



# Half-year Results 2014

## Beter Bed Holding N.V.

August 22nd, 2014



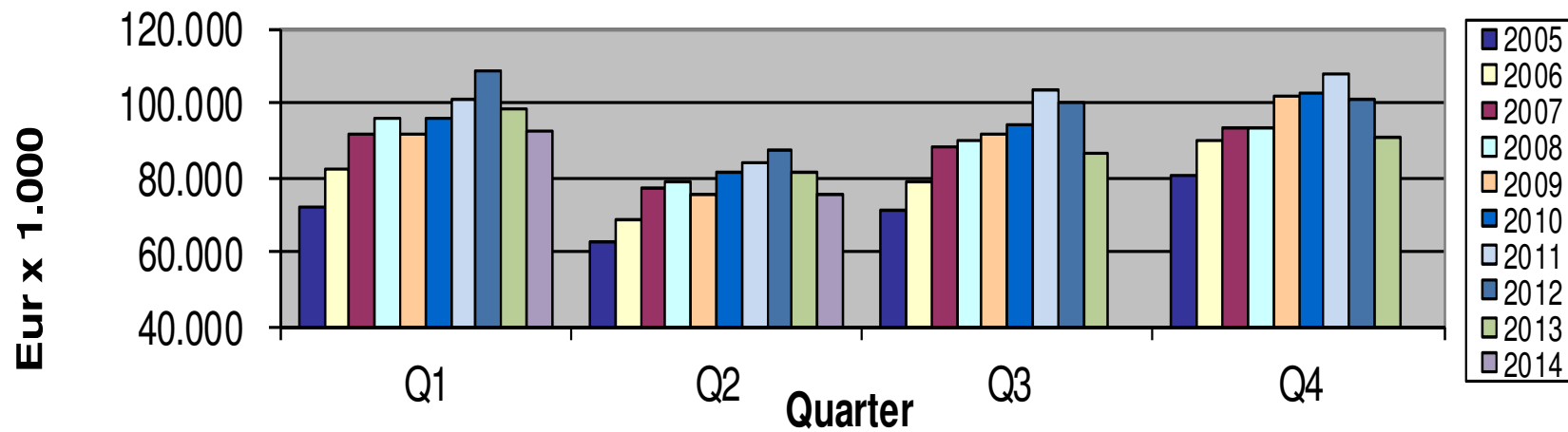


## Agenda

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

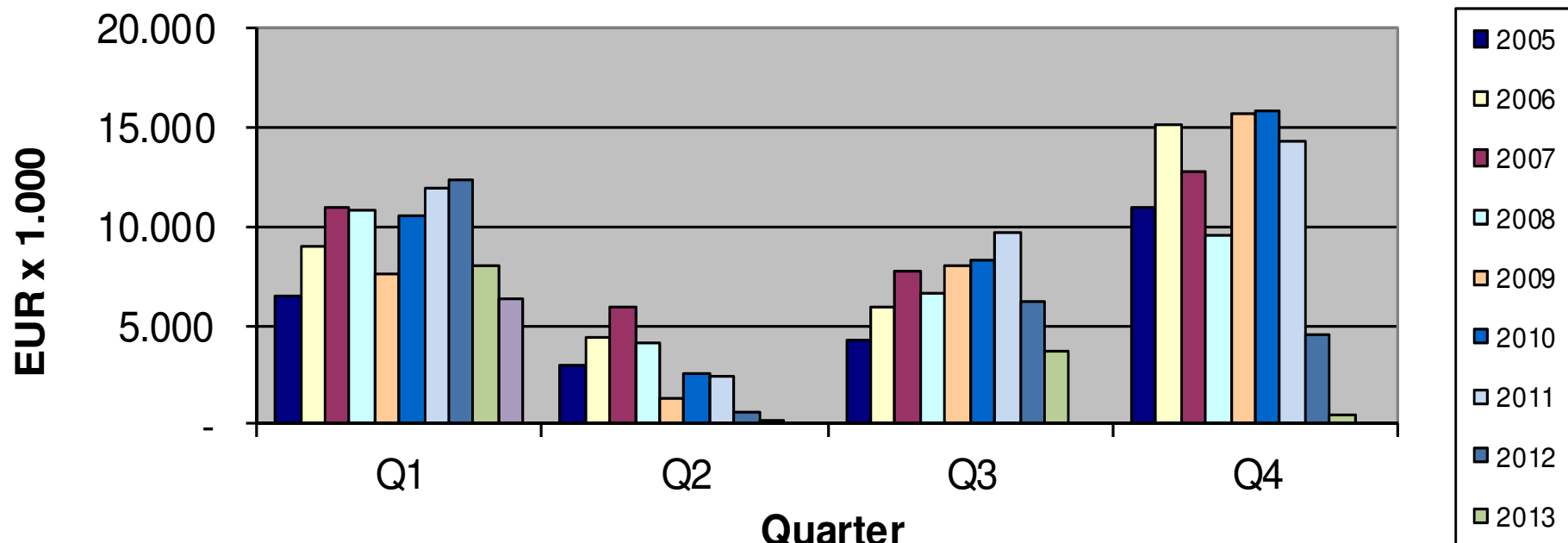


## Revenue per quarter





## EBIT per quarter





## Key data (1/2)

	H1-2014	H1-2013
EPS (EUR)	0,22	0,25
Cash flow from operations (EUR M)	10,5	11,9
Capex (EUR M)	4,5	2,6
Total assets (EUR M)	103,9	101,7
Sales/stocks	3,1	3,1



