



Sleep better, live better

In focus

2022 Annual Results

BetterBed  
holding

# Agenda

**2022 Business**

**John Kruijssen**

2022 Financials

Gabrielle Reijnen

2023 Outlook

John Kruijssen

Q&A





## Disclaimer

Some statements included in this report contain forward-looking statements. These statements may relate to or may affect future matters concerning future results, strategies or business plans, but may also include the impact of regulatory initiatives on the operation of BBH. Forward-looking statements may, without limitation, include words like “believes”, “intends to”, “expects”, “anticipates”, “will”, “may”, “could”, “should”, “intends”, “estimate”, “plan”, “goal”, “target”, “aim”, “remain confident” or expressions similar to those. These forward-looking statements rely on a number of assumptions concerning future events and are subject to uncertainties and other factors, many of which are outside the control of BBH and that could cause actual results to differ materially from such statements. A number of these factors are described (not exhaustively) in the 2022 Annual Report. All forward-looking statements and ambitions stated in this press release that refer to a growth or decline, refer to such growth or decline relative to the situation per 31 December 2022, unless stated otherwise. This press release contains information that qualifies as inside information in the sense of Article 7 paragraph 1 of the EU Market Abuse Regulation.

# Solid 2022 financial results during challenging macroeconomic circumstances

Sales growth of +7.1% to € 229.4 million (2021: € 214.2 million) with gross profit increase of +7.0% to € 126.4 million at stable gross margin of 55.1%

Continued strong performance with Compound Annual Growth Rate (CAGR) over FY2019 to FY2022 of +10.7% in sales and +10.1% in order intake

Underlying EBITDA and underlying EBIT of € 30.7 million (2021: € 32.8 million) and € 10.6 million (2021: € 14.5 million) respectively

Order book at € 23.1 million (+16.2% compared with 30 September 2022)

Strong cash position at year-end 2022 of € 37.7 million (€ 38.0 million at year-end 2021) and financing facilities of € 30 million to support further implementation of strategic plan and the pursuit of potential growth opportunities

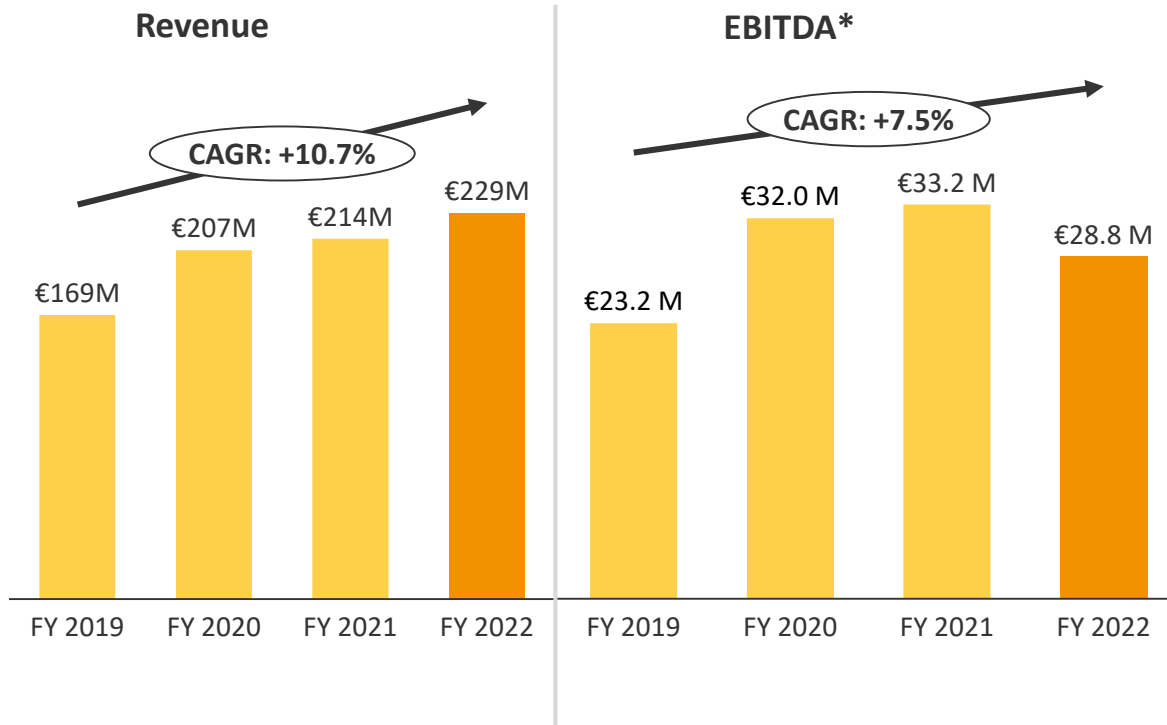
Proposed cash dividend of € 0.15 per ordinary share

Accelerated rollout of strategic agenda and well on track to reach 2025 targets

Outlook 2023: based on the strong start to 2023, BBH expects a further increase of revenues with gross margin anticipated to be in line with the margin over 2022

# Strong revenue growth

## Core BBH financials



## Benelux



Order Intake  
+ 5.8% LFL



Revenue  
+ 8.0%



Stores  
**131**



FTE  
**891**

## New business



Order Intake  
- 7.9% LFL



Revenue  
- 6.3%



Stores  
**2**



FTE  
**20**

\*) EBITDA is defined as operating profit (EBIT) adjusted for depreciation, amortisation and impairments. Comparative years have been adjusted to represent continuing operations.

## Our strategic avenues for growth



**Sustainability as a key enabler**

# Beter Bed Experience Store – Eindhoven Ekkersrijt

- ✓ **Interactive pillow wall**  
Grab a pillow and more information will appear on screen
- ✓ **Rebranding of Kärslsson**  
New shop stand representing the renewed look and feel
- ✓ **Beter Slapen ID**  
Objective data-driven mattress advice
- ✓ **Emma Motion**  
Enjoy an exclusive AI introduction to Europe's first smart mattress.



# Online growth on track with our 2025 ambitions



**LUNEXT culture** has sparked change across the business, with multiple awards won on **experimentation way of working**.



**Advanced analytics** introduced to better understand customer behaviour and optimise customer journeys to **grow conversion rate**.



Introduction of box spring configurator and tools have resulted in higher average order value and **double-digit online NPS growth**.



**SEO improvement plan** has resulted in better organic positions, attracting customers to our websites.



Introduction of **Marketplace specific assortment** Alpine Plus to enable international growth.



