1Q19 RESULTS |

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SPRINGS GLOBAL

Springs Global: Net profit of R$ 159.4 million, with the closing of the agreement to combine its North American operations

São Paulo, May 17th, 2019 - Springs Global Participações S.A. (Springs Global), the Americas' largest company in bedding, tabletop and bath products, reported in the first quarter of 2019 (1Q19), as continuing operations, net revenue of R$ 340.7 million, with gross margin of 28.6%. E-commerce revenue presented growth of 155% year-over-year (yoy).

About Springs Global

Springs Global is the America's largest company 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, United States and Argentina.

B3: SGPS3

As of 03/31/2019:

Closing share price: R$ 8.89

Market cap: R$ 444.5 million

Conference call

Date: 05/20/2019
Time: 2 pm São Paulo time / 1 pm New York time / 6 pm London time

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To access the webcast **click here** or access the website **http://www.springs.com/ri**.

Investor Relations

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The highlights of Springs Global´s performance in 1Q19 were:

- Agreement, concluded in March 2019, to combine its North American operations, reported as discontinued operations, with the following effects:
  - ✓ Receipt of the cash proceeds and the common shares of the combined company, Keeco Holdings, LLC, representing 17.5% of its equity ownership;
  - ✓ Book value gain of R$ 275.1 million, before taxes, with absorption of deferred income tax of R$ 80.2 million, and, hence, with no cash effect.
- Net revenue of R$ 340.7 million;
- Gross profit of R$ 97.4 million, with gross margin of 28.6%;
- EBITDA[a] of R$ 316.9 million and adjusted EBITDA of R$ 41.8 million, with adjusted EBITDA margin of 12.3%;
- Adoption of IFRS 16 Standard, with negative effect of R$ 2.6 million in net result from continuing operations;
- Net profit of R$ 159.4 million; and
- Growth of 7.9% in sell-out revenue[b] and of 155.2% in e-commerce sales from the Brazil – Retail business unit.

in R$ million	1Q19 (A)	1Q18 [1] (B)	(A)/(B) %
Net revenue	340.7	336.2	1.3%
Gross profit	97.4	111.0	(12.2%)
Gross Margin %	*28.6%*	*33.0%*	*(4.4 p.p.)*
Income from operations	**9.6**	**18.4**	**(47.6%)**
Net result	**159.4**	**(6.9)**	**n.a.**
EBITDA	**316.9**	**53.6**	**491.6%**
Adjusted EBITDA[2]	**41.8**	**53.6**	**-21.9%**
EBITDA Margin %	*93.0%*	*15.9%*	*77.1 p.p.*
Adjusted EBITDA Margin[2] %	*12.3%*	*15.9%*	*(3.7 p.p.)*

[1] Reclassified, excluding discontinued operations, for comparison purpose

[2] Excluding result from asset sale, totaling R$ 275.1million, before taxes, in 1Q19

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).

Combination of North American Operations

Springs Global entered into an agreement, in December 2018, with Keeco, an American home fashion company, to combine its North American operations, valued at US$ 126 million, subject to the fulfilment of certain precedent conditions, which are usual to this type of business.

At closing, on March 15, 2019, Springs Global received part of is valuation in cash and part in common shares of the combined company, Keeco Holdings, LLC, representing 17.5% of its equity ownership.

The combined company has a product portfolio and leading brands in the curtain, utility bedding, and decorative bedding markets, as well as a diversified customer portfolio, including the major companies in the North American traditional retail and e-commerce retail market.

This business combination will strengthen Springs Global's participation in the North American market, through a significant equity ownership in a company with an extensive product portfolio, improved competitiveness, growth potential, and better profitability due to synergies. At the same time, it will enable Springs Global's management to focus on its South American business, with a more robust financial structure.

According to CPC 31, Springs Global began presenting the assets and liabilities related to the operations sold to Keeco as "Discontinued operations" in 4Q18 and they are presented in the balance sheet as "Assets held for sale" and "Liabilities related to assets held for sale", and the value of net assets from discontinued operations was R$ 68.2 million as of December 31, 2018.

The book value gain from this transaction, recognized in 1Q19, is R$ 275.1 million, before taxes. There was absorption of deferred income tax of R$ 80.2 million, and, hence, with no cash effect.

