



Half-year Results

2016

Beter Bed Holding N.V.

30 August 2016

**MATRATZEN
CONCORD**
GANZ SCHÖN AUSGESCHLAFEN



Mline

GIGANTE
DEL COLCHÓN

beddenREUS ²

LITERIE CONCORDE
Qualité haut de gamme à prix abordable

Sängjätten



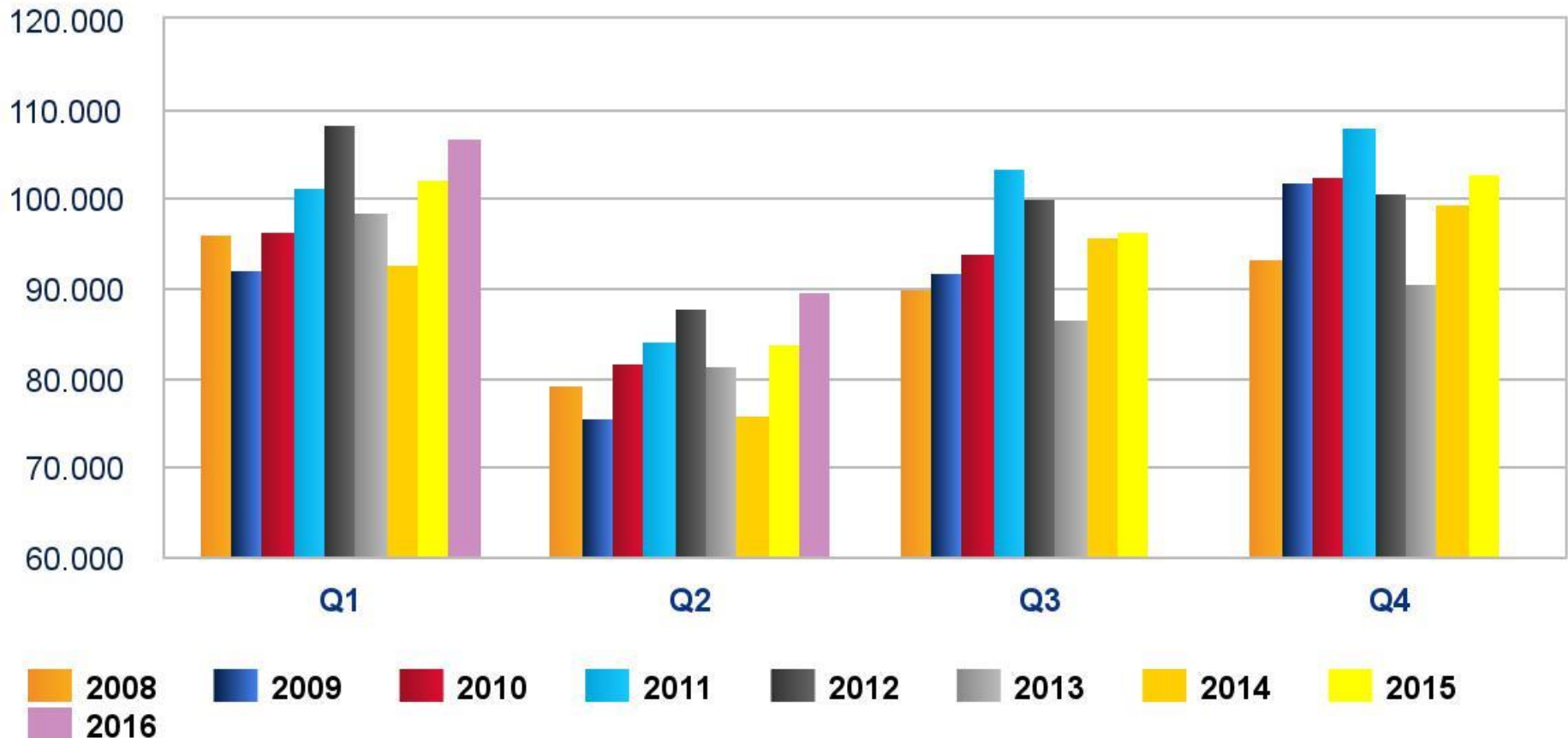
Agenda

- Financials
- Objectives and strategy
- Formats
- Outlook
