



## PRESS RELEASE

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### Trading update Q3 2016: revenue increases by 5.8%. Germany under pressure.

#### First nine months

- Net revenue increased by 5.7% to € 298.7 million (like-for-like order intake: +2.2%).
- Gross profit rose by 40 bps to 57.0%.
- Expenses increased by 8.7% to € 154.2 million.
- EBITDA decreased by 4.5% to € 24.5 million.

#### Third quarter

- Net revenue increased by 5.8% to € 102.0 million (like-for-like order intake: -0.3%).
- Gross profit rose by 30 bps to 56.9%.
- Expenses increased by 14.2% to € 53.8 million.
- EBITDA decreased by 27.1% to € 7.4 million.

#### Third quarter

Revenue of Beter Bed Holding rose by 5.8% to € 102.0 million in the third quarter. This increase was achieved through an increase in the number of stores as a result of organic growth and acquisitions. The total like-for-like order intake amounted to -0.3%. This decrease was mainly caused by lower footfall in Germany.

Revenue in Germany decreased by 7.4% (Q3 2015: +1.5%). Order intake at comparable stores in Germany decreased by 8.8%.

Revenue in the Netherlands rose by 15.5% due to recovering demand and strong commercial promotions. Order intake at comparable stores increased by 14.8%.

Austria, Switzerland, Spain and Belgium achieved growth in revenue of 17.4%, 30.6%, 32.6% and 34.5% respectively. With the exception of Austria, this increase was caused by a combination of expansion and like-for-like growth of the order intake.

The average number of stores was 4.7% higher compared to the same period last year. This increase was primarily due to the acquisitions of Sängjätten in Sweden, BettenMax in Austria and store openings in Spain, Belgium, Germany and Switzerland.

#### Gross profit

Gross profit rose to 56.9% in the third quarter (Q3 2015: 56.6%) mainly as a result of improved purchasing conditions.

#### Expenses

Expenses rose by € 6.7 million (+14.2%) in the third quarter. This was caused by a 4.7% increase in the number of stores, an increase in staff on the shop floor in primarily the Benelux, higher expenses due to increased advertising expenses, greater investment in employee sales training, increased depreciation, and additional costs as a consequence of the organisation's further professionalisation within the parameters of the strategic plan.

## **EBITDA**

The lower revenue in Germany resulted in an EBITDA decrease from € 10.1 million to € 7.4 million in the third quarter. EBITDA consequently amounted to 7.3% of revenue (cumulative: 8.2% of revenue).

## **Developments**

In the Benelux, Spain, France, Switzerland, Austria and Sweden a continuation of the positive revenue development is expected. For the fourth quarter the company expects a lower revenue in Germany, although the revenue trend is slightly improving. The focus in the upcoming quarter will remain on the accelerated execution of the 'From Good to Great 2016-2020' strategy, primarily in Germany.

## **Interim dividend**

Similar to prior years the company will apply a pay-out ratio of 65%, which means an interim dividend of € 0.34 per share (2015: € 0.39 per share). The dividend is expected to be made payable on 16 November 2016 and the share will be listed ex-dividend on 1 November 2016. The record date has been set at 2 November 2016.

## **Profile**

Beter Bed Holding is a European retail organisation that strives to offer its customers a comfortable and healthy night's rest every night at an affordable price. The company does this via stores and its own webshops through the formats:

- Matratzen Concord, located in Germany, Switzerland and Austria.
- Beter Bed, located in the Netherlands and Belgium.
- Beddenreus, located in the Netherlands.
- El Gigante del Colchón, located in Spain.
- Literie Concorde, located in France.
- Sängjätten, located in Sweden.

The retail formats ensure products of good quality, offer customers the best advice and always the best possible deal.

Beter Bed Holding is also active as a wholesaler of branded products in the bedroom furnishing sector via its subsidiary DBC International. The international brand M Line is sold in the Netherlands, Germany, Belgium, Austria, Switzerland, Spain, France, Sweden and the United Kingdom.

The current total number of stores is 1,186. In 2015, the company achieved net revenue of € 385.4 million. 70.1% of this figure was realised outside the Netherlands.

Beter Bed Holding N.V. has been listed on the Euronext Amsterdam since December 1996 and its shares (BBED NL0000339703) have been included in the AScX Index.

## **For more information:**

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