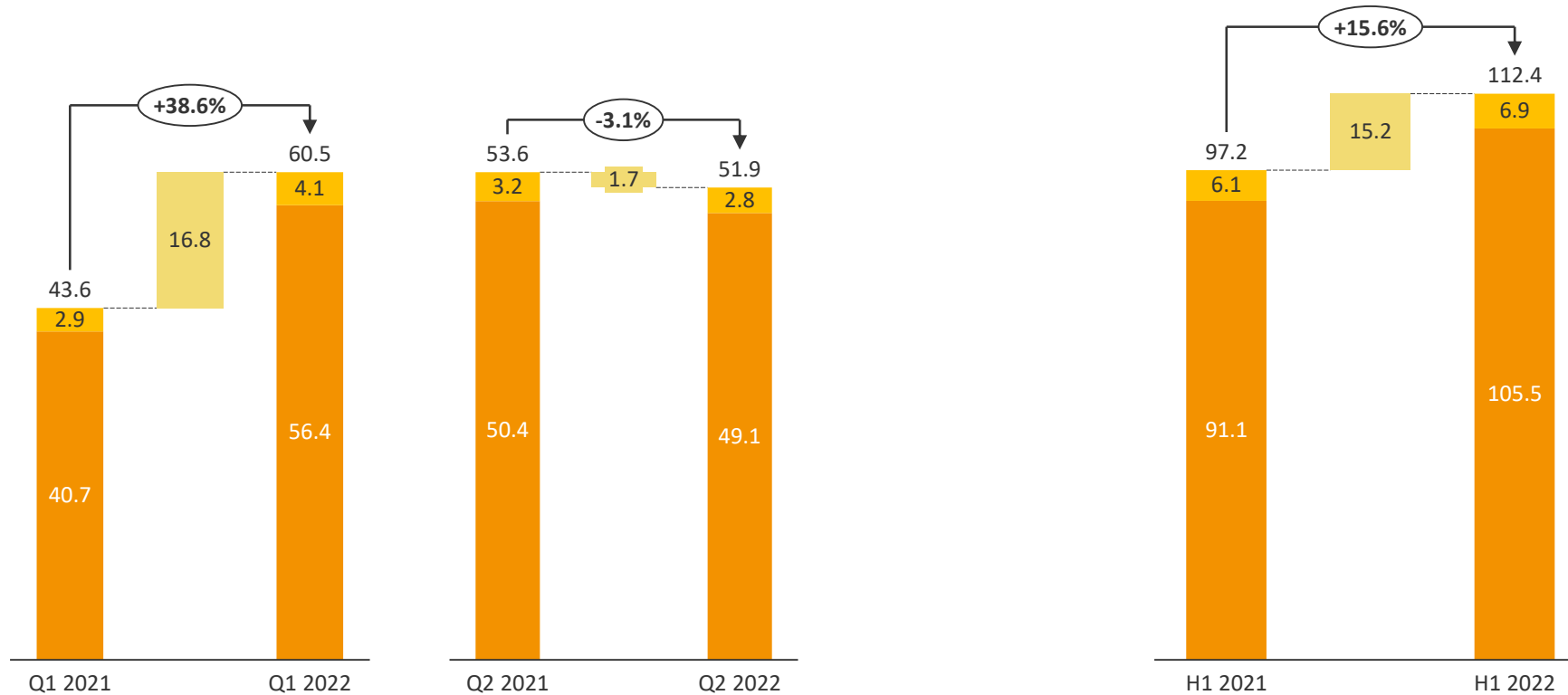
***) Net cash represents cash and cash equivalents less current and non-current financial liabilities.

Revenue increased 15.6% to € 112.4M

Revenue development (in €M)

