



Half-year Results 2013

Beter Bed Holding N.V.



August 30th 2013

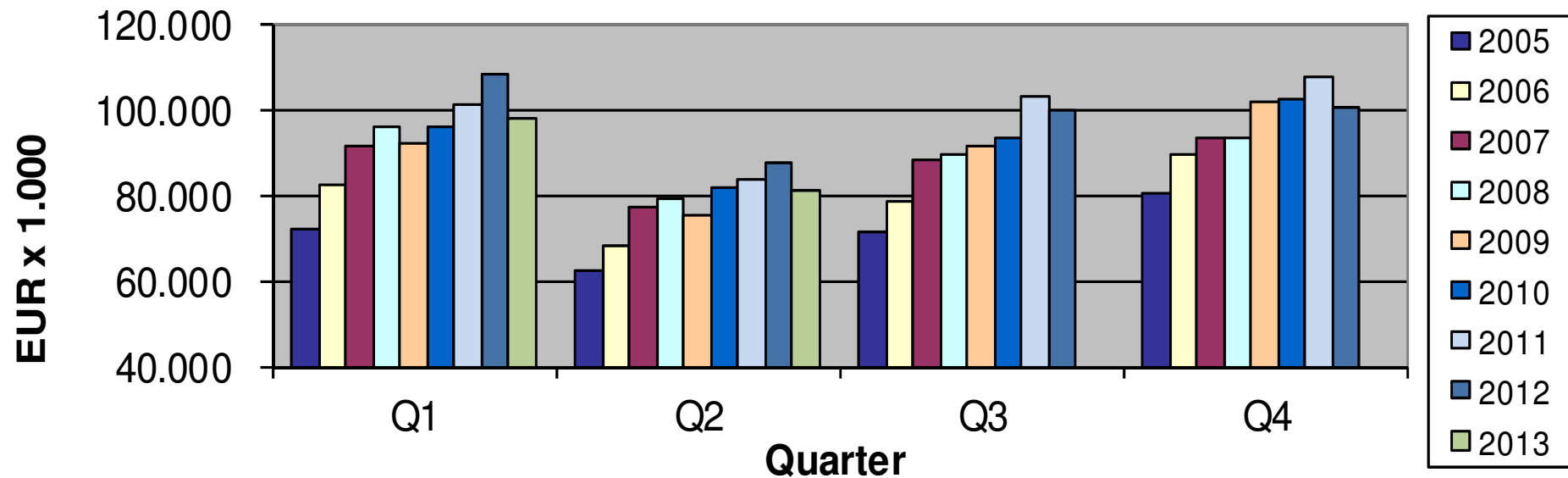


Agenda

- Financials
- Vision, mission and strategy
- Formulas
- Outlook
- Summary

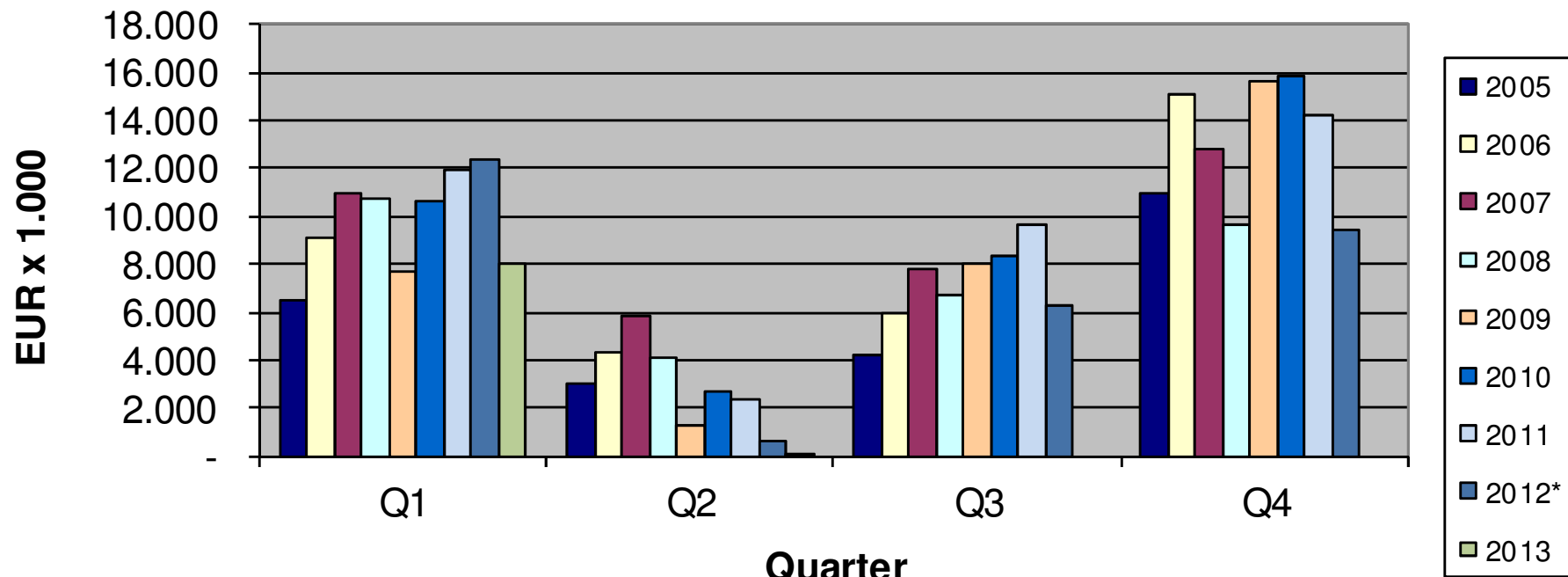


Revenue per quarter





EBIT per quarter



* 2012 Q4 Normalised



Key data (1/2)

	H1-2013	H1-2012
EPS (EUR)	0,25	0,42
Cash flow from operations (EUR M)	11,9	10,3
Capex (EUR M)	2,6	5,6
Total assets (EUR M)	101,7	113,5
Sales/stocks	3,1	3,3



Key data (2/2)

(EUR M)

H1-2013

H1-2012

EBIT

8,1

12,9

EBIT excl. non-recurring expenses

9,3

12,9

Net profit

5,4

9,1

Net profit excl. non-recurring expenses

6,6

9,1



P&L H1-2013

(EUR x 1.000)

	2013		2012	
Revenue	180.065		196.268	
Cost of sales	78.502		86.707	
Gross margin	101.563	56,4%	109.561	55,8%
Wage and salary costs	44.328		44.798	
Depreciation	4.544		4.664	
Other operating expenses	44.632		47.185	
Total operating expenses	93.504	51,9%	96.647	49,2%
EBIT	8.059	4,5%	12.914	6,6%
Financial expenses	-320		-189	
Income tax expense	-2.294		-3.580	
Net profit	5.445	3,0%	9.145	4,7%



P&L H1-2013 Normalised

(EUR x 1.000)

	H1-2013		H1-2012	
Revenue	180.065		196.268	
Cost of sales	<u>78.502</u>		<u>86.707</u>	
Gross margin	101.563	56,4%	109.561	55,8%
Wage and salary costs	44.328		44.798	
Depreciation and impairments	4.544		4.664	
Other operating expenses	<u>43.432</u>		<u>47.185</u>	
Total operating expenses	<u>92.304</u>	51,3%	<u>96.647</u>	49,2%
EBIT	9.259	5,1%	12.914	6,6%
Financial expenses	-320		-189	
Income tax expense	<u>-2.244</u>		<u>-3.580</u>	
Net profit	6.595	3,7%	9.145	4,7%



Consolidated Balance sheet

Total Assets

(EUR x 1.000)