**e-DC optimisations**, quick scan of opportunities were implemented before black Friday in 2022.

Traffic

-

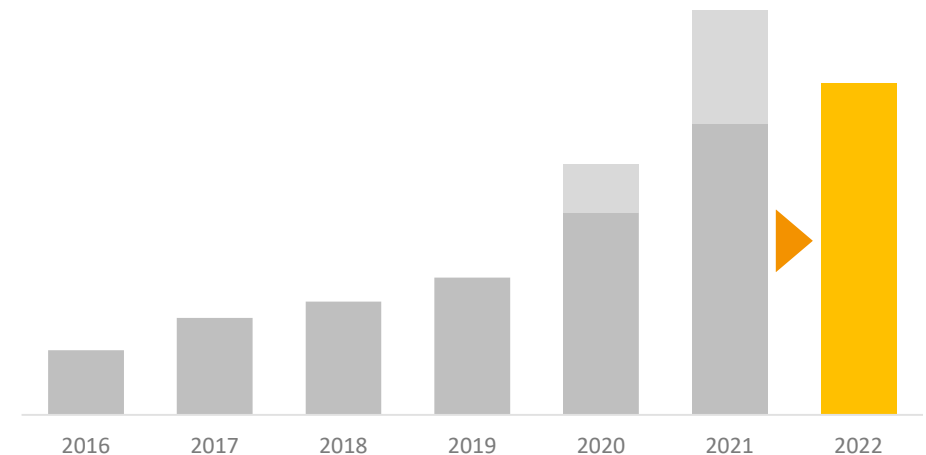
Conversion

+

AOV

+

## Online sales growth normalised in 2022



\* The impact of the store closures in 2020 and 2021 on online sales is indicatively shown.



# Supply chain stability and continuous sourcing improvements

## Supply Chain Strategic Development

### New DC Uden

- Design & regulatory
- Warehouse layout
- Drawing up main logistics blueprint

### Mechanisation & Robotisation

- Identify opportunities to mechanise / robotise logistics processes
- Investigate technological, functional and financial feasibility

### New WMS

- Project plan with requirements
- Selection of a new WMS for the new DC

### Optimising our eDC

- Implementation of a quick scan aimed at optimising logistic operations
- Detailing a practical implementation plan



## Supply Chain & Sourcing improvements

- First benefits of vertical integrations by introducing Karlsson assortment
- Improved NPS for delivery
- Own developed bedding textile assortment shows large potential
- Partnerships with suppliers strengthened during 2022 supplier day

# DBC International expands its activities and territories



## Wholesale Benelux

- Strong brands
- More sustainable collections
- Addition of Simmons



## Wholesale International

- Partner with large retail chains
- International sales representatives



## Business to Business

- Growth in B2B segment expected
- Specific business collections
- New B2B Managers



## Online D2C

- Own brands websites
- International Marketplaces



## Sponsorships



# Our sustainability pillars



			2021	2022	2023*
<b>Unisex</b>					
Duration for better sleep	% of mattresses purchased after using Beter slapen ID	%	n.a.	58%	70%
Community engagement	% investment in sponsoring (of marketing budget)	%	3.9%	2.8%	no target applicable
Sustainable operations	% waste recycled	%	93%	89%	>95%
	CO <sub>2</sub> emissions	Tonnes	6,237	2,252	-75%
	Energy consumption (TJ)	%	76	73	-20%
	% renewable energy	%	0%	100%	>75%
	% electrical fleet	%	3.4%	5.1%	>30%
<b>Safe</b>					
Human rights & supply chain	% suppliers who signed the code of conduct <sup>1</sup>	%	81%	100%	100%
	% suppliers audited	%	n.a.	n.a.	100% <sup>2</sup>
Diversity & Inclusion	Gender diversity extended management team	%	43%	43%	>40%
	Gender diversity Management Board	%	29%	30%	>33%
Learning & development	# hours training per employee	#	50%	50%	no target applicable
	Number of employees to have received a promotion	#	16h <sup>3</sup>	53	10% of total FTE
Employee safety & wellbeing	Sick leave	%	68	5.3%	5.3%
	Accidents	%	5.5%	12	0
	Near misses	%	9*	0	0
<b>Impact</b>					
Product development	More sustainable products	%	15%	16%	45-52%
Materiality for reuse and recycling	% of mattresses returned for recycling	%	11%	13%	25%
Sustainable packaging	% of packaging recycled	%	96%	96%	>95%

Legend: ● New, ● Maintained

\* Definition changed: suppliers with >20k purchase value in reporting year



# Sustainability



## CSR strategy

- Part of Senior Leadership remuneration targets
- On track with CSRD & EU taxonomy



## CO<sub>2</sub> emissions

<b>2022</b>	<b>2,252 tonnes</b>
2021	6,237 tonnes



## Sleep Manifesto

- Signed by suppliers & competition
- Continue to raise sleep awareness



## Code of Conduct signed

<b>2022</b>	<b>100%</b>
2021	81%



## Percentage of more sustainable products

<b>2022</b>	<b>16%</b>
2021	15%



## % of mattresses returned for recycling

<b>2022</b>	<b>13%</b>
2021	11%



## Our purpose



As part of our strategy, we developed **our purpose**, which encapsulates the spirit of our mission in a simple and customer-friendly way:

**Sleep better, live better.**

## Our strategic objectives as per our *Sleep better, live better* purpose



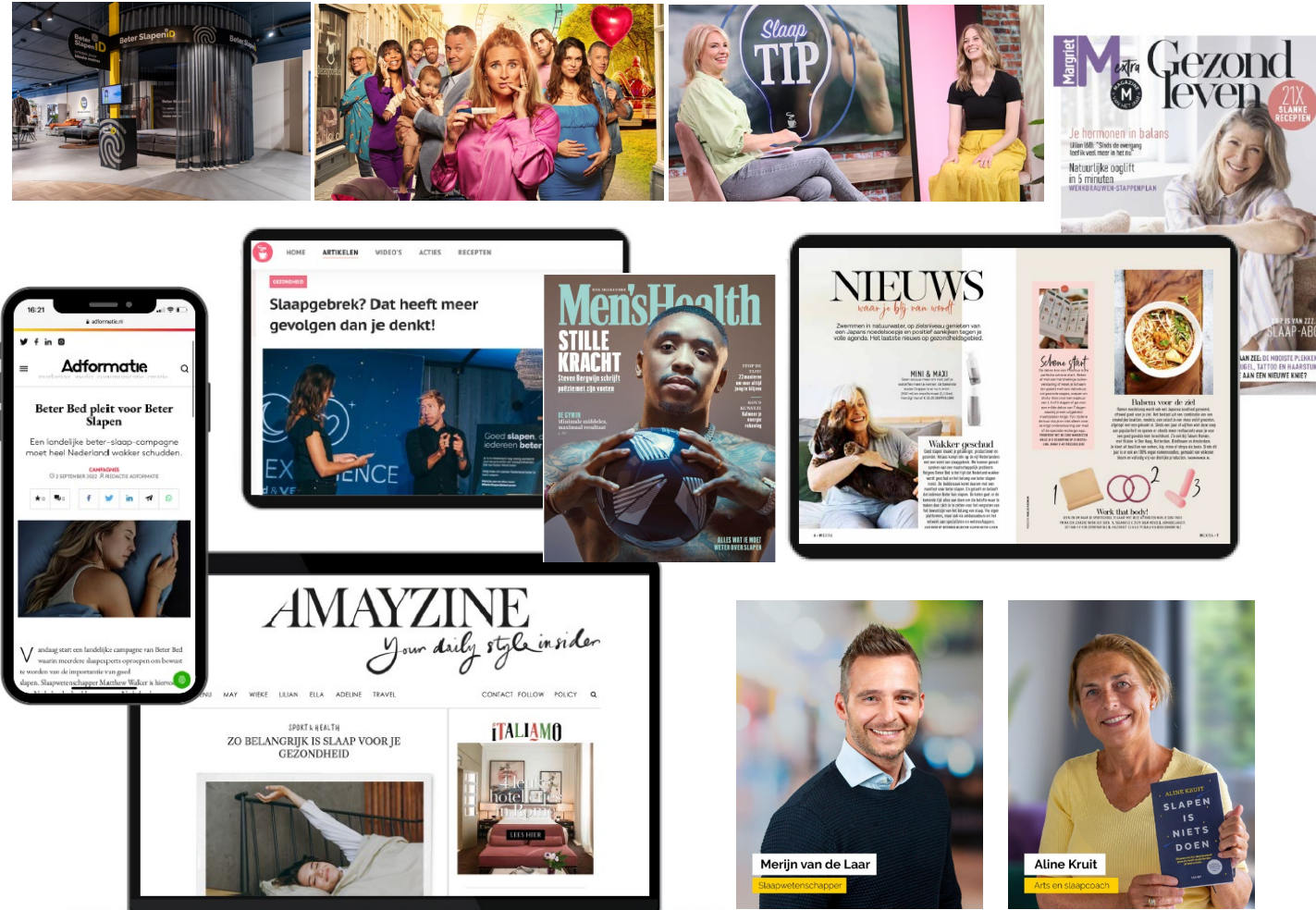
# Highlights of 2022



**2022**  
**highlights**

# 1. Raise awareness about sleep as the third pillar of health

- ✓ Beter Slapen ID
- ✓ Expert network with sleep scientists
- ✓ Sleep event in September
- ✓ Partnerships with media
- ✓ Thought leadership in sleep domain





## 2. Become a brand of choice: building a strong portfolio of brands

<p>Strong Retail &amp; wholesale brands</p>			
<p>Value for money private label brands</p>	  	   	  
<p>Enticing A - brands</p>	 	       	

### 3. Become an employer of choice



#### Employee Engagement

- Engagement Survey
- Newly introduced happy@work app



#### Work environment

- Safe work environment
- Inclusive work environment



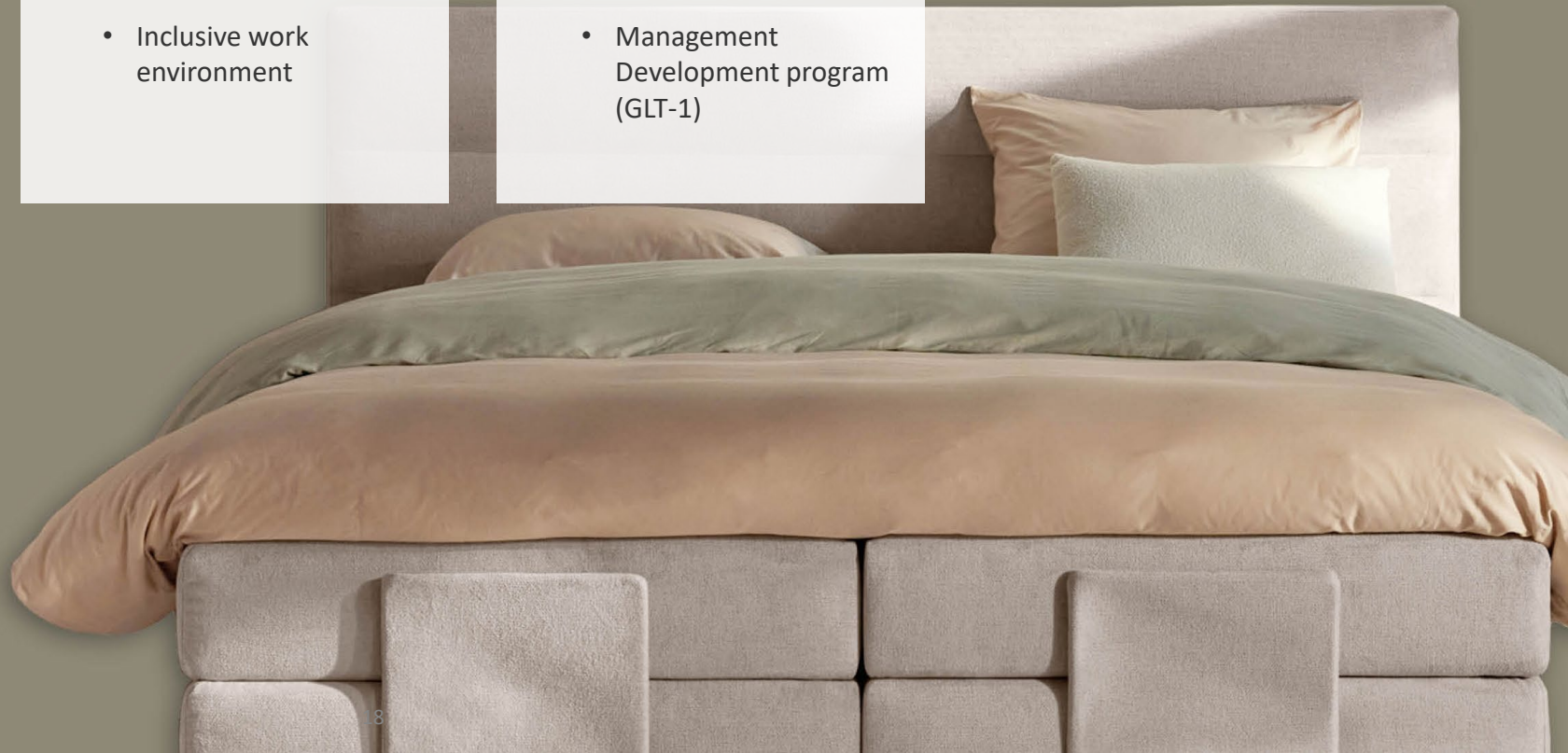
#### Talent

- Talent review
- Management Development program (GLT-1)



#### Sleep for employees

- Sleep training
- Sleep Analyzer



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# Key figures FY 2022

FY 2022 vs FY 2021 figures (continuing operations)

BBH GROUP		BENELUX	NEW BUSINESS
Revenue	<b>229.4</b> mEUR +/- 7.1 %	Gross margin	<b>55.1%</b> 0.0 %pt
		LFL order intake growth	<b>5.8%</b>
Underlying EBITDA	<b>30.7</b> mEUR -/- 2.1 mEUR	Revenue	<b>216.1</b> mEUR +/- 8.0%
			LFL order intake growth <b>-/-7.9%</b>
Underlying EBIT	<b>10.6</b> mEUR -/- 3.9 mEUR	Revenue	<b>13.3</b> mEUR -/- 6.3%
Free Cash Flow	<b>3.8</b> mEUR	Online channel share	<b>18.9%</b>
Net Cash	<b>37.7</b> mEUR		Online channel share <b>9.2%</b>
Online channel share	<b>18.3%</b>		

\*) Underlying EBIT is defined as operating profit (EBIT) adjusted for acquisition and divestment related costs, incremental operating costs, restructuring costs, share-based compensation costs, and other income.