H1 2022 vs. H1 2021

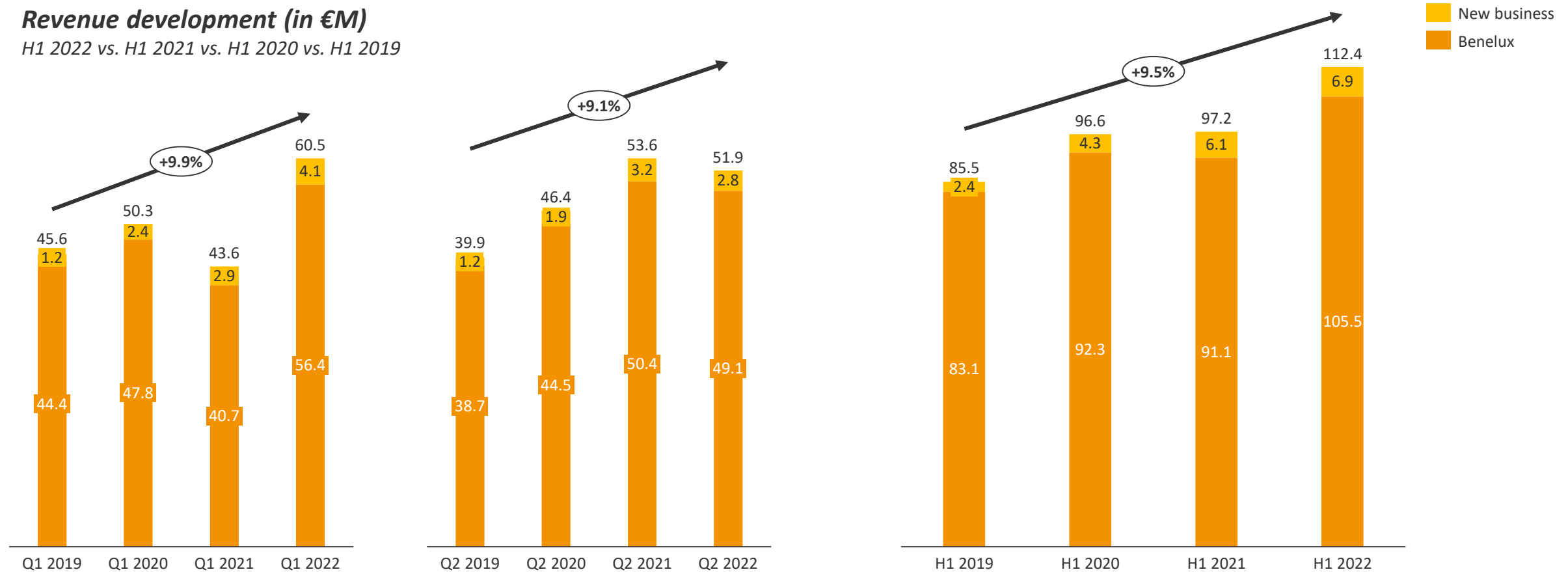
- New business
- Benelux
- Increase/decrease



Revenue CAGR of 9.5% for the 2019-2022 period

Revenue development (in €M)

H1 2022 vs. H1 2021 vs. H1 2020 vs. H1 2019

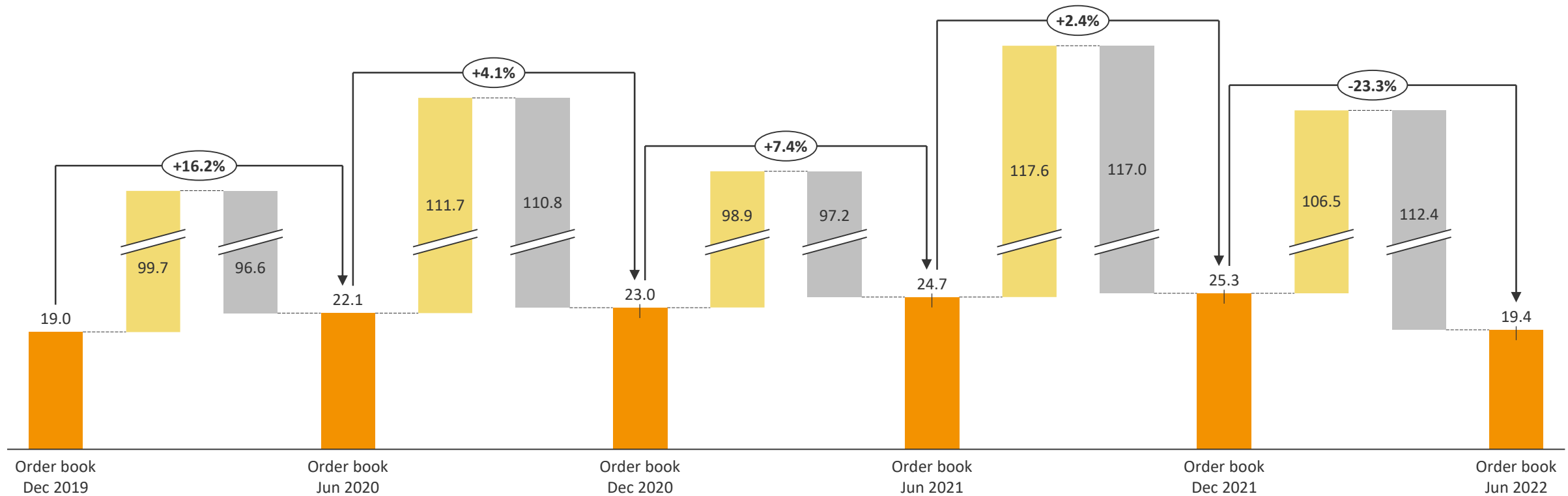


Order book at € 19.4 million

Order book development (in €M)