Adoption of IFRS 16 Standard

As of January 2019, IFRS 16 standard was adopted, which led to some changes in the method of accounting for rental contracts and leases. According to this new standard, the future obligations of the rental contracts and leases are recognized as liabilities, and, as a counterpart, the right of usage is recognized as assets, all calculated as the present value, considering the Company´s cost of capital.

The value of the initial adoption, at January 1st, 2019, was R$ 265.0 million in the Company´s consolidated balance sheet.

In the income statement, the value of rental expenses is replaced by interest on the lease liability plus amortization of the right-of-use asset. In the 1Q19 results, in continuing operations, interest on the lease liability was R$ 6.1 million and amortization of right-of-use asset totaled R$ 10.0 million. The rental payments, in the same period, totaled R$ 12.2 million.

Throughout the period of the contracts, there is no change in the Company´s net profit, since the total amount of the rent paid is identical to the sum of amortization of the right of use and the interest on the leases payable. However, there is a slightly negative time effect, at the beginning of the contract, since the financial expenses in this period are higher and decrease as the contract term runs out.

Revenue

The consolidated net revenue reached R$ 340.7 million in 1Q19, 1.3% higher yoy[1], with the negative effect from lower sales volume being more than offset by the positive effect of price and sale mix.

The Bedding, Tabletop and Bath line[c] was responsible for 65% of 1Q19 revenue, and intermediate products[d] for 17%. The Retail revenue contributed to 18% of total revenue in 1Q19.

Revenues from the Bedding, Tabletop and Bath line amounted to R$ 221.1 million in 1Q19, 8.0% higher yoy[1]. Revenues from intermediate products were R$ 57.1 million, 17.2% lower yoy[1]. Average price increased yoy for all product categories. Revenues from retail totaled R$ 62.5 million, in line yoy, with the positive effect from growth of e-

[1] Reclassified, excluding discontinued operations, for comparison purpose.

commerce sales, compensating the negative effect in sell-in[(e)] revenue due to the conversions from owned to franchised stores. The gross sell-out revenue from retail presented growth of 7.9% yoy.

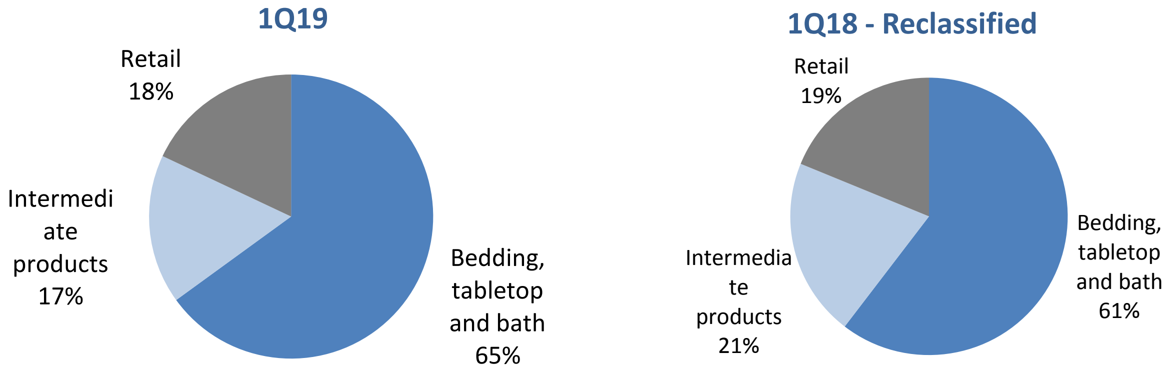


Chart 1 – Revenue per product line

Costs and Expenses

Cost of goods sold (COGS) was R$ 243.3 million in 1Q19, with a yoy[1] increase of 8.0%, representing 71.4% of net revenue.

The main raw materials are cotton and polyester that, together with chemicals, packaging and trims, are included in materials costs, which amounted to R$ 120.8 million in 1Q19, 10.1% superior yoy[1]. At the end of 1Q19 the cotton price was already 22.9% lower than the peak value of 2018, but still 9.2% superior than the value at the beginning of 2018. This raw material price weakening will positively impact the Company´s gross margin in the following quarters.

