



Annual Results 2013

Beter Bed Holding N.V.

March 14th, 2014



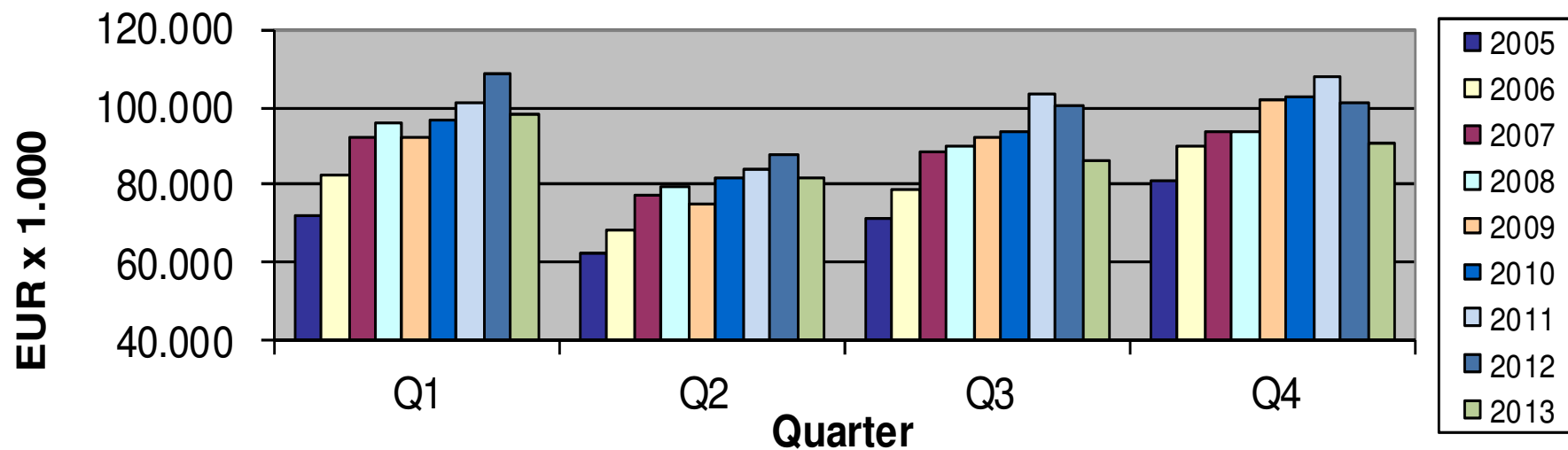


Agenda

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

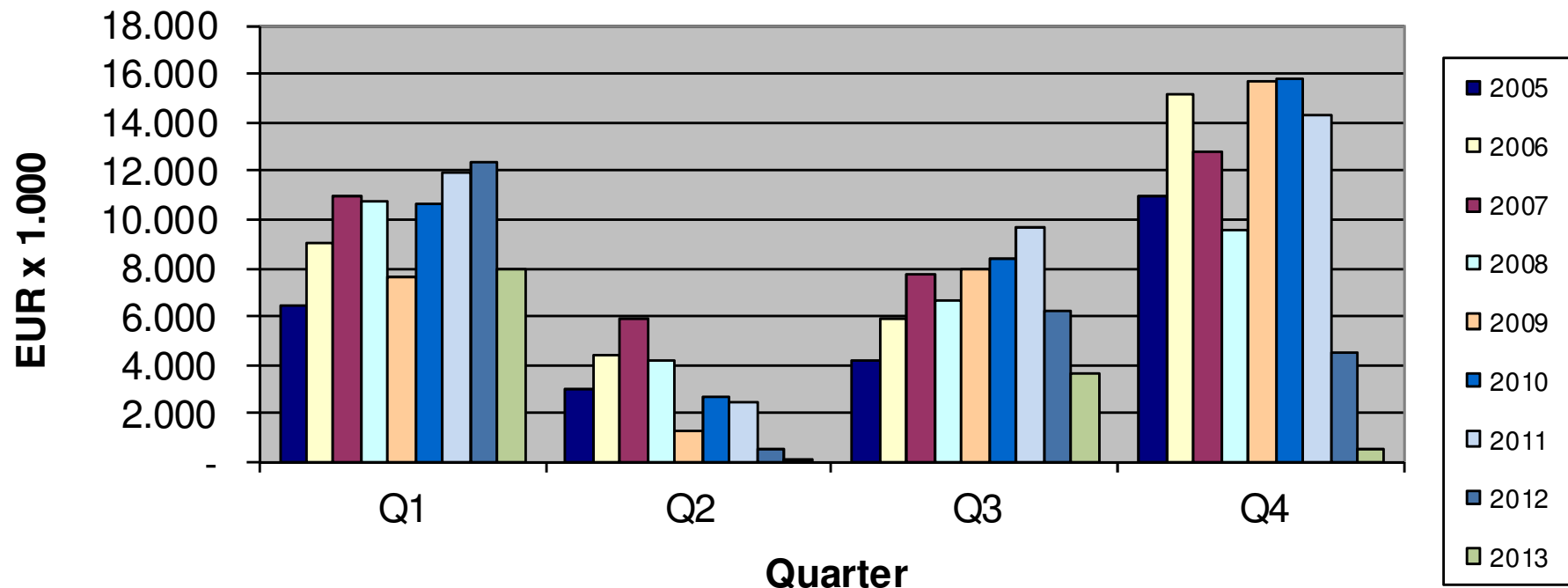


Revenue per quarter





EBIT per quarter





Key data

	2013	2012
EPS (EUR)	0,38	0,67
EPS normalised (EUR)	0,65	1,02
Cash flow from operations (EUR M)	18,2	28,8
Capex (EUR M)	5,4	10,9
Total assets (EUR M)	102,5	110,9
Sales/stocks	6,1	6,6



P&L 2013

(EUR x 1.000)

	2013		2012	
Revenue	357.363		397.288	
Cost of sales	<u>154.178</u>		<u>173.445</u>	
Gross margin	203.185	56,9%	223.843	56,3%
Wage and salary costs	87.369		91.126	
Depreciation and impairments	9.988		14.424	
Other operating expenses	<u>93.544</u>		<u>94.574</u>	
Total operating expenses	<u>190.901</u>	53,4%	<u>200.124</u>	50,4%
EBIT	12.284	3,4%	23.719	6,0%
Financial expenses	-716		-402	
Income tax expense	<u>-3.370</u>		<u>-8.899</u>	
Net profit	8.198	2,3%	14.418	3,6%



Write-down Slaapgenoten/ Matrassen Concord (Q4) 2013

(EUR x 1.000)

2013

Impairment fixed assets	1.057
Impairment inventory	772
Provision rent contracts	4.542
EBIT impact	6.371
Income taxes	<u>1.479-</u>
Net profit impact	4.892



Summary non-recurring expenses 2013

(EUR x 1.000)

	2013	Q4 2013
Slaapgenoten	3.749	3.749
