



Annual Results

2015

Beter Bed Holding N.V.

11 March 2016

MATRATZEN
CONCORD
GANZ SCHÖN AUSGESCHLAFEN



M LINE[®]
Sleep well. Move better.

LITERIE CONCORDE[®]
Qualité haut de gamme à prix abordable

beddenREUS[®]

GIGANTE
DEL COLCHÓN



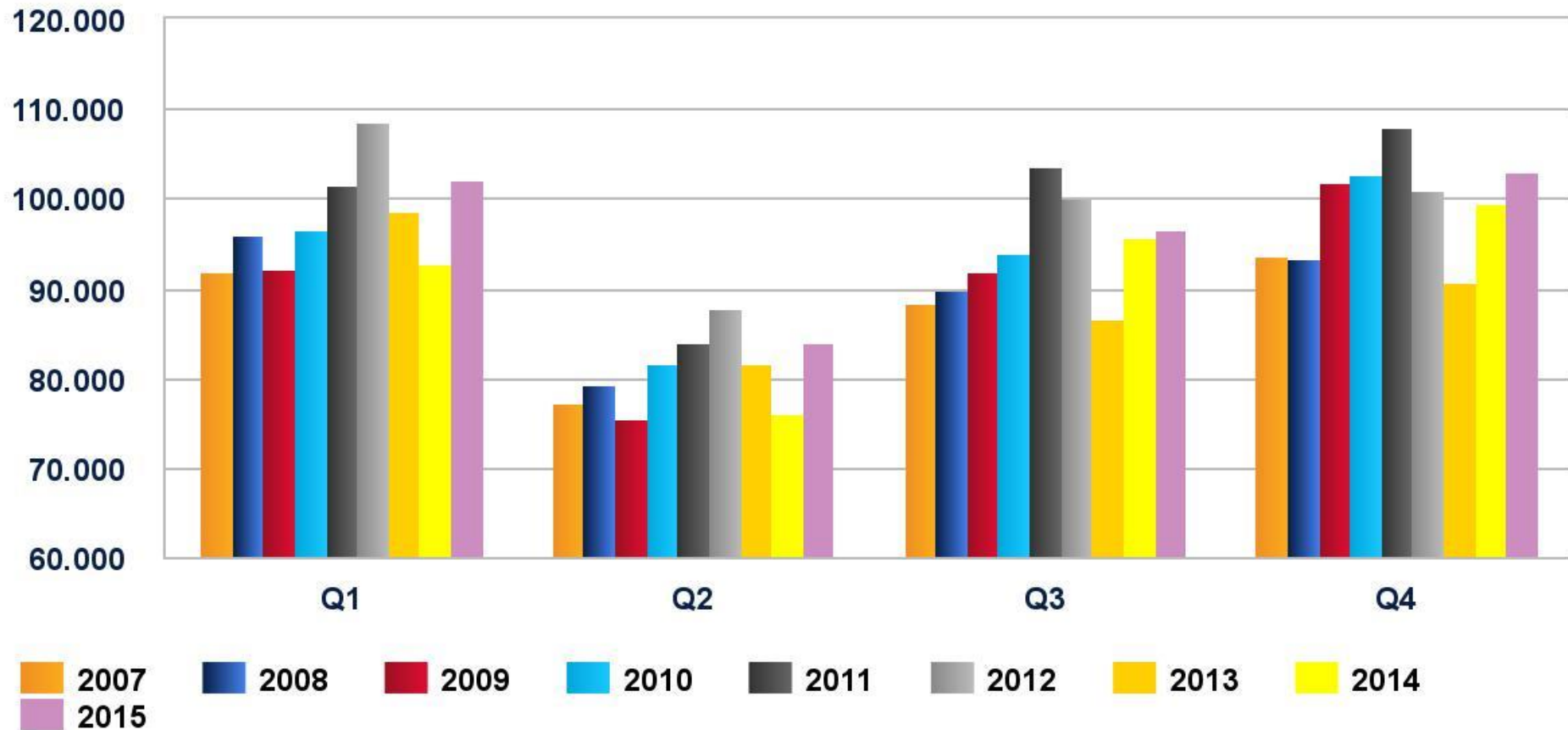
Agenda

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



Revenue per quarter

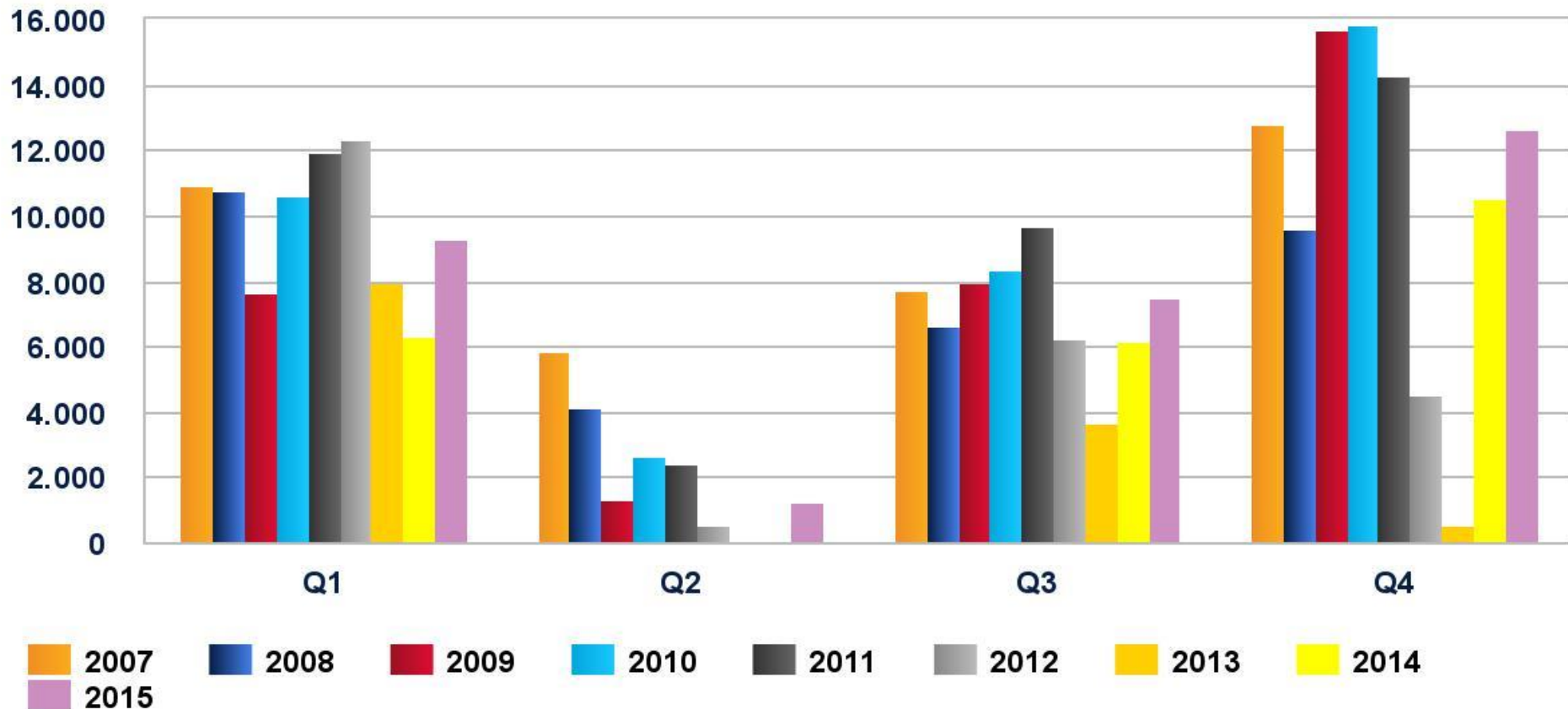
Eur x 1.000





EBIT per quarter

Eur x 1.000





Key data

	2015	2014
EPS (EUR)	1,03	0,77
Capex (EUR M)	16,0	13,2
Total assets (EUR M)	131,7	117,1
Sales/stocks	6,9	6,7



P&L 2015

(EUR x 1.000)

	2015		2014	
Revenue	385.440		363.953	
Cost of sales	163.225		155.300	
Gross margin	222.215	57,7%	208.653	57,3%
Wage and salary costs	92.176		89.858	
Amortisation	9.825		8.242	
Other operating expenses	89.515		87.511	
Total operating expenses	191.516	49,7%	185.611	51,0%
EBIT	30.699	8,0%	23.042	6,3%
Finance income and costs	-51		-299	
Income tax expense	-8.089		-5.883	
Net profit	22.559	5,9%	16.860	4,6%



