



3Q22 Results

December 19, 2022

Disclaimer

This presentation 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").

Operational restructuring

- Restructure of the industrial operation, in order to improve its profitability, with the simplification of its product lines, reducing from approximately 7,000 to approximately 1,500 SKUs manufactured concurrently
- Wholesale sales will be concentrated on products under the Santista brand, with its own production, while Artex, Mmartan and Casa Moysés brands will be exclusive to AMMO Varejo
- This optimization of production makes it possible to reduce industrial complexity, with productivity gains, in terms of unit cost and reduction of percentage of second quality, due to the increase of the production batches, resulting in the reduction of working capital, and therefore, contributing to better profitability for our shareholders

Combination of Keeco and Hollander businesses

- In 3Q22, the business combination of New Keeco Holdings, LLC, Springs Global's indirect subsidiary that was available for sale, was completed with Hollander Parent Corporation, forming a new combined company called Keeco, Inc., with consolidated revenues equivalent to US\$1.3 billion
- With this transaction, Springs Global has an expectation that its stake in Keeco will have an important valorization in the coming years, through business growth and obtaining operational and administrative synergies
- On the other hand, with the postponement of the sales of its share in Keeco, the Company began to look for other sources of liquidity to reduce its financial leverage

- Renewal of significant portion of its debt agreements, equivalent to R\$ 254 million, and waiver of compliance with financial ratios for June 30, 2022 and December 31, 2022 for a relevant part of their contracts.
- Allocation of non-operating properties for sale in 4Q22: São Gonçalo do Amarante-RN available for sale, R\$ 373.8 million¹
- Reduction of loans receivable from companies in the Coteminas group: R\$ 202.2 million¹, mainly with CTNM, due to sale of properties and business, which are in progress

¹Balance sheet values as of September 30, 2022

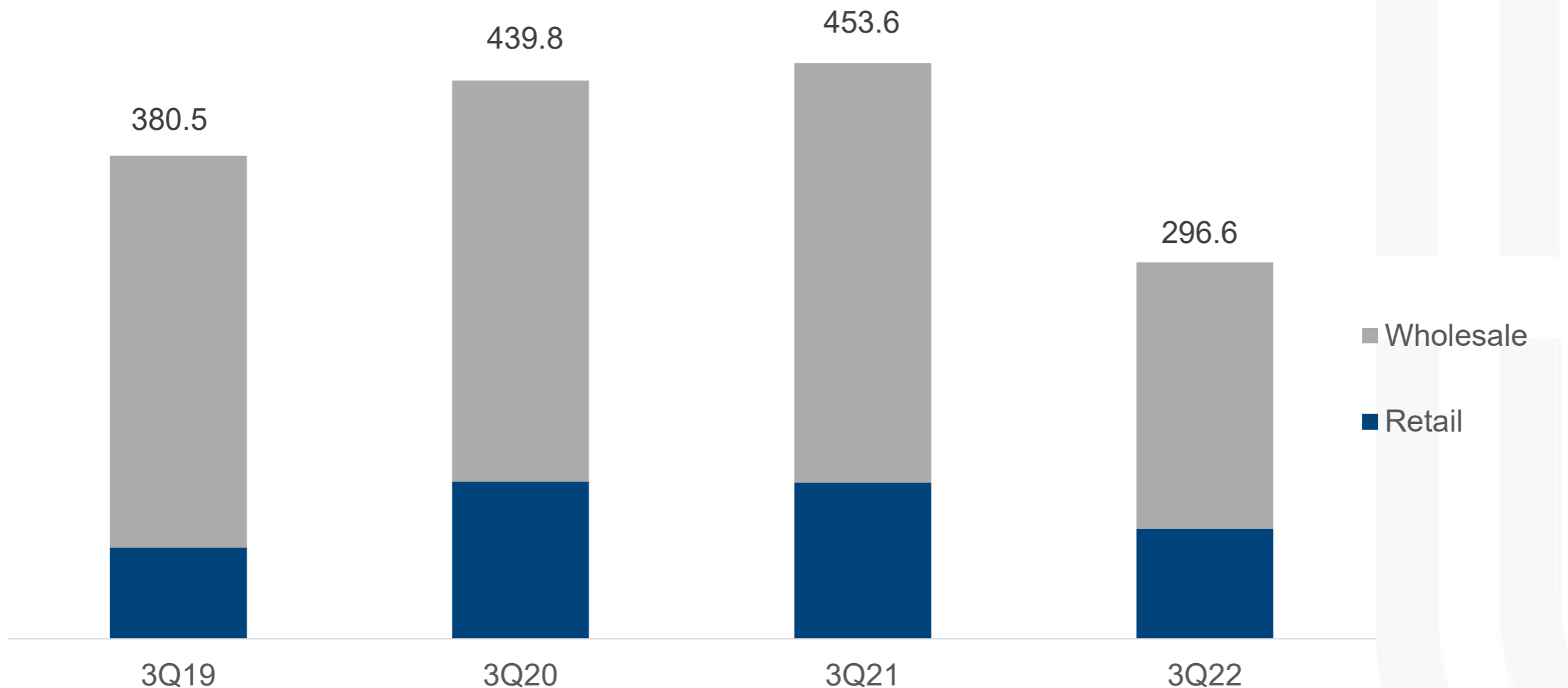


Consolidated Performance

Revenue decreased due to the change in consumption habits post pandemic and the lower purchasing power of families

