Uden, the Netherlands, 25 June 2019

Beter Bed Holding investigates alternatives for future of Matratzen Concord and is in constructive dialogue with banks on required financing arrangements

Strategy update:

- Beter Bed Holding launched a new strategy in October 2018, which has resulted in a strong performance in the Benelux region and an improving performance in Sweden. However, the recovery of Matratzen Concord turns out to be more time-consuming than initially anticipated, which is causing liquidity constraints.
- To ensure a stable financial platform for the short-term, Beter Bed Holding is in constructive dialogue with the banks to address short-term liquidity, to temporarily waive the covenant testing of 30 June 2019, and to work with each other with the intent to consider a longer-term financing solution that is aligned with the new structure when certain milestones have been met. As part of this dialogue, Beter Bed Holding has agreed to provide the banks security on certain assets.
- Beter Bed Holding has initiated the investigation of various alternatives for a full or partial exit of Matratzen Concord.
- The key focus of Beter Bed Holding will be to accelerate the strong performance in especially the Benelux region, which performs ahead of plan in both profitability and sales growth. Increased focus will be on the already improving performance in Sweden, and on boosting the Digital and Wholesale channels, where the current growth rates are ahead of what was initially anticipated.

John Kruijssen, CEO of Beter Bed Holding, comments:

"Since the launch of our new strategy in October 2018 we see increasing signs that our initiatives are paying off for most of our regions, but to a lesser extent for Matratzen Concord.

To accelerate the momentum in the Benelux region, we have decided to increase our focus on this profitable business to drive faster growth. We are also pleased with the improving performance in Sweden, and will boost the very promising Digital and Wholesale channels for the whole Group.

Matratzen Concord is experiencing continued difficult market circumstances and the expected turnaround will require more time and more liquidity funding to materialise. Although we see some promising first signs following the actions taken at Matratzen Concord, the results are not what we had planned for. To limit financial impact on the group and to ensure that Matratzen Concord can gain momentum, we will investigate the options for a full or partial exit.

The slower recovery process of Matratzen Concord has a significant impact on both the funding need and the financing arrangements of Beter Bed Holding. We have started constructive dialogues with our banks to address the increased funding need, to temporarily waive the covenant testing of 30 June 2019, to ensure a stable platform for Beter Bed Holding for the short-term, and to work with each other with the intent to consider a longer-term financing solution that is aligned with the new structure when certain milestones have been met. As part of this dialogue, we will provide our banks security on certain assets.
Although the impact of our decision to investigate alternatives for Matratzen Concord might have significant consequences for the profile of Beter Bed Holding, we are convinced it will enhance our ability to agree on a stable financing for the medium term and will positively influence the common drive of Beter Bed Holding and be in the best interest of Matratzen Concord and all customers, employees, suppliers, shareholders and other stakeholders."

**Profile**

Beter Bed Holding is a European retail organisation that offers its customers the best quality rest at affordable prices. The organisation’s aim is to do this through its international retail brands and own wholesaler operation DBC International. All brands provide the best customer advice to their customers on all relevant channels including online. In 2018, the company achieved € 396.3 million sales with a total of 1,009 stores per 31 December 2018 and an increasingly relevant share of online sales.

**For more information**

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