Jun 2022 vs. Dec 2021 vs. Dec 2020 vs. Dec 2019

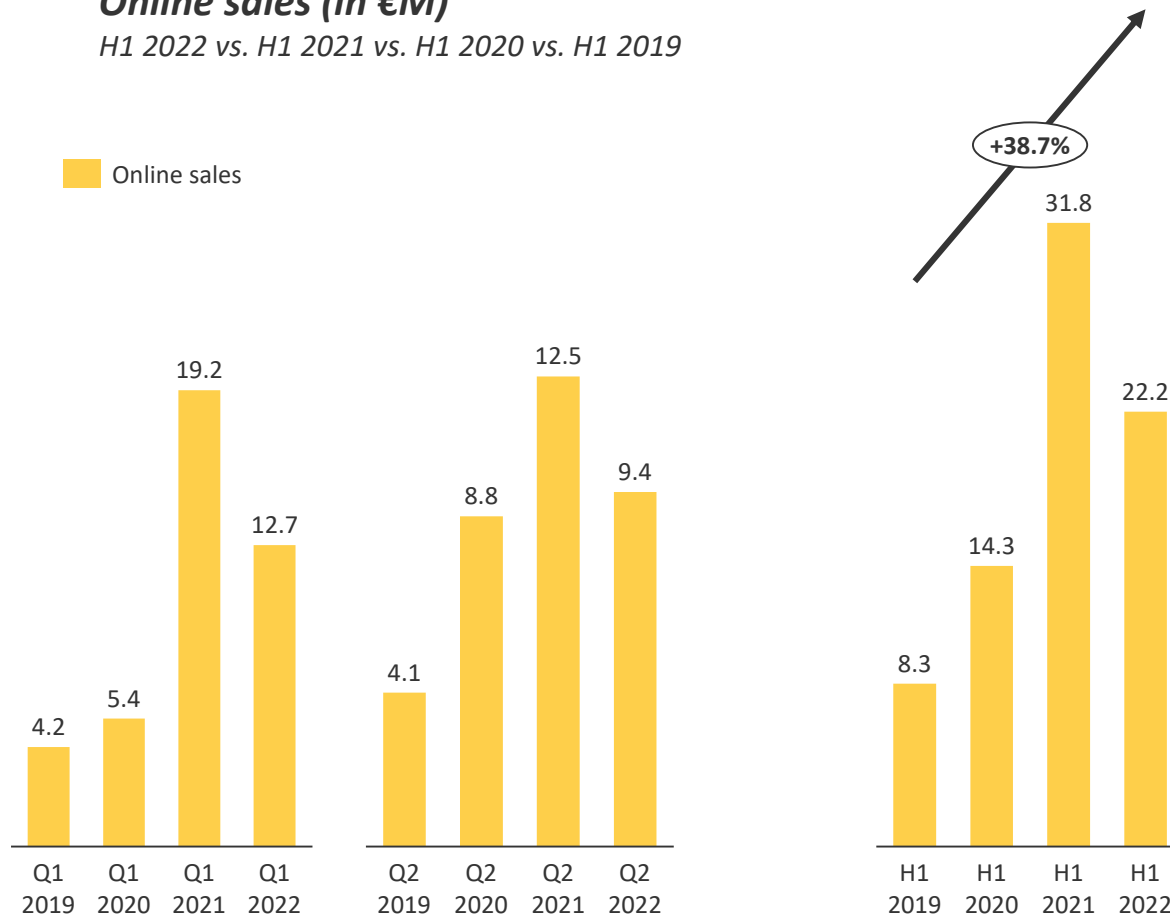
Order intake
Revenue



Online sales CAGR of 38.7% since 2019 leading to channel share of 19.7%

Online sales (in €M)

