



# Annual Results 2012

## Beter Bed Holding N.V.

March 8th, 2013



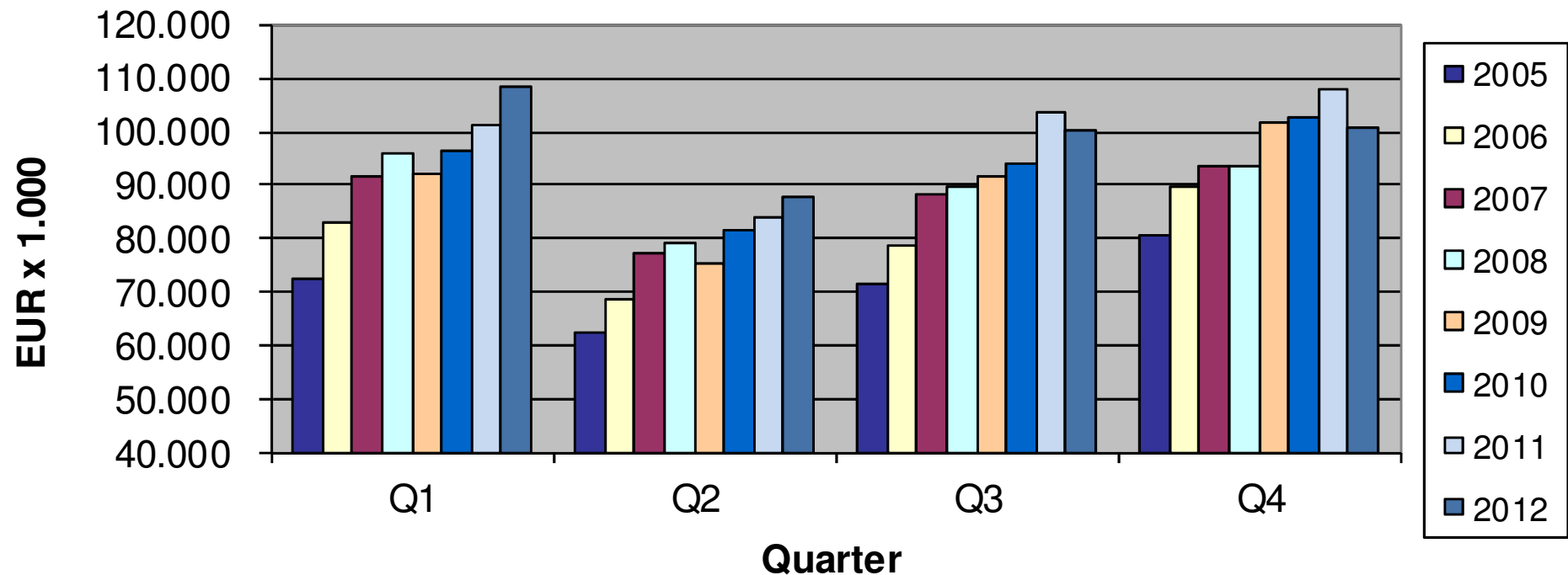


## Agenda

- Financials
- Objectives, strategy and CSR
- Formulas
- Outlook
- Summary

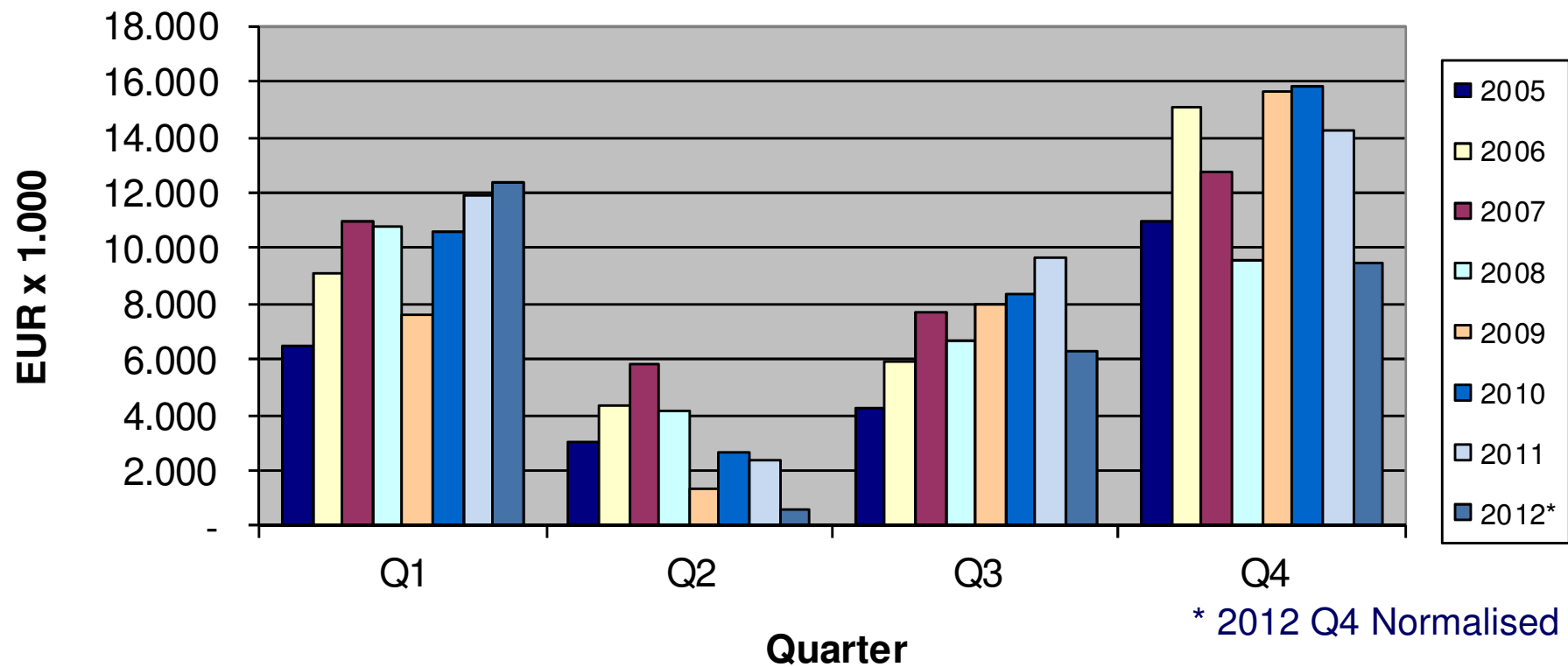


## Revenue per quarter





## EBIT per quarter





## Key data

	2012	2011
EPS (EUR)	0,67	1,29
EPS Normalised (EUR)	1,02	1,29
Cash flow from operations (EUR M)	28,8	36,5
Capex (EUR M)	10,9	13,3
Total assets (EUR M)	110,9	114,6
Sales/stocks	6,6	6,8



## P&L 2012

(EUR x 1.000)

	2012		2011	
Revenue	397.288		397.035	
Cost of sales	<u>173.445</u>		<u>172.625</u>	
Gross margin	223.843	56,3%	224.410	56,5%
Wage and salary costs	91.126		87.757	
Depreciation and impairments	14.424		8.510	
Other operating expenses	<u>94.574</u>		<u>89.855</u>	
Total operating expenses	<u>200.124</u>	50,4%	<u>186.122</u>	46,9%
EBIT	23.719	6,0%	38.288	9,6%
Financial expenses	-402		-434	
Income tax expense	<u>-8.899</u>		<u>-9.829</u>	
Net profit	14.418	3,6%	28.025	7,1%



## Write-down Spain (Q4) 2012

(EUR x 1.000)

2012

Impairment tangible fixed assets	1.125
Impairment goodwill	3.811
EBITDA impact	-
EBIT impact	4.936
Income taxes	<u>1.097</u>
Net profit impact	6.033



## Non-recurring expenses 2012

(EUR x 1.000)	2012	Q4 2012	Expenses related to:
Wage costs	724	383	
Depreciation	242	-	- Closure of activities in Poland
Other operating expenses	<u>1.576</u>	<u>707</u>	- Closure of stores in Spain, the Netherlands, Belgium and Germany (MAV)
EBITDA impact	2.300	1.090	- Reorganisation costs in Spain and the Netherlands
EBIT impact	2.542	1.090	
Income taxes	<u>789</u>	<u>548</u>	
Net profit impact	1.753	542	





## P&L 2012 Normalised

(EUR x 1.000)