P&L Q4 2015

(EUR x 1.000)

	2015		2014	
Revenue	102.914		99.559	
Cost of sales	40.566		41.041	
Gross margin	62.348	60,6%	58.518	58,8%
Wage and salary costs	24.167		24.580	
Amortisation	2.238		2.228	
Other operating expenses	23.272		21.168	
Total operating expenses	49.677	48,3%	47.976	48,2%
EBIT	12.671	12,3%	10.542	10,6%
Finance income and costs	86		-75	
Income tax expense	-3.419		-2.932	
Net profit	9.338	9,1%	7.535	7,6%



Consolidated Balance sheet

Total Assets

(EUR x 1.000)	31-12-2015	31-12-2014
Tangible assets	34.520	28.889
Intangible assets	3.477	3.517
Financial assets	1.580	768
Inventories	57.926	53.481
Receivables	8.662	9.585
Cash and cash equivalents	25.512	20.883
Total	131.677	117.123



Consolidated Balance sheet

Total Equity and Liabilities

(EUR x 1.000)	31-12-2015	31-12-2014
Equity	75.750	68.635
Provisions	538	1.251
Non-current liabilities	2.279	2.218
Current liabilities	53.110	45.019
Total	131.677	117.123



Cash flow (1/2)

EUR x 1.000

	2015	2014
Operating profit	30.699	23.042
Interest paid	51-	305-
Income tax paid	4.443-	7.143-
Amortisation	9.825	8.242
Costs (Release) of employee stock options	192	439-
Movements in:		
- Inventories	4.445-	2.068
- Receivables	1.104-	120-
- Provisions	713-	1.427-
- Current liabilities	5.857	10.353
- Other	192	42
Cash flow from operational activities	36.009	34.313



Cash flow (2/2)

EUR x 1.000

	2015	2014
Cash flow from operational activities	36.009	34.313
Additions to (in)tangible assets	15.963-	13.211-
Disposals of (in)tangible assets	591	1.004
Changes in non-current receivables	124-	6
Cash flow from investing activities	15.496-	12.201-
Repayment of loan	-	1.000-
(Re)issuance of shares	803	1.851
Dividend paid	16.687-	7.659-
Cash flow from financing activities	15.884-	6.808-
Movements in cash and cash equivalents	4.629	15.304



Vision

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



Mission

Nothing inspires and motivates us more than ensuring that all our customers sleep every night in a healthy and comfortable way at an affordable price:

“Hard at work on a good night’s rest”



Objectives

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



Strategy 2016 - 2020 (1/5)

From Good to Great

Retail Marketing

- Continuously sharpening the positioning of the formulas by offering top quality products and advice against lowest/best price
- Improvement of the customer experience
- Improvement of transaction power in Benelux and attraction power in other countries (omnichannel LFL sales)
- Investment in (online) marketing/advertising
- Continuous innovation in product and brands
- Investment in training of sales and logistic employees



Strategy 2016 - 2020 (2/5)

E-commerce

- Sharpening the omnichannel e-commerce proposition by optimally facilitating the customer journey
- Significant investment in ecommerce activities; exploiting state of the art web shops
- Investment in people and systems in ecommerce department

Expansion

- Expansion in existing and new countries with low investments, low cost and flexible lease periods per store
- Acquisitions



Strategy 2016 - 2020 (3/5)

Purchasing and Sales

Purchasing

- Gross margin improvement
- Development of online product range
- Optimisation of delivery times
- Less (but more strategic) suppliers/less complexity
- Innovation and development of additional assortments

Sales

- Optimal customer experience supported by advice tools, configurators, NPS and customer reviews
- Improve conversion



Strategy 2016 - 2020 (4/5)

Backoffice (HR, Finance, Logistics and IT)

HR

- Further professionalisation of HR
- Creating customer centered high performance KPI and team culture

Finance

- Strengthen business support position
- Optimise working capital and control/reduce cost

Logistics

- Optimisation of infrastructure; faster and more flexible deliveries become the new standard



Strategy 2016 - 2020 (5/5)

Backoffice (HR, Finance, Logistics and IT)