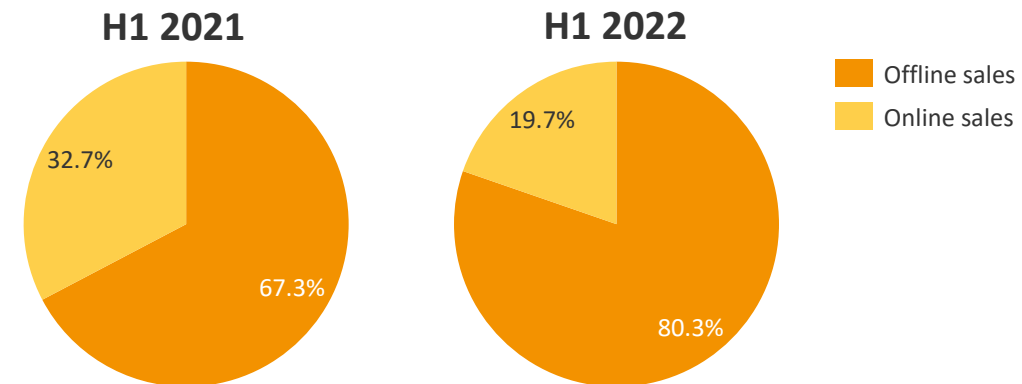
H1 2022 vs. H1 2021 vs. H1 2020 vs. H1 2019



Shift to online with strong growth compared with pre-COVID period



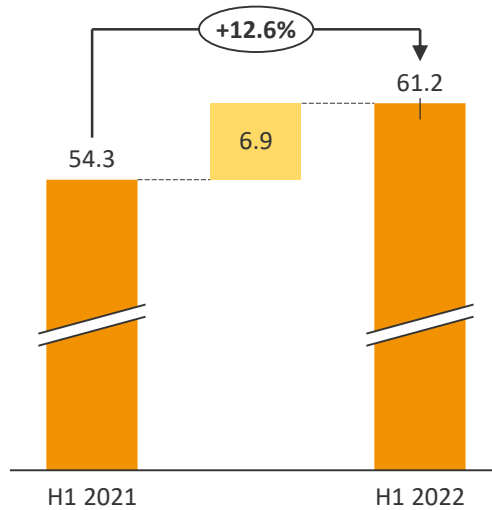
Online sales normalised compared with 2021 period



Gross profit vs operating costs

Gross profit

H1 2022 vs. H1 2021



As % of rev.

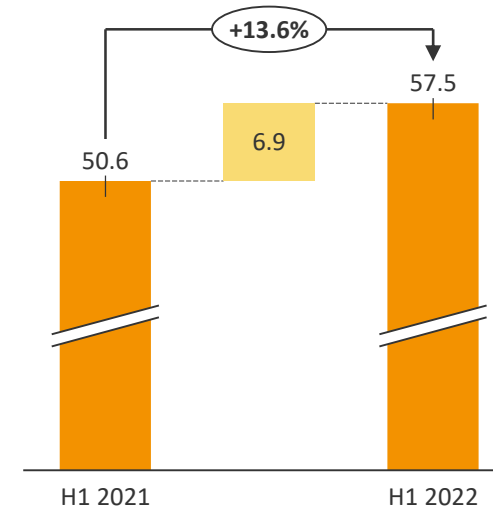
55.9%

54.4%



Operating costs (in €M)

H1 2022 vs. H1 2021



As % of rev.

52.1%

51.2%



As % of OIT

51.2%

54.0%



Operating costs

Operating costs (in €M)

H1 2022 vs. H1 2021

	H1 2022	H1 2021	Delta in %
Personnel expenses	24.2	21.7	11.3%
Depreciation, amortisation and impairment	10.0	10.0	0.6%
Other operating expenses			
<i>Sales and marketing expenses</i>	10.4	9.3	11.9%
<i>Warehousing and logistics expenses</i>	6.1	3.8	59.8%
<i>Other operating expenses</i>	6.8	5.8	17.2%
Total operating expenses	57.5	50.6	13.6%

Offline sales



Stores were reopened since mid-January compared with 2-month store closure in 2021.



Higher logistics costs due to tightening local labour markets and the use of temporary personnel.

Online sales



Higher marketing expenses to drive online sales whilst the offline stores were closed.

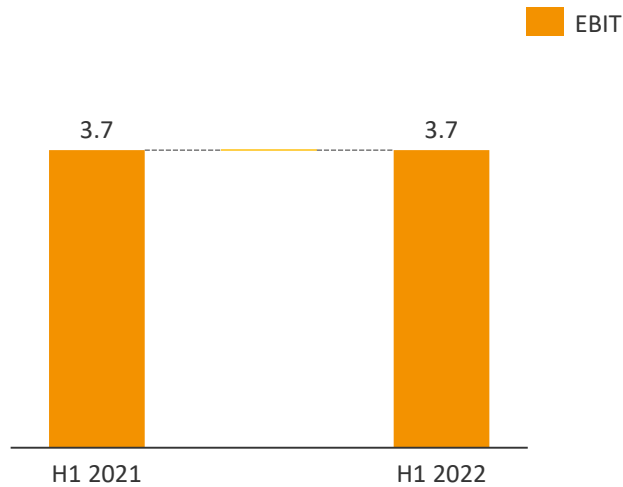


Higher logistics costs associated with the fully operational e-DC in Veghel to facilitate further online sales growth.