- Summary



Revenue per quarter

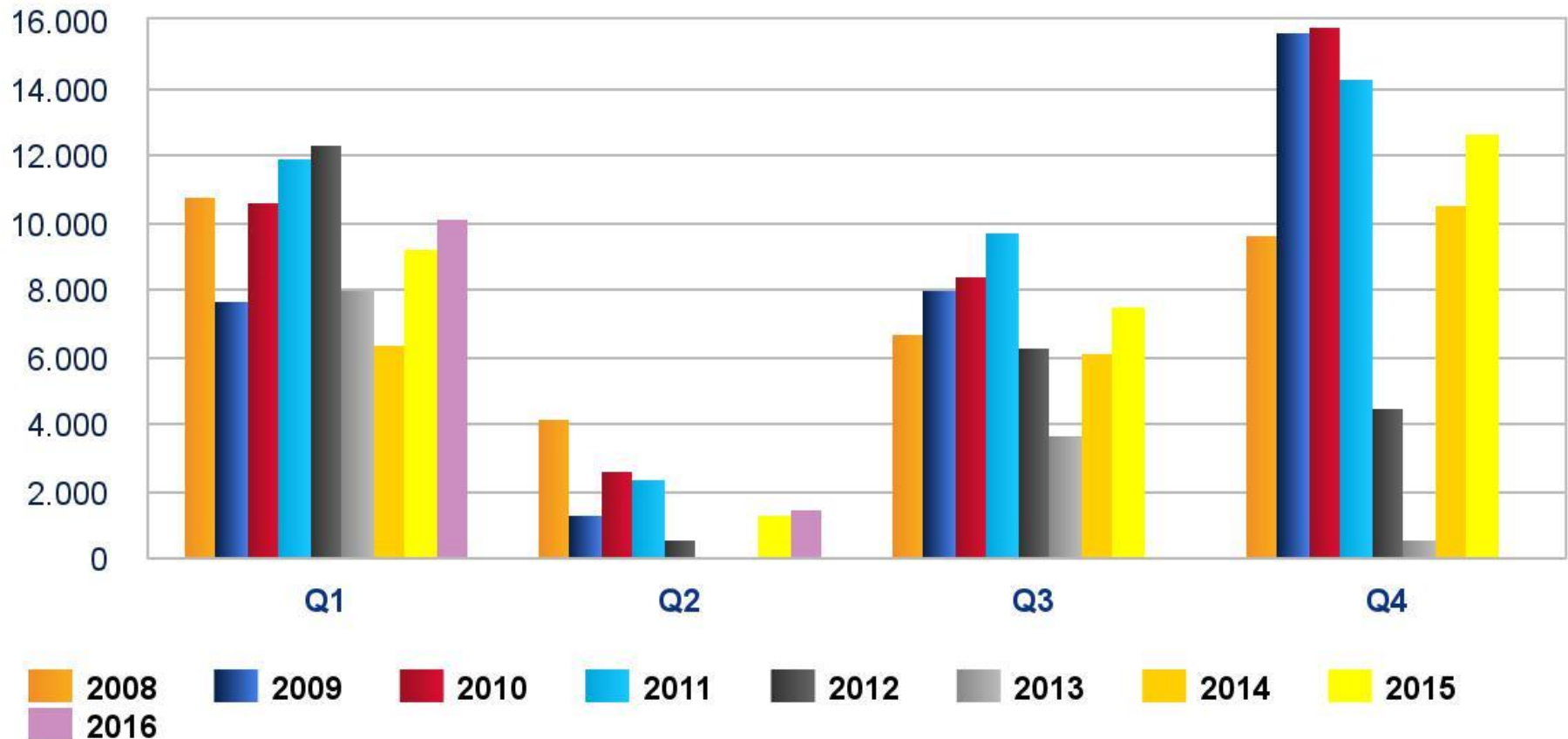
Eur x 1.000





EBIT per quarter

Eur x 1.000





Key data

	H1-2016	H1-2015
EPS (EUR)	0,38	0,36
Capex (EUR M)	8,9	8,7
Total assets (EUR M)	127,2	119,4
Sales/stocks	3,4	3,4
EBITDA	17,1	15,5
EBIT (EUR M)	11,6	10,5
Net profit (EUR M)	8,4	7,8



P&L H1-2016

(EUR x 1.000)