\*\*) Underlying EBITDA is defined as underlying EBIT adjusted for depreciation, amortisation and impairments.

\*\*\*) Free Cash Flow is cash from operating activities less investments/sale of PPE and intangible assets, less payments of lease liabilities, and less interest paid.

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

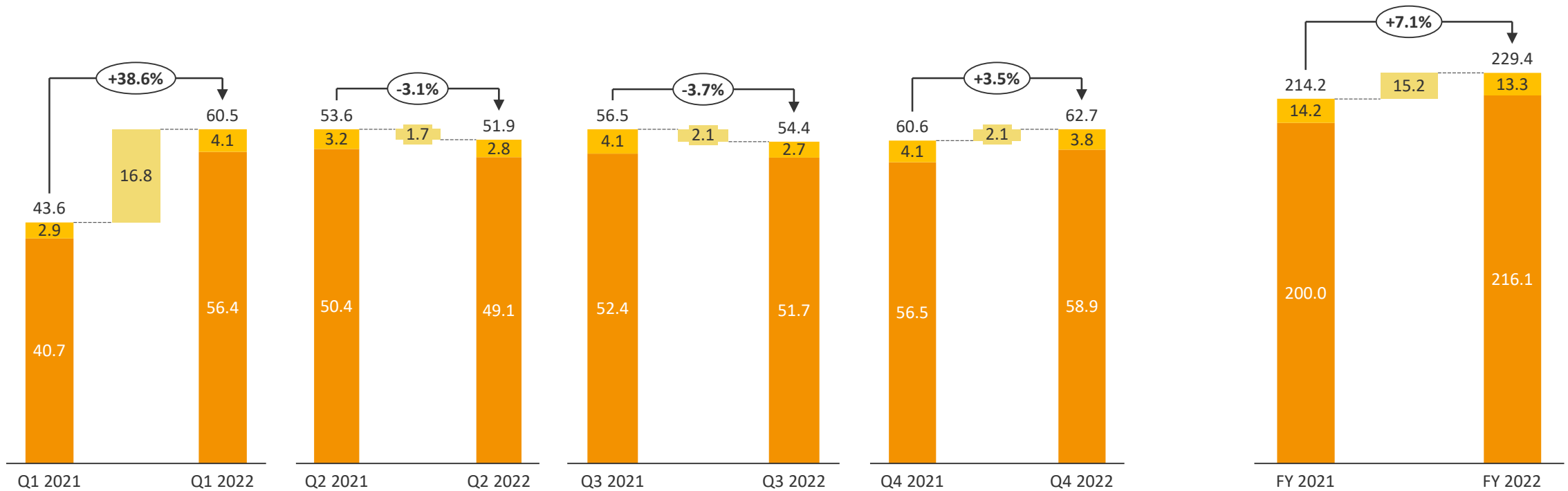


# Revenue increased 7.1% to € 229.4M

## Revenue development (in €M)

FY 2022 vs. FY 2021

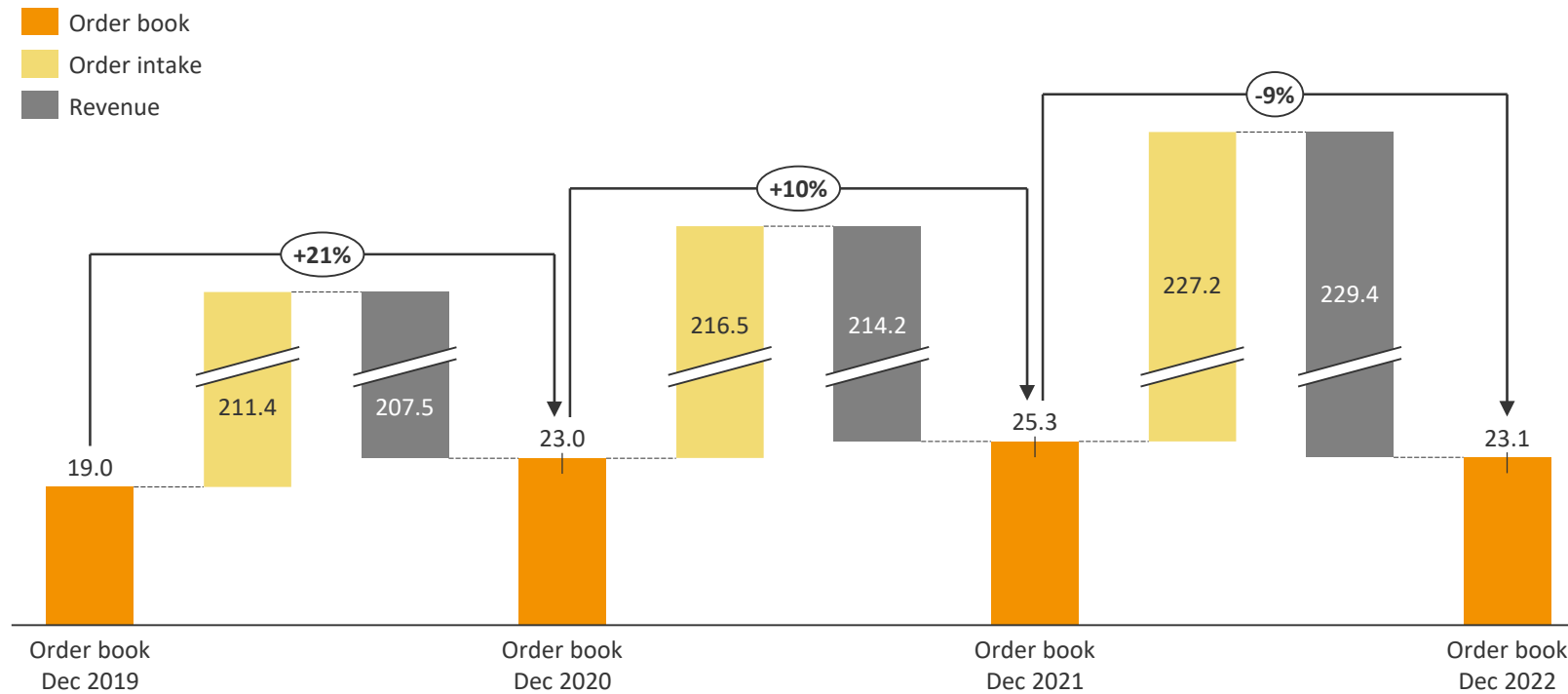
■ New business  
■ Benelux  
■ Increase/decrease