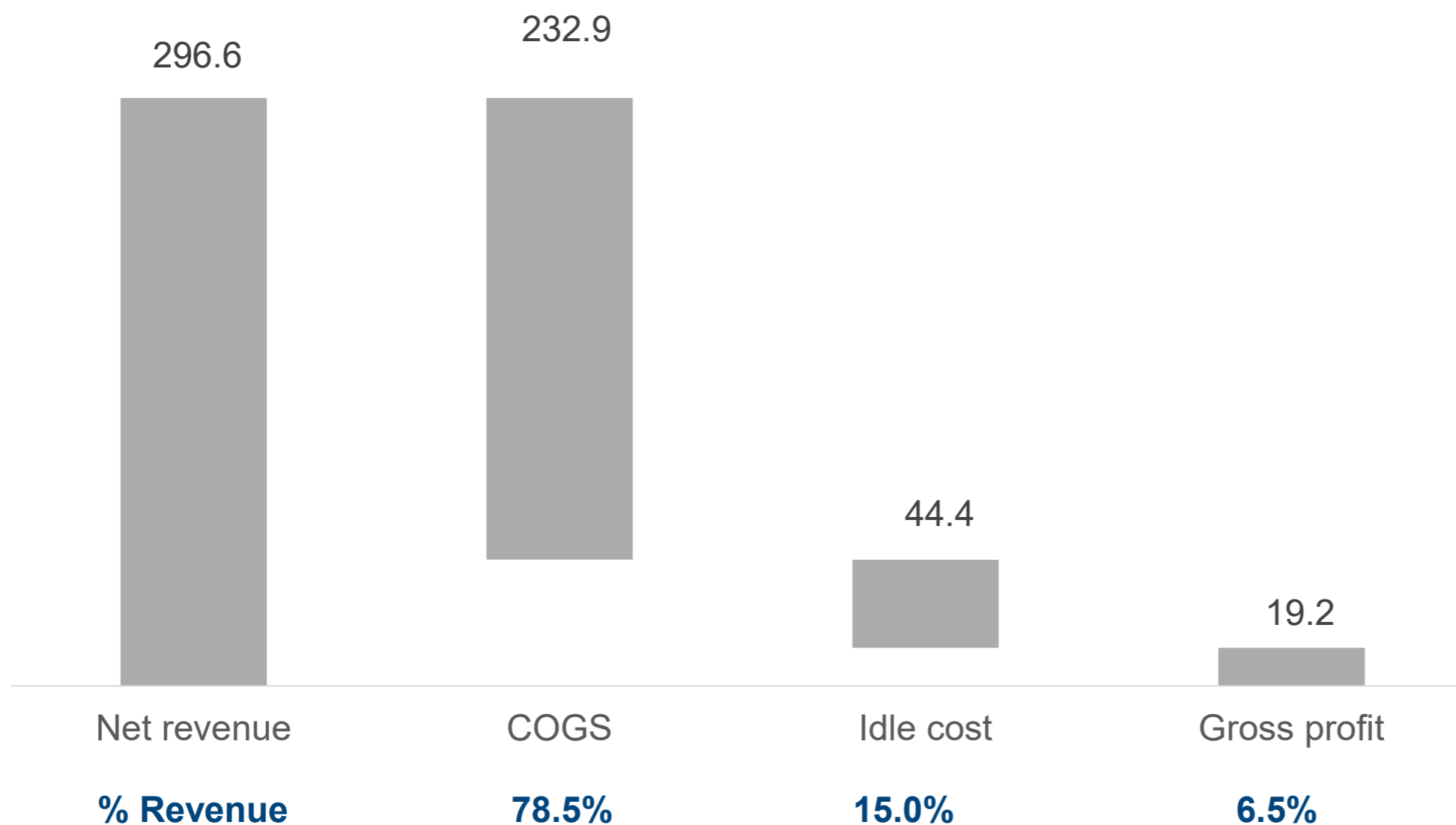
Total	Wholesale	Retail	
-35%	-37%	-30%	3Q22/ 3Q21
-22%	-32%	+21%	3Q22/ 3Q19