IT

- Developing a new customer and employee friendly 'front end' on the basis of a robust (SAP) backbone

Corporate Social Responsibility

- Defining new objectives and strategy 2016-2020



CSR Objectives

Subject	2015	2014	2013	Objective		
Supply chain	100%	100%	100%	2013	100%	Signed codes of conduct
Diversity in management	25%	22%	22%	2016	30%	Women in management
Sickness-related absenteeism	3.4%	3.6%	3.5%	2016	3%	Germany
Sickness-related absenteeism	4.1%	4.2%	4.3%	2016	3.5%	The Netherlands
Certified products	83%	82%	81%	2016	80%	Certified mattresses
Energy consumption (TJ)	231	238	277	2016	235	
Recycled waste	52%	48%	46%	2016	75%	



Breakdown of revenue

(EUR x 1,0 million)	%+/- vs. 2014			
	2015	2014	Total	LFL
Matratzen Concord	262,2	249,1	5,2	3,1
Beter Bed	101,3	91,3	10,9	11,6
DBC	14,9	14,0	6,4	---
El Gigante del Colchón	5,9	5,5	8,4	0,6
Beddenreus	10,3	10,6	(2,7)	6,7
Slaapgenoten	0,0	1,8	(100,0)	---
Intercompany	(9,2)	(8,3)	9,0	---
Total	385,4	364,0	5,9	5,4



Like-for-like development

%	2015	2014	2013	2012	2011	2010
Q1	10,3	-4,1	-10,7	0,3	0,3	1,4
Q2	7,7	-0,8	-9,0	-0,6	-1,0	0,8
Q3	2,4	12,6	-15,4	-6,6	0,3	-1,8
Q4	2,2	11,8	-9,2	-10,5	1,8	-4,5
Year	5,4	4,8	-11,2	-4,7	0,4	-1,3



Gross margin

%	2015	2014	2013	2012	2011	2010
Q1	56,6	56,9	56,4	55,8	56,0	54,8
Q2	56,7	57,7	56,4	55,8	55,7	55,0
Q3	56,6	56,0	56,3	55,7	55,2	55,0
Q4	60,6	58,8	58,3	58,0	58,8	58,5
Year	57,7	57,3	56,9	56,3	56,5	55,9



Costs per store

- Costs per store increased in 2015 with 4,6% as a result of higher marketing and staff expenditure, higher depreciations and higher logistics and overhead costs
- Costs per store excluding depreciation increased in 2015 with 3,7%



Number of stores per formula

	31-12-2014	closed	opened	31-12-2015
Matratzen Concord	966	46	72	992
Beter Bed	94	9	12	97
El Gigante del Colchón	32	2	6	36
Beddenreus	35	6	5	34
Total	1.127	63	95	1.159



Number of stores per country

	31-12-2014	closed	opened	31-12-2015
Austria	67	3	21	85
Belgium	7	-	-	7
Germany	846	42	45	849
The Netherlands	122	15	17	124
Spain	32	2	6	36
Switzerland	53	1	6	58
Total	1.127	63	95	1.159



Matratzen Concord

- LFL Germany 3,8% 2015 (2014: 5,6%)
- Strong comparative basis in 2014
- 68,0% of the total revenue
- German consumer confidence stable and positive economic outlook
- New branding and advertising





Beter Bed

- Dutch market improving
- 2015 strong LFL growth with 11,6%
- New branding and advertising
- Customer reviews and NPS
- Own web shop sales continue to grow





Beddenreus

- Relaunch of format (new logo etc.)
- Refurbishment of stores
- Successful LFL development





Other

- DBC
- El Gigante del Colchón



Dividend policy

- Payout ratio $>50\%$
- Partly as interim dividend
- Conditions:
 - Solvency $>30\%$ (2015: 57,5%)
 - Ratio interest bearing debt/EBITDA <2 (2015: 0)

