



SPRINGS
GLOBAL



2Q21 Results

August 12, 2021

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Springs Global: Revenue grew 46% yoy

São Paulo, August 12th, 2021 - Springs Global Participações S.A. (Springs Global), a company in the Home & Decoration segment, leader in bedding, tabletop and bath products, reported in the second quarter of 2021 (2Q21), net revenue of R\$ 385.0 million, surpassing by 46.2% and 17.3% the values achieved in the second quarter of 2020 (2Q20) and 2019 (2Q19), respectively. Gross margin reached 36.3% and adjusted EBITDA margin was 11.6%.

The highlights of Springs Global's performance in 2Q21 were:

- » **Net revenue:** R\$ 385.0 million; +46.2% and 17.3% compared to 2Q20 and 2Q19, respectively;
- » **Gross profit:** R\$ 139.7 million, +43.5% and + 47.7% greater than the same period of 2020 and 2019, respectively, with gross margin of 36.3%;
- » **Income from operations (EBIT):** R\$ 18.8 million, with EBIT margin of 4.9%;
- » **Adjusted EBITDA^{(a),2}:** R\$ 44.8 million, with EBITDA margin of 11.6%;
- » **Retail:** Revenue from Retail business unit grew 39.3%, reaching R\$ 134.2 million, while sell-out revenue^(b) increased by 48.4%, totaling R\$ 223.3 million; including e-commerce sales of R\$ 84.1 million;
- » **Wholesale:** Growth of 50.2% in revenue year-over-year (yoy) in the Wholesale business unit, with EBITDA of R\$ 25.0 million, in line with the 2Q19 value; and
- » **Free cash flow^(c):** R\$ 39.7 million, with positive impact from the decrease of R\$ 21.5 million in working capital quarter-over-quarter (qoq).

In July 2021, Springs Global announced:

- » Application for registration of the Initial Public Offering of its indirect subsidiary AMMO Varejo S.A. and, hence, the discontinuation of the disclosure of projections for the year 2021;
- » Issuance of debentures of its direct subsidiary Coteminas S.A., totaling R\$ 160 million, with 10-year-term, extending the average term of its debt.

in R\$ million	2Q21	2Q20 ¹	2Q19	(A)/(B)	(A)/(C)	1H21	1H20 ¹	1H19	(D)/(E)	(D)/(F)
	(A)	(B)	(C)	%	%	(D)	(E)	(F)	%	%
Net revenue	385.0	263.3	328.2	46.2%	17.3%	815.4	565.7	668.9	44.1%	21.9%
Gross profit	139.7	97.4	94.6	43.5%	47.7%	298.6	191.3	192.0	56.1%	55.5%
<i>Gross Margin %</i>	<i>36.3%</i>	<i>37.0%</i>	<i>28.8%</i>	<i>(0.7 p.p.)</i>	<i>7.5 p.p.</i>	<i>36.6%</i>	<i>33.8%</i>	<i>28.7%</i>	<i>2.8 p.p.</i>	<i>7.9 p.p.</i>
Income from operations - EBIT	18.8	(15.2)	10.5	n.a.	78.6%	47.1	(16.7)	20.2	n.a.	133.5%
<i>EBIT Margin</i>	<i>4.9%</i>	<i>(5.8%)</i>	<i>3.2%</i>	<i>10.7 p.p.</i>	<i>1.7 p.p.</i>	<i>5.8%</i>	<i>(3.0%)</i>	<i>3.0%</i>	<i>8.7 p.p.</i>	<i>2.8 p.p.</i>
Net income (loss) from continuing operations	(37.8)	(59.3)	(25.8)	n.a.	n.a.	(65.8)	(211.0)	(60.8)	n.a.	n.a.
Net income (loss) from discontinued operation	-	(5.9)	-	n.a.	n.a.	-	(57.0)	194.4	n.a.	n.a.
Net profit (loss)	(37.8)	(65.2)	(25.8)	n.a.	n.a.	(65.8)	(268.0)	133.5	n.a.	n.a.
<i>Net profit (loss) Margin %</i>	<i>(9.8%)</i>	<i>(24.8%)</i>	<i>(7.9%)</i>	<i>15.0 p.p.</i>	<i>(1.9 p.p.)</i>	<i>(8.1%)</i>	<i>(47.4%)</i>	<i>20.0%</i>	<i>39.3 p.p.</i>	<i>(28.0 p.p.)</i>
EBITDA	43.0	2.7	39.9	1515.7%	7.7%	95.8	(28.1)	268.5	n.a.	(64.3%)
<i>EBITDA Margin %</i>	<i>11.2%</i>	<i>1.0%</i>	<i>12.2%</i>	<i>10.2 p.p.</i>	<i>(1.0 p.p.)</i>	<i>11.7%</i>	<i>(5.0%)</i>	<i>40.1%</i>	<i>16.7 p.p.</i>	<i>(28.4 p.p.)</i>
Adjusted EBITDA ²	44.8	8.5	38.6	424.0%	15.9%	95.8	28.9	74.2	231.0%	29.2%
<i>Adjusted EBITDA Margin² %</i>	<i>11.6%</i>	<i>3.2%</i>	<i>11.8%</i>	<i>8.4 p.p.</i>	<i>(0.1 p.p.)</i>	<i>11.7%</i>	<i>5.1%</i>	<i>11.1%</i>	<i>6.6 p.p.</i>	<i>0.7 p.p.</i>

¹ Reclassified due to disposal for sale of ownership in affiliate

² See reconciliation on table 6

Table 1 – Key financial indicators

The financial and operational information presented in this release, except when otherwise indicated, is in accordance with accounting policies adopted in Brazil, which are in accordance with international accounting standards (International Financial Reporting Standards – IFRS).



Consolidated Performance

Revenue

The consolidated net revenue reached R\$ 385.0 million in 2Q21, 46.2% and 17.3% higher than 2Q20 and 2Q19, respectively. In 2Q20 there was the closure of physical stores due to the Covid-19 pandemic, with negative effect on revenues from the Wholesale business unit and revenues from physical stores in the Retail business unit, offset by the strong growth of 8.7 times in e-commerce sales.

The Bedding, Tabletop and Bath^(d) and PPE^(e) line was responsible for 50% of 2Q21 revenue, and intermediate products^(f) for 15%. The Retail revenue contributed 35% of total revenue in 2Q21.

Revenues from the Bedding, Tabletop and Bath line amounted to R\$ 192.2 million in 2Q21, 49.0% above the value recorded in 2Q20. There was a 11.1% yoy increase in sales volume and of 34.1% in the average price of this product line, in order to offset the increase in costs of raw materials and inputs.

Revenues from intermediate products were R\$ 58.6 million in 2Q21, 54.2% higher yoy, with an increase of 40.2% in sales volume and of 10.0% in average price.

Retail sell-out gross revenue reached R\$ 223.3 million in 2Q21, with a growth of 48.4% yoy and 80.4% compared to 2Q19. Retail net revenue totaled R\$ 134.2 million, 39.3% higher yoy, with the positive effect of reopening of physical stores, and 129.8% higher than 2Q19, with the positive effect of increase by 7 times of e-commerce sales in the last two years. The impact of operational restrictions on physical stores has been mitigated by remote sales from the stores themselves and sales through virtual stores, with delivery made from the physical stores, with benefits for both customers, with lower freight costs and less delivery time, and franchisees, with less volatility of their revenue due to the restrictive measures in their municipality of operation.

