

Uden, the Netherlands, 21 October 2022

Beter Bed Holding reports third quarter 2022 trading update

Results impacted by hot summer weather and uncertain economic climate, market share increased by 9.6%

Highlights

- Q3 sales amounted to € 54.4 million (-3.7% vs Q3 2021; +4.7% vs Q2 2022), resulting in YTD sales of € 166.7 million (+8.5%)
- Online sales up 4.5% in Q3 (vs Q3 2021), leading to a channel share of 17.2% and YTD channel share of 18.9%
- Like-for-Like order intake Q3 down by 10.0%, mainly due to strong comparison base during COVID, soft weather and uncertain economic outlook, resulting in an increased order book of € 19.9 million (+2.7% vs 30 June 2022)
- 9.6% increase in market share and double digit NPS growth compared to last year underpin significant outperformance
- Strategic plan 2025 well underway with multiple commercial initiatives launched
- Financing facility increased to € 30 million (with Rabobank joining ABN AMRO) to support further implementation of strategic plan and pursue potential opportunities

John Kruijssen, CEO of BBH, comments:

“During the pandemic, the attention for the importance of sleep has definitely increased. We have worked hard to sharpen our offering, strengthen our brand, optimise our store network and improve our online offering. While we diligently execute our strategic plan towards 2025, we see that our customers recognise the steps we are taking and appreciate our ‘Sleep better, live better’ philosophy. Although the third quarter has shown a decline in order intake, mainly due to the strong comparison base during COVID, the soft weather and the uncertain economic outlook, our market share and NPS have grown significantly and our order book has further increased.

We continue to adjust and strengthen our proposition, and we are proud to have achieved an average sales growth over the last three years of 10 %, and 8.5% year to date. We are in full implementation mode of our strategic plan, and we have secured additional funding to support the further rollout. We expect that the retail sector will be further impacted by the high inflation and low consumer spending, but remain confident about our positioning and business model for the longer term.”

€ million	Sales 2022 Q3				
	Sales 2022 Q3	% Growth vs. 2021 Q3	LFL sales growth vs. 2021 Q3	LFL order intake growth vs. 2021 Q3	Online sales as % of total sales
Benelux	51.7	-1.4%	-1.9%	-8.9%	17.4%
New Business	2.7	-34.5%	-34.5%	-26.2%	12.8%
Total	54.4	-3.7%	-4.3%	-10.0%	17.2%

€ million	Sales 2022 Q3 YTD				
	Sales 2022 YTD	% Growth vs. 2021 YTD	LFL sales growth vs. 2021 YTD	LFL order intake growth vs. 2021 YTD	Online sales as % of total sales
Benelux	157.2	9.5%	8.9%	1.8%	19.5%
New Business	9.5	-5.7%	-5.7%	-17.3%	9.5%
Total	166.7	8.5%	7.9%	0.5%	18.9%

Implementation progress Strategic plan

During the third quarter, Beter Bed Holding (BBH) has made significant progress to improve its positioning.

BBH takes leading role in attention for the importance of sleep

An important milestone was the launch of the 'Sleep Manifesto', in order to emphasise the importance of better sleep. With this in mind, Beter Bed brought sleep scientist Matthew Walker, an internationally renowned sleep scientist and author of 'Why We Sleep' and TEDx speaker with more than 16 million views to the Netherlands to update the public on the impact of better sleep, and he was the first to officially sign the manifesto. At the EBIA - the European Bedding Industries' Association – General Assembly, with representatives from the whole European bedding industry present, John Kruijssen appealed to the community to sign the Sleep Manifesto, referring to results of scientific research on sleep and the importance of sleep for people's health.

Sharpening our in-store experience

The Beter Slapen ID system is now operational in 42 stores, using sensors to measure the customer's body and matching the results with data of the entire mattress range. This data driven approach enables us to offer customised, independent mattress advice. This positively influences customers' valuation of sleep. More Beter Slapen ID's will be introduced towards the end of 2022 and full implementation is expected in the first quarter of 2023.

Strengthen our brand

BBH continues to invest in its formulas. At Beter Bed, we are launching the new Kårlsson bed and box spring collection. With this innovative brand, based on quality and craftsmanship, we take our own brand to a higher level. By consciously choosing sustainable materials and processes as much as possible, we choose progress, now and in the future.