EBIT of € 3.7M and EBITDA of € 13.7M equal to 2021

EBIT from continuing operations (in €M)

H1 2022 vs. H1 2021



As % of rev.

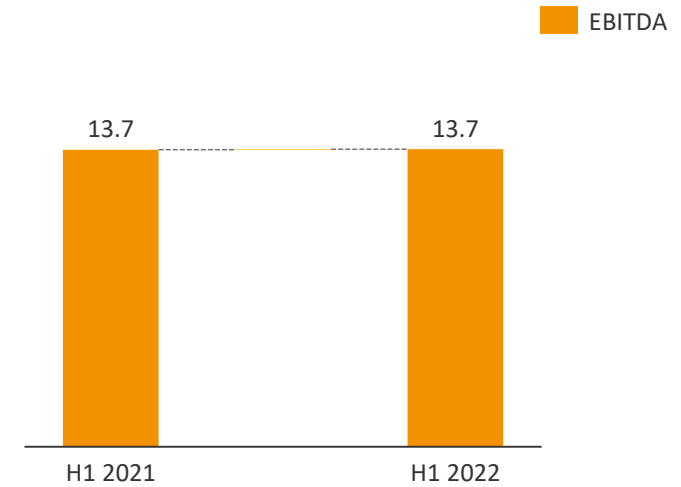
3.8%

3.3%



EBITDA from continuing operations (in €M)

H1 2022 vs. H1 2021



As % of rev.