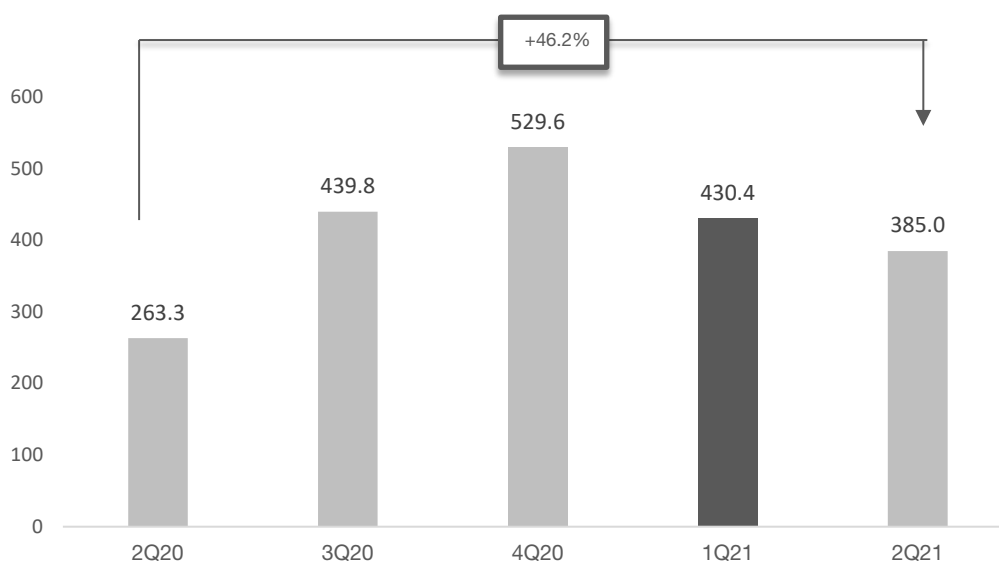


Chart 1 – Net Revenue

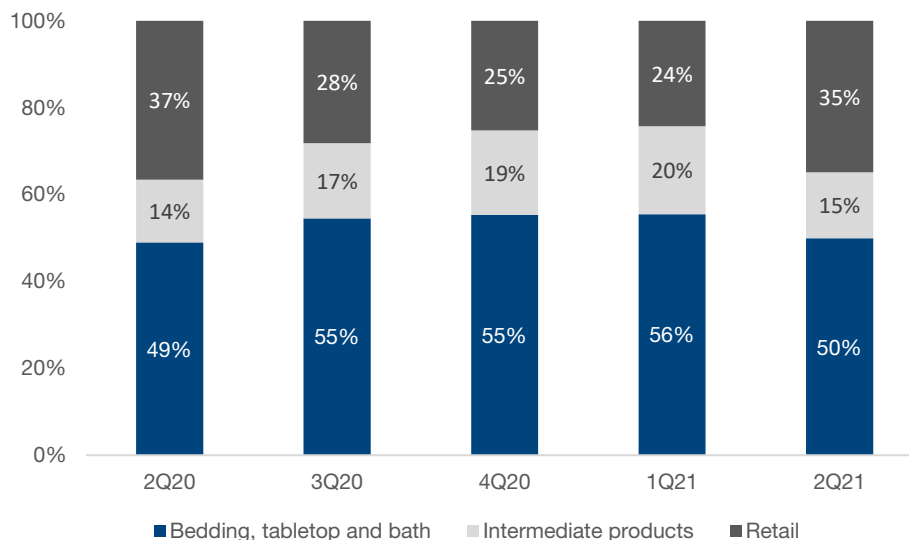


Chart 2 – Revenue per product line

Costs and Expenses

Cost of goods sold (COGS) was R\$ 245.3 million in 2Q21, with a yoy increase of 47.8%, mainly due to the effect of higher sales volume, representing 63.7% of net revenue, versus 63.0% in the previous year and 71.2% in 2Q19.

The main raw materials are cotton and polyester that, together with chemicals, packaging and trims, are included in materials costs, which amounted to R\$ 107.8 million in 2Q21, 49.2% higher yoy, mainly due to higher sales volume.

The average market price of cotton, our main raw material, increased yoy by 84% in Brazilian Reais in 2Q21. However, the Company was able to anticipate some purchases with fixed price and its average cost was not impacted by this percentage. For the next quarters, with the sale of the Brazilian crop, the Company expects that, on average, the raw material costs recorded in the second quarter will be maintained.

Cotton price - CEPEA / ESALQ
in Brazilian Reais cents per pound

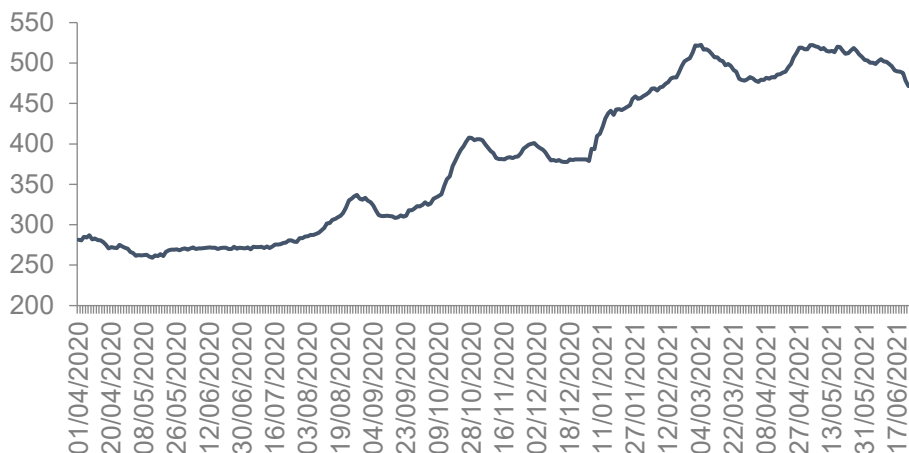


Chart 3 – Cotton price, source CEPEA

The conversion of raw materials into finished goods requires, mainly, labor, electricity and other utilities, designated as conversion costs and others, which reached R\$ 122.0 million in 2Q21, with a 57.6% increase yoy, mainly due to the higher cost of electricity and higher production volume of finished products.

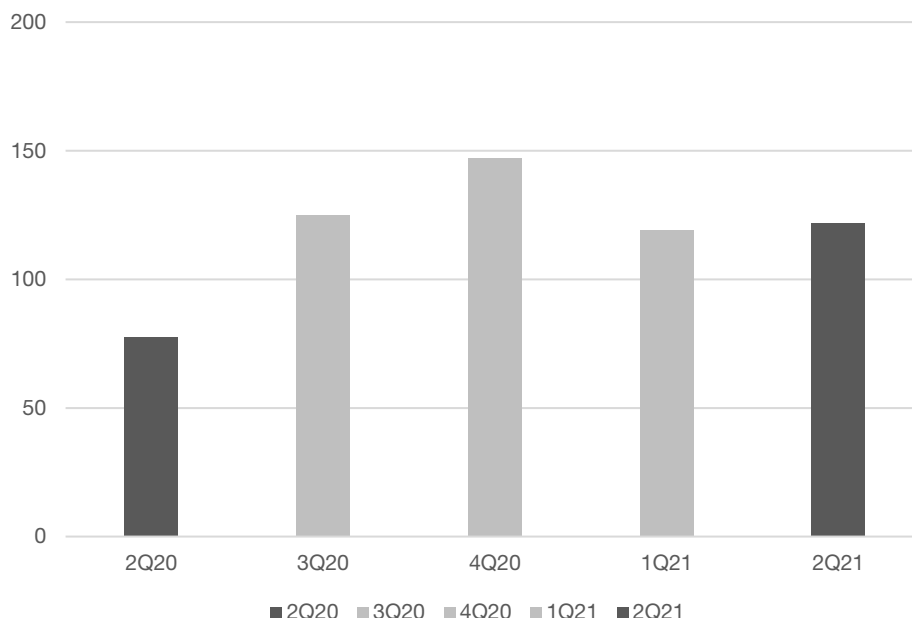


Chart 4 – Conversion cost

Depreciation costs of production and distribution assets totaled R\$ 15.5 million in 2Q21, with a 1.3% increase yoy.

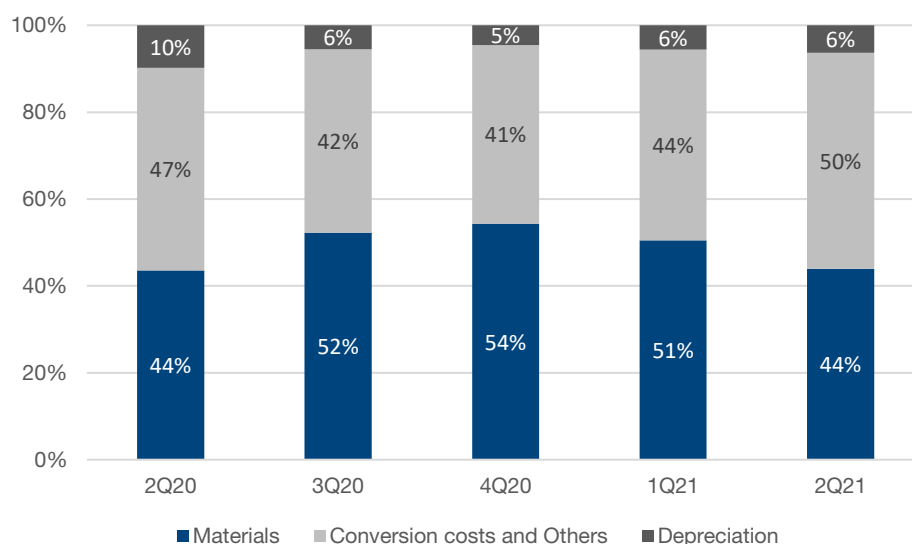


Chart 5 – COGS breakdown

Regarding operational expenses, selling expenses reached R\$ 90.2 million in 2Q21, representing 23.4% of net revenue, compared to 29.0% in 2Q20 and 19.8% in 2Q19. General and administrative expenses (G&A) amounted to R\$ 32.3 million in 2Q21, equivalent to 8.4% of net revenue, versus 10.4% and 9.0% in the same period of 2020 and 2019, respectively.

We continue to invest in digital media and higher logistics expenses, classified as selling expenses, related to the sales growth in our online stores. Through digital marketing, we are expanding our client base.