	2012		2011	
Revenue	397.288		397.035	
Cost of sales	173.445		172.625	
Gross margin	223.843	56,3%	224.410	56,5%
Wage and salary costs	90.402		87.757	
Depreciation and impairments	9.246		8.510	
Other operating expenses	92.998		89.855	
Total operating expenses	192.646	48,5%	186.122	46,9%
EBIT	31.197	7,9%	38.288	9,6%
Financial expenses	-402		-434	
Income tax expense	-8.591		-9.829	
Net profit	22.204	5,6%	28.025	7,1%



## P&L Q4 2012

(EUR x 1.000)

	2012		2011	
Revenue	100.844		107.960	
Cost of sales	42.363		44.480	
Gross margin	58.481	58,0%	63.480	58,8%
Wage and salary costs	23.342		23.532	
Depreciation	7.387		2.323	
Other operating expenses	23.222		23.342	
Total operating expenses	53.951	53,5%	49.197	45,6%
EBIT	4.530	4,5%	14.283	13,2%
Financial expenses	-68		-241	
Income tax expense	-3.569		-3.890	
Net profit	893	0,9%	10.152	9,4%



## P&L Q4 2012 Normalised

(EUR x 1.000)

	2012 Normalised		2011	
Revenue	100.844		107.960	
Cost of sales	<u>42.363</u>		<u>44.480</u>	
Gross margin	58.481	58,0%	63.480	58,8%
Wage and salary costs	22.959		23.532	
Depreciation and impairments	2.451		2.323	
Other operating expenses	<u>22.515</u>		<u>23.342</u>	
Total operating expenses	<u>47.925</u>	47,5%	<u>49.197</u>	45,6%
EBIT	10.556	10,5%	14.283	13,2%
Financial expenses	-68		-241	
Income tax expense	<u>-3.020</u>		<u>-3.890</u>	
Net profit	7.468	7,4%	10.152	9,4%



## Consolidated Balance sheet

### Total Assets

(EUR x 1.000)

**31-12-2012**

**31-12 2011**

Tangible fixed assets	30.936	32.466
Intangible fixed assets	2.855	5.331
Financial fixed assets	978	1.930
Stocks	60.712	59.461
Debtors	10.150	8.308
Cash and cash equivalents	5.224	7.075
<b>Total</b>	<b>110.855</b>	<b>114.571</b>



## Consolidated Balance sheet

### Total Liabilities

(EUR x 1.000)

**31-12-2012**

**31-12 2011**

Equity attributable to equity holders of the parent	55.832	62.015
Long-term liabilities	3.400	5.000
Credit institutions	11.327	5.314
Other current liabilities	40.296	42.242
<b>Total</b>	<b>110.855</b>	<b>114.571</b>



## Cash flow (1/2)

EUR x 1.000

	2012	2011
Profit before taxes	23.317	37.854
Paid profit tax	6.308-	10.389-
Depreciation and impairments	14.424	8.510
Costs of employee stock options	202	489
Movements in:		
Stocks	1.251-	2.828-
Debtors	1.842-	2.655-
Short-term liabilities	3.308-	1.416-
Other	168-	255
<b>Cash flow from operational activities</b>	<b>25.066</b>	<b>29.820</b>



## Cash flow (2/2)

(EUR x 1.000)	2012	2011
<b>Cash flow from operating activities</b>	<b>25.066</b>	<b>29.820</b>
Additions to (in)tangible fixed assets	10.910-	13.336-
Disposals of (in)tangible fixed assets	648	254
Changes in long-term accounts receivable	87	106-
<b>Cash flow from investing activities</b>	<b>10.175-</b>	<b>13.188-</b>
Repayment of loan	2.000-	2.000-
Reissuance of shares	492	542
Dividend paid	21.247-	28.174-
<b>Cash flow from financing activities</b>	<b>22.755-</b>	<b>29.632-</b>
<b>Movements in cash and cash equivalents</b>	<b>7.864-</b>	<b>13.000-</b>



## 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 (1/2)

- 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 (2/2)

<b>Consumer</b>	Number of mattresses certified		80% in 2016
<b>Employees</b>	Women in management		25% in 2016
	Absenteeism	DE	3,0% in 2016
		NL	3,5% in 2016
<b>Supplier</b>	Signed code of conduct		100% in 2013
<b>Environment</b>	Savings on gas, oil and electricity		9% in 2016
<b>Recycling</b>	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. 2011