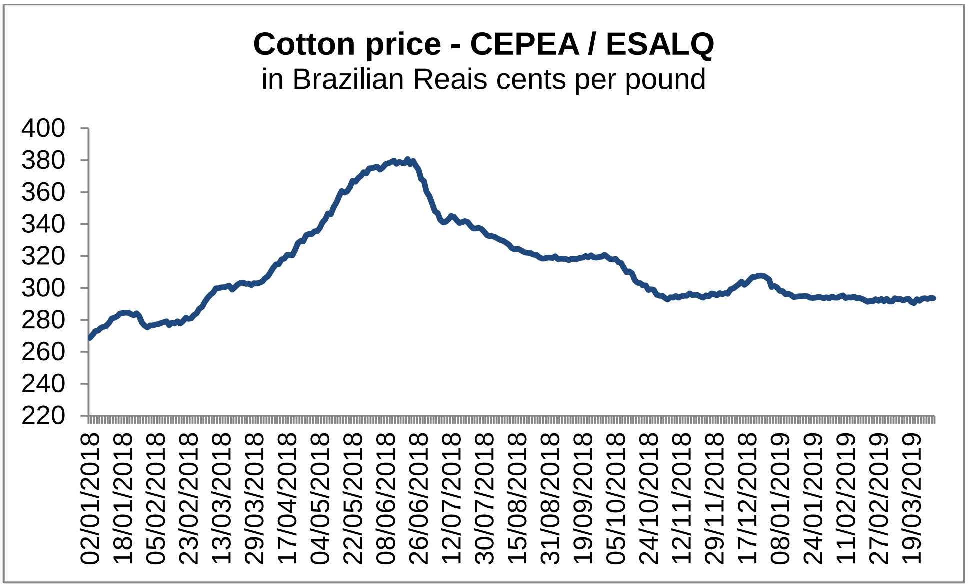
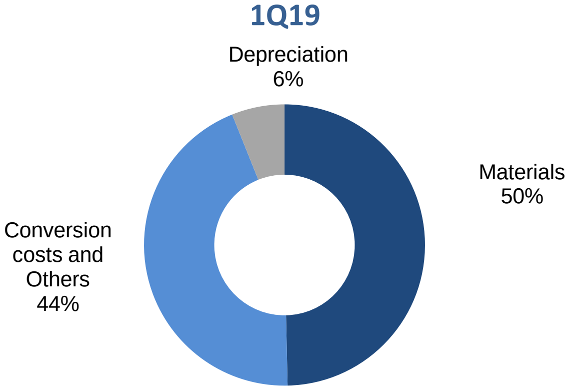


Chart 2 – Cotton price, source CEPEA

The conversion of raw materials into finished goods requires, mainly, labor, electricity and other utilities, designated as conversion costs and others, which reached R$ 107.7 million in 1Q19, with a 9.6% increase yoy[1]. The expansion of the share of higher value added products in the sales and production mix explains the increase in conversion costs.

Depreciation costs of production and distribution assets totaled R$ 14.8 million in 1Q19, with a 14.0% decrease yoy[1]. Following the IAS29 for Financial Reporting in Hyperinflationary Economies, we have to adjust the balance sheet data from our Argentinean subsidiary, including property, plant and equipment, with a negative effect in results due to the higher accounting depreciation of its assets.



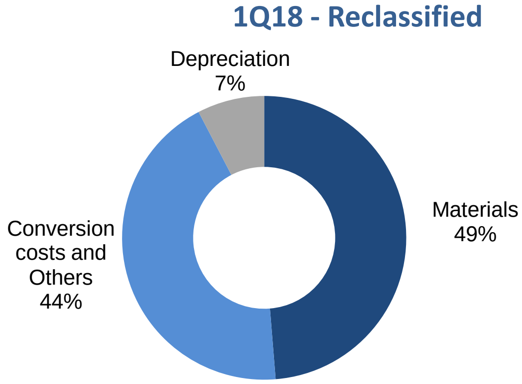


Chart 3 – COGS breakdown

Regarding operational expenses, selling expenses reached R$ 67.8 million, representing 19.9% of net revenue, versus 18.6% in 1Q18[1]. General and administrative expenses (G&A) amounted to R$ 28.6 million, equivalent to 8.4% of net revenue, versus 8.7% in the same period of the previous year[1].

With the adoption of the IFRS standard[2], as from January 2019, the value of rental expenses, which totaled R$ 12.2 million in 1Q19, was replaced by amortization of the right of usage of the rental assets, whose value was R$ 8.7 million in 1Q19, plus interest on the lease liability, being the last considered as financial expenses, and, therefore, reducing the Company´s G&A expenses, when compared to the previous criteria.