Net Revenue, R\$ million



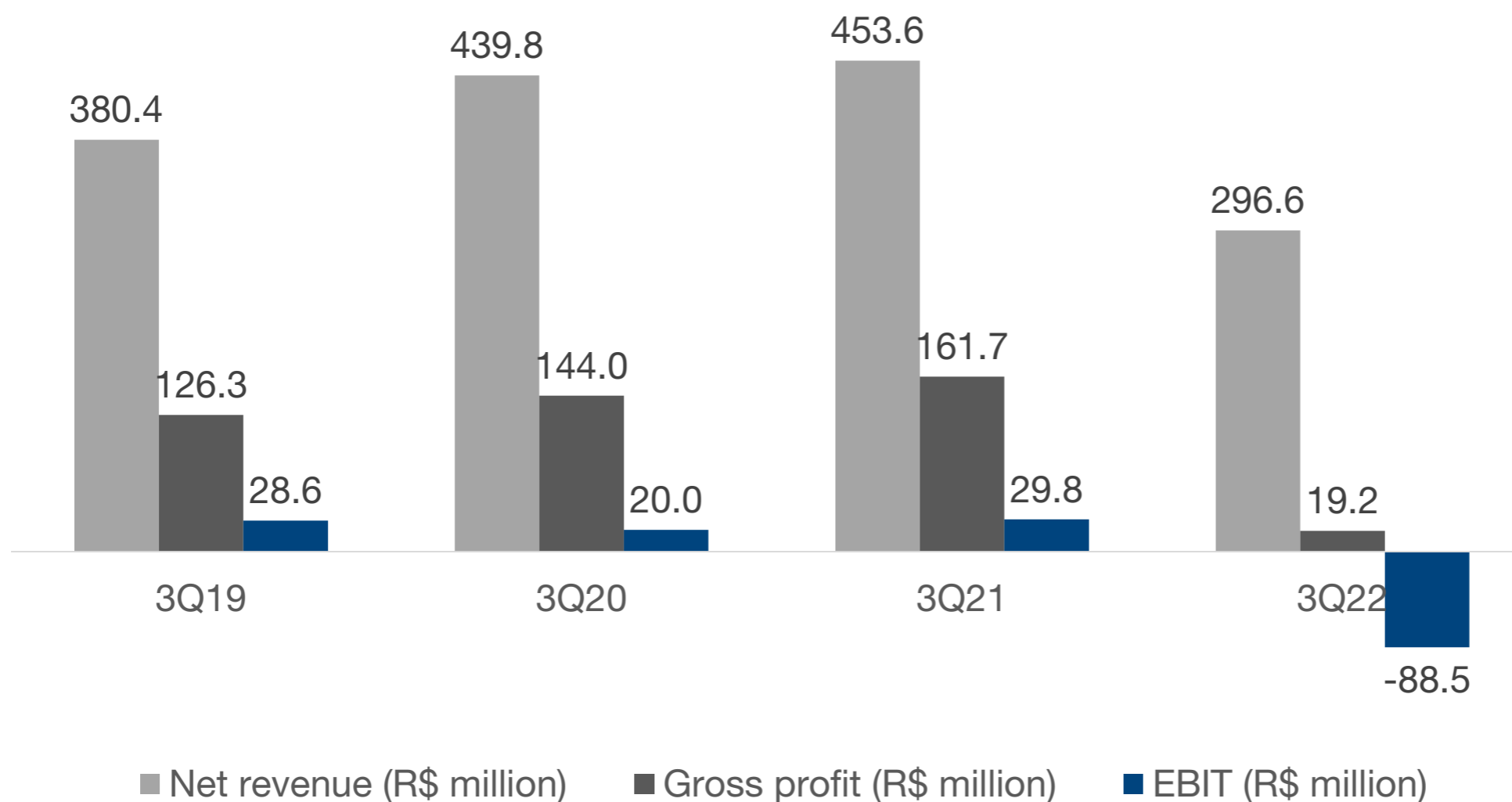
There was a reduction in the manufacturing operations in this quarter, with scheduled stoppages at the manufacturing units, with idle cost of R\$ 44.4 million, equivalent to 15.0% of revenue