MC Netherlands	2.167	2.167
MC Belgium	455	455
EGDC	815	-
HQ Netherlands	<u>175</u>	<u>-</u>
EBIT impact	7.361	6.371
Income taxes	<u>1.523-</u>	<u>1.479-</u>
Net profit impact	5.838	4.892

Expenses related to:

- Closure of stores in the Netherlands, Belgium and Spain



Non-recurring expenses 2012

(EUR x 1.000)	2012	Q4 2012	Expenses related to:
Impairment Spain	4.936	4.936	- Impairment assets Spain
Wage costs	724	383	- Closure of stores in the Netherlands and Germany (Schlafberater.com)
Depreciation	242	-	- Reorganisation costs in the Netherlands and Belgium
Other operating expenses	<u>1.576</u>	<u>707</u>	- Impairment of tax assets Spain €1.057
EBIT impact	7.478	6.026	
Income taxes	<u>290</u>	<u>531</u>	
Net profit impact	7.768	6.557	



P&L 2013 Normalised

(EUR x 1.000)

	2013 Normalised		2012 Normalised	
Revenue	357.363		397.288	
Cost of sales	<u>153.078</u>		<u>173.445</u>	
Gross margin	204.285	57,2%	223.843	56,3%
Wage and salary costs	87.032		90.402	
Depreciation and impairments	8.931		9.246	
Other operating expenses	<u>88.677</u>		<u>92.998</u>	
Total operating expenses	<u>184.640</u>	51,7%	<u>192.646</u>	48,5%
EBIT	19.645	5,5%	31.197	7,9%
Financial expenses	-716		-402	
Income tax expense	<u>-4.893</u>		<u>-8.591</u>	
Net profit	14.036	3,9%	22.204	5,6%