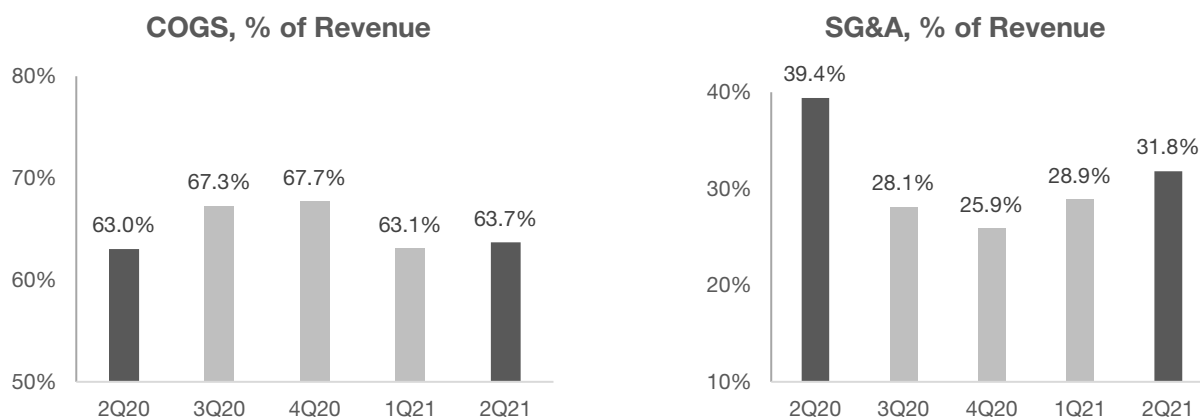


Chart 6 – COGS and SG&A, as % of net revenue

Other, net

"Other, net" includes, among others, the variation in fair value of investment properties, and the legacy costs that remained at Springs Global US, including expenses with financial leasing, pension plans and benefits.

"Other, net" was a net revenue of R\$ 1.6 million in 2Q21, compared to a net expenses of R\$ 8.8 million in 2Q20, with a positive variation of R\$ 10.4 million yoy.

Springs Global US had a negative result of R\$ 4.1 million in 2Q21, compared to a negative amount of R\$ 7.2 million in 2Q20, before taxes and excluding results from discontinued operations.

Affiliate of Springs Global US

In the fourth quarter of 2020 (4Q20), the subsidiary Springs Global US made available for sale its ownership in affiliate, with operations in the United States. Therefore, (i) the investment and the goodwill in the affiliate Keeco Holdings, LLC, totalling R\$ 123.7 million, was reclassified to the line "Assets held for sale"; (ii) the results from the first nine months of 2020 were classified as discontinued operations; and (iii) as from 4Q20 onwards, there is no more impact from this affiliate in Springs Global's consolidated results.

The result related to this affiliate was a loss of R\$ 57.0 million in the first half of 2020 (1H20), when, due the pandemic, the affiliate revised its profit projection and, therefore, it was necessary to (i) record an impairment provision in the goodwill calculated in the acquisition of our ownership in the affiliate, and (ii) reevaluate the realization of deferred tax assets at Springs Global US.

Investment properties

Leasing revenue from the commercial development totaled R\$ 2.8 million in 2Q21, versus R\$ 1.9 million in 2Q20, coming from the Power Center, which currently has an occupancy rate of approximately 80%.

The commercialization of the outlet, which was suspended in 2020 due to the pandemic, was resumed in 1Q21. The start of its operation is expected in the first half of 2022. The outlet, when totally contracted and occupied, should expand rental revenue by an additional R\$ 12 million per year.

The Company's investment properties were valued at R\$ 405.3 million, and include (i) the Commercial complex in São Gonçalo do Amarante; (ii) the residential complex in São Gonçalo do Amarante; and (iii) the real estate in Montes Carlos.

EBITDA

Adjusted EBITDA reached R\$ 44.8 million in 2Q21, versus R\$ 8.5 million in 2Q20 and R\$ 38.6 million in 2Q19. Adjusted EBITDA margin was 11.6%, versus 3.2% in 2Q20 and 11.8% in 2Q19.

Cash generation in the last 12 months ended June 30, 2021, adjusted LTM EBITDA, reached R\$ 212.1 million, demonstrating a strong recovery of the Company's operating cash generation. In the second quarter of 2021, we recorded a more significant growth in the LTM EBITDA indicator, considering the low value of EBITDA replaced, due to the shutdown of industrial plants in the second quarter of 2020.

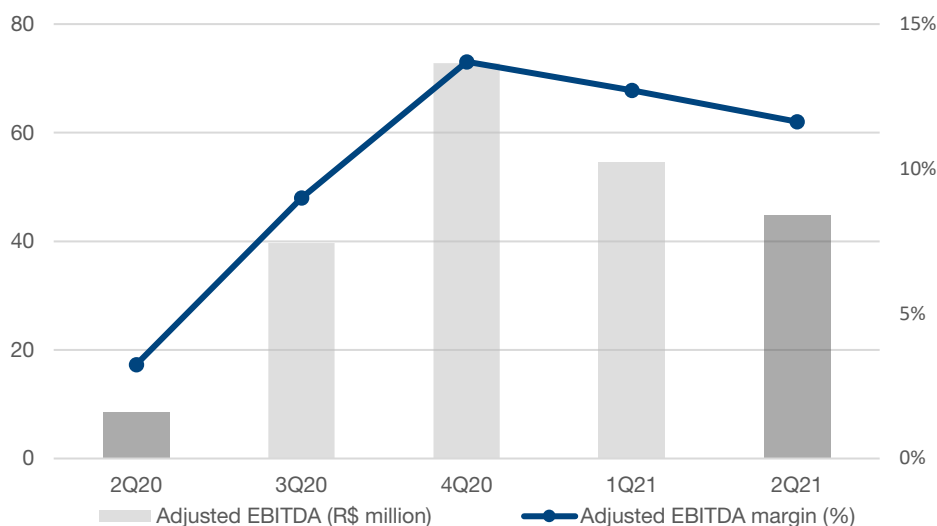


Chart 7 – Adjusted EBITDA and adjusted EBITDA margin

Profit

Gross profit totaled R\$ 139.7 million in 2Q21, with gross margin of 36.3%. There was a 43.5% expansion in gross profit and a decrease of 0.7 pp in gross margin yoy.

Income from operations was R\$ 18.8 million in 2Q21, with an improvement of R\$ 34.1 million yoy, mainly given (i) the increase of R\$ 42.4 million in gross profit, partially offset by (ii) the increase of R\$ 18.8 million in SG&A, mainly sales expenses, due to the significant growth in sales.

Financial expenses – interest expenses and charges – totaled R\$ 37.1 million in 2Q21, versus R\$ 28.6 million in 2Q20.

Bank charges, taxes, discounts and others were R\$ 29.3 million, versus R\$ 14.3 million in 2Q20. Financial income totaled R\$ 6.6 million, versus R\$ 5.0 million in 2Q20. The balance of exchange rate variations was positive R\$ 2.4 million in 2Q21, compared to negative R\$ 2.7 million in 2Q20, with a positive variation of R\$ 5.1 million yoy.

Capex and Working Capital

Capital expenditures (Capex) totaled R\$ 10.4 million in 2Q21, versus R\$ 6.3 million in 2Q20.

The working capital needs amounted to R\$ 734.2 million at the end of 2Q21, 2.9% lower qoq, due to lower accounts receivable, partially offset by higher inventory and advances to suppliers, mainly related to purchase of cotton.

Debt and debt indicators

Our net debt⁽⁹⁾ was R\$ 739.3 million as of June 30, 2021, versus R\$ 766.5 million as of March 31, 2021, with a reduction of R\$ 27.2 million, or 3.5%, qoq.

Debt amortization was R\$ 94.8 million, and we obtained new loans or renewals totaling R\$ 73.0 million in 2Q21. We reduced loans in foreign currency by R\$ 40.8 million, or 49.2%, yoy.

In the third quarter of 2021, Coteminas S.A. issued simple debentures, non-convertible into shares, with real guarantee of the property in São Gonçalo do Amarante, and additional guarantee from the Company, in the total amount of R\$ 160 million, with 10-year-term, with monthly payments of principal and interest. The issue will have no impact on the Company's financial leverage and is in line with the Company's objective of extending the average term of its debt.

The Company had a free cash flow of R\$ 39.7 million in 2Q21, positively impacted by the decrease of R\$ 21.5 million in working capital and by the use of R\$ 18.3 million in tax recovery credit.

The Company recognized R\$ 208.9 million in tax recovery in 2018, which was enabled and started to be compensated in 2019. We still have credits totaling R\$ 95.5 million in our balance sheet, which will continue to be converted to cash, reducing net debt, during 2021 and the following years.

At the end of 2020, the ownership in our North American affiliate, with a book value of R\$ 123.7 million, was made available for sale. The proceeds will be used entirely to reduce the Company's debt.

We reduced our leverage, as measured by net debt/adjusted EBITDA, from 5.4x at the end of 2020, to 3.5x at the end of 2Q21.

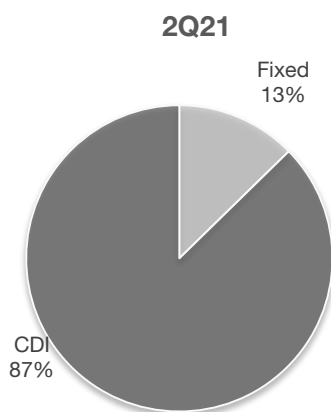


Chart 8 – Debt per index

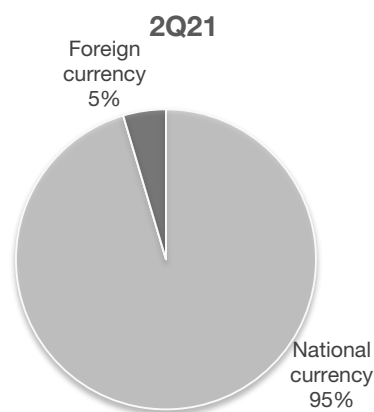


Chart 9 – Debt by currency



Performance per business unit

Performance of the business units

Springs Global presents its results segregated in the following business units: (a) Wholesale, and (b) Retail.