# Order book remains strong at € 23.1M

## Order book development (in €M)

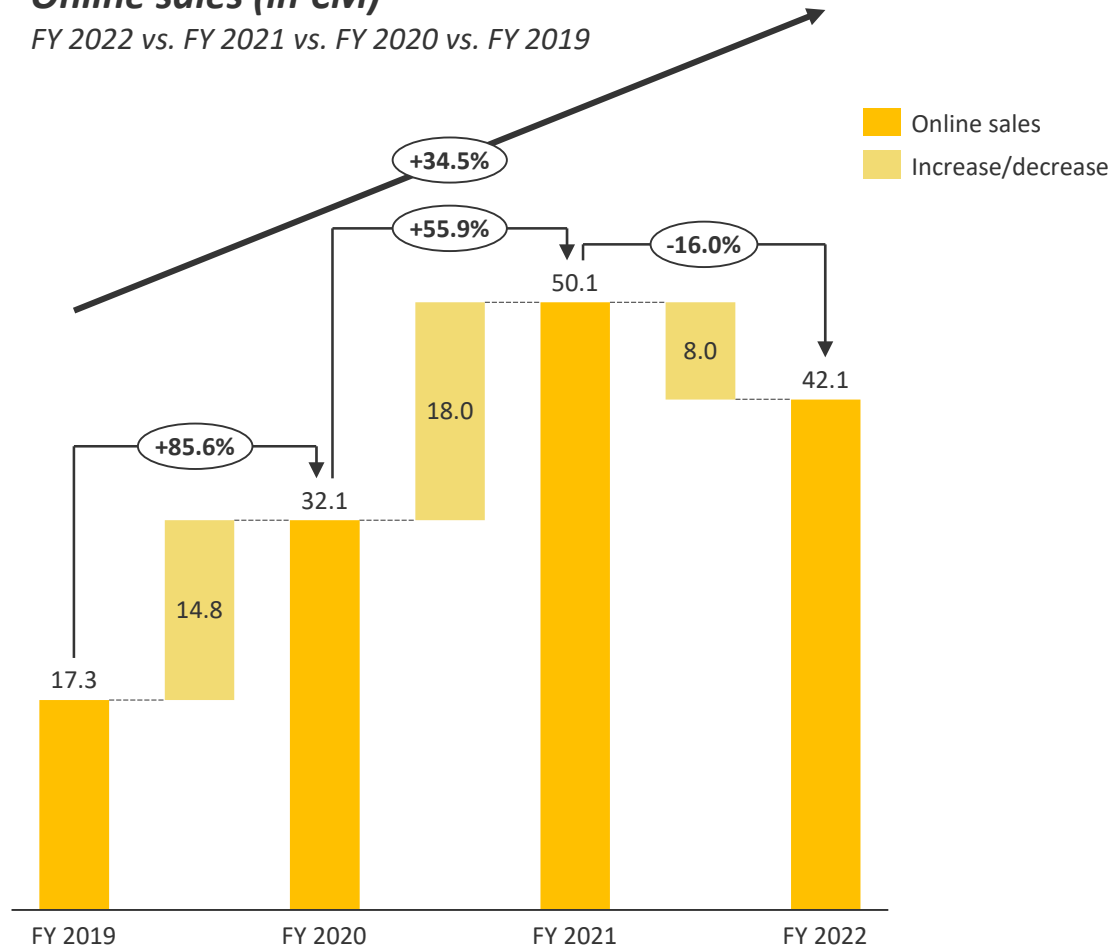
FY2022 vs. FY 2021 vs. FY 2020 vs. FY 2019



# Online sales normalised to € 42.1M (18.3% channel share)

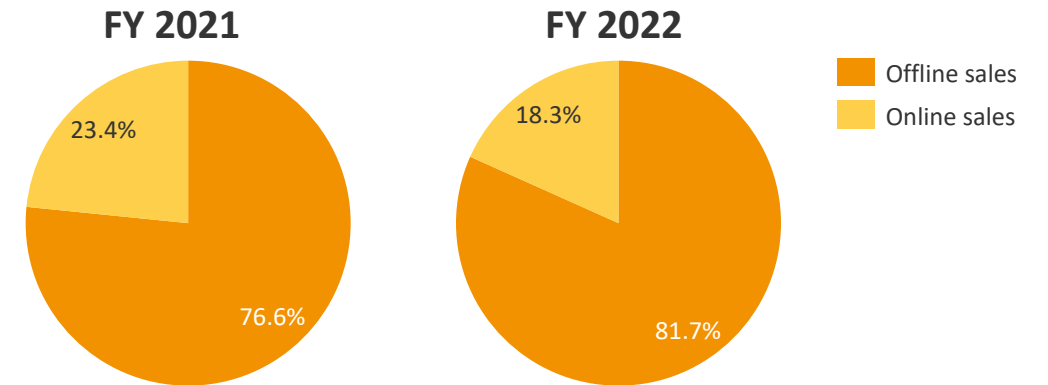
## Online sales (in €M)

FY 2022 vs. FY 2021 vs. FY 2020 vs. FY 2019



## Online channel share

FY 2022 vs. FY 2021

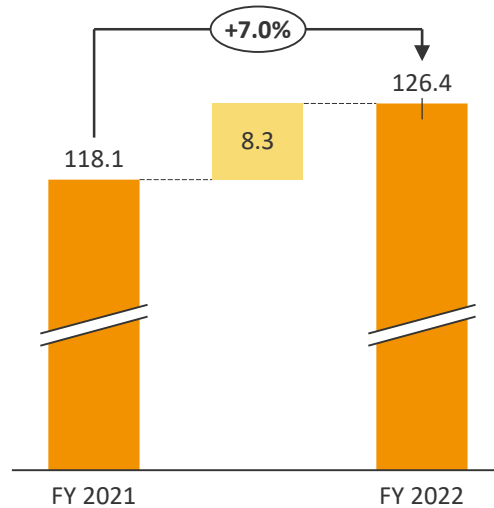


# Gross profit vs operating costs

## Gross profit (in €M)

FY 2022 vs. FY 2021

■ Total  
■ Increase



As % of rev.

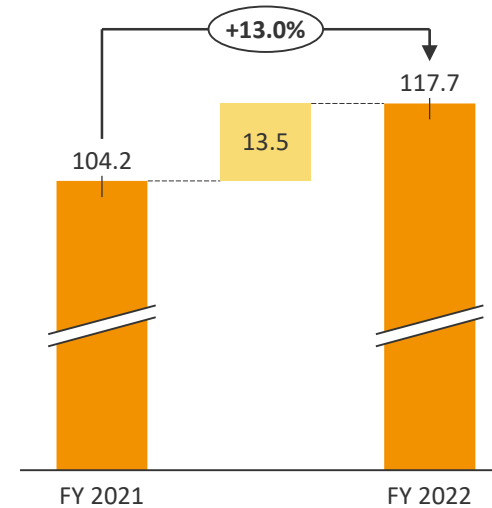
55.1%

55.1%



## Operating costs (in €M)

FY 2022 vs. FY 2021



As % of rev.