P&L Q4 2013

(EUR x 1.000)

	2013		2012	
Revenue	90.755		100.844	
Cost of sales	<u>37.858</u>		<u>42.363</u>	
Gross margin	52.897	58,3%	58.481	58,0%
Wage and salary costs	21.943		23.342	
Depreciation	3.232		7.387	
Other operating expenses	<u>27.173</u>		<u>23.222</u>	
Total operating expenses	<u>52.348</u>	57,7%	<u>53.951</u>	53,5%
EBIT	549	0,6%	4.530	4,5%
Financial expenses	-313		-68	
Income tax expense	<u>-261</u>		<u>-3.569</u>	
Net profit	-25	0,0%	893	0,9%



P&L Q4 2013 Normalised

(EUR x 1.000)

	2013		2012	
Revenue	90.755		100.844	
Cost of sales	<u>37.086</u>		<u>42.363</u>	
Gross margin	53.669	59,1%	58.481	58,0%
Wage and salary costs	21.943		22.959	
Depreciation	2.175		2.451	
Other operating expenses	<u>22.631</u>		<u>22.515</u>	
Total operating expenses	<u>46.749</u>	51,5%	<u>47.925</u>	47,5%
EBIT	6.920	7,6%	10.556	10,5%
Financial expenses	-313		-68	
Income tax expense	<u>-1.740</u>		<u>-3.020</u>	
Net profit	4.867	5,4%	7.468	7,4%



Consolidated Balance sheet

Total Assets

(EUR x 1.000)

	31-12-2013	31-12 2012
Tangible fixed assets	25.591	30.936
Intangible fixed assets	2.833	2.855
Financial fixed assets	826	978
Stocks	55.549	60.712
Debtors	8.132	10.150
Cash and cash equivalents	9.554	5.224
Total	102.485	110.855



Consolidated Balance sheet

Total Liabilities

(EUR x 1.000)

	31-12-2013	31-12 2012
Equity attributable to equity holders of the parent	57.963	55.832
Long-term obligations	2.424	3.400
Provisions	2.678	-
Credit institutions	4.975	11.327
Other current liabilities	34.445	40.296
	102.485	110.855
Total	102.485	110.855



Cash flow (1/2)

Profit before taxes	11.568	23.317
Paid profit tax	8.722-	6.308-
Depreciation and impairments	9.988	14.424
Costs of employee stock options	101-	202
Movements in:		
Stocks	5.163	1.251-
Debtors	2.942	1.842-
Short-term liabilities	1.497-	3.308-
Provisions	2.678	
Other	153	168-
Cash flow from operational activities	22.172	25.066



Cash flow (2/2)

(EUR x 1.000)

	2013	2012
Cash flow from operating activities	22.172	25.066
Additions to (in)tangible fixed assets	5.439-	10.910-
Disposals of (in)tangible fixed assets	806	648
Changes in long-term accounts receivable	251	87
Cash flow from investing activities	4.382-	10.175-
Repayment of loan	2.000-	2.000-
Reissuance of shares	846	492
Dividend paid	6.954-	21.247-
Cash flow from financing activities	8.108-	22.755-
Movements in cash and cash equivalents	9.682	7.864-



Vision

To become **market leader** in the
“**value-for-money**” segment
of the bed and mattress market,
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 (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)

Supply chain	Signed codes of conduct	100%	2013
Diversity in management	Women in management	30%	2016
Sickness-related absenteeism	Germany	3%	2016
	The Netherlands	3,5%	2016
Safe products	Certified mattresses	80%	2016
Energy consumption		235.000 GJ	2016
Recycled waste		75%	2016



Strategy (1/3)

- Retail format management
 - Increase like-for-like growth
 - Increase and extend the differentiating power of retail formulas, brands and products
 - Aim for strategic partnerships with suppliers
 - Test mattresses for the presence of hazardous substances
 - Become an active online player
- Expansion of the store base preferably with flexible leases and low investments per store
- Flexibility of costs through low investments per store and flexible rental contract