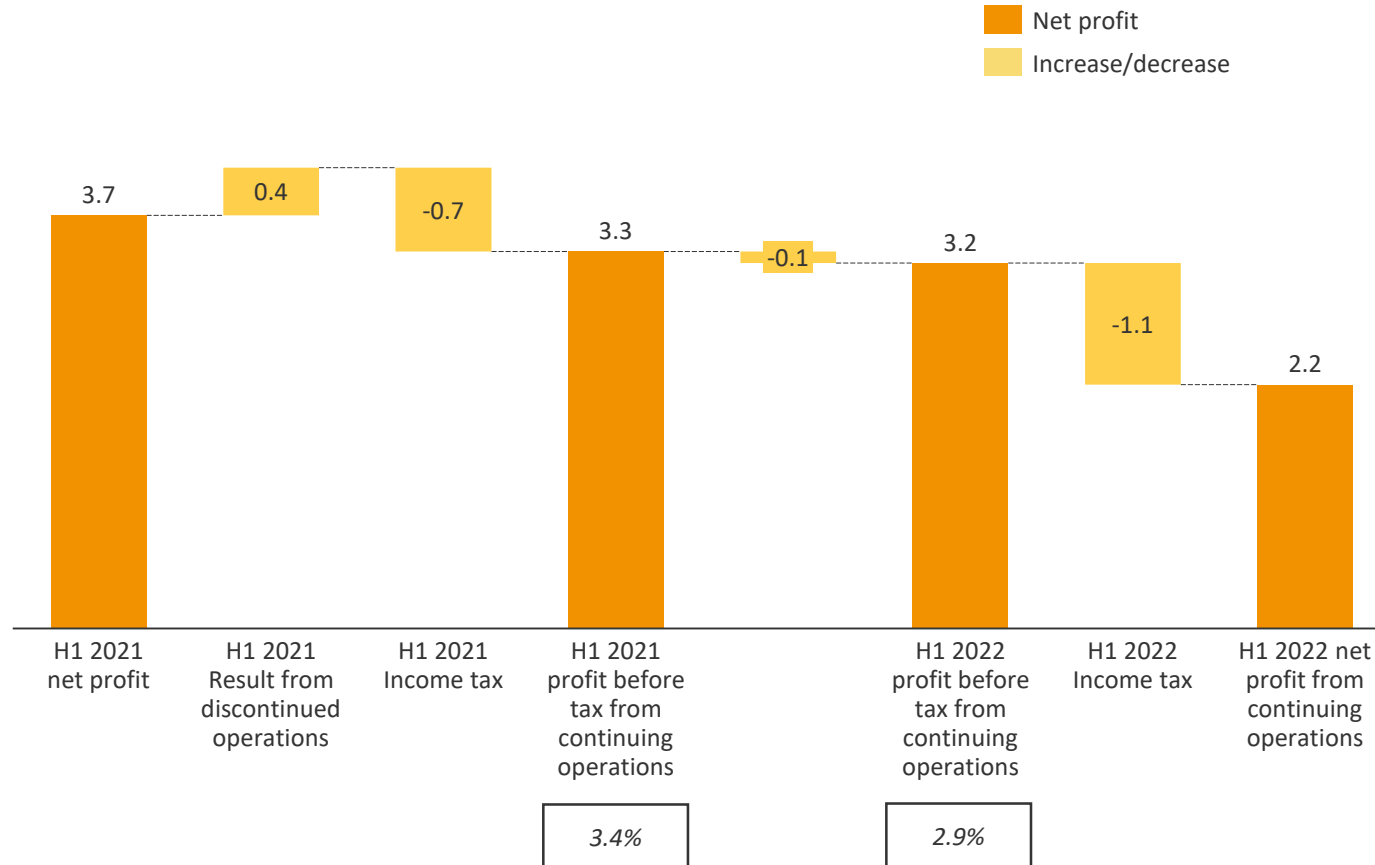
14.1%

12.2%



Profit before tax of € 3.2 million

Group net profit (in €M)



Profit before taxation to net income bridge (in €M)

H1 2022 vs. H1 2021

	H1 2022	H1 2021
Profit before taxation	3.2	3.3
Income tax (expense)/gain	-1.1	0.7
H1 2021 loss from discontinued operations	0.0	-0.4
Net income	2.2	3.7

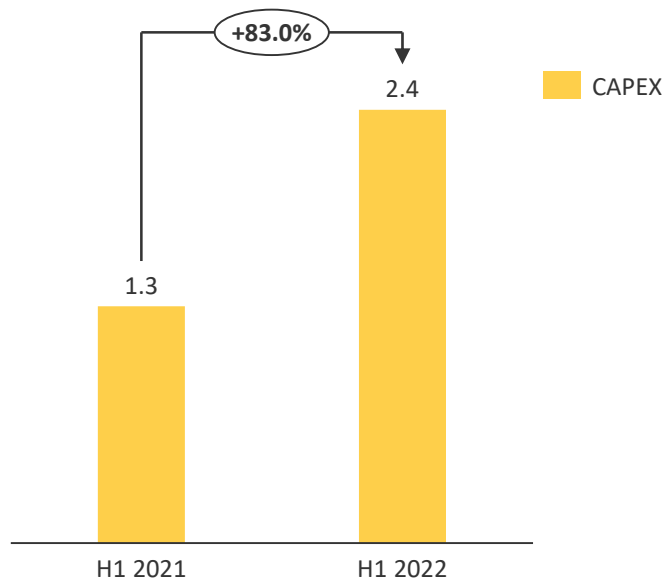
Earnings per share (in €)

H1 2022

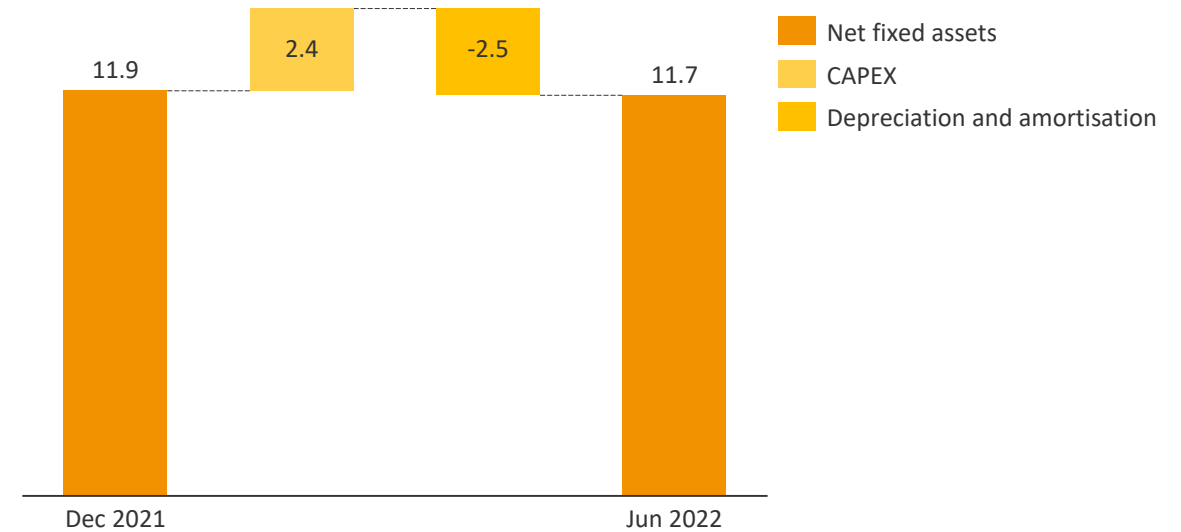
Earnings per share from all operations	€ 0.08
Earnings per share from continuing operations	€ 0.08