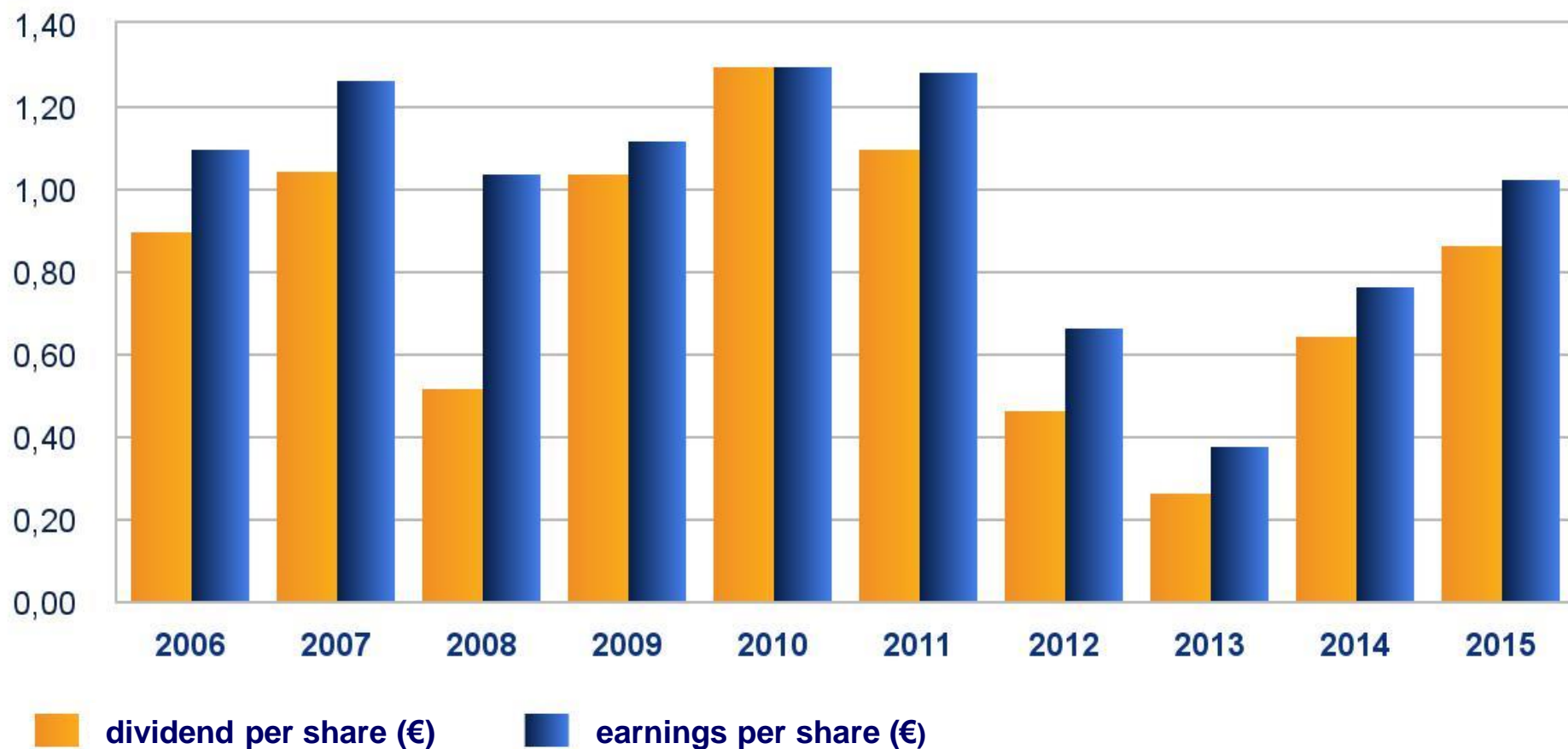


Dividend

- Interim dividend 2015: € 0,39
- Proposal final dividend 2015: € 0,48
- Proposal total dividend 2015: € 0,87
- Pay-out ratio 2015: 85% of 2015 net profit



EPS/DPS





Outlook Q1 2016 (1/2)

- Sales trends continue in Benelux, Spain and Switzerland
- Strong comparison base Germany and Austria
- Focus on customer satisfaction, innovation, expansion and omnichannel ecommerce
- Sharper positioning of Matratzen Concord in 2016



Outlook Q1 2016 (2/2)

- Increase of online sales
- Gross margin improvement
- Cost control
- Complexity reduction
- Net working capital improvement



Summary 2015

- Revenue: + 5,9% (LFL + 5,4%)
- 32 net store openings
- EBITDA: € 41,1 million (2014: € 31,3 million)
- EBIT: € 30,7 million (2014: € 23,0 million)
- Net profit: € 22,6 million (2014: € 16,9 million)



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