In R\$ million

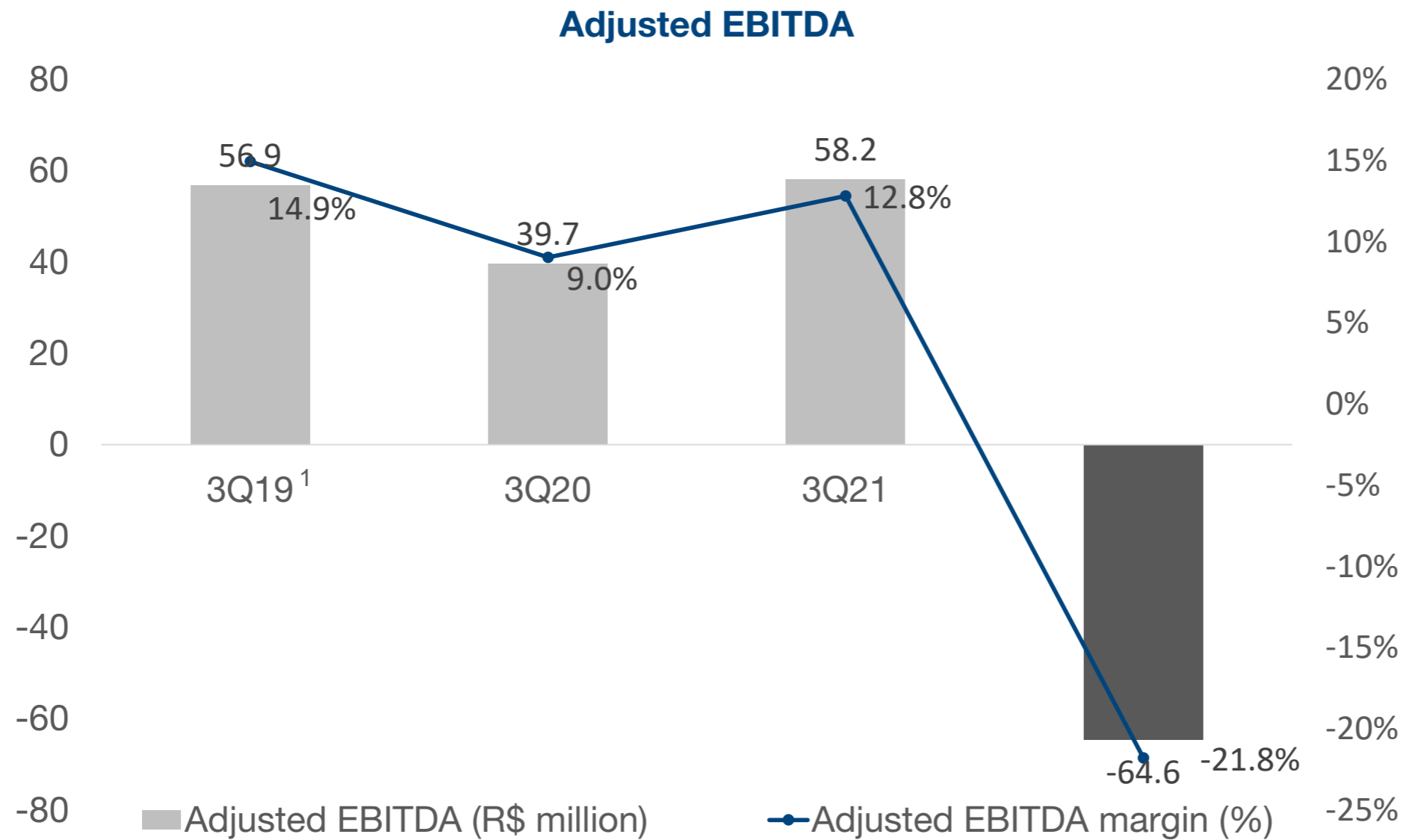


Operating results were negatively impacted by the reduction in gross profit

Financial Indicators



Adjusted EBITDA reached R\$ -64.6 million in 3Q22, with adjusted EBITDA margin of -21.8%

