



# Annual Results

## 2014

### Beter Bed Holding N.V.

March 13th, 2015



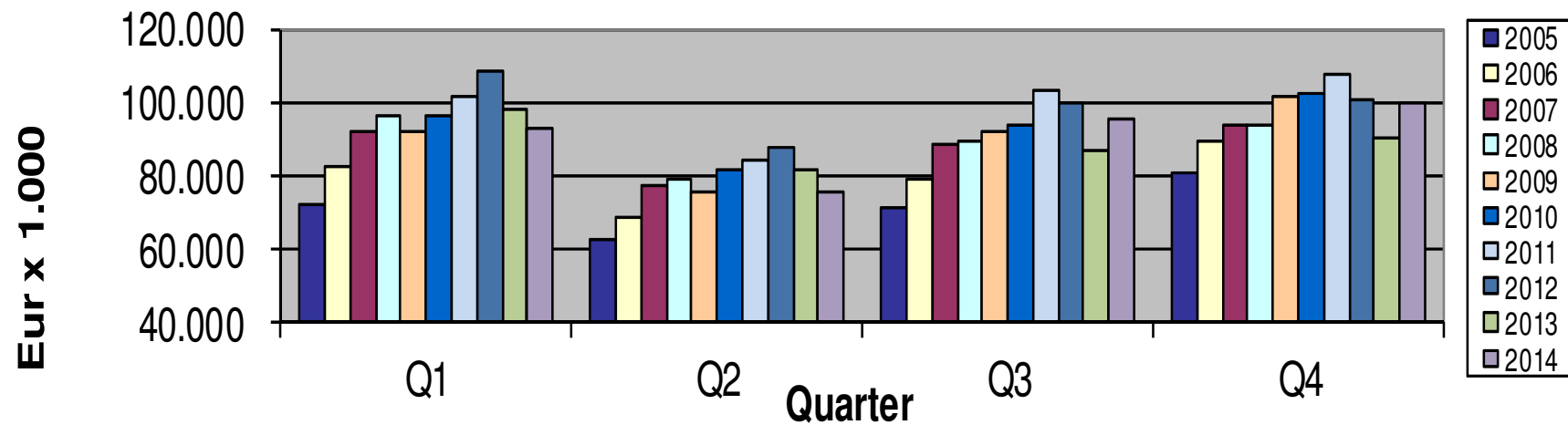


## Agenda

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

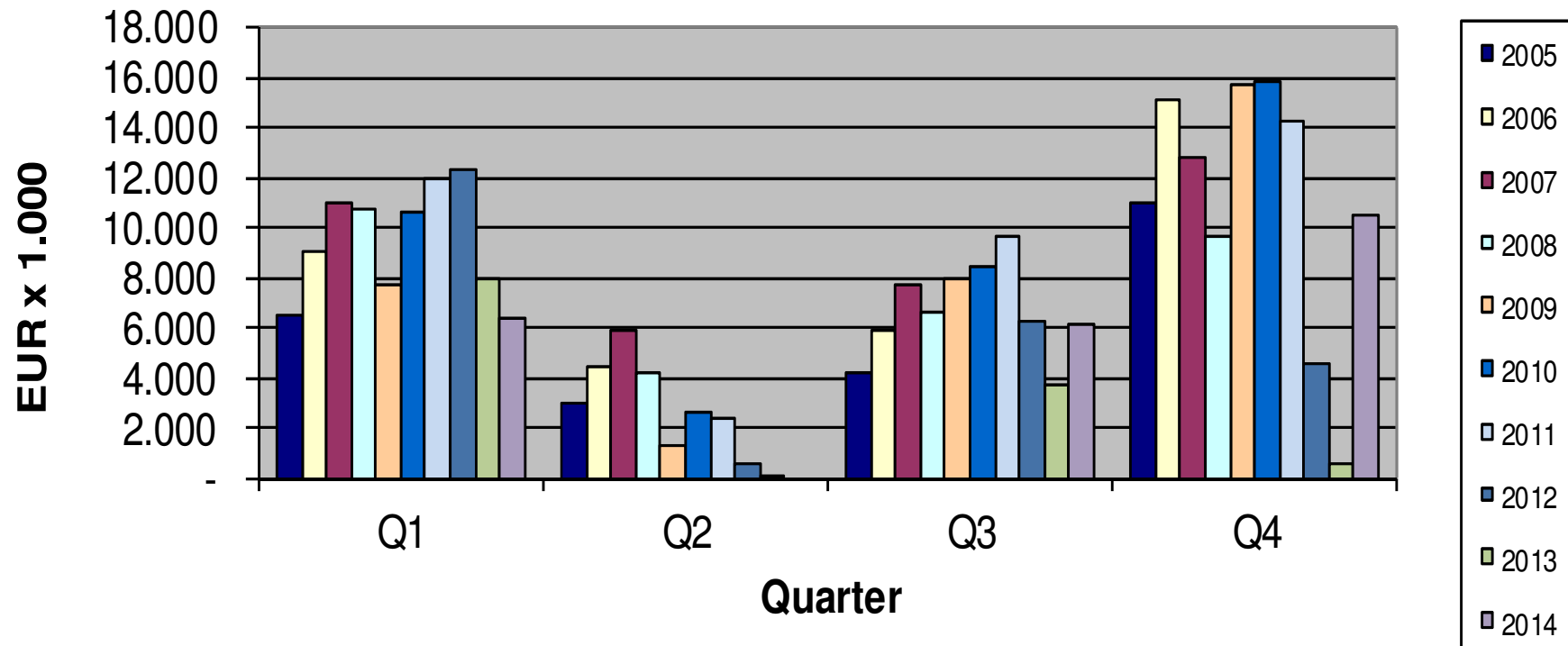


## Revenue per quarter





## EBIT per quarter





## Key data

	2014	2013
EPS (EUR)	0,77	0,38
Cash flow from operations* (EUR M)	25,1	18,2
Capex (EUR M)	13,2	5,4
Total assets (EUR M)	117,1	102,5
Sales/stocks	6,7	6,1

\* net profit plus depreciation



## P&L 2014

(EUR x 1.000)

	2014		2013	
Revenue	363.953		357.363	
Cost of sales	<u>155.300</u>		<u>154.178</u>	
Gross margin	208.653	57,3%	203.185	56,9%
Wage and salary costs	89.858		87.369	
Depreciation and impairments	8.242		9.988	
Other operating expenses	<u>87.511</u>		<u>93.544</u>	
Total operating expenses	<u>185.611</u>	51,0%	<u>190.901</u>	53,4%
EBIT	23.042	6,3%	12.284	3,4%
Financial expenses	-299		-716	
Income tax expense	<u>-5.883</u>		<u>-3.370</u>	
Net profit	16.860	4,6%	8.198	2,3%



## P&L Q4 2014

(EUR x 1.000)

	2014		2013	
Revenue	99.559		90.755	
Cost of sales	<u>41.041</u>		<u>37.858</u>	
Gross margin	58.518	58,8%	52.897	58,3%
Wage and salary costs	24.580		21.943	
Depreciation	2.228		3.232	
Other operating expenses	<u>21.168</u>		<u>27.173</u>	