## Key data (2/2)

(EUR M)

**H1-2014**

**H1-2013**

**EBIT**

6,4

8,1

**Net profit**

4,9

5,4



## P&L H1-2014

(EUR x 1.000)

	2014		2013	
Revenue	168.715		180.065	
Cost of sales	<u>72.159</u>		<u>78.502</u>	
Gross profit	96.556	57,2%	101.563	56,4%
Wage and salary costs	43.099		44.328	
Depreciation and impairment of fixed assets	3.940		4.544	
Other operating expenses	<u>43.164</u>		<u>44.632</u>	
Total operating expenses	<u>90.203</u>	53,5%	<u>93.504</u>	51,9%
EBIT	6.353	3,8%	8.059	4,5%
Financial expenses	132-		320-	
Income tax expense	<u>1.327-</u>		<u>2.294-</u>	
Net profit	4.894	2,9%	5.445	3,0%



## Consolidated Balance sheet

### Total Assets

(EUR x 1.000)

	30-06-2014	30-06-2013	31-12-2013
Tangible fixed assets	25.864	29.167	25.591
Intangible fixed assets	2.782	2.583	2.833
Financial fixed assets	817	873	826
Stocks	55.075	57.645	55.549
Debtors	8.202	5.834	8.132
Cash and cash equivalents	<u>11.189</u>	<u>5.553</u>	<u>9.554</u>
<b>Total</b>	<b>103.929</b>	<b>101.655</b>	<b>102.485</b>





## Consolidated Balance sheet

### Total Liabilities

(EUR x 1.000)

	<b>30-06-2014</b>	<b>30-06-2013</b>	<b>31-12-2013</b>
Equity attributable to equity holders of the parent	62.583	58.528	57.963
Provisions	2.042	-	2.678
Long-term obligations	2.424	2.400	2.424
Credit institutions	-	5.810	4.975
Other current liabilities	<u>36.880</u>	<u>34.917</u>	<u>34.445</u>
<b>Total</b>	<b>103.929</b>	<b>101.655</b>	<b>102.485</b>



## Cash flow (1/2)

EUR x 1.000

H1-2014

H1-2013

Profit before taxes	6.221	7.739
Income tax paid	3.136-	5.398-
Depreciation and impairments	3.940	4.544
Costs of employee stock options	569-	154-
Movements in:		
Stocks	474	3.067
Debtors	1.739	4.316
Short-term liabilities	2.435	2.275-
Provisions	636-	-
Other	1	34
<b>Cash flow from operating activities</b>	<b>10.469</b>	<b>11.873</b>



## Cash flow (2/2)

(EUR x 1.000)

	H1-2014	H1-2013
<b>Cash flow from operating activities</b>	<b>10.469</b>	<b>11.873</b>
Additions to (in)tangible fixed assets	4.485-	2.597-
Disposals of (in)tangible fixed assets	330	73
Changes in long-term accounts receivable	9	105
<b>Cash flow from investing activities</b>	<b>4.146-</b>	<b>2.419-</b>
Repayment of loan	1.000-	1.000-
Share (re)issuance	1.813	-
Dividend paid	1.526-	2.608-
<b>Cash flow from financing activities</b>	<b>713-</b>	<b>3.608-</b>
<b>Changes in cash and cash equivalents</b>	<b>5.610</b>	<b>5.846</b>



## Vision

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



## Mission

**Each day, there is nothing that inspires and motivates us more than ensuring that all our clients can sleep soundly and comfortably at an affordable price.**

**Hence our mission is:**

**“Hard at work on a good night’s rest”**



## Objectives

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



## CSR Objectives

Subject	2013	2012	2011	Objective		
Supply chain	100%	97%	52%	2013	100%	Signed codes of conduct
Diversity in management	22%	16%	13%	2016	30%	Women in management
Sickness-related absenteeism	3.5%	3.2%	3.5%	2016	3%	Germany
Sickness-related absenteeism	4.3%	4.8%	3.4%	2016	3.5%	The Netherlands
Safe products	77%	62%	49%	2016	80%	Certified mattresses
Energy consumption	275.000 GJ	270.000 GJ	255.000 GJ	2016	235.000 GJ	
Recycled waste	46%	46%	45%	2016	75%	



