

Uden, the Netherlands, 25 October 2019

Beter Bed Holding announces Q3 2019 sales increase of 6.8% for the Continued Operations. Intended divestment of Matratzen Concord on track

Highlights:

- Q3 2019 sales increased by 6.8% to € 43.9 million, with like-for-like sales of 5.6%.
- Both Benelux and New Business contributed to the sales growth with strong commercial activation and several new innovations.
- On track with the transformation to a financially stable company with significant growth potential.
- Net debt and liquidity position will significantly improve as a result of the intended Matratzen Concord divestment, which is on track to be completed by the end of 2019, and the sale-and-leaseback transaction of the distribution center in Uden.

John Kruijssen, CEO of Beter Bed Holding, comments:

"In August 2018 we kicked off a strategic journey to recover profitable sales growth. We are very pleased with the sustained sales growth of our continued operations. The core operations in the Benelux are growing in both the Online and Offline channels, proving that our omni-channel strategy is successful.

Our New Business also continues to grow, although from a smaller basis. Sales growth of the Wholesale channel is ahead of plan, with much more untapped potential to address. Sales growth in Sweden is solid and the action plans we implemented, with the aim to improve profitability, are in full swing.

We continue to see the potential of the Matratzen Concord chain, and with the right focus and the much needed investments that are secured by the intended divestment, we believe all its stakeholders including its employees can enjoy a sustainable future.

All in all, with this promising sales growth, I am confident that we are well positioned for a sustainable future."

Further details

The table below shows the key figures for Q3 2019 for the Continued Operations.

Q3 2019

€ million	Sales			Online channel		Stores		
	2019 Q3	% vs 2018	LFL sales	2019 Q3 % of sales	% pts vs 2018	# Stores	vs Q3 2018	vs 1-1-2019
Benelux	38.6	4.3%	3.5%	10.7%	2.2%	134	1	0
New Business	5.3	29.1%	25.3%	2.0%	0.6%	27	1	0
Total Continued Operations	43.9	6.8%	5.6%	9.7%	1.8%	161	2	0

Year-to-date 2019 (Q1 + Q2 + Q3)

€ million	Sales			Online channel		Stores		
	2019 Q3 YTD	% vs 2018	LFL sales	2019 Q3 YTD % of sales	% pts vs 2018	# Stores	vs Q3 2018	vs 1-1-2019
Benelux	121.7	5.7%	4.1%	10.2%	1.7%	134	1	0
New Business	16.3	33.5%	9.6%	1.9%	0.2%	27	1	0
Total Continued Operations	138.0	8.4%	4.7%	9.2%	1.4%	161	2	0

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Benelux

Q3 sales of € 38.6 million increased by 4.3% compared to last year, representing a 3.5% like-for-like sales growth. This growth rate is a reflection of (i) the good pipeline of innovations such as the launch of the leading global brand Tempur and the fully circular box spring Element, (ii) a sustained strong commercial program including the launch of the new Favorieten campaign including product innovation and (iii) Digital acceleration with an Online channel share that grew to more than 10% of total sales, representing an Online sales growth of more than 30%.

To sustain these growth rates, Beter Bed Netherlands, Beter Bed Belgium and Beddenreus have all invested in the development of a sharp commercial proposition with new products, new campaigns and strong omni-channel support. In addition, the streamlined supply chain initiatives showed first results of improved service and through-put to customers.

New Business

Sales in New Business, comprising the DBC wholesale business and Sängjätten in Sweden, of € 5.3 million increased by 29.1% compared to last year with a like-for-like sales growth of 25.3%.

The DBC wholesale business showed continued strong sales results, both for existing B2B customers and new customers. The pipeline of potentially new B2B customers continues to grow, including new local dealers and international retailers.

Sängjätten reported a good sales increase due to (i) focused commercial activation, (ii) the addition of new brands Tempur and Ecolife, and (iii) a simplified supply chain to improve customer performance and to reduce costs. The previously announced program to structurally improve the profitability, including streamlining the store network and supply chain, has been kicked-off.

Discontinued Operations

During Q3 2019 the performance of Matratzen Concord in Germany, Austria and Switzerland has been in line with expectations. The development of like-for-like order intakes was less negative than in previous quarters, reflecting the impact of the initiatives taken in the first quarter of 2019. The expectation remains that the divestment will be completed by the end of 2019.

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, through its own wholesaler operation DBC International and, at an increasingly relevant share, through Digital channels.

This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

For more information

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