Total operating expenses	<u>47.976</u>	48,2%	<u>52.348</u>	57,7%
EBIT	10.542	10,6%	549	0,6%
Financial expenses	-75		-313	
Income tax expense	<u>-2.932</u>		<u>-261</u>	
Net profit	7.535	7,6%	-25	0,0%



## Consolidated Balance sheet

### Total Assets

(EUR x 1.000)

	31-12-2014	31-12 2013
Tangible fixed assets	28.889	25.591
Intangible fixed assets	3.517	2.833
Financial fixed assets	768	826
Stocks	53.481	55.549
Debtors	9.585	8.132
Cash and cash equivalents	20.883	9.554
<b>Total</b>	<b>117.123</b>	<b>102.485</b>





## Consolidated Balance sheet

### Total Liabilities

(EUR x 1.000)

	31-12-2014	31-12 2013
Equity attributable to equity holders of the parent	68.635	57.963
Provisions	1.251	2.678
Long-term obligations	2.218	2.424
Credit institutions	-	4.975
Other current liabilities	45.019	34.445
<b>Total</b>	<b>117.123</b>	<b>102.485</b>



## Cash flow (1/2)

EUR x 1.000

2014

2013

Profit before taxes	22.743	11.568
Paid profit tax	7.143-	8.722-
Depreciation and impairments	8.242	9.988
Costs of employee stock options	439-	101-
Movements in:		
- Stocks	2.068	5.163
- Debtors	347-	2.942
- Short-term liabilities	10.574	1.497-
- Provisions	1.427-	2.678
- Short-term investment liabilities	1.701-	
- Other	42	153
<b>Cash flow from operational activities</b>	<b>32.612</b>	<b>22.172</b>