Other Revenue and Investment Properties

The rental income from the lease project located at São Gonçalo do Amarante, RN, classified as "Other Income, net", totaled R$ 1.3 million in 1Q19, versus R$ 0.4 million in the same period last year. The commercial complex is 247.3 thousand m^2, in which 61.2 thousand m^2 have already been leased. In 2018, we made progress on the leasing occupancy of the first stage of this commercial complex, named as Power Center, and, in the second quarter of 2019, we are going to start the marketing of the next stage of the commercial complex, Outlet.

EBITDA

Cash generation, as measured by EBITDA, reached R$ 316.9 million in 1Q19. Adjusted EBITDA, excluding the result from the asset combination, summed R$ 41.8 million, of which R$ 35.5 million related to continuing operations.

In the last twelve months ended on March 31, 2019, LTM adjusted EBITDA reached R$ 392.9 million, of which R$ 337.6 million from continuing operations.

Profit

Gross profit totaled R$ 97.4 million in 1Q19, with gross margin of 28.6%, both with a drop yoy[1], mainly due to higher costs in the period. The income from operations totaled R$ 9.6 million in 1Q19, with a yoy decrease of R$ 8.7 million yoy[1].

The financial result was an expense of R$ 44.2 million in 1Q19, versus an expense of R$ 40.6 million in 1Q18[1], mainly due to the accounting of interest on the lease liability, with the adoption of the IFRS standard[2], which totaled R$ 6.1 million in 1Q19. Excluding this item, there was a 6.1% drop yoy in the financial result.

The financial expenses – interest expenses – totaled R$ 30.4 million, aligned with the previous year[1].

[2] For more detailed information, please see section Adoption of IFRS 16 Standard.

The balance of exchange rate variations was negative R$ 4.1 million in 1Q19, reflecting the yoy depreciation of the Brazilian Real in the net liability position in US dollars, against negative R$ 2.3 million in 1Q18[1].

The financial income increased by R$ 3.2 million, while bank charges, taxes, discounts and others decreased by R$ 1.4 million yoy.

We had a net profit of R$ 159.4 million in 1Q19, positively impacted by the gain from asset combination in North America.

Capex and Working Capital

Capital expenditures (Capex) totaled R$ 168.0 million in 1Q19, of which R$ 140.3 million, equivalent to US$ 36 million, was invested in the 17.5% ownership in Keeco, as part of the payment for the combination of our North American operations, and, hence, with no cash disbursement.

The working capital needs amounted to R$ 818.3 million at the end of 1Q19, 4.1% lower quarter-over-quarter (qoq), mainly due to lower accounts receivable.

Debt and Debt indicators

Our adjusted net debt[(f)] was R$ 679.8 million as of March 31, 2019, including the cash holdback amount in an escrow account[(g)], of US$ 6.3 million.

Our goal is to reduce the net debt level and to extend its average term. In the first quarter of 2019, we negotiated a portion of the loan agreements, totaling R$ 547.8 million, expanding their maturity dates from 2020 to 2023, enabling a reduction in the short-term share of the Company´s total gross.

The Company entered into an agreement to combine its North American operations, valued at US$ 126 million, being its closing on March 15, 2019. The main use of the proceeds, in percentage terms, were:

- 29% - ownership of 17.5% in Keeco;
- 23% - payment of loans from discontinued operations;
- 6% - transaction expenses; and
- 42% - net debt abatement from continuing operations.

Our leverage, as measured by net debt/LTM EBITDA was equal to 1.8x by the end of 1Q19.

The credit related to the compensation of PIS and COFINS, totaling R$ 194.3 million, are being enabled. We expect the cash effect from this compensation to happen in the upcoming quarters.