	2016		2015	
Revenue	196.663		186.086	
Cost of sales	84.562-		80.793-	
Gross margin	112.101	57,0%	105.293	56,6%
Wage and salary costs	47.793		45.695	
Amortisation	5.440		4.935	
Other operating expenses	47.248		44.126	
Total operating expenses	100.481	51,1%	94.756	50,9%
EBIT	11.620	5,9%	10.537	5,7%
Finance income and costs	73-		73-	
Income tax expense	3.149-		2.643-	
Net profit	8.398	4,3%	7.821	4,2%



Consolidated Balance sheet

Total Assets

(EUR x 1.000)

	30-6-2016	30-6-2015	31-12-2015
Tangible assets	36.075	32.907	34.520
Intangible assets	5.360	3.839	3.477
Financial assets	1.695	779	1.580
Inventories	58.977	54.186	57.926
Receivables	7.780	7.362	8.662
Cash and cash equivalents	17.277	20.297	25.512
Total	127.164	119.370	131.677



Consolidated Balance sheet

Total Equity and Liabilities

(EUR x 1.000)	30-6-2016	30-6-2015	31-12-2015
Equity	73.676	69.959	75.750
Provisions	237	889	538
Non-current liabilities	2.279	2.264	2.279
Current liabilities	50.972	46.258	53.110
Total	127.164	119.370	131.677



Cash flow (1/2)

EUR x 1.000	H1-2016	H1-2015
Operating profit	11.620	10.537
Interest paid	67-	68-
Income tax paid	5.246-	1.076-
Depreciation, amortisation and impairments	5.294	4.633
Costs of employee stock options	136	98
Movements in:		
- Inventories	1.051-	705-
- Receivables	874	656
- Provisions	301-	326-
- Current liabilities	39-	1.239
- Other	46-	173
Cash flow from operational activities	11.174	15.161



Cash flow (2/2)

EUR x 1.000	H1-2016	H1-2015
Cash flow from operating activities	11.174	15.161
Additions to (in)tangible assets	8.901-	8.739-
Disposals of (in)tangible assets	146	302
Changes in non-current receivables	115-	11
Cash flow from investing activities	8.870-	8.426-
(Re)issuance of shares	-	803
Dividend paid	10.539-	8.124-
Cash flow from financing activities	10.539-	7.321-
Change in net cash and cash equivalents	8.235-	586-



Cost development

EUR x 1.000

H1-2016

Cost	100.481
Non recurring	1.889-
Cost normalised	98.592

Q2-2016

Cost	50.049
Non recurring	976-
Cost normalised	49.073



Vision

To become **market leader** in the
“**value-for-money**” segment
of the bed and mattress market,
in a socially responsible manner



Mission

Nothing inspires and motivates us more than ensuring that all our customers sleep every night in a healthy and comfortable way at an affordable price:

“Hard at work on a good night’s rest”



Objectives

- Increasing customer satisfaction
- Increasing net profit
- Strong and healthy balance sheet
- Corporate Social Responsibility



Strategy 2016 - 2020 (1/5)

From Good to Great

Retail Marketing

- Continuously sharpening the positioning of the formats by offering top quality products and advice against lowest/best price
- Improvement of the customer experience
- Improvement of transaction power in Benelux and attraction power in other countries (omnichannel LFL sales)
- Investment in (online) marketing/advertising
- Continuous innovation in product and brands
- Investment in training of sales and logistic employees



Strategy 2016 - 2020 (2/5)

Ecommerce

- Sharpening the omnichannel ecommerce proposition by optimally facilitating the customer journey
- Significant investment in ecommerce activities; exploiting state of the art web shops
- Investment in people and systems in ecommerce department

Expansion

- Expansion in existing and new countries with low investments, low cost and flexible lease periods per store
- Acquisitions



Strategy 2016 - 2020 (3/5)

Purchasing and Sales

Purchasing

- Gross margin improvement
- Development of online product range
- Optimisation of delivery times
- Less (but more strategic) suppliers/less complexity
- Innovation and development of additional assortments

Sales

- Optimal customer experience supported by advice tools, configurators, NPS and customer reviews
- Improve conversion



Strategy 2016 - 2020 (4/5)

Backoffice (HR, Finance, Logistics and IT)

HR

- Further professionalisation of HR
- Creating customer centered high performance KPI and team culture

Finance

- Strengthen business support position
- Optimise working capital and control/reduce cost