	2012	2011	Total	LFL
Matratzen Concord	251,2	242,0	3,8	(1,8)
Beter Bed	102,4	107,9	(5,1)	(6,2)
DBC	16,8	18,8	(11,0)	---
El Gigante del Colchón	12,9	14,7	(12,4)	(22,8)
BeddenREUS	14,8	14,5	2,1	(10,2)
Slaapgenoten	7,9	8,1	(2,9)	(24,8)
Schlafberater.com	0,2	---	---	---
MAV	0,7	2,6	(72,5)	---
Intercompany	(9,6)	(11,7)	(17,7)	---
<b>Total</b>	<b>397,3</b>	<b>397,0</b>	<b>0,1</b>	<b>(4,7)</b>



## Like-for-Like development

%	2012	2011	2010	2009	2008	2007
Q1	+0,3	+0,3	+1,4	-12,6	-4,8	+3,0
Q2	-0,6	-1,0	+0,8	-4,8	-8,4	+4,7
Q3	-6,6	+0,3	-1,8	-3,1	-4,5	+1,5
Q4	-10,5	+1,8	-4,5	+7,9	-7,6	-5,6
Year	-4,7	+0,4	-1,3	-3,1	-6,2	+0,5



## Gross margin

%	2012	2011	2010	2009	2008	2007
Q1	55,8	56,0	54,8	53,5	53,3	52,2
Q2	55,8	55,7	55,0	54,2	54,6	54,1
Q3	55,7	55,2	55,0	54,2	53,9	53,2
Q4	58,0	58,8	58,5	56,7	56,3	55,6
Year	56,3	56,5	55,9	54,7	54,5	53,7





## Costs per store

- Costs per store decreased marginally in 2012 with 0,1%
- Costs per store decreased with 3,1% in Q4 2012
- Constant exchange rates, excluding FY12 write-down Spain and costs for DBC/M Line are excluded in this metric.



## Number of stores per formula

	31-12 2011	-	+	31-12 2012
Matratzen Concord	963	66	107	1.004
Beter Bed	87	1	2	88
El Gigante del Colchón	67	11	7	63
BeddenREUS	39	2	7	44
Slaapgenoten/Dormaël	16	1	1	16
MAV	15	15	-	-
Schlafberater.com	-	-	4	4
<b>Total</b>	<b>1.187</b>	<b>96</b>	<b>128</b>	<b>1.219</b>



## Number of stores per country

	31-12 2011	-	+	31-12 2012
Austria	62	-	5	67
Belgium	10	3	-	7
Germany	815	58	99	856
The Netherlands	180	17	11	174
Poland	6	6	-	-
Spain	67	11	7	63
Switzerland	47	1	6	52
<b>Total</b>	<b>1.187</b>	<b>96</b>	<b>128</b>	<b>1.219</b>



## Matratzen Concord

- Solid H1 2012 with LFL +3,8%, comparison base H2 2012 proved to be difficult with LFL -6,4%
- German consumer confidence stable and positive economic outlook.
- Web shop launch





## Beter Bed

- Dutch market remains very challenging
- Order book at end of Q4 2012 € 1,2 million lower compared to end of Q4 2011
- Online sales now constitute of approx 5% of net sales
- VAT increase per October 2012
- Celebrating 30 years anniversary in 2013





## El Gigante del Colchón

- Cost adjustments and reorganizations implemented during the course of 2012
- In Q4 2012 change to cash & carry concept was fully implemented
- LFL 2012: -22,8%; LFL Q4 2012: -36,9%
- Market circumstances worsened since VAT increase per September and trend continues into 2013
- 13 store closures foreseen for 2013 H1





## Other

- DBC
- BeddenREUS
- Slaapgenoten
- Schlafberater.com



## Dividend policy

- Payout ratio  $>50\%$
- Partly as interim dividend
- Conditions:
  - Solvency  $>30\%$  (2012: 50%)
  - Ratio interest bearing debt/EBITDA  $<2$  (2012: 0,33)