	30-06 2013	30-06 2012	31-12 2012
Tangible fixed assets	29.167	33.276	30.936
Intangible fixed assets	2.583	5.337	2.855
Financial fixed assets	873	1.901	978
Stocks	57.645	60.200	60.712
Debtors	5.834	6.596	10.150
Cash and cash equivalents	5.553	6.237	5.224
Total	101.655	113.547	110.855



Consolidated Balance sheet

Total Liabilities

(EUR x 1.000)

	30-06 2013	30-06 2012	31-12 2012
Equity attributable to equity holders of the parent	58.528	57.492	55.832
Long-term liabilities	2.400	4.000	3.400
Credit institutions	5.810	14.192	11.327
Other current liabilities	34.917	37.863	40.296
Total	101.655	113.547	110.855



Cash flow (1/2)

EUR x 1.000

H1-2013

H1-2012

Operating result	7.739	12.725
Income tax paid	5.398-	3.239-
Depreciation and impairments	4.544	4.664
Costs of employee stock options	154-	44
Movements in:		
Stocks	3.067	739-
Debtors	4.316	1.712
Short-term liabilities	2.275-	4.720-
Other	<u>34</u>	<u>130-</u>
Cash flow from operating activities	11.873	10.317



Cash flow (2/2)

(EUR x 1.000)

	H1-2013	H1-2012
Cash flow from operating activities	11.873	10.317
Additions to (in)tangible fixed assets	2.597-	5.669-
Disposals of (in)tangible fixed assets	73	205
Changes in long-term accounts receivable	105	29
Cash flow from investing activities	2.419-	5.435-
Repayment of loan	1.000-	1.000-
Income from reissuance of shares	-	57
Dividend paid	2.608-	13.655-
Cash flow from financing activities	3.608-	14.598-
Movements in cash and cash equivalents	5.846	9.716-



Vision

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



Mission

Nothing inspires and motivates us more than to make sure that every night all our clients can enjoy a comfortable and healthy sleep in an affordable way. Hence our mission is:

“Hard at work on a good night’s rest”



Objectives

- Ensure that the company is positioned to optimally tap into growth opportunities
- Increasing net profit, regardless of the market conditions and consumer confidence
- Strong and healthy balance sheet



CSR Objectives

Consumer	Number of mattresses certified		80% in 2016
Employees	Women in management		25% in 2016
	Absenteeism	DE	3,0% in 2016
		NL	3,5% in 2016
Supplier	Signed code of conduct		100% in 2013
Environment	Savings on gas, oil and electricity		9% in 2016
Recycling	Recycle paper, plastic and other waste		75% in 2016



Strategy (1/2)

- Retail format management
 - Increase like-for-like growth
 - Increase and extend the differentiating power of retail formulas, brands and products
 - Become an active online player
- Expansion of the store base preferably with flexible leases and low investments per store
- Strict cost control without becoming 'pennywise – pound foolish'



Strategy (2/2)

- Excellent management information based on state-of-the-art IT systems and a 'measuring = knowing' culture
- Manage the supply chain as efficiently and effectively as possible
- Reduce and recycle waste, increase of number of certified mattresses, save on energy
- Team and people development through in company training and the introduction of the core Beter Bed values



Breakdown of revenue

(EUR x 1,0 million)

%+/- vs. 2012

	H1-2013	H1-2012	Total	LFL
Matratzen Concord	115,7	119,3	(3,0)	(6,2)
Beter Bed	47,9	54,0	(11,4)	(11,3)
DBC	7,0	9,4	(24,8)	---
El Gigante del Colchón	3,7	6,9	(46,9)	(42,7)
BeddenREUS	6,7	7,2	(6,9)	(12,3)
Slaapgenoten	2,8	4,2	(34,2)	(39,7)
Schlafter.com/MAV	0,3	0,7	(63,3)	---
Intercompany	(4,0)	(5,4)	(26,8)	---
Total	180,1	196,3	(8,3)	(9,9)