Strategy (2/3)

- Strict cost control without becoming ‘pennywise – pound foolish’
- Excellent management information based on state-of-the-art IT systems and a ‘facts-not-guesses’ culture
- Manage the supply chain as efficiently and effectively as possible
- Reduce and recycle waste, increase number of certified mattresses, save on energy



Strategy (3/3)

- Continuous awareness of core values and the code of conduct of Beter Bed Holding in all formulas and all countries
- Team and people development through in-company training and the introduction of the core Beter Bed values
- Reinforcement of the management of the local organisations



Breakdown of revenue

(EUR x 1,0 million)

%+/- vs. 2012

	2013	2012	Total	LFL
Matratzen Concord	238,4	251,2	(5,1)	(7,7)
Beter Bed	89,5	102,4	(12,6)	(13,5)
DBC	13,4	16,8	(20,2)	---
El Gigante del Colchón	6,7	12,9	(48,4)	(35,6)
BeddenREUS	11,9	14,8	(19,7)	(20,8)
Slaapgenoten	4,7	7,9	(40,9)	(39,5)
Schlafberater.com	0,4	0,2	81,0	(8,4)
Intercompany	(7,5)	(9,6)	(22,2)	---
Total	357,4	396,6	(9,9)	(11,2)



Like-for-Like development

%	2013	2012	2011	2010	2009	2008
Q1	-10,7	+0,3	+0,3	+1,4	-12,6	-4,8
Q2	-9,0	-0,6	-1,0	+0,8	-4,8	-8,4
Q3	-15,4	-6,6	+0,3	-1,8	-3,1	-4,5
Q4	-9,2	-10,5	+1,8	-4,5	+7,9	-7,6
Year	-11,2	-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	56,3	55,7	55,2	55,0	54,2	53,9
Q4	58,3	58,0	58,8	58,5	56,7	56,3
Year	56,9	56,3	56,5	55,9	54,7	54,5



Costs per store

- Costs per store decreased in 2013 with 3,0%
- Costs per store increased with 1,4% in Q4 2013 due to marketing expenditure
- Constant exchange rates, excluding non-recurring costs, impairments and costs for DBC/M Line are excluded in this metric



Number of stores per formula

	31-12 2012	-	+	31-12 2013
Matratzen Concord	1.004	72	70	1.002
Beter Bed	88	-	4	92
El Gigante del Colchón	63	32	-	31
BeddenREUS	44	4	-	40
Slaapgenoten	16	7	-	9
Schlafberater.com (D)	4	4	-	-
Schlafberater.com (CH)	-	-	1	1
Total	1.219	119	75	1.175



Number of stores per country

	31-12 2012	-	+	31-12 2013
Austria	67	7	4	64
Belgium	7	2	5	10
Germany	856	48	56	864
The Netherlands	174	20	-	154
Spain	63	32	-	31
Switzerland	52	10	10	52
Total	1.219	119	75	1.175



Matratzen Concord

- 2013 proved to be difficult
- Producers market Germany -12,3% 2013
- Market share increases in Germany
- German consumer confidence stable and positive economic outlook
- Web shop launch





Beter Bed

- Dutch market remains very challenging
- 2013 proved to be difficult with LFL -13,5%
- Expansion in Belgium with 4 stores
- New branding and advertising
- Own webshop sales continue to grow





Other

- DBC
- El Gigante del Colchón
- BeddenREUS
- Slaapgenoten



Dividend policy

- Payout ratio $>50\%$
- Partly as interim dividend
- Conditions:
 - Solvency $>30\%$ (2013: 56,6%)
 - Ratio interest bearing debt/EBITDA <2 (2013: 0,22)