Wholesale

Net revenue from the Wholesale business unit totaled R\$ 250.8 million in 2Q21, with a 50.2% increase compared to 2Q20, when there were several order cancellations and suspensions of sales delivery in the face of uncertainty.

COGS totaled R\$ 186.4 million in 2Q21, 52.3% higher yoy, due to higher sales volume. The average cost per ton was higher yoy, despite of the higher utilization rate and, therefore, the dilution of conversion costs, which are fixed, because of the higher costs of raw material, inputs and energy.

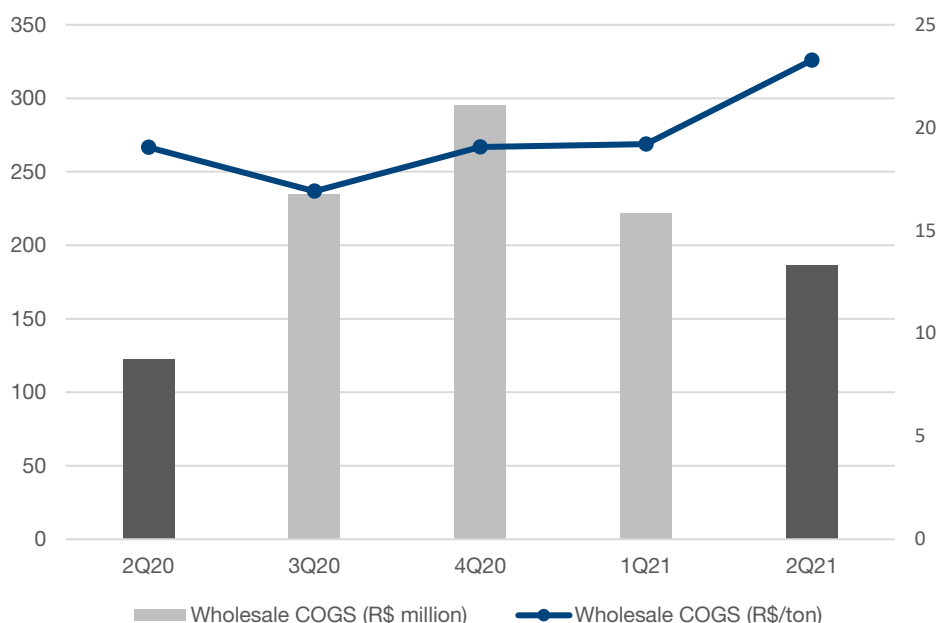


Chart 10 – COGS from Wholesale business unit

Gross profit reached R\$ 64.4 million, 44.4% higher yoy and in line with the value registered in 2Q19, of R\$ 63.3 million. Gross margin was 25.7% in 2Q21, with a decrease of 1.0 pp yoy, however with an increase of 4.3 p.p. compared to 2Q19. SG&A expenses amounted to R\$ 57.7 million, representing 23.0% of revenue, and in line with the 2Q19 value, of R\$ 56.8 million.

EBITDA was R\$ 25.0 million in 2Q21, versus negative R\$ 0.9 million in 2Q20 and R\$ 25.6 million in 2Q19. EBITDA margin was 10.0% in 2Q21, versus negative 0.5% in 2Q20 and 8.6% in 2Q19.

Retail

The sell-out revenue from the Retail business unit amounted to R\$ 223.3 million in 2Q21, 48.4% and 80.4% higher than the same period of 2020 and 2019, respectively. E-commerce revenue totaled R\$ 84.1 million in 2Q21, representing 37.7% of our Retail sell-out revenue, with an increase of 18.3% qoq and almost 7 times the value obtained in 2Q19.

We have mitigated the impact of operational restrictions on physical stores through remote sales from the stores themselves and sales through virtual stores, with delivery made at the physical stores, reinforcing the advantage of our omnichannel system.

Net revenue totaled R\$ 134.2 million in 2Q21, 39.3% and 129.8% higher than 2Q20 and 2Q19, respectively, positively impacted yoy by the reopening of the physical stores and by the increase of the omnichannel sales, either

from the online store, with the options of “Pick up in the store” or “Delivery by a store”, or from the physical stores, through the usage of “Endless shelf”.

In the last two quarters, we accelerated the offer products in new categories, “ex-bedding, table, and bath”, which already represent approximately 20% of the SKUs offered in our online stores. We started offering the new categories in our physical stores, and we will expand this concept to our entire network of stores with sales being made mainly through the “Endless shelf”, with no need of physical inventory in the store.



Figure 1 - Store showroom with new product categories

At the end of 2Q21, we had 232 stores, of which 65 were owned and 167 franchises. In 2Q21, we opened a Casa Moisés flagship store at the shopping CJ Shops Jardins.

COGS totaled R\$ 58.9 million in 2Q21, 35.0% and 118.1% higher than 2Q20 and 2Q19, respectively, with the expansion of gross margin, from 53.8% in 2Q19 and 54.7% in 2Q20, to 56.1% in 2Q21. Gross profit reached R\$ 75.3 million, 42.9% and 139.8% higher than 2Q20 and 2Q19, respectively.

SG&A expenses amounted to R\$ 59.9 million, 12.8% higher yoy, mainly due to the sales growth. There were no other net revenues in 2Q21, versus other net expenses of R\$ 2.9 million in 2Q20, with a positive variation of R\$ 2.9 million yoy.

EBITDA was R\$ 22.1 million in 2Q21, versus R\$ 8.7 million in 2Q20, and R\$ 9.9 million in 2Q19.

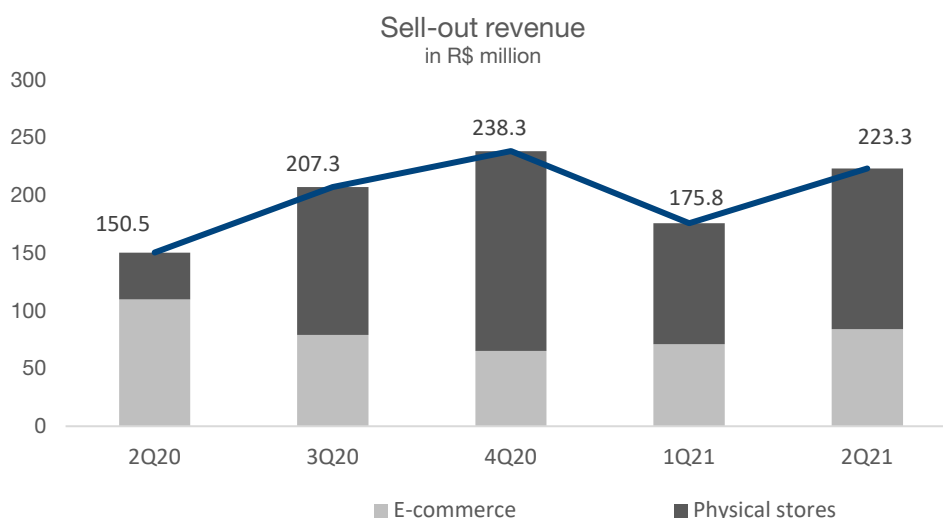


Chart 11 – Evolution of the retail sell-out revenue

Share performance

Springs Global's shares, traded on the B3 under the ticker SGPS3, increased by 49.4% in 2Q21, outperforming the IBOVESPA and the Small Cap indexes in the same period. The daily average financial volume of our shares was R\$ 1.8 million in 2Q21, versus R\$ 0.9 million in 1Q21. Springs Global had a market cap of R\$ 575.0 million, with share price of R\$ 11.50, on June 30, 2021.