Like-for-Like development

%	2013	2012	2011	2010	2009	2008
Q1	-10,8	+0,3	+0,3	+1,4	-12,6	-4,8
Q2	-9,0	-0,6	-1,0	+0,8	-4,8	-8,4
Q3		-6,6	+0,3	-1,8	-3,1	-4,5
Q4		-10,5	+1,8	-4,5	+7,9	-7,6
Year		-4,7	+0,4	-1,3	-3,1	-6,2



Gross margin

%	2013	2012	2011	2010	2009	2008
Q1	56,4	55,8	56,0	54,8	53,5	53,3
Q2	56,4	55,8	55,7	55,0	54,2	54,6
Q3		55,7	55,2	55,0	54,2	53,9
Q4		58,0	58,8	58,5	56,7	56,3
Year		56,3	56,5	55,9	54,7	54,5



Costs per store

- Costs per store decreased with 4,9% in Q2 2013
- Costs per store decreased with 7,0% in Q2 2013 (excluding non-recurring expenses of € 1 million)
- Costs per store decreased with 3,7% in H1 2013
- Costs per store decreased with 5,0% in H1 2013 (excluding non-recurring expenses of € 1.2 million)
- Constant exchange rates, costs for DBC/M Line are excluded in this metric.



Number of stores per formula

	31-12 2012	-	+	30-06 2013
Matratzen Concord	1.004	35	36	1.005
Beter Bed	88	-	1	89
El Gigante del Colchón	63	18	-	45
BeddenREUS	44	2	-	42
Slaapgenoten	16	-	-	16
Schlafberater.com	4	-	-	4
Total	1.219	55	37	1.201



Number of stores per country

	31-12 2012	-	+	30-06 2013
Austria	67	7	-	60
Belgium	7	-	2	9
Germany	856	20	31	867
The Netherlands	174	6	-	168
Spain	63	18	-	45
Switzerland	52	4	4	52
Total	1.219	55	37	1.201



Matratzen Concord

- LFL -4,6% Q2 2013 due to difficult comparison base and weather effects
- German consumer confidence stable and positive economic outlook
- Web shop launch





Beter Bed

- Dutch market remains very challenging
- Online sales constitute approximately 5% of net sales
- Celebrating 30 years anniversary in 2013





El Gigante del Colchón

- Further cost adjustments and reorganisations implemented in 2013
- LFL H1-2013: -42,7%; LFL Q2-2013: -33,4%
- Market circumstances worsened but trend is turning slightly
- Target: Core of 30 stores with break even result
- EBIT of 30 core stores was positive in July





Other

- DBC
- BeddenREUS
- Slaapgenoten
- Schlafberater.com



Outlook (1/2)

- No improvement expected in economic circumstances in the Netherlands and Spain
- Strong focus in these countries on cost cuts, closure of underperforming stores, increase of conversion, service and customer satisfaction



Outlook (2/2)

- Further decrease of sales expected in Q3 2013 resulting in a strong decline in EBIT for Q3 2013 despite stable gross margin and implemented cost savings
- Lower sales in Q3 due to
 - Tropical weather conditions in almost all markets in July and August
 - Low visitor numbers because of historic low consumer confidence in the Netherlands



Summary H1-2013 (1/2)

- Revenue: -8,3%
- Gross margin: +0,6%
- Operational costs: -4,5%
- Stock level decreased
- Solvency improved
- Start net working capital improvement plan
- Further cost savings planned



Summary H1-2013 (2/2)

- 18 net store closings (due to economy in Spain and the Netherlands)
- EBIT margin: 4,5% (2012: 6,6%)
- Net profit: € 5,4 million (2012: € 9,1 million)
- 2013 Q3 strongly influenced by tropical summer weather in most markets



Half-year Results 2013

Beter Bed Holding N.V.



August 30th 2013