Beter Bed Holding successfully executed transformation in 2019

Highlights 2019

- Full-year sales increased by 7.5% to € 185.8 million (continuing business) with like-for-like sales growth of 4.7%; order intake increased by 3.3% on like-for-like basis.
- Positive EBITDA and cash flow generation, while performance is still impacted by one-off costs and investments to support further growth.
- Net loss of € 4.2 million; including discontinued operations, related impairments and one-off costs € 52.6 million loss.
- Important milestones achieved to restore financial position:
    - Successful divestment of Matratzen Concord securing new future for the operations; purchase price mechanism resulted in improved purchase price from € 5.0 million to € 7.9 million.
    - Sale and leaseback of distribution centers for total cash consideration of € 19.1 million.
    - Issued € 5.0 million in ordinary shares and secured € 7.0 million incremental shareholder loan, of which 50% converted to perpetual loan.
    - Bank debt significantly reduced; new bank covenants successfully tested per 31 December 2019.
- The 2019 transformation resulted in a better balance sheet and cash position.
- In the first 2.5 months of 2020 sales and order intake developed very positively compared to last year. Given recent developments related to COVID-19, we strengthened our precautionary measures. Our primary concern is to safeguard the health of our customers and employees. Customers can shop online and remain welcome in our stores and our employees are extra alert to personal hygiene and potential disease symptoms, taking all health authorities' guidance into account.

***John Kruijssen, CEO of Beter Bed Holding N.V., comments*:**

"Now that we have transformed the business to focus on our Benelux and New Business, we are off to a good start of the year. Both divisions have shown positive sales growth since the start of 2020. In 2019 tough decisions were taken to realise a turnaround of the Company. We divested Matratzen Concord and went through a significant financial restructuring. We could never have accomplished this transformation without the passionate and committed contribution of all our employees, who continue to work hard to further grow our company. The support received from our shareholders and banks are proof of the resilience of our continuing business.

In Magical Honour Limited, a company backed by Healthcare Co. Ltd. (a Chinese public company), we found the best owner for all employees and all other stakeholders of Matratzen Concord Germany, Austria and Switzerland, who we also welcome as strategic investor into our group. Our continuing business now delivers solid sales growth. We are aware though that consumers might become less confident due to the current macroeconomic and political volatility, especially now the impact of the COVID-19 virus on the global economy provides increased uncertainty. Beter Bed Holding currently has an improved financial position and started the year very well, however we are focused on managing the impact of Covid-19 and are taking all the measures possible to keep our customers and employees safe."

Please click for the complete version of the press release on the link below. Press photos can be downloaded here.

Attachment

- press release 17-03-2020