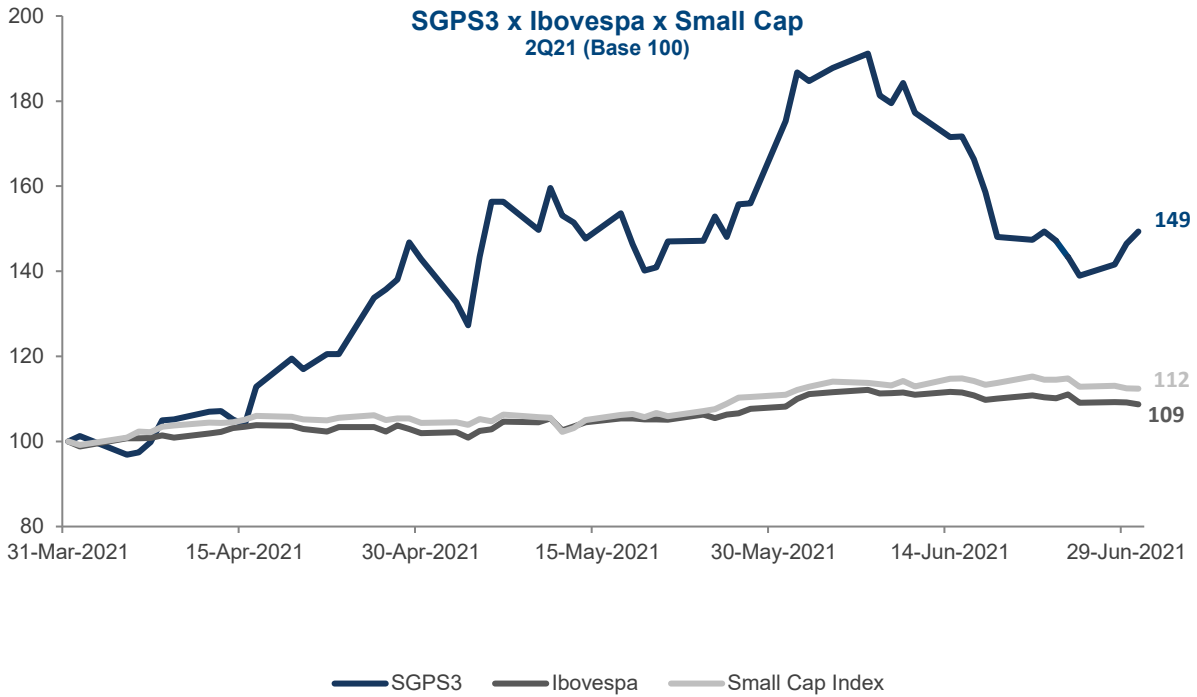


Chart 12- Performance of SGPS3 share price



Financial indicators

Tables

Table 3 – Net revenue by business unit

in R\$ million	2Q21	%	2Q20	%	2Q19	%	(A)/(B)	(A)/(C)	1H21	%	1H20	%	1H19	%	(D)/(E)	(D)/(F)
	(A)		(B)		(C)		%	%	(D)		(E)		(F)		%	%
Wholesale	250.8	65%	167.0	63%	296.6	90%	50.2%	(15.4%)	576.8	71%	391.8	69%	548.0	82%	47.2%	5.3%
Retail	134.2	35%	96.3	37%	58.4	18%	39.3%	129.8%	238.6	29%	173.9	31%	120.9	18%	37.2%	97.4%
Total net revenue	385.0	100%	263.3	100%	328.2	100%	46.2%	17.3%	815.4	100%	565.7	100%	668.9	100%	44.1%	21.9%

Table 4 – Net revenue by product line

Product Lines	Net Revenue (R\$ million)					Volume (tons)					Average price (R\$/Kg)				
	2Q21	2Q20	2Q19	(A)/(B)	(A)/(C)	2Q21	2Q20	2Q19	(D)/(E)	(D)/(F)	2Q21	2Q20	2Q19	(G)/(H)	(G)/(I)
	(A)	(B)	(C)	%	%	(D)	(E)	(F)	%	%	(G)	(H)	(I)	%	%
Bedding, tabletop and bath	192.2	129.0	208.2	49.0%	(7.7%)	3,825	3,444	5,648	11.1%	(32.3%)	50.2	37.5	36.9	34.1%	36.3%
Intermediate products	58.6	38.0	61.6	54.2%	(4.9%)	4,180	2,981	5,853	40.2%	(28.6%)	14.0	12.7	10.5	10.0%	33.2%
Retail	134.2	96.3	58.4	39.3%	129.8%										
Total	385.0	263.3	328.2	46.2%	17.3%	8,005	6,425	11,501	24.6%	(30.4%)	48.1	41.0	28.5	17.4%	68.5%

Product Lines	Net Revenue (R\$ million)					Volume (tons)					Average price (R\$/Kg)				
	1H21	1H20	1H19	(A)/(B)	(A)/(C)	1H21	1H20	1H19	(D)/(E)	(D)/(F)	1H21	1H20	1H19	(G)/(H)	(G)/(I)
	(A)	(B)	(C)	%	%	(D)	(E)	(F)	%	%	(G)	(H)	(I)	%	%
Bedding, tabletop and bath	431.1	294.5	429.8	46.4%	0.3%	8,897	8,267	12,328	7.6%	(27.8%)	48.5	35.6	34.9	36.0%	39.0%
Intermediate products	145.7	97.3	118.7	49.7%	22.7%	10,650	8,290	11,034	28.5%	(3.5%)	13.7	11.7	10.8	16.6%	27.2%
Retail	238.6	173.9	120.4	37.2%	98.2%										
Total	815.4	565.7	668.9	44.1%	21.9%	19,547	16,557	23,362	18.1%	(16.3%)	41.7	34.2	28.6	22.1%	45.7%

Table 5 – Cost of goods sold (COGS) and Selling, General and Administrative expenses (SG&A)

in R\$ million	2Q21	%	2Q20	%	2Q19	%	(A)/(B)	(A)/(C)	1H21	%	1H20	%	1H19	%	(D)/(E)	(D)/(F)
	(A)		(B)		(C)		%	%	(D)		(E)		(F)		%	%
Materials	107.8	43.9%	72.2	43.5%	118.5	50.7%	49.2%	(9.0%)	244.9	47.4%	181.7	48.5%	239.3	50.2%	34.8%	2.3%
Conversion costs and others	122.0	49.7%	77.4	46.6%	99.5	42.6%	57.6%	22.6%	241.2	46.7%	161.4	43.1%	207.2	43.4%	49.4%	16.4%
Depreciation	15.5	6.3%	16.3	9.8%	15.6	6.7%	(4.9%)	(0.6%)	30.7	5.9%	31.3	8.4%	30.4	6.4%	(1.9%)	1.0%
COGS	245.3	100.0%	165.9	100.0%	233.6	100.0%	47.8%	5.0%	516.8	100.0%	374.4	100.0%	476.9	100.0%	38.0%	8.4%
COGS, % Revenues	63.7%		63.0%		71.2%		0.7 p.p.	(7.5 p.p.)	63.4%		66.2%		71.3%		(2.8 p.p.)	(7.9 p.p.)
Sales expenses	90.2	73.6%	76.4	73.6%	65.1	68.9%	18.0%	38.6%	181.4	73.5%	142.6	70.8%	132.9	69.6%	27.2%	36.5%
General and administrative expenses	32.3	26.4%	27.4	26.4%	29.4	31.1%	18.2%	9.9%	65.4	26.5%	58.8	29.2%	58.0	30.4%	11.1%	12.6%
SG&A	122.5	100.0%	103.8	100.0%	94.5	100.0%	18.1%	29.6%	246.8	100.0%	201.4	100.0%	190.9	100.0%	22.5%	29.3%
SG&A, % Revenues	31.8%		39.4%		28.8%		(7.6 p.p.)	3.0 p.p.	30.3%		35.6%		28.5%		(5.3 p.p.)	1.7 p.p.

Table 6 – Reconciliation of EBITDA, and adjusted EBITDA

in R\$ million	2Q21	2Q20 ¹	2Q19	(A)/(B)	1H21	1H20 ¹	1H19	(D)/(E)	(D)/(F)
	(A)	(B)	(C)	%	(D)	(E)	(F)	%	%
Income (loss)	(37.8)	(65.2)	(25.8)	n.a.	(65.8)	(268.0)	133.5	n.a.	n.a.
(+) Income and social contribution taxes from continuing operations	(3.9)	0.2	2.7	n.a.	(6.8)	70.0	3.2	n.a.	n.a.
(+) Income and social contribution taxes from discontinued operations	-	-	-	n.a.	-	-	-	n.a.	n.a.
(+) Financial results from continuing operations	60.5	43.9	33.6	37.7%	119.6	124.2	77.8	(3.7%)	53.7%
(+) Financial results from discontinued operations	-	-	-	n.a.	-	-	-	n.a.	n.a.
(+) Depreciation and amortization from continuing operations	24.2	23.8	28.1	1.6%	48.7	45.7	54.0	6.7%	(9.8%)
(+) Depreciation and amortization from discontinued operations	-	-	1.3	n.a.	-	-	-	n.a.	n.a.
(-) Equity in affiliate	-	(2.8)	-	(100.0%)	-	-	-	n.a.	n.a.
(-) Impairment of investment in affiliate	-	-	-	n.a.	-	-	-	n.a.	n.a.
EBITDA	43.0	(0.1)	39.9	n.a.	95.8	(28.1)	268.5	n.a.	(64.3%)
Continuing operations									
Income (loss)	(37.8)	(65.2)	(25.8)	n.a.	(65.8)	(268.0)	133.5	n.a.	n.a.
(-) Result from discontinued operations	-	5.9	-	(100.0%)	-	57.0	(194.4)	(100.0%)	n.a.
(+) Income and social contribution taxes from continuing operations	(3.9)	0.2	2.7	n.a.	(6.8)	70.0	3.2	n.a.	n.a.
(+) Financial results from continuing operations	60.5	43.9	33.6	37.7%	119.6	124.2	77.8	(3.7%)	53.7%
(+) Depreciation and amortization from continuing operations	24.2	23.8	28.1	1.6%	48.7	45.7	54.0	6.7%	(9.8%)
EBITDA from continuing operations	43.0	8.5	38.6	403.1%	95.8	28.9	74.2	231.0%	29.2%
(-) Result from asset sale	1.8	-	-	n.a.	0.0	0.0	0.0	n.a.	n.a.
Adjusted EBITDA from continuing operations	44.8	8.5	38.6	424.0%	95.8	28.9	74.2	231.0%	29.2%
Discontinued operations									
Result from discontinued operations	-	(5.9)	-	(100.0%)	-	(57.0)	194.4	(100.0%)	(100.0%)
(+) Income and social contribution taxes from discontinued operations	-	-	-	n.a.	-	-	-	n.a.	n.a.
(+) Financial results from discontinued operations	-	-	-	n.a.	-	-	-	n.a.	n.a.
(+) Depreciation and amortization from discontinued operations	-	-	1.3	n.a.	-	-	-	n.a.	n.a.
(-) Equity in affiliate	-	-	-	n.a.	-	-	-	n.a.	n.a.
(-) Impairment of investment in affiliate	-	-	-	n.a.	-	-	-	n.a.	n.a.
EBITDA from discontinued operations	-	(5.9)	1.3	(100.0%)	-	(57.0)	194.4	(100.0%)	(100.0%)
EBITDA	43.0	2.7	39.9	1515.7%	95.8	(28.1)	268.5	n.a.	(64.3%)
Adjusted EBITDA²	44.8	8.5	38.6	424.0%	95.8	28.9	74.2	231.0%	29.2%