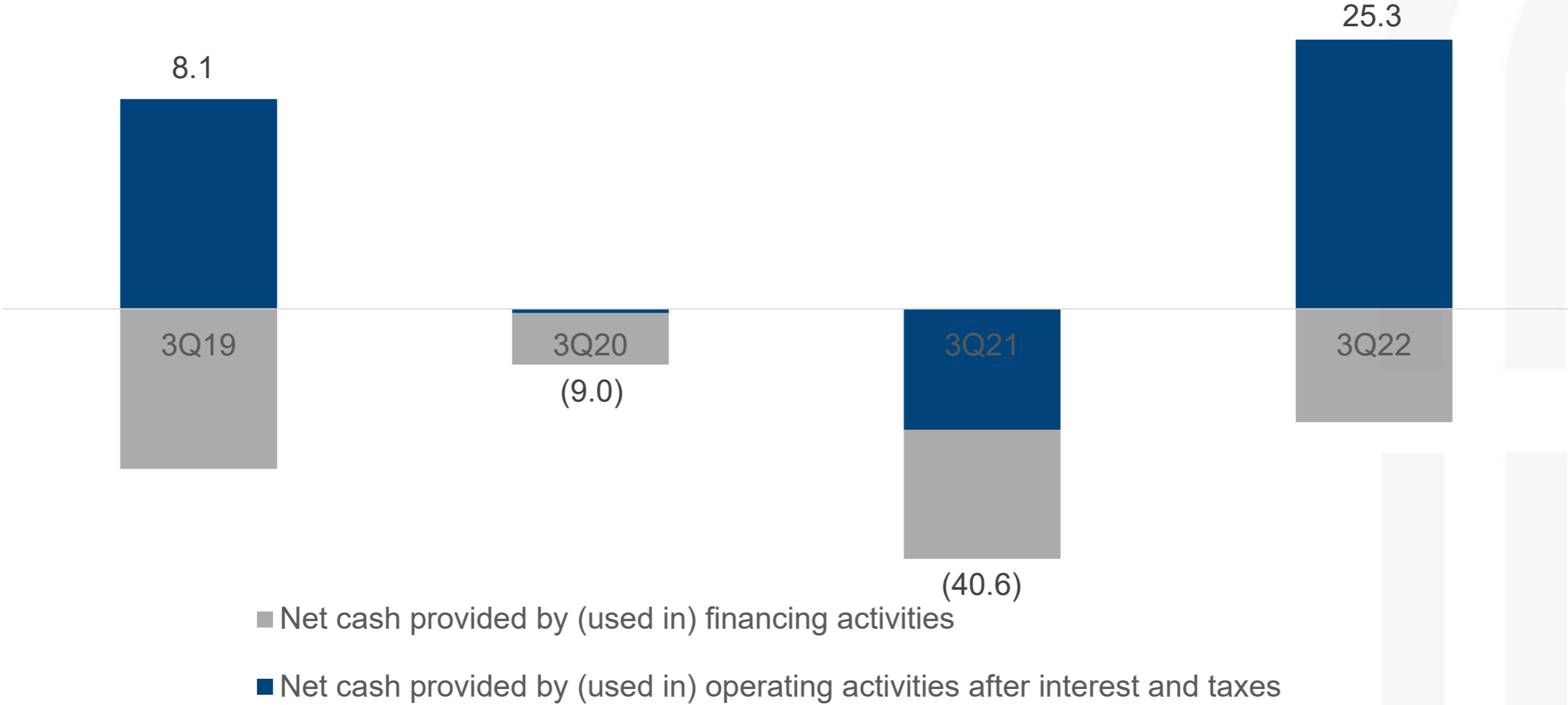


¹ Continuing operations

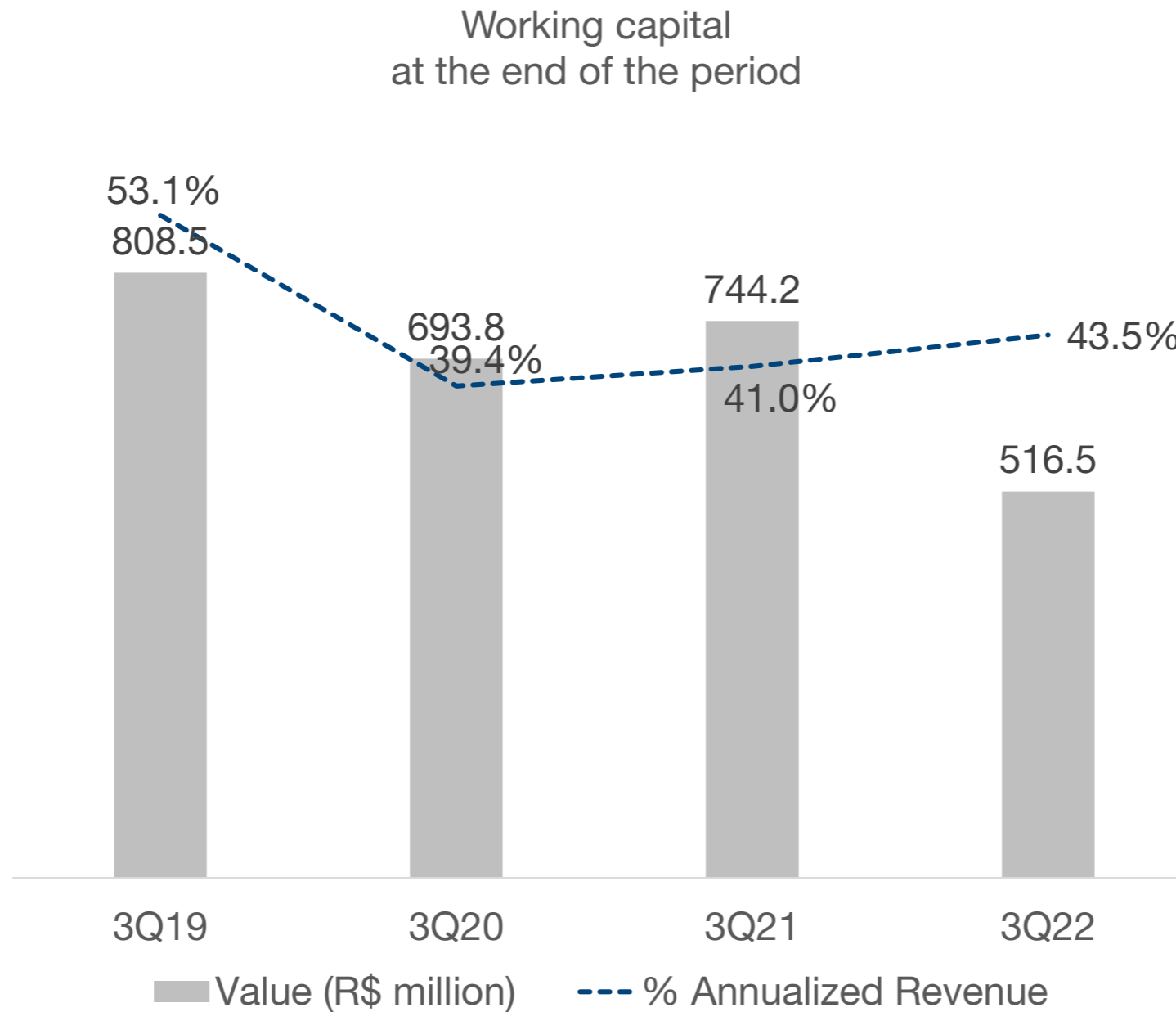
Free cash flow totaled R\$ 25.3 million, R\$ 65.9 million higher yoy, mainly due to the decrease of R\$ 104.8 million in working capital