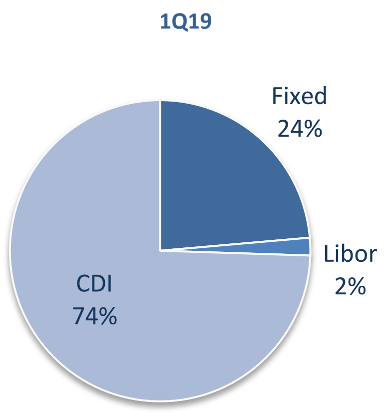


Chart 4 – Debt per index

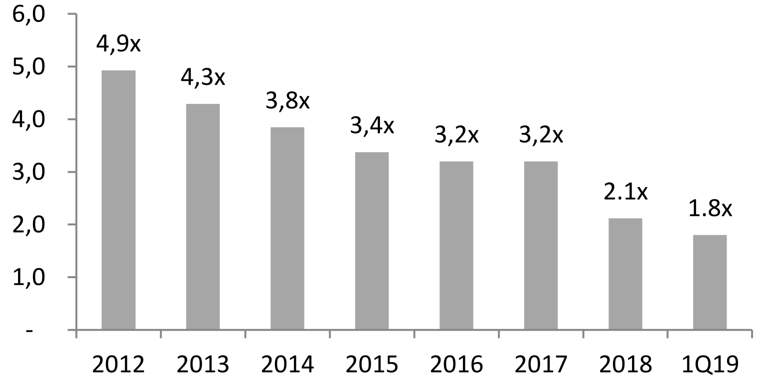


Chart 5 – Net debt/Adjusted EBITDA

Projections

Springs Global maintains its strategy to consolidate its leading position in the bedding, tabletop and bath market, and to expand its multibrand channel and monobrand retail, prioritizing franchises and e-commerce.

In 2018, we launched (i) the digital franchise model, (ii) the Santista virtual store, and (iii) the store front-end system PIX, all aiming to improve our end consumer´s shopping experience, and, simultaneously, to increase sales and profitability of our franchisees and wholesale clients.

With the combination of assets in the North American market, we have strengthened our position in this market, where we will have a significant equity ownership in a company with an extensive product portfolio, improved competitiveness, growth potential, and better profitability due to synergies.

We will continue to improve the profitability of our business in South America, by higher capacity utilization of our factories in Brazil, resulting in higher absorption of fixed costs, mainly due to growth: (a) in e-commerce sales; (b) in sales of decorative textile products; and (c) in the number of franchises. Moreover, the recovery of the Brazilian and the Argentinean economies will leverage the growth in sales of discretionary consumer products, such as our products. These products suffer consumption declines during recession periods.

in R$ million	2019 Guidance	1Q19 Actual
Net revenue		
South America - Wholesale*	1,300-1,400	307.5
South America - Retail	270-300	62.5
Total net revenue	**1,500-1,700**	**340.7**
EBIT**	140-170	68.3
EBITDA**	210-240	41.8
CAPEX**	50 - 70	27.7

* Brazil-Wholesale, including intercompany revenue, plus Argentina

**Excluding result from asset combination

Table 2 – Projections

Share performance

Springs Global's shares, traded on the B3 under the ticker SGPS3, increased by 28.8% in 1Q19, outperforming the IBOVESPA and the Small Cap indexes in the same period. The daily average financial volume of our shares was R$ 542 thousand in 1Q19, versus R$ 227 thousand in 4Q18.