¹ Reclassified, excluding discontinued operations, for comparison purpose

² Continuing operations, excluding gain or loss from sale of assets

Table 7 – EBITDA per business unit and EBITDA margin

in R\$ million	2Q21	2Q20 ¹	2Q19	(A)/(B)	(A)/(C)	1H21	1H20	1H19	(D)/(E)	(D)/(F)
	(A)	(B)	(C)	%	%	(D)	(E)	(F)	%	%
Wholesale	25.0	(0.9)	25.6	n.a.	(2.3%)	75.0	22.8	51.0	228.6%	47.1%
Retail	22.1	8.7	9.9	153.6%	123.2%	29.3	8.3	13.4	252.3%	118.7%
Non-allocated expenses	(4.1)	0.7	3.2	n.a.	n.a.	(8.5)	(2.2)	9.8	293.0%	n.a.
EBITDA from continuing operations (i)	43.0	8.5	38.6	403.1%	11.3%	95.8	28.9	74.2	231.0%	29.2%
(-) Result from asset sale	1.8	-	-	n.a.	n.a.	0.0	0.0	0.0	n.a.	n.a.
Adjusted EBITDA from continuing operations (ii)	44.8	8.5	38.6	424.0%	15.9%	95.8	28.9	74.2	231.0%	29.2%
EBITDA from discontinued operations (ii)	-	(5.9)	1.3	(100.0%)	(100.0%)	-	(57.0)	194.4	(100.0%)	(100.0%)
EBITDA (i) + (ii)	43.0	2.7	39.9	1515.7%	7.7%	95.8	(28.1)	268.5	n.a.	(64.3%)
Adjusted EBITDA² (ii)	44.8	8.5	38.6	424.0%	15.9%	95.8	28.9	74.2	231.0%	29.2%
<i>EBITDA Margin %</i>	<i>11.2%</i>	<i>1.0%</i>	<i>12.2%</i>	<i>10.2 p.p.</i>	<i>(1.0 p.p.)</i>	<i>11.7%</i>	<i>(5.0%)</i>	<i>40.1%</i>	<i>16.7 p.p.</i>	<i>(28.4 p.p.)</i>
<i>Adjusted EBITDA Margin² %</i>	<i>11.6%</i>	<i>3.2%</i>	<i>11.8%</i>	<i>8.4 p.p.</i>	<i>(0.1 p.p.)</i>	<i>11.7%</i>	<i>5.1%</i>	<i>11.1%</i>	<i>6.6 p.p.</i>	<i>0.7 p.p.</i>

¹ Reclassified, excluding discontinued operations, for comparison purpose

² Continuing operations, excluding gain or loss from sale of assets

Table 8 – Financial Results

in R\$ million	2Q21	2Q20	(A)/(B)	1H21	1H20	(C)/(D)
	(A)	(B)	%	(C)	(D)	%
Financial income	6.6	5.0	30.9%	12.6	13.7	(8.2%)
Financial expenses - interests	(37.1)	(28.6)	29.6%	(68.3)	(59.2)	15.5%
Financial expenses - bank charges and others	(29.3)	(14.3)	105.1%	(57.4)	(44.1)	30.2%
Interest on leasing	(3.1)	(3.4)	(8.8%)	(6.2)	(7.3)	(15.2%)
Financial results, ex-exchange variations	(62.8)	(41.2)	52.5%	(119.3)	(96.8)	23.2%
Exchange rate variations, net	2.4	(2.7)	n.a.	(0.3)	(27.4)	(99.0%)
Financial results	(60.5)	(43.9)	37.7%	(119.6)	(124.2)	(3.7%)

Table 9 – Working Capital

in R\$ million	2Q21	1Q21	2Q20	(A)/(B)	(A)/(C)
	(A)	(B)	(C)	%	%
Accounts receivable	422.4	501.4	353.6	(15.8%)	19.4%
Inventories	459.5	444.8	417.8	3.3%	10.0%
Advances to suppliers	43.0	15.5	26.5	177.8%	62.5%
Suppliers	(190.6)	(205.9)	(136.3)	(7.4%)	39.8%
Working capital	734.2	755.8	661.5	(2.9%)	11.0%

Table 10 – Indebtedness

in R\$ million	2Q21	1Q21	2Q20	(A)/(B)	(A)/(C)
	(A)	(B)	(C)	%	%
Loans and financing	829.0	855.4	891.9	(3.1%)	(7.0%)
- Domestic currency	786.9	790.0	809.0	(0.4%)	(2.7%)
- Foreign currency	42.1	65.4	82.8	(35.6%)	(49.2%)
Debentures	85.7	87.2	87.6	(1.7%)	(2.1%)
Total debt	914.8	942.6	979.5	(3.0%)	(6.6%)
Cash and marketable securities	(175.5)	(176.1)	(222.2)	(0.4%)	(21.0%)
Net debt	739.3	766.5	757.2	(3.5%)	(2.4%)
Cash holdback amount	-	-	(34.5)	n.a.	n.a.
Net debt after cash holdback amount	739.3	766.5	722.7	(3.5%)	2.3%

Table 11 – Main indicators - Wholesale business unit

in R\$ million	2Q21	1Q21	2Q20	2Q19	(A)/(B)	(A)/(C)	(A)/(D)
	(A)	(B)	(C)	(D)	%	%	%
Net revenue	250.8	326.0	167.0	296.6	(23.1%)	50.2%	(15.4%)
(-) COGS	(186.4)	(221.7)	(122.4)	(233.3)	(15.9%)	52.3%	(20.1%)
Gross profit	64.4	104.3	44.6	63.3	(38.3%)	44.4%	1.7%
Gross Margin %	25.7%	32.0%	26.7%	21.3%	(6.3 p.p.)	(1.0 p.p.)	4.3 p.p.
(-) SG&A	(57.7)	(64.1)	(47.4)	(56.8)	(10.0%)	21.7%	1.6%
(+/-) Others	2.0	(6.6)	(14.3)	2.7	n.a.	n.a.	(25.9%)
Operational result	8.7	33.6	(17.1)	9.2	(74.1%)	n.a.	(5.4%)
(+) Depreciation and Amortization	16.3	16.4	16.2	16.4	(0.6%)	0.5%	(0.6%)
EBITDA	25.0	50.0	(0.9)	25.6	(50.0%)	n.a.	(2.3%)
EBITDA Margin %	10.0%	15.3%	(0.5%)	8.6%	(5.4 p.p.)	10.5 p.p.	1.3 p.p.

in R\$ million	1H21	1H20	1H19	(A)/(B)	(A)/(C)
	(A)	(B)	(C)	%	%
Net revenue	576.8	391.8	548.5	47.2%	5.2%
(-) COGS	(408.1)	(290.2)	(419.9)	40.6%	(2.8%)
Gross profit	168.7	101.6	128.6	66.0%	31.2%
Gross Margin %	29.2%	25.9%	23.4%	3.3 p.p.	5.8 p.p.
(-) SG&A	(121.8)	(98.2)	(115.6)	24.0%	5.4%
(+/-) Others	(4.6)	(11.7)	5.6	n.a.	n.a.
Operational result	42.3	(8.3)	18.6	n.a.	127.4%
(+) Depreciation and Amortization	32.7	31.1	32.4	5.1%	0.9%
EBITDA	75.0	22.8	51.0	228.6%	47.1%
EBITDA Margin %	13.0%	5.8%	9.3%	7.2 p.p.	3.7 p.p.

