

Press release

Uden, the Netherlands, 23 October 2020

Beter Bed Holding records strong sales growth of 30.6% in Q3 2020

Highlights

- Q3 sales amount to € 57.3 million with strong contribution from both Benelux and New Business; like-for-like order intake in Q3 grew by 35.9%.
- Order intake in Benelux in Q3 (+33.7% like-for-like) and New Business (+55.8% like-for-like) resulting in YTD increase in overall order intake of +27.1% like-for-like.
- Online sales up 80.1% in Q3, leading to a channel share of 13.4% and YTD performance of 13.8%.
- High order intake results in record level order book of € 27.7 million (up 60.4% vs. 30 September 2019).
- Strong performance New Business with significantly improved sales at Sängjätten and continued significant growth in the B2B channel at DBC.
- Strengthened financial position with conversion outstanding shareholder loan as communicated in July.

€ million	Sales 2020 Q3				
	Sales 2020 Q3	% Growth vs. 2019 Q3	LFL sales growth vs. 2019 Q3	LFL order intake growth vs. 2019 Q3	Online sales as % of total sales
Benelux	51,6	33,7%	33,4%	33,7%	14,2%
New Business	5,7	7,6%	36,7%	55,8%	5,8%
Total	57,3	30,6%	33,8%	35,9%	13,4%

€ million	Sales 2020 Q3 YTD				
	Sales 2020 Q3 YTD	% Growth vs. 2019 Q3 YTD	LFL sales growth vs. 2019 Q3 YTD	LFL order intake growth vs. 2019 Q3 YTD	Online sales as % of total sales
Benelux	144,0	18,3%	17,8%	27,4%	14,8%
New Business	16,8	3,5%	14,1%	24,1%	4,8%
Total	160,8	16,5%	17,4%	27,1%	13,8%

John Kruijssen, CEO of Beter Bed Holding, comments:

“Beter Bed Holding has seen continued growth in 2020, following the successful restructuring in 2019. It is clear that our sharpened commercial strategy resonates well with consumers, especially within this COVID-19 period. Our businesses show healthy gross margins and are growing like-for-like.”

“COVID-19 is causing adversity across society and business, impacting people at a personal level. I would like to thank our employees, suppliers and other stakeholders for their continuing motivation and support during this crisis. Their agility and dedication have ensured safe operations and a reliable supply chain. I am grateful for their continued commitment”.

COVID-19 update

The current COVID-19 developments continue to be concerning and it is difficult to predict how the next months will develop. Consumer confidence is expected to be depressed and the economy to be volatile. Beter Bed Holding therefore continues to safeguard the business through precautionary measures to ensure safe working and shopping environments as well as through a continued focus on cost control, disciplined capital spend and strict cash flow management. To avoid supply chain delays Beter Bed Holding is trying to secure safety stocks with European strategic suppliers.

Number of stores

The table below shows the development of the number of stores.

2020 Q3 YTD					
Number of stores	Stores			Franchise	30-9-2020
	1-1-2020	Opened	Closed		
BB Netherlands	83	2	1	0	84
Beddenreus	34	1	1	0	34
BB Belgium	17	0	0	0	17
Total Benelux	134	3	2	0	135
Sängjätten	27	0	8	3	16
Total	161	3	10	3	151

Benelux

Commercially, Benelux has experienced a very successful summer sale campaign, supported by omnichannel marketing communication. Both order intake and sales grew by 33.7% compared to last year. Online sales grew by 76.8% in Q3 compared to last year. The online channel share now represents 14.2%, highlighting the success of digital acceleration to support the retail operations.

New eco-friendly bedding textile and the new one-size-fits-all mattress brand Maxi have been launched successfully with an influencer marketing approach. A new business sales model was introduced with box spring lease, enabling customers to get a better sleeping experience and additional services on the basis of pre-defined monthly instalments over a period of 5 years.

To further strengthen the digital self-service proposition omnichannel tools such as appointment to store, whats app customer care messaging, call me now services and a chatbot have been implemented. The Beterbed.nl website has been re-platformed to make it faster and scalable which enables a better mobile experience. New digital marketing tooling and big data computing capabilities have been introduced resulting in more efficiency and better customer insights.

New Business

Sales in New Business, comprising the DBC wholesale business and Sängjätten in Sweden increased by 7.6% compared to last year to € 5.7 million, with a like-for-like sales growth of 36.7%.

DBC

In Q3 sales and order intake from individual dealers, Beter Bed Benelux and the online channel continued to grow double digit. Intensive marketing campaigns for M line, predominantly linked to the Tour de France, were run over the summer period.



DBC International has signed a partnership agreement with DeRUCCI, one of the biggest Asian retailers, to expand international sales. The partnership will start with the launch of the premium brand M line in the Chinese market.

Sängjätten

The Swedish business Sängjätten has shown a strong like-for-like increase in the third quarter. Market positioning and product offering has been improved, with almost all stores up compared to last year. Some 10 stores have undergone a refit, in cooperation with its strategic suppliers, showing marked improvements in both traffic and ticket size post conversion. During the remainder of 2020 Sängjätten will continue to refit stores to the new format. The restructuring of the sales team and head office is now nearing completion. The cost base has been reduced which creates a much healthier base for the future.

BASF

Following various legal proceedings in the past three years, Beter Bed and BASF have now amicably settled in respect of costs and damages incurred due to the Q4 2017 incident. Consequently, all ongoing legal proceedings will be terminated. Beter Bed and BASF agreed confidentiality in this respect.

About Beter Bed Holding

Beter Bed Holding N.V. is a retail and wholesale organisation that offers its customers the best quality rest at affordable prices. The Group operates offline through physical stores and online through its own web shops for the specific brands. The Group is also active on national and international online retail platforms.

The Group operates in the following regions:

- The Netherlands and Belgium, via the Beter Bed brand and Beddenreus brand (only in the Netherlands).
- Sweden, via the Sängjätten brand.

Via its subsidiary DBC International, Beter Bed Holding operates a wholesale business in branded products in the bedroom furnishings sector, including international brands such as M line and Wave. Beter Bed Holding is listed on Euronext Amsterdam. Employing approximately 1,100 people, Beter Bed Holding achieved sales of € 186 million in 2019.

For more information

Press enquiries: Uneke Dekkers / CFF Communications

T +31 (0)20 575 4010 or M +31 (0)6 50261626

E uneke.dekkers@cffcommunications.nl

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