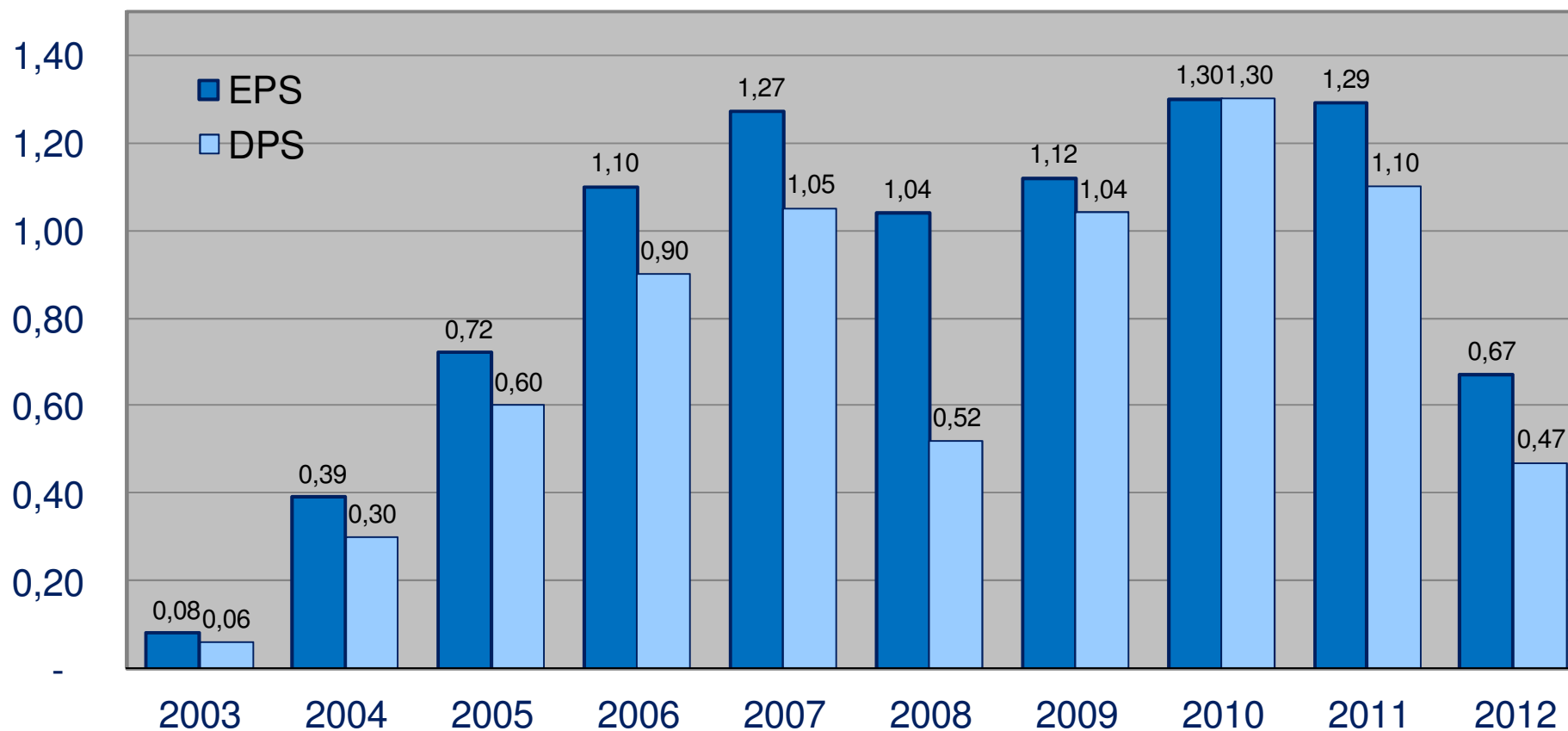


## Dividend

- Interim dividend 2012: € 0,35
- Proposal final dividend 2012: € 0,12
- Payout ratio 2012: 70% of 2012 net profit
- Payout ratio 2012: 50% of 2012 net profit excluding write-down Spain



## EPS/DPS





## 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
- Marked decrease of sales expected in Q1 2013 resulting in a considerably lower EBIT for Q1 2013 despite stable gross margin and implemented cost savings



## Outlook (2/2)

- Lower sales due to
  - Lower order portfolio ultimo Q4 2012 in the Netherlands compared to Q4 2011
  - Low visitor numbers because of historic low consumer confidence in the Netherlands
  - Lower visitor numbers due to severe snow conditions in both NL and Germany compared to Q1 2011



## Summary 2012

- Revenue: +0,1% (LFL -4,7%)
- 32 net store openings
- EBIT: € 23,7 million (2011: € 38,3 million)  
Normalised EBIT: € 31,2 million
- Net profit: € 14,4 million (2011: € 28,0 million)  
Normalised net profit: € 22,2 million
- Q1 2013 EBIT expected to be considerably lower than Q1 2012



# Annual Results 2012

## Beter Bed Holding N.V.

March 8th, 2013