Table 12 – Main indicators - Retail business unit

in R\$ million	2Q21 (A)	1Q21 (B)	2Q20 (C)	2Q19 (D)	(A)/(B) %	(A)/(C) %	(A)/(D) %
Net revenue	134.2	104.4	96.3	58.4	28.5%	39.3%	129.8%
(-) COGS	(58.9)	(49.8)	(43.6)	(27.0)	18.3%	35.0%	118.1%
Gross profit	75.3	54.6	52.7	31.4	37.9%	42.9%	139.8%
Gross Margin %	56.1%	52.3%	54.7%	53.8%	3.8 p.p.	1.4 p.p.	2.3 p.p.
(-) SG&A	(59.9)	(54.5)	(53.1)	(33.3)	9.9%	12.8%	79.9%
(+/-) Others	0.0	0.2	2.9	5.5	n.a.	n.a.	(100.0%)
Operational result	15.4	0.3	2.5	3.6	n.a.	n.a.	327.8%
(+) Depreciation and Amortization	6.7	6.9	6.2	6.3	(2.9%)	7.4%	6.3%
EBITDA	22.1	7.2	8.7	9.9	206.9%	153.6%	123.2%
EBITDA Margin %	16.5%	6.9%	9.0%	17.0%	9.6 p.p.	7.4 p.p.	(0.5 p.p.)
Number of stores	232	232	231	234	0.0%	0.4%	(0.9%)
Owned Mmartan and Casa Moysés	31	30	28	32	3.3%	10.7%	(3.1%)
Franchise Mmartan	118	119	119	122	(0.8%)	(0.8%)	(3.3%)
Owned Artex	34	34	34	34	0.0%	0.0%	0.0%
Franchise Artex	49	49	50	46	0.0%	(2.0%)	6.5%
Gross Revenue sell-out	223.3	175.8	150.5	123.8	27.0%	48.4%	80.4%
Physical stores	139.2	104.7	40.6	111.2	32.9%	243.2%	25.2%
E-commerce sales	84.1	71.1	109.9	12.6	18.3%	(23.4%)	566.2%
Share of e-commerce (%)	37.7%	40.4%	73.0%	10.2%	(2.8 p.p.)	(35.4 p.p.)	27.5 p.p.

in R\$ million	1H21 (A)	1H20 (B)	1H19 (C)	(A)/(B) %	(A)/(C) %
Net revenue	238.6	173.9	120.9	37.2%	97.4%
(-) COGS	(108.7)	(84.2)	(57.0)	29.0%	90.7%
Gross profit	129.9	89.7	63.9	44.8%	103.3%
Gross Margin %	54.4%	51.6%	52.9%	2.9 p.p.	1.6 p.p.
(-) SG&A	(114.4)	(95.5)	(68.3)	19.8%	67.5%
(+/-) Others	0.2	1.9	5.7	n.a.	(96.5%)
Operational result	15.7	(3.9)	1.3	n.a.	1107.7%
(+) Depreciation and Amortization	13.6	12.2	12.6	11.1%	7.9%
EBITDA	29.3	8.3	13.9	252.3%	110.8%
EBITDA Margin %	12.3%	4.8%	11.5%	7.5 p.p.	0.8 p.p.
Number of stores	232	231	234	0.4%	(0.9%)
Owned Mmartan	31	28	32	10.7%	(3.1%)
Franchise Mmartan	118	119	122	(0.8%)	(3.3%)
Owned Artex	34	34	34	0.0%	0.0%
Franchise Artex	49	50	46	(2.0%)	6.5%
Gross Revenue sell-out	399.2	290.1	254.6	37.6%	56.8%
Omnichannel	243.9	157.6	227.3	54.8%	7.3%
E-commerce sales	155.2	132.5	27.4	17.2%	467.5%
Share of e-commerce (%)	38.9%	45.7%	10.7%	(6.8 p.p.)	28.1 p.p.

Glossary

(a) EBITDA – EBITDA is a non-accounting measurement which we prepare and which is reconciled with our financial statement in accordance with CVM Instruction no 527, when applicable. We have calculated our EBITDA (usually defined as earnings before interest, tax, depreciation and amortization) as net earnings before financial results, the effect of depreciation of our plants, equipment and other permanent assets and the amortization of intangible assets. EBITDA is not a measure recognized under BR GAAP, IFRS or US GAAP. It is not significantly standardized and cannot be compared to measurements with similar names provided by other companies. We have reported EBITDA because we use it to measure our performance. EBITDA should not be considered in isolation or as a substitute for "net income" or "operating income" as indicators of operational performance or cash flow, or for the measurement of liquidity or debt repayment capacity.

(b) Sell-out revenue – Revenue from sales channel to the end customers.

(c) Free cash flow - Net cash provided by operating activities after interest and taxes minus net cash used in investing activities, according to the Cash Flow Statement.

(d) Bedding, Tabletop and Bath ("CAMEBA") line – includes bed sheets and pillow cases, sheet sets, tablecloths, towels, rugs and bath accessories.

(e) Personal protective equipment (PPE) – personal protective products for the health care industry, made of non-woven fabric, such as surgical masks and gowns, hair and foot protectors.

(f) Intermediate products – yarns and fabrics, in their natural state or dyed and printed, sold to small and medium-sized clothing, knitting and weaving companies.

(g) Adjusted net debt – Gross debt minus cash and marketable securities.

Balance sheet

in R\$ million	2Q21	1Q21	2Q20
Assets			
Current assets	1,339.2	1,399.2	1,161.1
Cash and cash equivalents	162.2	156.1	197.9
Marketable securities	11.5	18.4	22.7
Accounts receivable	422.4	501.4	353.6
Financial leases receivable	15.7	17.8	17.0
Inventories	459.5	444.8	417.8
Advances to suppliers	43.0	15.5	26.5
Recoverable taxes	77.1	77.1	59.4
Cash holdback amount	-	-	34.5
Other receivables	28.6	32.6	31.7
Assets held for sale	119.1	135.6	-
Noncurrent assets	1,725.8	1,799.9	1,987.5
Long-term assets	420.2	453.4	516.2
Marketable securities	1.7	1.7	1.7
Receivable - clients	19.7	22.4	22.1
Related parties	98.2	80.1	60.6
Advances to suppliers	50.9	42.1	66.2
Financial leases receivable	90.1	104.3	104.9
Recoverable taxes	59.5	77.8	157.4
Deferred taxes	17.9	20.3	19.6
Property, plant and equipment held for sale	16.6	18.5	16.1
Escrow deposits	10.0	10.6	10.9
Others	55.6	75.7	56.8
Permanent	1,305.5	1,346.5	1,471.3
Investments in affiliate	-	-	34.3
Investment properties	405.3	405.2	407.4
Property, plant and equipment	609.7	631.0	640.8
Right-of-use assets	195.8	213.4	202.1
Intangible assets	94.8	96.9	186.7
Total assets	3,065.0	3,199.1	3,148.6

Balance sheet (continued)

in R\$ million	2Q21	1Q21	2Q20
Liabilities and Equity			
Current liabilities	1,111.6	1,097.6	956.4
Loans and financing	537.7	515.3	480.0
Debentures	85.7	87.2	87.6
Suppliers	190.6	205.9	136.3
Taxes	23.1	21.2	33.6
Payroll and related charges	88.5	81.8	92.9
Government concessions	31.9	29.4	23.4
Leases payable	63.8	68.8	64.4
Other payables	90.2	88.0	38.1
Noncurrent liabilities	909.4	1,011.9	1,022.9
Loans and financing	291.3	340.1	411.8
Leases payable	264.2	295.8	290.4
Related parties	1.2	1.1	0.0
Government concessions	61.3	56.4	45.2
Employee benefit plans	122.2	141.7	139.5
Miscellaneous accruals	12.0	13.2	12.6
Deferred taxes	77.0	81.4	84.7
Other obligations	80.1	82.1	38.6
Equity	1,044.1	1,089.6	1,169.3
Capital	1,860.3	1,860.3	1,860.3
Capital reserves	79.4	79.4	79.4
Assets and liabilities valuation adjustment	113.8	113.8	117.9
Cumulative translation adjustment	(181.6)	(173.9)	(179.1)
Accumulated deficit	(827.8)	(790.1)	(709.1)
Total liabilities and equity	3,065.0	3,199.1	3,148.6

Income Statement

in R\$ million	2Q21	1Q21	2Q20 ¹	2Q19	(A)/(B)	(A)/(C)	(A)/(D)
	(A)	(B)	(C)	(D)	%	%	%
Gross revenues	561.5	597.5	364.6	432.4	(6.0%)	54.0%	29.9%
Net revenues	385.0	430.4	263.3	328.2	(10.5%)	46.2%	17.3%
Cost of goods sold	(245.3)	(271.5)	(165.9)	(233.6)	(9.7%)	47.8%	5.0%
<i>% of net sales</i>	<i>63.7%</i>	<i>63.1%</i>	<i>63.0%</i>	<i>71.2%</i>	<i>0.6 p.p.</i>	<i>0.7 p.p.</i>	<i>(7.5 p.p.)</i>
Materials	(107.8)	(137.1)	(72.2)	(118.5)	(21.4%)	49.2%	(9.0%)
Conversion costs and others	(122.0)	(119.2)	(77.4)	(99.5)	2.3%	57.6%	22.6%
Depreciation	(15.5)	(15.2)	(16.3)	(15.6)	2.0%	(4.9%)	(0.6%)
Gross profit	139.7	158.8	97.4	94.6	(12.0%)	43.5%	47.7%
<i>% Gross Margin</i>	<i>36.3%</i>	<i>36.9%</i>	<i>37.0%</i>	<i>28.8%</i>	<i>(0.6 p.p.)</i>	<i>(0.7 p.p.)</i>	<i>7.5 p.p.</i>
SG&A	(122.5)	(124.3)	(103.8)	(94.5)	(1.4%)	18.1%	29.6%
<i>% of net sales</i>	<i>31.8%</i>	<i>28.9%</i>	<i>39.4%</i>	<i>28.8%</i>	<i>2.9 p.p.</i>	<i>(7.6 p.p.)</i>	<i>3.0 p.p.</i>
Selling expenses	(90.2)	(91.2)	(76.4)	(65.1)	(1.1%)	18.0%	38.6%
<i>% of net sales</i>	<i>23.4%</i>	<i>21.2%</i>	<i>29.0%</i>	<i>19.8%</i>	<i>2.2 p.p.</i>	<i>(5.6 p.p.)</i>	<i>3.6 p.p.</i>
General and administrative expenses	(32.3)	(33.0)	(27.4)	(29.4)	(2.1%)	18.2%	9.9%
<i>% of net sales</i>	<i>8.4%</i>	<i>7.7%</i>	<i>10.4%</i>	<i>9.0%</i>	<i>0.7 p.p.</i>	<i>(2.0 p.p.)</i>	<i>(0.6 p.p.)</i>
Others, net	1.6	(6.3)	(8.8)	10.5	n.a.	n.a.	(84.7%)
<i>% of net sales</i>	<i>0.4%</i>	<i>(1.5%)</i>	<i>(3.4%)</i>	<i>3.2%</i>	<i>1.9 p.p.</i>	<i>3.8 p.p.</i>	<i>(2.8 p.p.)</i>
Income (loss) from operations	18.8	28.2	(15.2)	10.5	(33.4%)	n.a.	78.6%
<i>% of net sales</i>	<i>4.9%</i>	<i>6.6%</i>	<i>(5.8%)</i>	<i>3.2%</i>	<i>(1.7 p.p.)</i>	<i>10.7 p.p.</i>	<i>1.7 p.p.</i>
Financial result	(60.5)	(59.1)	(43.9)	(33.6)	2.3%	37.7%	79.7%
Profit (loss) before taxes	(41.6)	(30.9)	(59.1)	(23.1)	n.a.	n.a.	n.a.
Income and social contribution taxes	3.9	2.9	(0.2)	(2.7)	n.a.	n.a.	n.a.
Net result from continuing operations	(37.8)	(28.0)	(59.3)	(25.8)	n.a.	n.a.	n.a.
Net result from discontinued operations	-	0.0	(5.9)	0.0	n.a.	n.a.	n.a.
Net income (loss)	(37.8)	(28.0)	(65.2)	(25.8)	n.a.	n.a.	n.a.
<i>% of net sales</i>	<i>(9.8%)</i>	<i>(6.5%)</i>	<i>(24.8%)</i>	<i>(7.9%)</i>	<i>(3.3 p.p.)</i>	<i>15.0 p.p.</i>	<i>(1.9 p.p.)</i>

