Press release

Uden, the Netherlands, 20 January 2023

Beter Bed Holding continued growth in Q4 leading to solid FY 2022 sales

Highlights

- Q4 sales amounted to € 62.7 million (+3.5% vs Q4 2021; +15.3% vs Q3 2022), resulting in FY2022 sales of € 229.4 million (+7.1%)
- Online sales up 12.8% in Q4 (vs Q4 2021), leading to an online channel share of 16.9%, compared to a channel share of 15.5% in Q4 2021, leading to a full year online channel share of 18.3%
- Like-for-Like order intake Q4 increased by 17.3%, resulting in an increased order book of € 23.1 million (+16.2% vs 30 September 2022)
- Overall order intake and sales for DBC above last year for independent retail and Beter Bed combined
- Number of strategic initiatives launched in Q4, with second Beter Bed Experience realised in Eindhoven in December

€ million	Sales 2022 Q4				
	Sales 2022 Q4	% Growth vs. 2021 Q4	LFL sales growth vs. 2021 Q4	LFL order intake growth vs. 2021 Q4	Online sales as % of total sales
Benelux	**58.9**	4.4%	4.3%	17.0%	**17.4%**
New Business	**3.8**	-7.8%	-7.8%	21.0%	**8.7%**
Total	**62.7**	**3.5%**	**3.5%**	**17.3%**	**16.9%**

€ million	Sales 2022 FY				
	Sales 2022 YTD	% Growth vs. 2021 YTD	LFL sales growth vs. 2021 YTD	LFL order intake growth vs. 2021 YTD	Online sales as % of total sales
Benelux	**216.1**	8.0%	7.6%	5.8%	**18.9%**
New Business	**13.3**	-6.3%	-6.3%	-7.9%	**9.2%**
Total	**229.4**	**7.1%**	**6.7%**	**4.8%**	**18.3%**

John Kruijssen, CEO of Beter Bed Holding, comments:

"We continued to deliver solid results both on- and offline in Q4 2022, despite the challenging macro-economic environment with high inflation and low consumer confidence. Our strategic initiatives keep gaining momentum. We opened a second Beter Bed Experience store in Eindhoven and have rolled out our revolutionary independent sleep advice tool, Beter Slapen ID, now in half of our store network. Our digital team is taking steps forward in improving the on-site customer experience and their culture of experimentation is helping and encouraging the rest of our company to innovate, test, experiment and learn as a way to make our business more efficient. We have taken significant steps to improve our positioning towards our sleep better, live better purpose and will continue our strategic journey to raise sleep awareness, increase spend on sleep, and create brands of choice."

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General developments

Following the third quarter with soft weather and increasing economic uncertainty, Beter Bed Holding (BBH) was able to return to sales growth during the fourth quarter of 2022, bringing growth for the year at 7.1% and the compound annual growth rate (CAGR) over the past three years to 10.7%. Despite the challenging economic circumstances during this year, BBH's total sales is now significantly above pre-COVID levels.

In light of the higher inflation, lower consumer confidence and macro-economic volatility we experienced during the year, we retained our focus on cost control, disciplined capital spend and strict cash flow management. However, we deliberately maintained high stock levels to ensure smooth deliveries to our customers. As we expect these circumstances to continue well into 2023, we will continue these measures during the year to navigate carefully through these circumstances while we continue the rollout of our strategic agenda. We intend to further increase our CAPEX spend in 2023 to implement the strategic projects as set out in our ambitious growth strategy.

Number of stores

The table below shows the development of the number of stores in 2022.

2022 Q4 YTD

Number of stores

	1-1-2022	Opened	Closed	31-12-2022
Beter Bed Netherlands	85	3	4	**84**
Beddenreus	32	0	1	**31**
Beter Bed Belgium	17	0	1	**16**
Total Benelux	**134**	**3**	**6**	**131**

Implementation progress Strategic plan

To support the strategic growth ambitions, BBH is transforming into a customer centric, digital first provider of high-quality sleep. During the fourth quarter, BBH continued the rollout of its strategic agenda with several innovations and introductions to improve its positioning.