48.6%

51.3%



As % of OIT

48.1%

51.8%





# Operating costs

## Operating costs (in €M)

FY 2022 vs. FY 2021

	FY 2022	FY 2021	Delta in %
Personnel expenses	49.5	43.9	12.8%
Depreciation, amortisation and impairment	20.1	18.4	9.5%
Other operating expenses			
<i>Sales and marketing expenses</i>	20.5	18.2	12.5%
<i>Warehousing and logistics expenses</i>	8.9	8.3	7.2%
<i>Other operating expenses</i>	18.7	15.4	21.4%
<b>Total operating expenses</b>	<b>117.7</b>	<b>104.2</b>	<b>13.0%</b>

Higher personnel expenses due to tightening local labour markets, the use of temporary personnel, and non-cash share-based compensation.

Increase in depreciation, amortisation and impairment driven by higher depreciation charges related to the right-of-use assets.

Further marketing investments to grow our online and offline order intake.

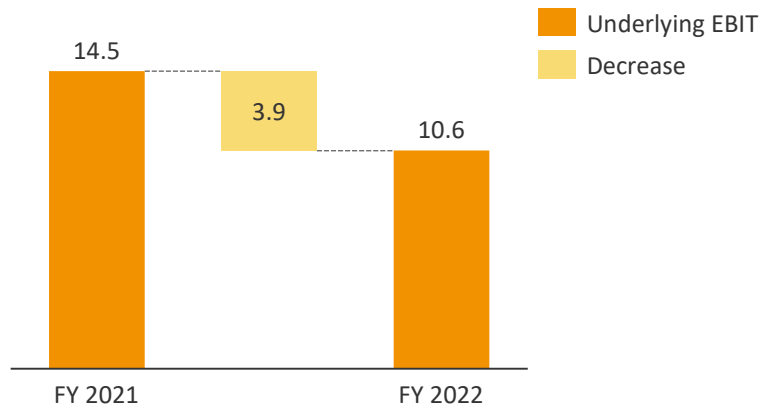
Warehouse and logistics expenses associated with the higher revenue volume and following the opening of our e-DC in Veghel.

Other operating expenses increased associated with higher housing and electricity costs and the further implementation of our strategy.

# Underlying EBIT of € 10.6M and underlying EBITDA of € 30.7M

## Underlying EBIT (in €M)

FY 2022 vs. FY 2021



As % of rev.

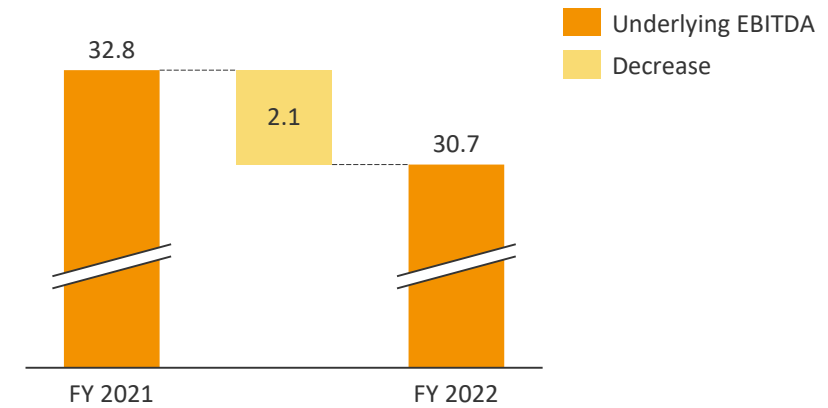
6.7%

4.6%



## Underlying EBITDA (in €M)

FY 2022 vs. FY 2021



As % of rev.

15.3%

13.4%

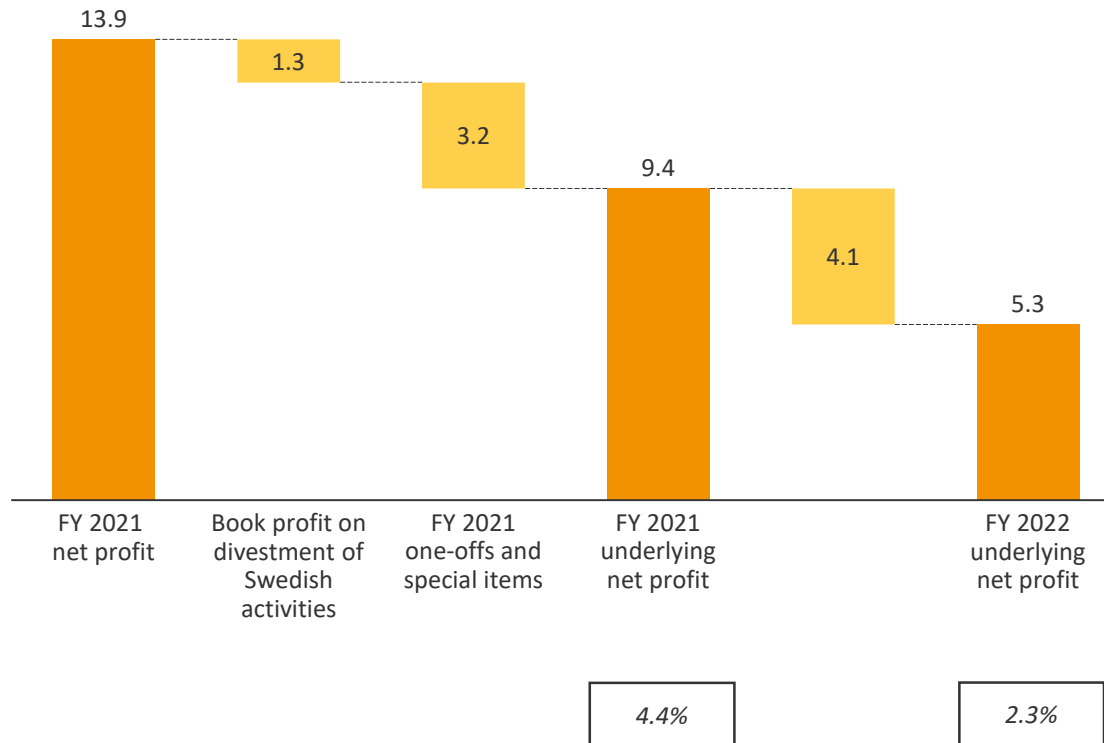


Underlying EBIT is defined as operating profit (EBIT) adjusted for acquisition and divestment related costs, incremental operating costs, restructuring costs, share-based compensation costs, and other income.