¹ Reclassified due to disposal for sale of ownership in affiliate

Income Statement (continued)

Em R\$ milhões	1H21 (A)	1H20 ¹ (B)	1H19 (C)	(A)/(B) %	(A)/(C) %
Gross revenues	1,159.0	774.0	880.1	49.7%	31.7%
Net revenues	815.4	565.7	668.9	44.1%	21.9%
Cost of goods sold	(516.8)	(374.4)	(476.9)	38.0%	8.4%
<i>% of net sales</i>	<i>63.4%</i>	<i>66.2%</i>	<i>71.3%</i>	<i>(2.8 p.p.)</i>	<i>(7.9 p.p.)</i>
Materials	(244.9)	(181.7)	(239.3)	34.8%	2.3%
Conversion costs and others	(241.2)	(161.4)	(207.2)	49.4%	16.4%
Depreciation	(30.7)	(31.3)	(30.4)	(1.9%)	1.0%
Gross profit	298.6	191.3	192.0	56.1%	55.5%
<i>% Gross Margin</i>	<i>36.6%</i>	<i>33.8%</i>	<i>28.7%</i>	<i>2.8 p.p.</i>	<i>7.9 p.p.</i>
SG&A	(246.8)	(201.4)	(190.9)	22.5%	29.3%
<i>% of net sales</i>	<i>30.3%</i>	<i>35.6%</i>	<i>28.5%</i>	<i>(5.3 p.p.)</i>	<i>1.7 p.p.</i>
Selling expenses	(181.4)	(142.6)	(132.9)	27.2%	36.5%
<i>% of net sales</i>	<i>22.2%</i>	<i>25.2%</i>	<i>19.9%</i>	<i>(3.0 p.p.)</i>	<i>2.4 p.p.</i>
General and administrative expenses	(65.4)	(58.8)	(58.0)	11.1%	12.6%
<i>% of net sales</i>	<i>8.0%</i>	<i>10.4%</i>	<i>8.7%</i>	<i>(2.4 p.p.)</i>	<i>(0.7 p.p.)</i>
Others, net	(4.7)	(6.6)	19.1	(29.0%)	n.a.
<i>% of net sales</i>	<i>(0.6%)</i>	<i>(1.2%)</i>	<i>2.9%</i>	<i>0.6 p.p.</i>	<i>(3.4 p.p.)</i>
Income from operations	47.1	(16.7)	20.2	n.a.	133.5%
<i>% of net sales</i>	<i>5.8%</i>	<i>(3.0%)</i>	<i>3.0%</i>	<i>8.7 p.p.</i>	<i>2.8 p.p.</i>
Financial result	(119.6)	(124.2)	(77.8)	(3.7%)	53.7%
Profit (loss) before taxes	(72.5)	(141.0)	(57.7)	n.a.	n.a.
Income and social contribution taxes	6.8	(70.0)	(3.2)	n.a.	n.a.
Net result from continued operations	(65.8)	(211.0)	(60.8)	n.a.	n.a.
Net result from discontinued operations	0.0	(57.0)	194.4	n.a.	n.a.
Net income (loss)	(65.8)	(268.0)	133.5	n.a.	n.a.
<i>% of net sales</i>	<i>(8.1%)</i>	<i>(47.4%)</i>	<i>20.0%</i>	<i>39.3 p.p.</i>	<i>(28.0 p.p.)</i>

¹ Reclassified due to disposal for sale of ownership in affiliate

Cash Flow Statement

in R\$ million	2Q21	2Q20	1H21	1H20
Cash flows from operating activities				
Net income (loss) for the period	(37.8)	(65.2)	(65.8)	(268.0)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	24.2	23.8	48.7	45.7
Equity in affiliate	-	5.9	-	14.1
Income and social contribution taxes	(3.9)	0.2	(6.8)	70.0
Impairment adjustment	-	-	-	42.9
Result on disposal of property, plant and equipment	1.8	0.4	3.7	0.1
Renegotiation of leases	-	-	(2.0)	(4.2)
Exchange rate variations	(2.4)	2.7	0.3	27.4
Monetary variation	6.5	1.4	11.4	3.0
Bank charges and interests, net	53.0	30.4	101.3	85.6
Interest on leases	3.1	3.4	6.2	7.3
	44.5	2.9	97.0	24.0
Changes in assets and liabilities				
Marketable securities	2.7	2.2	4.8	129.7
Accounts receivable	61.3	56.9	65.2	146.0
Inventories	(18.7)	(8.1)	(59.5)	(28.4)
Advances to suppliers	(1.3)	0.6	(5.1)	16.8
Recoverable taxes	18.3	8.6	30.3	27.6
Cash holdback amount	(1.3)	(10.4)	20.8	(10.4)
Suppliers	(10.4)	2.0	(13.2)	(33.4)
Others	1.1	35.3	18.0	18.4
Net cash provided by (used in) operating activities	94.2	90.0	158.3	290.4
Interest paid on loans	(18.0)	(16.5)	(35.4)	(37.5)
Commissions and bank charges paid on loans	(6.9)	(6.2)	(11.4)	(24.3)
Income and social contribution taxes received (paid)	(0.1)	(1.1)	(0.1)	(0.2)
Net cash provided by (used in) operating activities after interest and taxes	69.2	66.2	111.4	228.4
Cash flows from investing activities				
Investment properties	(0.1)	(0.6)	(0.3)	(0.6)
Property, plant and equipment	(10.4)	(6.7)	(23.2)	(36.8)
Intangibles	-	(2.6)	-	(2.6)
Proceeds from sales of property, plant and equipment	7.7	0.8	10.3	13.4
Loans between related parties	(26.7)	36.0	(36.7)	(31.9)
Net cash provided by (used in) investing activities	(29.5)	27.2	(49.9)	(58.6)
Cash flows from financing activities				
Proceeds from new loans, net of prepaid fees	73.7	78.7	124.8	286.5
Repayment of loans	(94.8)	(138.5)	(175.6)	(395.6)
Repayment of leases	(8.3)	(0.3)	(18.4)	(16.0)
Net cash provided by (used in) financing activities	(29.5)	(60.2)	(69.2)	(125.1)
Effect of exchange rate changes on cash and cash equivalents of foreign subsidiaries	(4.1)	0.2	1.1	1.2
Increase (decrease) in cash and cash equivalents	6.2	33.4	(6.5)	45.9
Cash and cash equivalents:				
At the beginning of the period	156.1	168.7	168.8	151.9
At the end of the period	162.2	202.0	162.2	197.9



This press release may include declarations about Springs Global's expectations regarding future events or results. All declarations based upon future expectations, rather than historical facts, are subject to various risks and uncertainties.

These risks and uncertainties include factors related to the following: the Company's business strategy, the international and the Brazilian economies, technology, financial strategy, developments in the textile and retail sectors, market conditions, among others. To obtain further information on factors that may give rise to results different from those forecasted by Springs Global, please consult the reports filed with the Brazilian Comissão de Valores Mobiliários (CVM, equivalent to U.S. "SEC").



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Springs Global is a leading company in Americas in bedding, tabletop and bath products, with traditional and leading brands in the segments in which it operates, strategically positioned to target customers of different socioeconomic profiles. Springs Global operates vertically integrated plants, with high degree of automation and flexibility, located in Brazil and Argentina.

Conference call

Date: 08/13/2021

Time: 11am São Paulo time / 10 am New York time / 3 pm London time

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