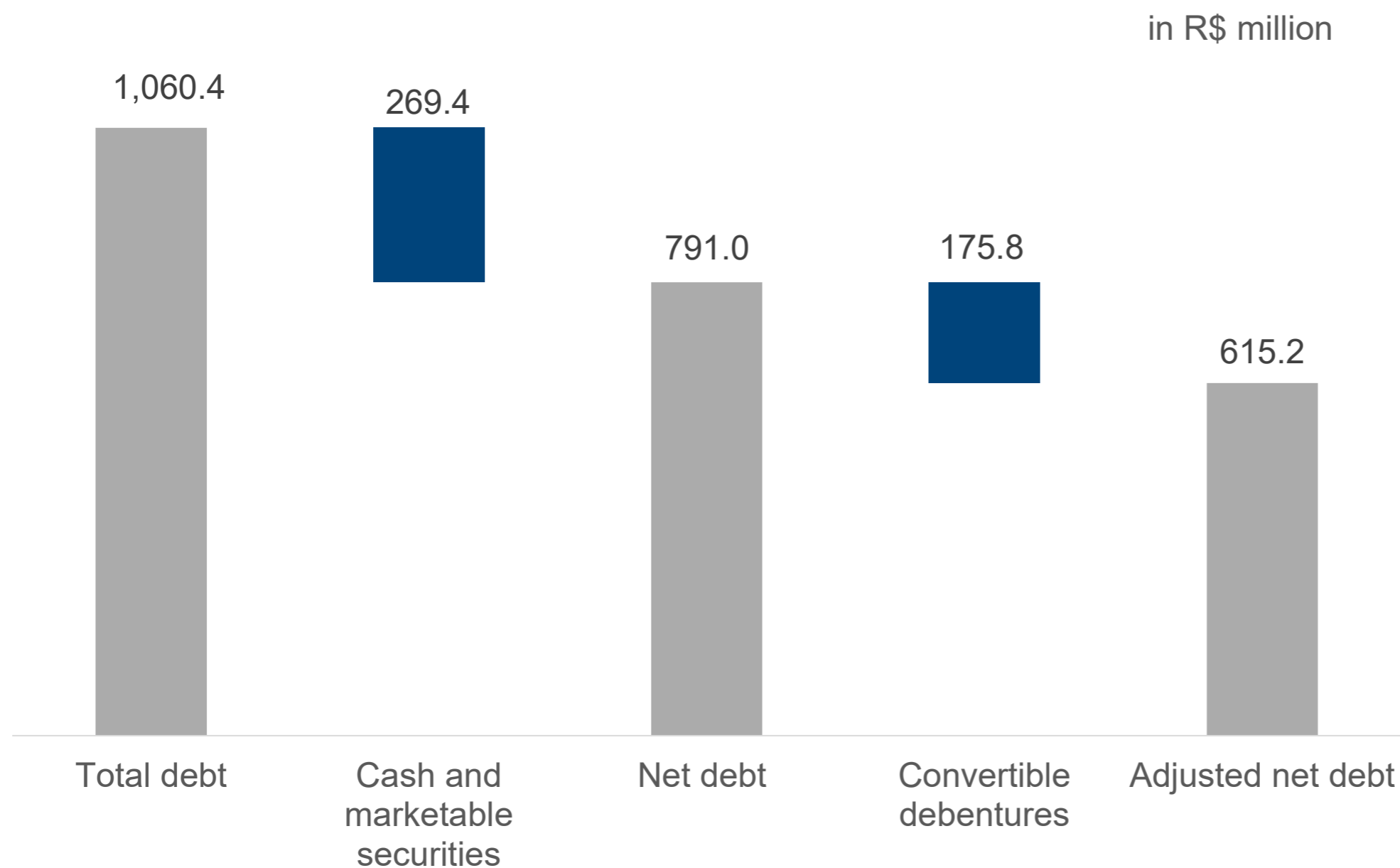
Free Cash Flow
R\$ million



Working capital needs totaled R\$ 516.5 million at the end of 3Q22, 30.6%, or R\$ 227.7 million, lower yoy



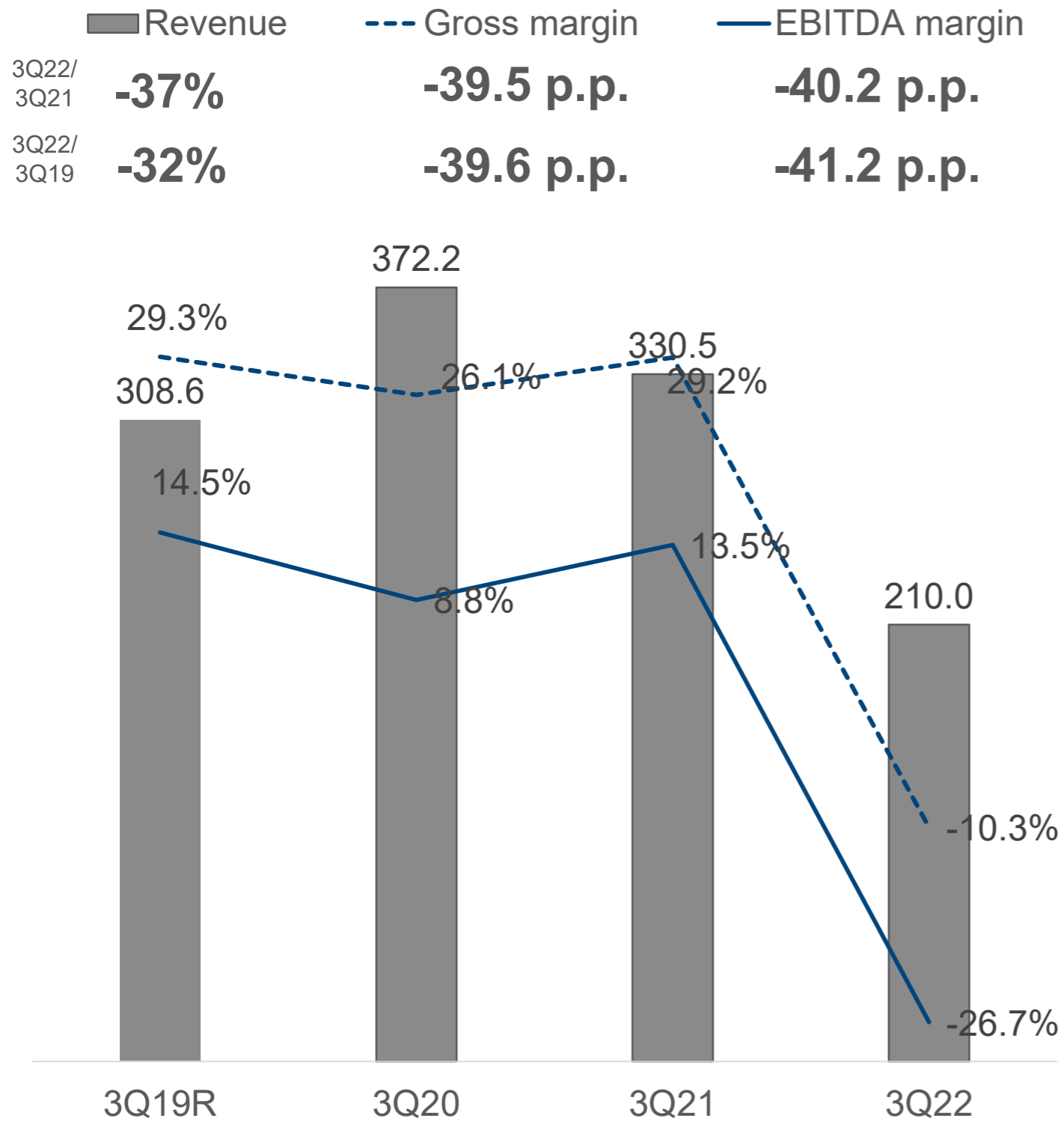
Our adjusted net debt was R\$ 615.2 million as of September 30, 2022. We obtained a waiver of compliance with financial ratios for 2022 for a significant portion of our contracts.