At Beddenreus a new collection was introduced, revamping the retail formula. Beddenreus will continue to be a sleep discounter, as it has been for 25 years, but its philosophy will be much more sharply defined with the focus on the customer. The sophisticated store concept will have clear signage and easy in-store navigation. With the Choose, Mix & Sleep Well program, customers can put together their bed or box spring in store via a preselection. The first store with the new look and feel opened on September 28 in Beverwijk. The other 32 Beddenreus stores in the Netherlands will follow in 2023.

Optimise our store network

At Beter Bed, we have started a pilot with a new store format to optimise our store network: 'Beter Bed city'. The first was opened mid-September at a high traffic location, The Westfield Mall of the Netherlands in Leidschendam. This brand-new store concept distinguishes itself from the other Beter Bed retail formulas by the size of the store (130 m²) and its location. The location in a shopping centre will increase visibility and encourage customers to drop in more spontaneously. Thanks to creative use of the space, combined with technological gadgets, customers get a complete impression of Beter Bed's products and service and customers can get a personal sleep advice according to the 'Better Sleep Plan'.

Improve our online offering

In line with our growth strategy, the textile category has grown above average in online, as a result of competitive pricing tactics, new photography and Computer-Generated Images, new assortment and improved customer journeys.

Financial / operational review Q3 2022

Benelux

Beter Bed and Beddenreus have shown a slight decline in sales (-1.4%) compared with a strong quarter in the same period last year, mostly impacted by hot summer weather in the beginning of the quarter. The declining traffic as a result of higher temperatures and more holiday movements in the Netherlands specifically impacted the online sales. When the temperatures normalised in September, we saw traffic and order intake increase again.

Inretail market research has reported market share increase of 9.6% for Beter Bed in the Netherlands over the first half year of 2022, compared with H1 2021.

Beter Bed has won the 'ABN AMRO Best Retail Chain of the Netherlands' award and the 'ABN AMRO Best Webshop Award' for the fifth time. Both prizes are public awards in the 'Bedroom Furnishings' category, a confirmation that our customers recognise the steps we are taking on a strategic level and appreciation of our 'Sleep better, live better' philosophy. Furthermore, we have recorded a double digit NPS growth compared to same period last year as a result of our efforts to continuously optimise our omni-channel customer experience.

A new marketing campaign has been launched for Beter Bed Belgium, which fits in with Belgium's growth strategy. The main goal is to further strengthen the brand recall of our formula in Belgium. First results of the new campaign are looking very promising.

New Business

The current economic uncertainty has a negative impact on the traffic at dealers from DBC. Furthermore, international retail sales are under pressure due to continued decline in consumer confidence, resulting in a strong decline in sales (-34.5%) compared with the same quarter a year earlier.

BBH continues to see this segment as a growth opportunity, with great potential in the hotel sector and holiday parks. From June 2022, DBC has started to fit all EuroParcs holiday homes in phases with EuroParcs Exclusive by M line products. The special collection consists of M line box springs and mattresses and is intended for both new and existing homes.

DBC furthermore signed a partnership agreement with the Adova group for the representation of the international Simmons brand. The distribution agreement enables DBC International to distribute the Generation and Beautyrest collections of Simmons in the Netherlands and Flanders. With the Simmons collection, DBC International is expanding its portfolio and can respond even better to the needs of today's market.

About Beter Bed Holding

Beter Bed Holding (BBH) is the Netherlands' leading sleep specialist in retail, wholesale and B2B.

Our mission is simple. *We believe that the better we sleep, the **happier, healthier** and more **productive** we are. And we won't rest until everyone gets the high-quality sleep they deserve.*

Listed on Euronext Amsterdam, BBH operates the successful retail brands Beter Bed, Beddenreus, the new subscription brand Leazzy and the digital organisation LUNEXT. In addition, through its subsidiary DBC International, BBH has a wholesale business in branded products in the bedroom furnishings sector, which includes the well-known international brands M line and Simmons.

With 4 distribution centres, a fleet of 80 vehicles, 132 stores, a fast-growing online presence, and a wholesale company our team of over 1,000 dedicated employees generated € 214.2 million revenue in 2021.

Providing expert sleep advice is at the very heart of our strategy, and thanks to our revolutionary 'Beter Slapen ID' tool, our sleep consultants help customers to get the perfect night's sleep. BBH is proud that M line is the official sleep supplier of AFC Ajax, TeamNL, Jumbo-Visma, NOC*NSF and the KNVB.

For more information

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