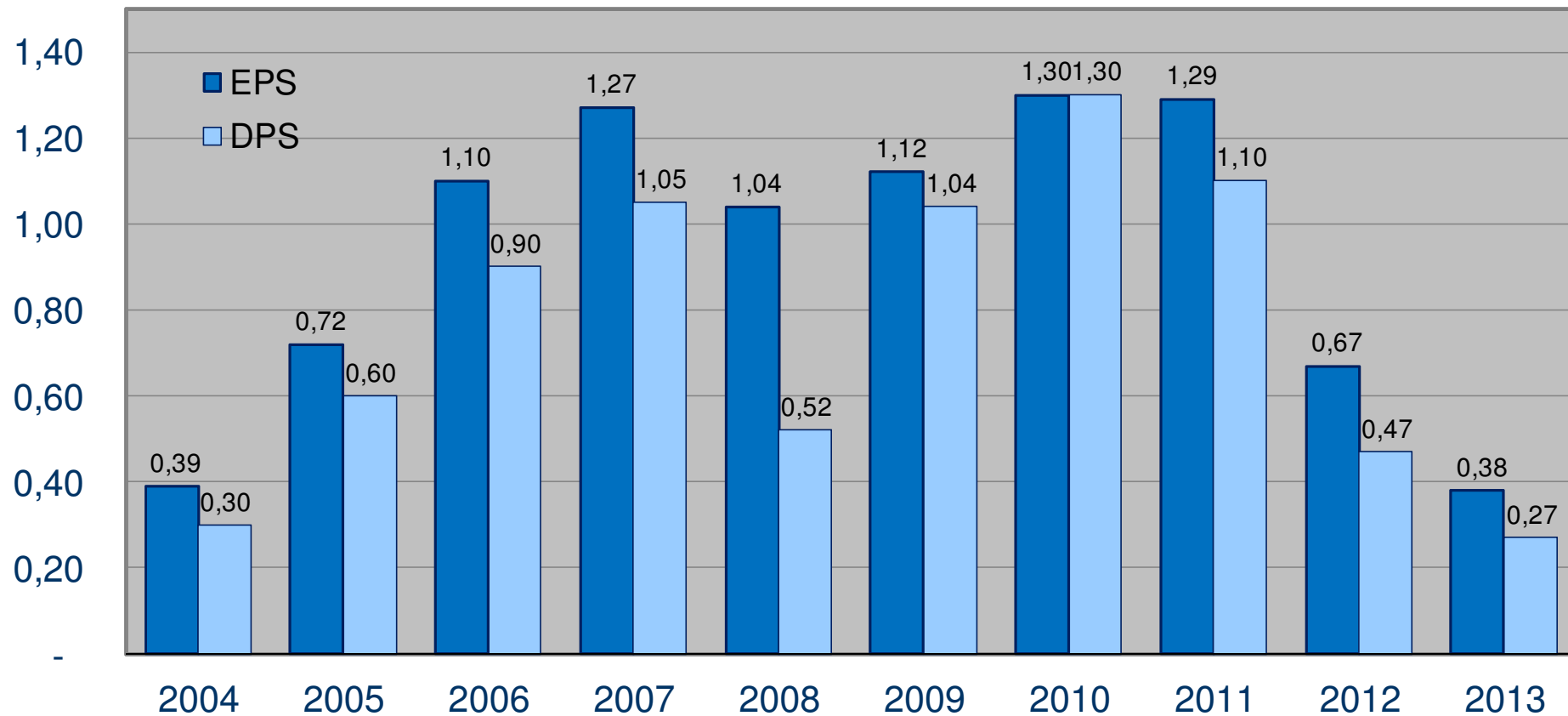


Dividend

- Interim dividend 2013: € 0,20
- Proposal final dividend 2013: € 0,07
- Payout ratio 2013: 72% of 2013 net profit



EPS/DPS





Outlook (1/2)

- First signs of economic recovery in Dutch market
- Possible impact on turnover late 2014 early 2015
- Sales trends continue in all countries
- Sharper positioning of formats in 2014



Outlook (2/2)

- Improvement sales (top line growth)
 - Visitors
 - Conversion
 - Service
 - Customer satisfaction
- Gross margin improvement
- Cost control
- Complexity reduction
- Net working capital improvement



Summary 2013

- Revenue: -10,0% (LFL -11,2%)
- 44 net store closings
- EBIT: € 12,3 million (2012: € 23,7 million)
Normalised EBIT: € 19,7 million (2012: € 31,2 million)
- Net profit: € 8,2 million (2012: € 14,4 million)
Normalised net profit: € 14,0 million (2012: € 22,2 million)



Annual Results 2013

Beter Bed Holding N.V.

March 14th, 2014