Logistics

- Optimisation of infrastructure; faster and more flexible deliveries become the new standard



Strategy 2016 - 2020 (5/5)

Backoffice (HR, Finance, Logistics and IT)

IT

- Developing a new customer and employee friendly 'front end' on the basis of a robust (SAP) backbone

Corporate Social Responsibility

- Defining new objectives and strategy 2016-2020



Breakdown of revenue

(EUR x 1,0 million)	H1-2016	H1-2015	%+/- vs. 2015	
			Total	LFL
Matratzen Concord	123,6	124,9	(1,0)	(4,1)
Beter Bed	61,1	50,4	21,2	20,9
DBC	8,1	7,8	3,5	---
El Gigante del Colchón	3,2	2,8	13,0	2,4
Beddenreus	5,5	4,9	10,7	15,8
Intercompany	(4,8)	(4,7)	---	---
Total	196,7	186,1	5,7	3,5



Like-for-like development

%	2016	2015	2014	2013	2012	2011
Q1	4,4	10,3	-4,1	-10,7	0,3	0,3
Q2	2,5	7,7	-0,8	-9,0	-0,6	-1,0
Q3		2,4	12,6	-15,4	-6,6	0,3
Q4		2,2	11,8	-9,2	-10,5	1,8
Year		5,4	4,8	-11,2	-4,7	0,4



Gross margin

%	2016	2015	2014	2013	2012	2011
Q1	56,7	56,6	56,9	56,4	55,8	56,0
Q2	57,4	56,7	57,7	56,4	55,8	55,7
Q3		56,6	56,0	56,3	55,7	55,2
Q4		60,6	58,8	58,3	58,0	58,8
Year		57,7	57,3	56,9	56,3	56,5



Costs per store

- Costs per store increased in H1-2016 by 3,2% as a result of higher LFL sales leading to higher staff expenditure and logistics costs
- Costs per store excluding depreciation increased in H1-2016 by 2,9%
- Costs for DBC/M Line are excluded in this metric



Number of stores per formula

	31-12-2015	closed	opened	30-6-2016
Matratzen Concord	992	30	24	986
Beter Bed	97	4	3	96
El Gigante del Colchón	36	-	8	44
Beddenreus	34	4	2	32
Literie Concorde	2	-	-	2
Sängjatten	-	-	16	16
Total	1.161	38	53	1.176



Number of stores per country

	31-12-2015	closed	opened	30-6-2016
Austria	85	4	-	81
Belgium	7	-	1	8
Germany	849	24	23	848
France	2	-	-	2
The Netherlands	124	8	4	120
Spain	36	-	8	44
Sweden	-	-	16	16
Switzerland	58	2	1	57
Total	1.161	38	53	1.176



Matratzen Concord

- LFL Germany -4,4% 2016 (2015: 10,2%)
- Market declines by 5%
- Strong comparative basis in H1-2016
- German consumer confidence stable
- Effects of implementation of “Good to Great” strategy visible end H2 2016
- Test Boxspring Betten Concord





Beter Bed

- Dutch market growing
- H1-2016 strong LFL growth: 20,9% (H1-2015: 8,1%)
- Execution of Good to Great strategy successful
- Customer reviews and NPS
- Own web shop sales continue to grow





Beddenreus

- Successful relaunch of format (new logo etc.)
- Refurbishment of stores
- Successful LFL development





Other

- DBC
- El Gigante del Colchón
- Literie Concorde
- Sängjätten



Outlook 2016

- Growth in Benelux, Spain, Switzerland and France
- Lagging demand in Germany and Austria
- Roll out of Good to Great strategy
- Roll out of Literie Concorde in France
- Integration of Sängjätten



Summary H1-2016 (1/2)

- Revenue: 5,7% (H1-2015: 9,0%)
- LFL: 3,5% (H1-2015: 9,1%)
- Gross margin: 57,0% (H1-2015: 56,6%)
- Solvency: 57,9 (H1-2015: 58,6%)
- Operational costs: 50,1% (normalised)
- 15 net store openings



Summary H1-2016 (2/2)

- EBITDA: € 17,1 million, 8,7%
(2015: € 15,5 million, 8,3%)
- EBIT: € 11,6 million, 5,9%
(H1-2015: € 10,5 million, 5,7%)
- Net profit: € 8,4 million
(H1-2015: € 7,8 million)



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