## Cash flow (2/2)

(EUR x 1.000)	2014	2013
<b>Cash flow from operating activities</b>	<b>32.612</b>	<b>22.172</b>
Additions to (in)tangible fixed assets	13.211-	5.439-
Short-term investment liabilities	1.701	-
Disposals of (in)tangible fixed assets	1.004	806
Changes in long-term accounts receivable	6	251
<b>Cash flow from investing activities</b>	<b>10.500-</b>	<b>4.382-</b>
Repayment of loan	1.000-	2.000-
Reissuance of shares	1.851	846
Dividend paid	7.659-	6.954-
<b>Cash flow from financing activities</b>	<b>6.808-</b>	<b>8.108-</b>
<b>Movements in cash and cash equivalents</b>	<b>15.304</b>	<b>9.682</b>



## 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:**

**“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	2014	2013	2012	Objective		
Supply chain	100%	100%	97%	2013	100%	Signed codes of conduct
Diversity in management	22%	22%	16%	2016	30%	Women in management
Sickness-related absenteeism	3.6%	3.5%	3.2%	2016	3%	Germany
Sickness-related absenteeism	4.2%	4.3%	4.8%	2016	3.5%	The Netherlands
Safe products	82%	81%	78%	2016	80%	Certified mattresses
Energy consumption	240.000 GJ	275.000 GJ	270.000 GJ	2016	235.000 GJ	
Recycled waste	48%	46%	46%	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

	2014	2013	Total	LFL
Matratzen Concord	249,1	238,4	4,5	5,1
Beter Bed	91,3	89,5	2,1	5,3
DBC	14,0	13,4	4,5	---
El Gigante del Colchón	5,5	6,7	(17,8)	15,7
Beddenreus	10,6	11,9	(10,7)	(2,1)
Slaapgenoten	1,8	4,7	(62,2)	(35,0)
Schlafberater.com	0,0	0,4	(96,1)	(100,0)
Intercompany	(8,3)	(7,5)	11,3	---
<b>Total</b>	<b>364,0</b>	<b>357,4</b>	<b>1,8</b>	<b>4,8</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	+12,6	-15,4	-6,6	+0,3	-1,8	-3,1
Q4	+11,8	-9,2	-10,5	+1,8	-4,5	+7,9
Year	+4,8	-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	56,0	56,3	55,7	55,2	55,0	54,2
Q4	58,8	58,3	58,0	58,8	58,5	56,7
Year	57,3	56,9	56,3	56,5	55,9	54,7



## Costs per store

- Costs per store increased in 2014 with 5,3% due to higher marketing and staff expenditure and lower average number of stores
- 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 2013	-	+	31-12 2014
Matratzen Concord	1.002	74	38	966
Beter Bed	92	13	15	94
El Gigante del Colchón	31	2	3	32
Beddenreus	40	12	7	35
Slaapgenoten	9	9	-	-
Schlafberater.com (CH)	1	1	-	-
<b>Total</b>	<b>1.175</b>	<b>111</b>	<b>63</b>	<b>1.127</b>



## Number of stores per country

	31-12 2013	-	+	31-12 2014
Austria	64	3	6	67
Belgium	10	5	2	7
Germany	864	47	29	846
The Netherlands	154	52	20	122
Spain	31	2	3	32
Switzerland	52	2	3	53
<b>Total</b>	<b>1.175</b>	<b>111</b>	<b>63</b>	<b>1.127</b>





## Matratzen Concord

- LFL Germany 5,6% 2014
- Market share increases in Germany
- German consumer confidence stable and positive economic outlook
- New branding and advertising





## Beter Bed

- Dutch market improving
- 2014 turn around with LFL 5,3%
- Expansion in Belgium with 2 stores
- New branding and advertising
- Own web shop sales continue to grow





## Beddenreus

- New branding and advertising
- Pilot stores opened at the end of 2014





## Other

- DBC
- El Gigante del Colchón



## Dividend policy

- Payout ratio  $>50\%$
- Partly as interim dividend
- Conditions:
  - Solvency  $>30\%$  (2014: 58,6%)
  - Ratio interest bearing debt/EBITDA  $<2$  (2014: 0)

