

Uden, the Netherlands, 21 April 2023

Beter Bed Holding: strong sales momentum continues in Q1 2023

Highlights

- Q1 sales amounted to € 63.5 million (+5.1% vs Q1 2022; +1.3% vs Q4 2022) with strong performance in Benelux
- Like-for-Like order intake Q1 increased by 9.5%, resulting in a stable order book of € 19.5 million (€ 19.5 million per end of Q1 2022)
- Online sales leading to an online channel share of 17.0%, with underlying high double-digit order intake growth for Benelux (excluding 2 weeks of lockdown)
- Performance well above pre-COVID levels with Compound Annual Growth Rate (CAGR) over FY2019 to FY2022 of +8.7% in sales and +6.7% in order intake
- Due to weaker performance of national and international independent retailers, and two product launches delayed, New Business sales down (-6.7% vs Q1 2022)
- On track with CSRD guidelines with sustainable initiatives launched in Q1

€ million

	Sales 2023 Q1				
	Sales 2023 Q1	% Growth vs. 2022 Q1	LFL sales growth vs. 2022 Q1	LFL order intake growth vs. 2022 Q1	Online sales as % of total sales
Benelux	59.7	5.9%	5.9%	11.0%	17.4%
New Business	3.8	-6.7%	-6.7%	-10.1%	10.6%
Total	63.5	5.1%	5.1%	9.5%	17.0%

John Kruijssen, CEO, comments:

"Our first quarter performance in 2023 underlines the success of our positioning as a sleep specialist, whilst the growth in bedding textile sales has also contributed to this success. The week-long campaign we launched to promote the Day of Sleep helped to increase awareness of the importance of quality sleep."

The rollout of our Beter Slapen ID system to Beter Bed stores is on track with now three-quarters of the Beter Bed store network connected, and our team has once again been honoured with multiple marketing nominations and awards. We are committed to sustainability, and I am pleased with our progress in transitioning to electric vehicles, and the comprehensive risk assessment of our suppliers, which will support the further advancement in sustainability. To become an employer of choice, we place strong emphasis on continuous learning and development for our employees, with a number of initiatives launched to retain and grow in-house talent."

Overall, I am confident that our focus on strategic priorities and our ongoing efforts to refine and reinforce our business model will continue to drive revenue growth this year. With our strong Q1 2023 performance and commitment to sustainability, I have faith that BBH will be able to further expand its market leadership."

Sleep better, live better.



Benelux

Benelux showed a solid performance in Q1 2023 with sales up 5.9% and 11.0% like-for-like order intake growth. Sales of bedding textiles significantly increased due to our in-house design and development of a unique assortment of bedding textiles. Online showed a high double-digit order intake increase in Q1 2023, compared with same period last year, excluding the first two corona weeks of mandatory store closure.

Furthermore, in our ongoing efforts to increase awareness of the importance of high-quality sleep, we launched an extensive week-long campaign to promote the Day of Sleep. This included a range of activities such as an eye-opening video highlighting the risks of sleep deprivation while driving, in-store promotions with sleep analysers, and the distribution of educational videos on improving sleep, developed in collaboration with our external network of sleep experts.

The Beter Slapen ID rollout to stores has been accelerated, with over 75% of the Beter Bed store network equipped with the system by the end of Q1. The solution measures the personal needs of the customer and offers independent mattress recommendations, resulting in increased customer satisfaction scores and higher average ticket size. The full rollout is scheduled to be completed by the end of Q2 2023.

Beter Bed has been honoured with multiple marketing nominations and awards, including the European Search Awards for best use of search (Retail/E-commerce), a nomination for the YouTube Works Awards, and an online Shopping Award in the sleep category.

DBC

Mainly driven by a weaker performance of national and international independent retailers, sales in New Business decreased by 6.7% to € 3.8 million compared with Q1 last year with a like-for-like order intake decline of 10.1%.

Although sales results were lower than expected, DBC has been making significant progress in expanding its product lines and increasing its market reach, with the introduction of a business collection for hotels, the introduction of M line Green motion, and expanding its B2B sales team in the German-speaking region. Two product launches were delayed, but are now ready to be introduced in the second quarter. This includes a new M line product introduction, as well as the full introduction of the Simmons brand. To further accelerate the launch of the Simmons brand, DBC has intensified its marketing efforts and extended distribution for the brand across the Benelux region.

Sustainability

As part of our sustainability strategy, we have recently transitioned our company car policy to Electric Vehicles (EVs) only. Furthermore, we have expanded our pilot program for the electrification of our delivery vehicles aiming to further reduce our carbon footprint in the future. In addition, we have conducted a comprehensive risk assessment of our tier 1 suppliers and their upstream suppliers to ensure compliance with our code of conduct. Our goal is to also have these suppliers comply with the BSCI standards. As we move towards compliance with the Corporate Sustainability Reporting Directive (CSRD) guidelines, we have begun the double materiality analysis and engaged with all our stakeholders.

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To become an employer of choice and to care for the health and wellbeing of our people, we place a strong emphasis on continuous learning and development for our employees. We have established an online academy featuring nearly 800 modules, including over 100 self-developed training courses aimed at improving our employees' ability to provide top-notch advice to our customers. We also believe in providing clear career paths for our employees to help them discover their talents, pursue their ambitions, and have the opportunity to advance within the company. Currently, we have 40 trainees in a program preparing them for future management positions. Additionally, we provide leadership training to all Beter Bed store managers and team leaders at our distribution centres.

Outlook

Based on our strong performance in the first quarter of 2023, we are confident in our ability to drive revenue growth this year, while we expect to deliver a stable gross margin towards the end of the year compared with 2022. We remain fully committed to our strategic priorities, with focus on continuing to raise public awareness regarding the importance of quality sleep, updating the look and feel of our stores and completing the Beter Slapen ID rollout across our Beter Bed network, and growing DBC's national and international presence. While the macroeconomic environment remains challenging, we maintain our value-for-money proposition, and are comfortable with our focus on cost control, disciplined capital spend and strict cash flow management.

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, 130 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.

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