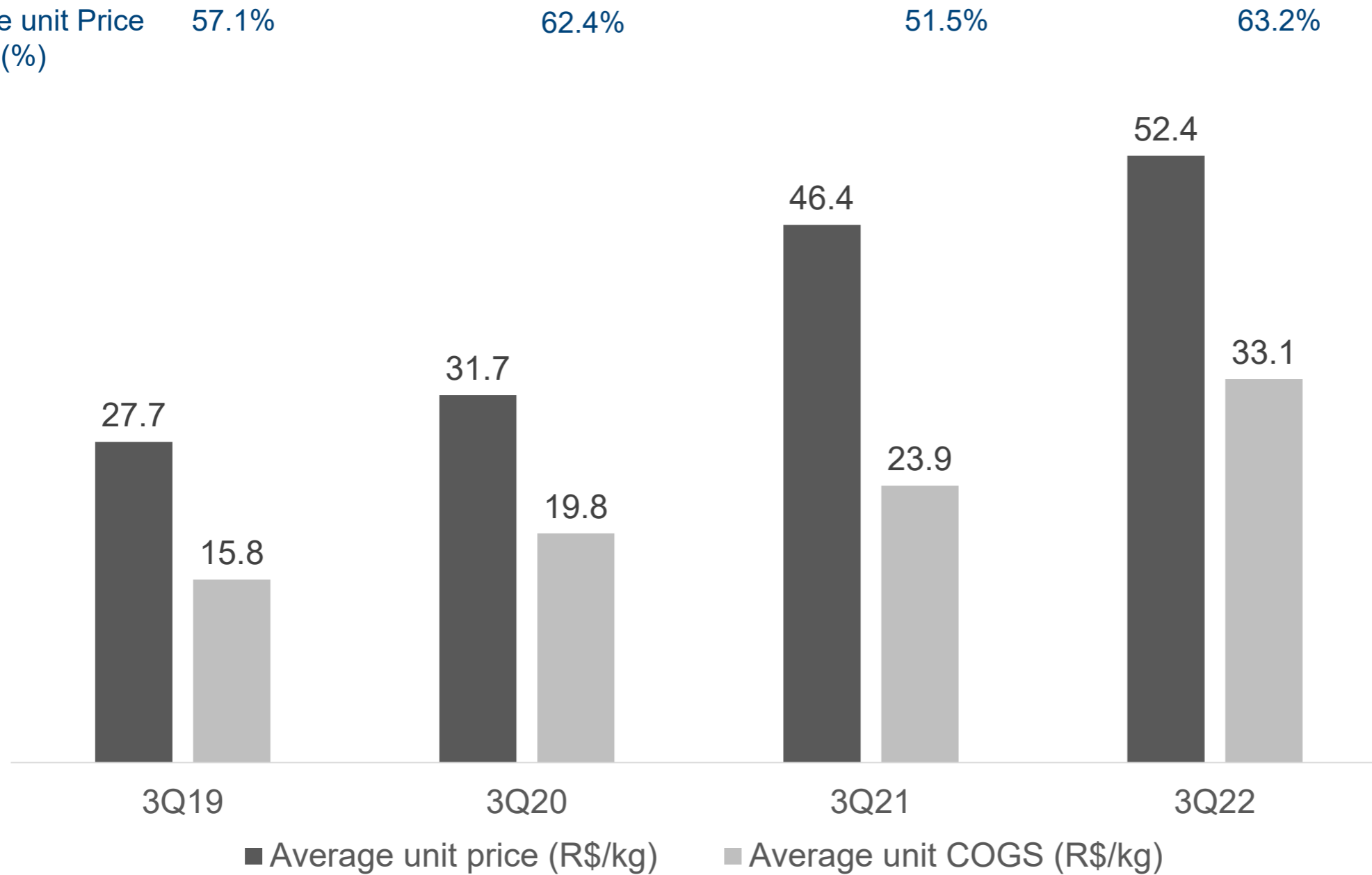
Performance
per business
unit

Wholesale performance

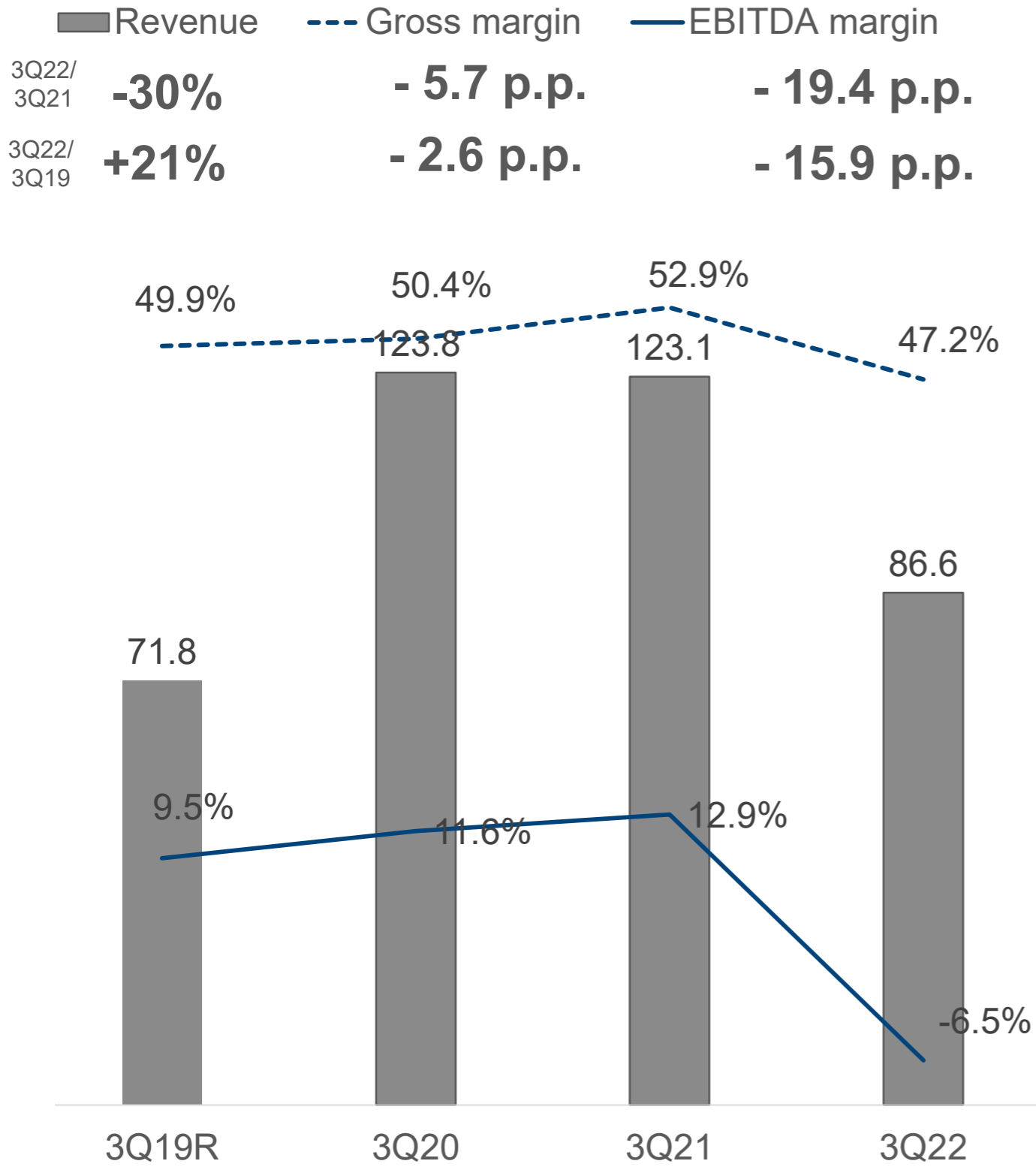


Higher average COGS yoy, due to higher cost of raw materials, inputs and energy

Average unit COGS/
Average unit Price
(%)