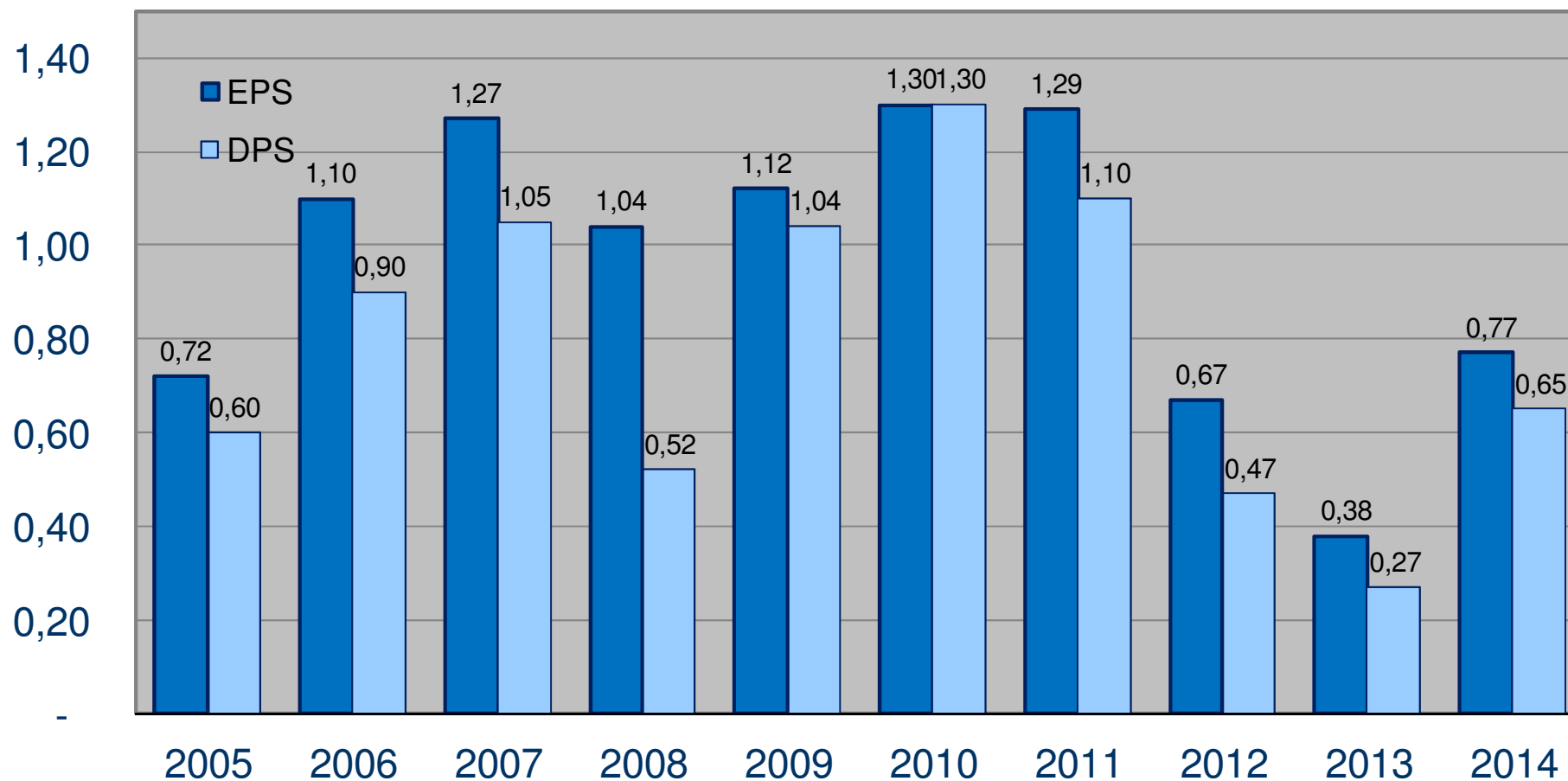


## Dividend

- Interim dividend 2014: € 0,28
- Proposal final dividend 2014: € 0,37
- Proposal total dividend 2014: € 0,65
- Pay-out ratio 2014: 85% of 2014 net profit



## EPS/DPS





## Outlook (1/2)

- Sales trends continue in almost all countries
- Sharper positioning of formats in 2014
- Improvement sales (top line growth)
  - Visitors
  - Conversion
  - Service
  - Customer satisfaction
- Gross margin improvement





## Outlook (2/2)

- Cost control
- Complexity reduction
- Net working capital improvement



## Summary 2014

- Revenue: + 1,8% (LFL + 4,8%)
- 48 net store closings
- EBIT: € 23,0 million (2013: € 12,3 million)
- Net profit: € 16,9 million (2013: € 8,2 million)



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