- **The start of an expert network of sleep specialists to raise sleep awareness**
  Following the launch of the Sleep Manifesto, through which Beter Bed aims to make Dutch and Belgian people aware of the importance of sleep, Beter Bed established a network of sleep experts to support the company with scientific interpretation and advice, online content generation, and sleep innovations. The network will be instrumental in helping consumers to embrace the importance of sleep, as it has been scientifically proven that conditions such as Alzheimer's disease, cancer, obesity, and diabetes are linked to insufficient quality of sleep. A good night's sleep helps reduce stress and improves vitality.

- **Growth of social media channels**
  To position Beter Bed as a leading sleep expert on social media, we increasingly create more 'advising' content on the topic of sleep. The reach and engagement on social media channels have increased immensely, leading to a 152% growth in followers on Instagram and an increase of 73% in reach compared to last year, taking steps towards transforming the company from a pure retailer to a brand of choice.

- **Recognition for our experimentation culture**
  To cater for fast-paced evolving customer demands, BBH is embracing advanced data analytics to drive continuous learning, experimentation, and innovation. The data-driven culture embedded in our way of working is starting to be recognised and awarded. Not only was Beter Bed nominated for the Experimentation Culture Awards, which is an achievement by itself, the team also won the DDMA CRO Award for Conversion for the continuous testing and optimisation in everything that is being developed. This way of working is starting to affect the whole company, with a number of teams starting similar initiatives.

- **Second Beter Bed Experience store**
  Following the success of the first Beter Bed Experience store, a second Experience store in Eindhoven Ekkersrijt has been realised in December 2022, with the official opening planned for February 2023. The store contains all of the best practices tested in the Experience store in Groningen, such as the Beter Slapen ID, our newest collections and the in-store technological advancements. As a result of the remodelling of the existing Beter Bed store to the Experience store, the neighbouring Beddenreus location has also been updated towards the new Beddenreus formula.

Financial / operational review Q4 2022

Benelux

Benelux further improved order intake and showed 4.4% sales growth compared to last year's fourth quarter. Once again, Beter Bed experienced a very successful commercial program in Q4, with a strong Black Friday period and in which M line was able to increase sales significantly.

To sharpen the in-store experience, the Beter Slapen ID configuration was rolled out to over 40 Beter Bed stores during 2022. All these stores have seen an uplift in customer satisfaction (Net Promoter Score), ticket value and conversion rate and showed lower product returns, in line with the in-depth tests done at the first store in Groningen (Sontplein). In the first six months of 2023 the remaining network will be completed.

The online customer experience has also been significantly improved, as we continue to build out our product offering. We have rich product and sleep content, an online-only collection and improved personalised targeting. Furthermore, Beter Bed has introduced a Marketplace specific assortment, which is starting to get traction. The newly introduced Kårlsson box spring and Beddenreus box spring and bedding collection have already proven to be successful assortment updates, resulting in additional customer demand and higher average order values.

New Business

DBC recorded a decrease of sales in Q4 of 2022 of 7.8% compared to the same quarter last year. This was mainly driven by a decline of sales in the wholesale channel to independent retailers.

In November, DBC gained prominent exposure at the Brussels Furniture Fair, where the first Air Tulip M line headboard was introduced – a unique high-tech headboard with an integrated air purification system. DBC was able to close a number of new contracts with B2B customers for M line as well for the Simmons brand at the trade fair.

Full results

BBH will publish its financial year 2022 results on 10 March 2023.

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About Beter Bed Holding

Beter Bed Holding (BBH) is the Netherlands' leading sleep specialist in retail, wholesale and B2B.

Our mission is simple. *We believe that the better we sleep, the **happier**, **healthier** and **more productive** we are. And we won't rest until everyone gets the high-quality sleep they deserve.*

Listed on Euronext Amsterdam, BBH operates the successful retail brands Beter Bed, Beddenreus, the new subscription brand Leazzzy and the digital organisation LUNEXT. In addition, through its subsidiary DBC International, BBH has a wholesale business in branded products in the bedroom furnishings sector, which includes the well-known international brands M line and Simmons.

With 4 distribution centres, a fleet of 80 vehicles, 131 stores, a fast-growing online presence, and a wholesale company our team of over 1,000 dedicated employees generated € 229.4 million revenue in 2022.

Providing expert sleep advice is at the very heart of our strategy, and thanks to our revolutionary 'Beter Slapen ID' tool, our sleep consultants help customers to get the perfect night's sleep. BBH is proud that M line is the official sleep supplier of AFC Ajax, TeamNL, Jumbo-Visma, NOC*NSF and the KNVB.

For more information

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