CAPEX

CAPEX (in €M)
H1 2022 vs. H1 2021



Net fixed assets* (in €M)
H1 2022 vs. H1 2021

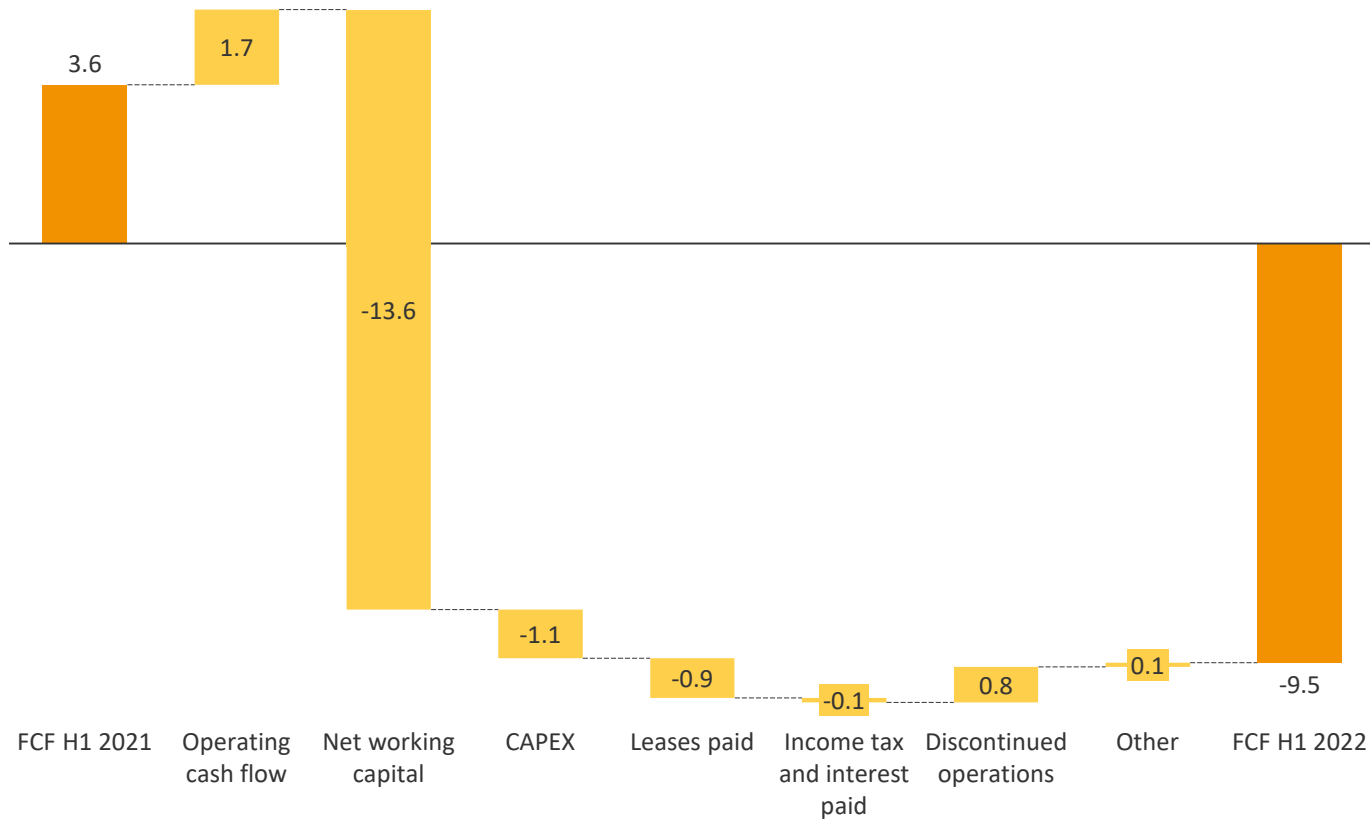


*) Net fixed assets is defined as non-current assets less right-of-use assets less non-current lease receivables less deferred tax assets.

