

Uden, the Netherlands, 17 October 2018

Beter Bed Holding announces Matratzen Concord's restructuring and Q3 trading update

As disclosed in its presentation of the 2018 half-year results, Beter Bed Holding kicked off a strategic journey to recover profitable sales growth. A full update on the short-term restructuring and mid-term sales growth plans will be presented at the Capital Markets Day on October 26th.

The first steps of this strategic journey are successfully implemented. This included, amongst others:

- launching new customer driven assortment and innovation;
- accelerating the omnichannel proposition in all our markets;
- discontinuing the Spanish operation;
- exchanging the leadership teams (CFO, Benelux, Germany, Austria, Switzerland);
- launching a new partnership with EuroParcs through the wholesale business DBC.

These measures are the beginning of the strategic journey for the next 24 months, and the team of Beter Bed Holding is confident that these measures will re-create value for all our stakeholders.

The next step in the strategic journey is to reset the footprint and organization of Matratzen Concord in Germany, Austria and Switzerland. For over 30 years Matratzen Concord has been one of the leading suppliers of mattresses and box springs in their markets. To enhance the market leadership positions and to better respond to the current customer and market dynamics, Beter Bed Holding decided to restructure its Matratzen Concord business.

Matratzen Concord will reduce their HQ and support team by 64 employees, and will close 176 of around 1,000 stores by the end of 2018. At the same time, Matratzen Concord will invest in accelerating the omnichannel presence in its markets.

This restructuring ensures that Matratzen Concord will regain its strength as a smart omnichannel discount chain in a future proof way.

The restructuring will have a one-off cost impact of circa € 8 million on Matratzen Concord in Q4 2018, and is expected to have a structural EBIT benefit of circa € 6 million as of 2019.

In this context, Beter Bed Holding has entered into a constructive dialogue with its banks on the net debt / EBITDA covenant as per year end 2018.

Q3 trading update

The Q3 sales of Beter Bed Holding showed a mixed picture. The Q3 sales of € 97.9 million declined by 7.1% compared to Q3 2017. The decline was specifically caused by the high temperatures resulting in lower retail traffic. Order intakes at the days with normal temperatures are slowly improving, but not sufficient to compensate the sales drop in especially July 2018.

Hard at work on a good night's rest

The market shares improved in both key markets. In the Netherlands the market share improved by 0.2%pts. In the German market the Fachverband Matratzen reported an industry decline of 10 – 15%, being worse than the Matratzen Concord performance.

The table below shows the sales performance for Q3 and year-to-date.

2018

(in millions of €)

	Q3	vs 2017	2018 YTD	vs 2017
Total Sales	97.9	-7.1%	299.5	-5.0%

2018

(Like-for-like growth vs 2017)

	2018 Q3	2018 YTD
Netherlands	-4.9%	0.4%
Belgium	10.8%	21.9%
Germany	-9.2%	-7.8%
Austria	-11.2%	-2.9%
Switzerland	-17.1%	-14.6%
Spain	14.8%	1.6%
Sweden	-9.6%	-1.6%

All events mentioned above are included in the roadmap to ensure a successful implementation of the strategic journey of Beter Bed Holding and its main brands Matratzen Concord and Beter Bed. Further details on both the strategic journey and the implementation will be presented at the Capital Markets Day on October 26th.

Profile

Beter Bed Holding is a European retail organisation that strives to offer its customers a comfortable and healthy night's rest every night at an affordable price. The retail formats ensure products of good quality, offer customers the best advice and always the best possible deal. Beter Bed Holding is also active as a wholesaler of branded products in the bedroom furnishing sector via its subsidiary DBC International (M line). In 2017, the company achieved revenue of € 416 million with a total of 1,188 stores. 64.2% of this figure was realised outside the Netherlands.

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