Underlying EBITDA is defined as underlying EBIT adjusted for depreciation, amortisation and impairments.

# Group net profit of € 5.3M

## Group net profit (in €M)



## Earnings per share (in €)

FY 2022

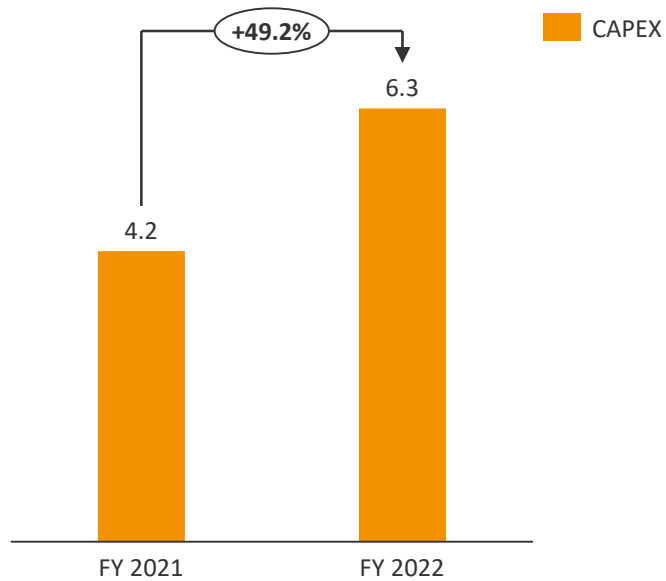
Earnings per share from all operations	€ 0.19
Earnings per share from continuing operations	€ 0.19

Underlying net profit is defined as net profit adjusted net for tax for significant one-offs and special items.

# CAPEX

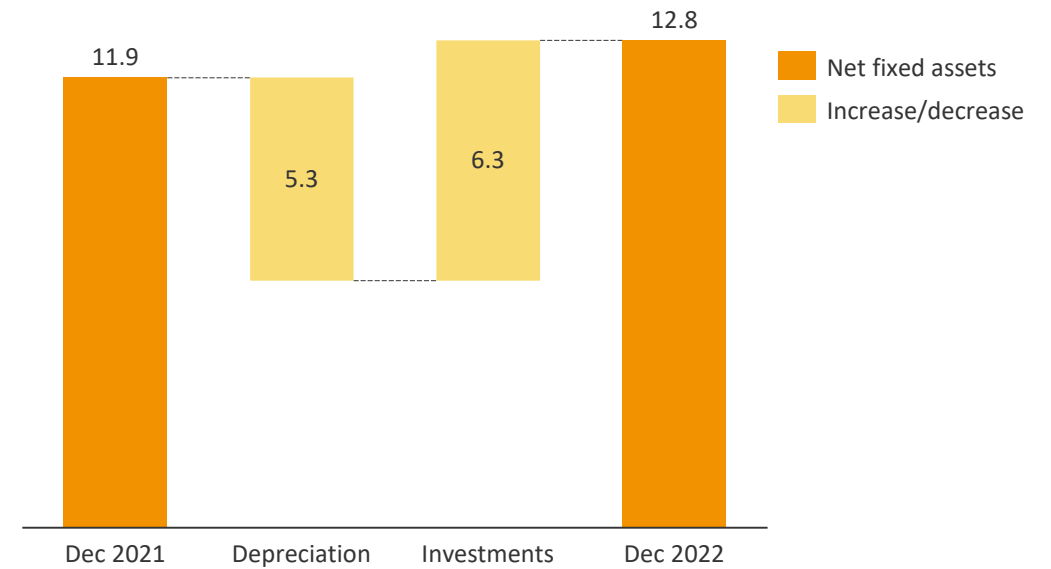
## CAPEX (in €M)

FY 2022 vs. FY 2021



## Net fixed assets (in €M)

FY 2022 vs. FY 2021



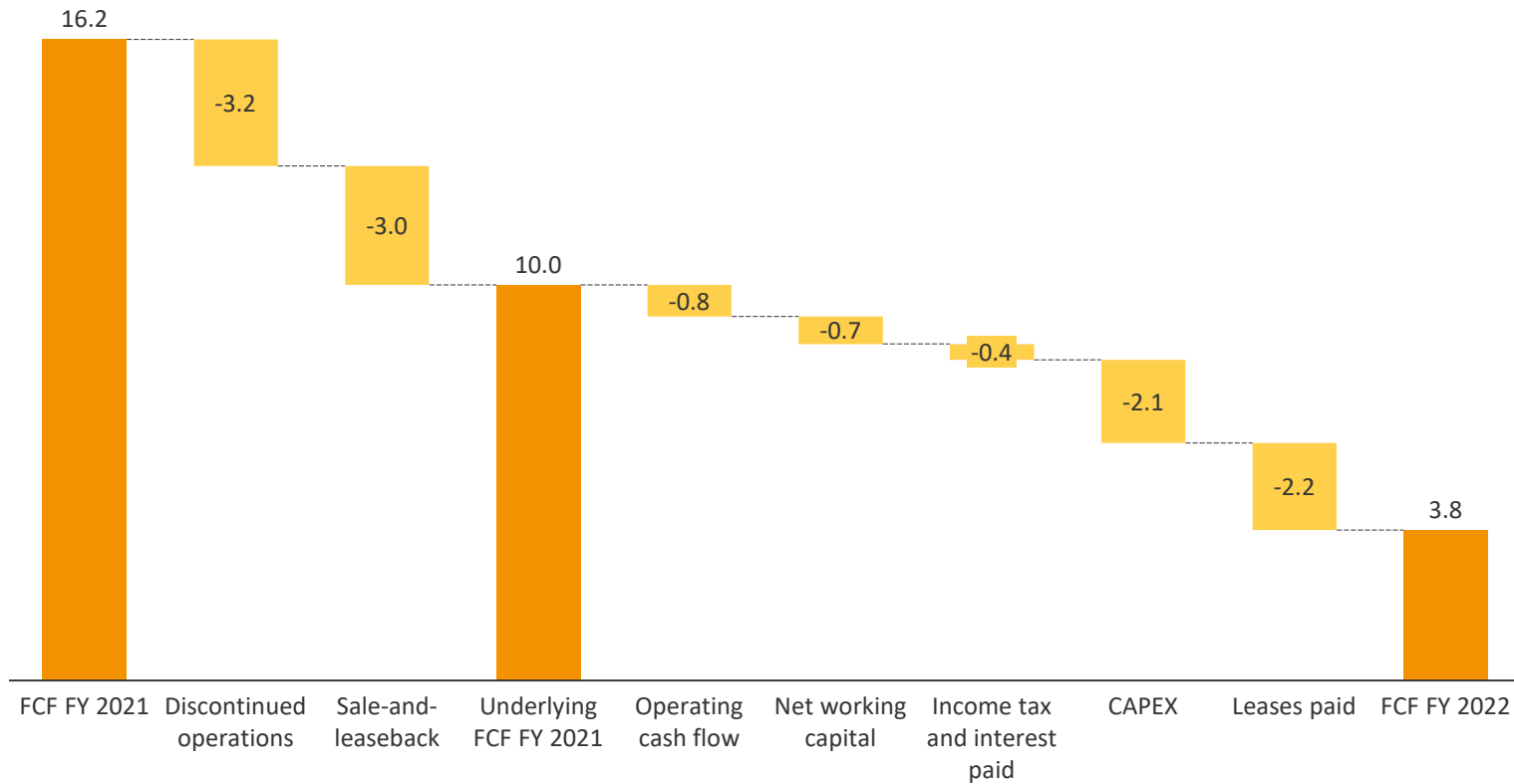
Net fixed assets is defined as intangible assets plus property, plant and equipment.