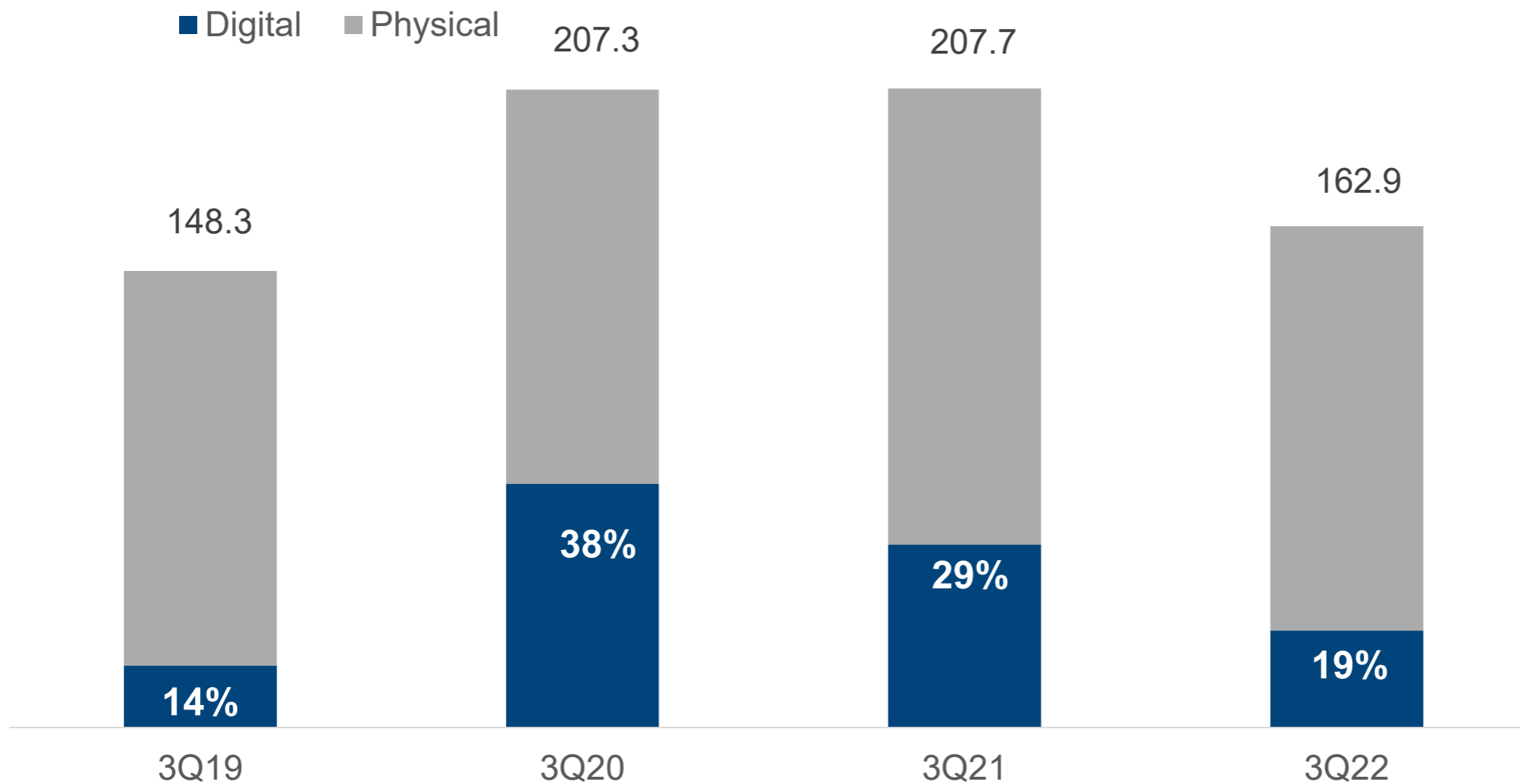


Retail performance



E-commerce revenue (GMV) totaled R\$ 31.5 million, representing 19% of our Retail sell-out revenue (GMV), 47% lower yoy.

Sell-out revenue in R\$ million





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