## Strategy (1/3)

### Retail Marketing

- Increasing like-for-like growth by continuously sharpening the formulas
- More visitors, higher conversion and higher average tickets
- More innovative products and marketing concepts
- Higher marketing investment in retail formats and brands
- Developing own web shops and partnerships in all countries in which the company operates (omni channel retail)
- Implementing NPS and RRS (customer satisfaction)

### Expansion

- Expansion of the store base with low investments and flexible leases per store





## Strategy (2/3)

### Financial

- Gradual annual increase of gross margin
- Reduction of rent through less m<sup>2</sup> and continuous renegotiation of leases
- Optimisation of opening times
- Reduction of net working capital
- Reduction of investment/costs of opening new stores

Acquisition of (online) players



## Strategy (3/3)

### Logistics

- Shorter delivery times (inbound/outbound)
- More flexible logistics at lower costs (inbound/outbound)

### Human Resources

- Continuous improvement in training of our staff
- > 30% women in management positions in 2017
- Further increase of employee satisfaction

### Corporate Social Responsibility



## Breakdown of revenue

(EUR x 1,0 million)

%+/- vs. 2013

	H1-2014	H1-2013	Total	LFL
Matratzen Concord	112,7	115,7	-2,7	-2,5
Beter Bed	44,0	47,9	-8,1	-1,6
DBC	6,7	7,0	-4,8	---
El Gigante del Colchón	2,5	3,7	-33,2	10,8
BeddenREUS	5,5	6,7	-17,2	-7,5
Slaapgenoten	1,1	2,8	-59,6	-42,6
Schlafberater.com	0,0	0,3	-100,0	---
Intercompany	-3,8	-4,0	-5,3	---
<b>Total</b>	<b>168,7</b>	<b>180,1</b>	<b>-6,3</b>	<b>-2,6</b>



## Like-for-Like development

%	2014	2013	2012	2011	2010	2009
Q1	-4,1	-10,7	+0,3	+0,3	+1,4	-12,6
Q2	-0,8	-9,0	-0,6	-1,0	+0,8	-4,8
Q3		-15,4	-6,6	+0,3	-1,8	-3,1
Q4		-9,2	-10,5	+1,8	-4,5	+7,9
Year	-2,6	-11,2	-4,7	+0,4	-1,3	-3,1



## Gross margin

%	2014	2013	2012	2011	2010	2009
Q1	56,9	56,4	55,8	56,0	54,8	53,5
Q2	57,7	56,4	55,8	55,7	55,0	54,2
Q3		56,3	55,7	55,2	55,0	54,2
Q4		58,3	58,0	58,8	58,5	56,7
Year	57,2	56,9	56,3	56,5	55,9	54,7



## Costs per store

- Costs per store decreased with 0,1% in Q2 2014
- Costs per store increased with 0,9% in H1 2014
- Increase mainly caused due to higher marketing expenditure and higher staff costs
- Constant exchange rates, costs for DBC/M Line are excluded in this metric



## Number of stores per formula

	31-12 2013	-	+	30-06 2014
Matratzen Concord	1.002	42	19	979
Beter Bed	92	5	7	94
El Gigante del Colchón	31	-	-	31
BeddenREUS	40	5	3	38
Slaapgenoten	9	2	-	7
Schlafberater.com	1	1	-	-
<b>Total</b>	<b>1.175</b>	<b>55</b>	<b>29</b>	<b>1.149</b>



## Number of stores per country

	31-12 2013	-	+	30-06 2014
Austria	64	1	3	66
Belgium	10	5	1	6
Germany	864	20	14	858
The Netherlands	154	27	9	136
Spain	31	-	-	31
Switzerland	52	2	2	52
<b>Total</b>	<b>1.175</b>	<b>55</b>	<b>29</b>	<b>1.149</b>





## Matratzen Concord

- Low propensity to buy in H1 2014
- Sales recovering in July and August
- Market share increases in Germany
- German consumer confidence stable and positive economic outlook
- Boxspring





## Beter Bed

- Dutch market recovering as of March 2014
- Q2 LFL 5,7%, order book € 1,9 M higher
- Dutch sales trend continues in July and August
- Expansion in Belgium with 1 store
- Positive sales trend in Belgium
- New branding and advertising works
- Own web shop sales continue to grow





## Other

- DBC
- El Gigante del Colchón
- BeddenREUS
- Slaapgenoten



## Outlook

- Economic recovery in Dutch and Spanish market continue
- Increased propensity to buy in Germany and Austria
- Sharper positioning of all formats



## Summary H1-2014 (1/2)

- Revenue: -6,3%
- Gross margin: +0,8% (absolute)
- Operational costs: -3,5% (relative)
- Order book Beter Bed + € 1,9 M (end of Q2)
- Stock level decreased
- Solvency improved



## Summary H1-2014 (2/2)

- Net working capital improvement plan in progress
- 26 net store closures (due to closing Slaapgenoten and MC Belgium and Netherlands)
- EBIT margin: 3,8% (2013: 4,5%)
- Net profit: € 4,9 million (2013: € 5,4 million)
- Positive sales trend in Q3 2014



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