# Cash Flow Bridge and Net Working Capital

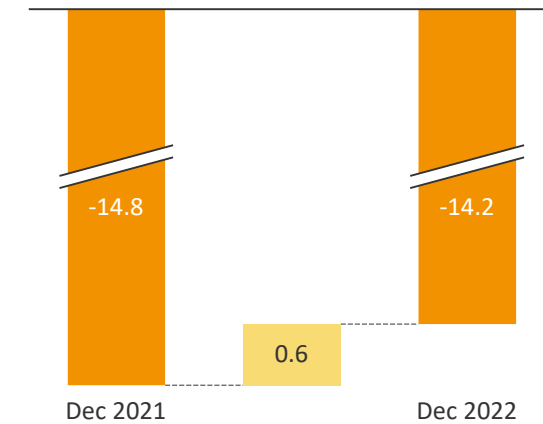
## Cash flow bridge (in €M)

FY 2022 vs. FY 2021



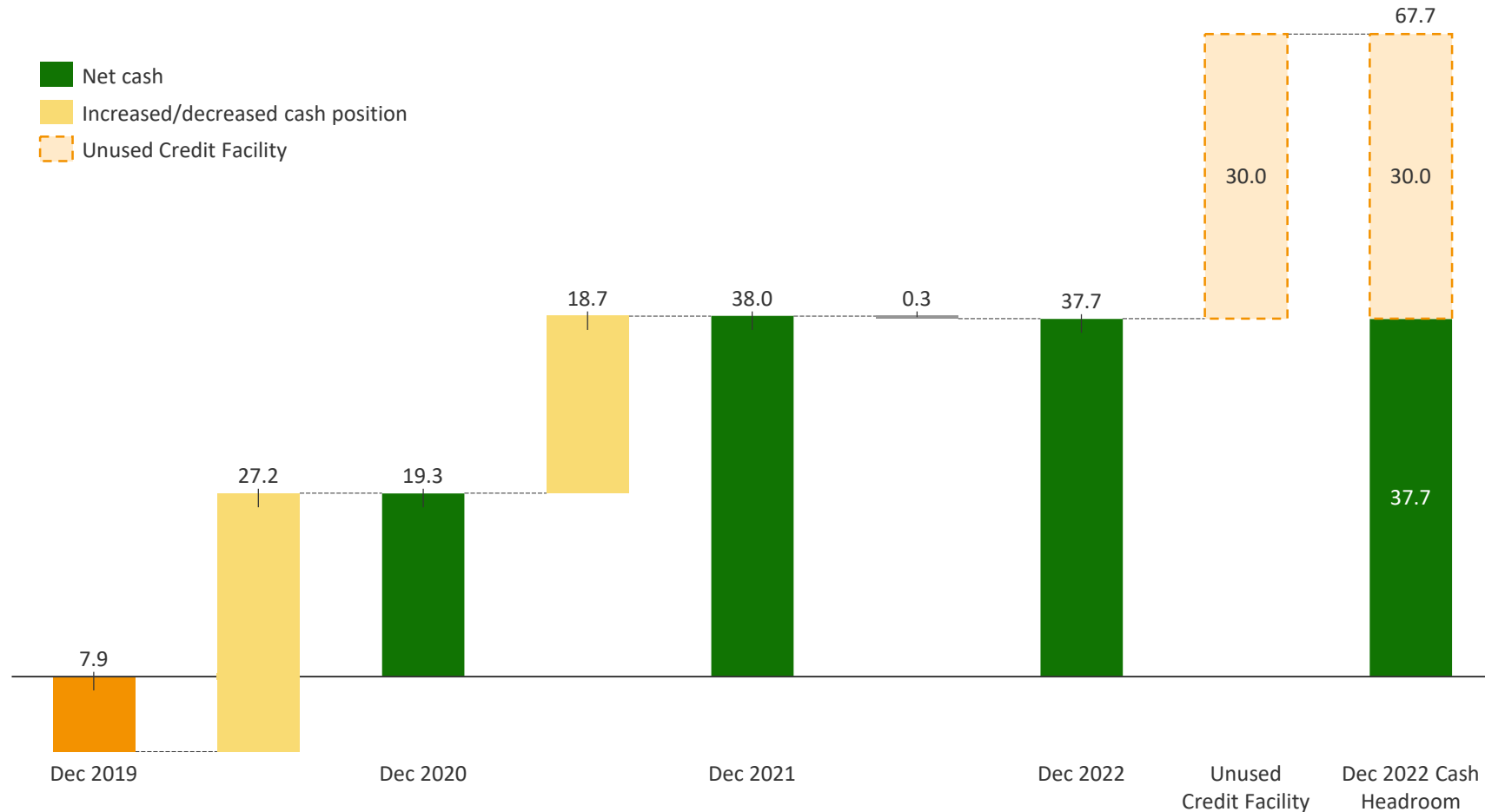
## Net working capital (in €M)

31 Dec 2022 vs. 31 Dec 2021



# Net cash development

## Net debt/cash development (in €M)



Strong net cash position

Credit Facility increased to € 30M

Proposed cash dividend of € 0.15 per ordinary share subject to approval of AGM.

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## Lessons learned in 2022

A woman with long blonde hair is sleeping peacefully on a bed. She is lying on her side, facing right, with her eyes closed. She is wearing a light-colored top and a thin bracelet on her left wrist. Her hands are clasped together near her face. She is covered up to her chest by a blue duvet. There are two large blue pillows behind her head. The background is a dark, solid color.

**“It's about the lessons learned and  
how you use them to succeed.”**



# 2023 Outlook

- Confidence in our ability to remain agile in the current market environment
- Increasing revenues expected in the coming years
- Strong strategic foundation built on consumer insights: *Sleep better, live better*
- Stable gross margin expected over 2023, compared with 2022
- Stabilisation of CAPEX investments planned





# 2022 Annual Results

In focus

# Q&A



A photograph of a dense forest with tall, thin trees. Sunlight is streaming through the canopy, creating a warm, golden glow and visible light rays (crepuscular rays) filtering through the air. The ground is covered in fallen leaves and forest debris.

BetterBed  
holding

Thank you for your attention.