Free Cash Flow Bridge and Net Working Capital

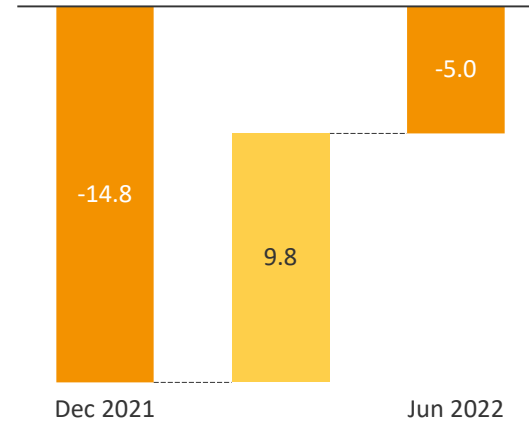
Free cash flow bridge (in €M)

H1 2022 vs. H1 2021



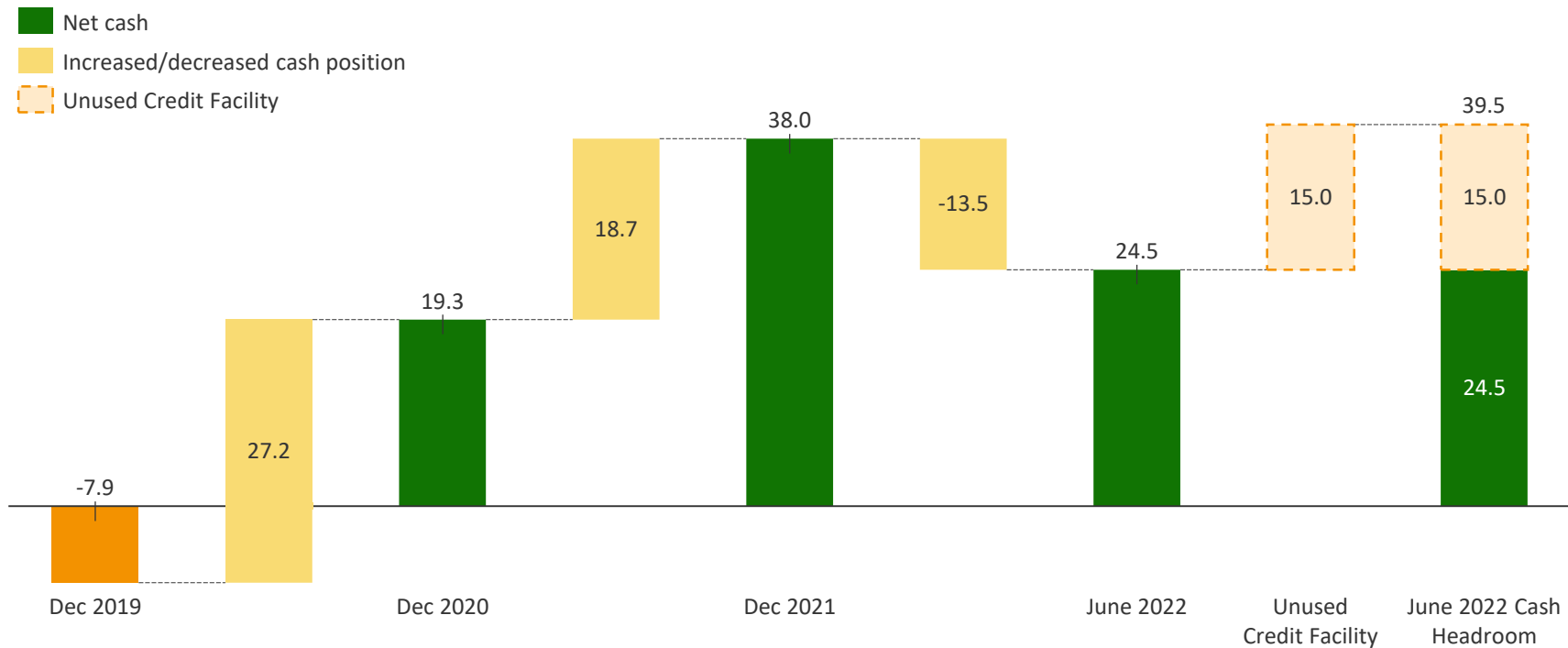
Net working capital (in €M)

30 Jun 2022 vs. 31 Dec 2021



Net cash development

Net debt/cash development (in €M)



Outlook

- Solid sales growth in 1H 2022, however Q2 softer mainly due to strong comparison base Q2 2021.
- Macroeconomic uncertainty and difficult labour market continue to concern us.
- Remain confident in ability to increase full year revenues in 2022 compared to 2021.
- Gross margin towards the end of the year expected to remain stable compared to 2021.
- Increased capex in 2022 to support accelerated revenue growth as set out in our 2025 strategy.
- Expect retail sector to be impacted by low consumer spending due to uncertainties in the market, however we are confident BBH is resilient in character and ideas and on track to realise 2025 targets.

Agenda

H1 2022 Business

John Kruijssen

H1 2022 Financials

Gabrielle Reijnen

Q&A



BetterBed
holding



Q&A

BeterBed
holding



Thank you for your attention