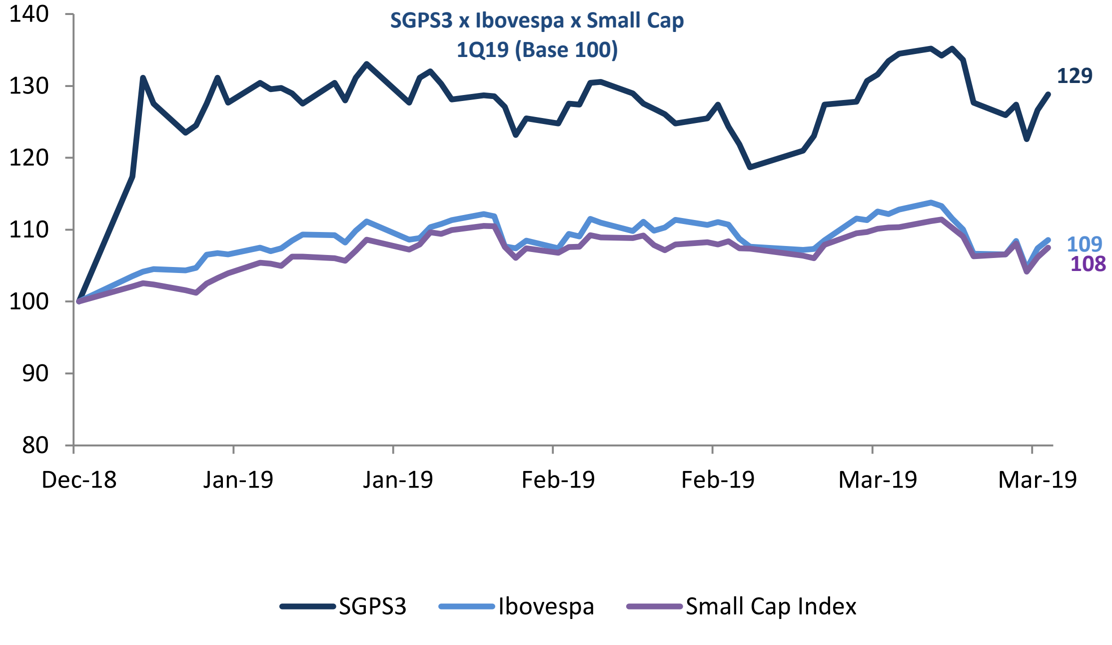


Chart 6 – Performance of SGPS3 share price

Performance of the business units

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

Brazil - Wholesale

Net revenue from the Brazil – Wholesale business unit amounted to R$ 275.7 million in 1Q19, with a 4.0% yoy increase, positively impacted by better price and mix.

COGS totaled R$ 215.4 million in 1Q19, 10.3% higher yoy. The gross margin was 21.9% in 1Q19, with a reduction yoy. SG&A expenses amounted to R$ 53.9. million, representing 19.6% of revenue. EBITDA reached R$ 24.0 million.

Brazil - Retail

The sell-out revenue from the Brazil – Retail business unit amounted to R$ 130.8 million in 1Q19, 7.9% higher yoy. Net revenue totaled R$ 62.5 million in 1Q19, in line yoy.

We are increasing sell-out revenue much faster than net revenue as we are transferring sales to our franchisees, through the digital franchise model.

We started, in 2018, the operation of digital franchises, in which our e-commerce sales are fulfilled by our franchisers, with positive impact in the experience of online purchase, as there was a decrease in delivery time and cost. There was a 155.2% yoy growth in our e-commerce revenue in 1Q19.

At the end of 1Q19, we had 237 stores, of which 67 were owned and 170 franchises, compared to 229 at the end of 1Q18. In the Artex chain, we opened one new franchise store and had two conversions from owned to franchised stores, while, in the MMartan chain, we opened two new franchise stores.

COGS totaled R$ 30.0 million, 1.3% lower yoy. The gross margin was 52.0% in 1Q19, versus 51.3% in 1Q18. SG&A expenses amounted to R$ 35.0 million, 3.9% higher yoy. EBITDA was R$ 4.0 million in 1Q19, against R$ 1.5 million negative in 1Q18.

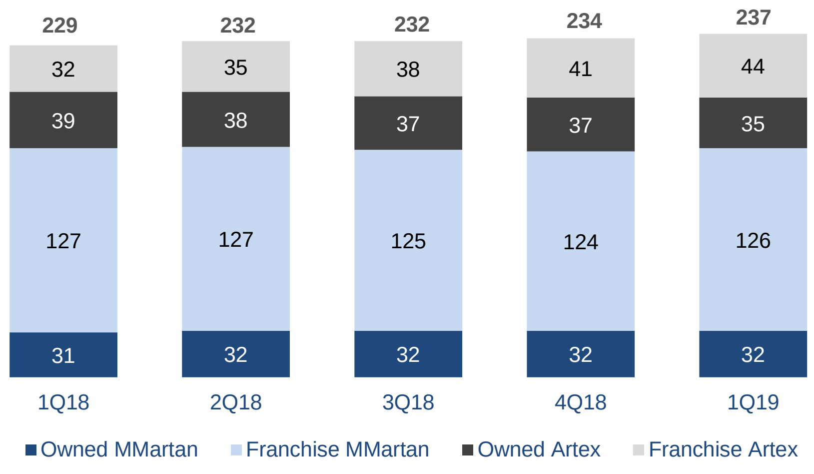


Chart 7 – Number of stores

Argentina

Net revenue from the Argentina business unit reached R$ 31.8 million in 1Q19, 23.4% lower yoy, negatively impacted by lower sales volume and by the depreciation of the Argentinean Peso.

COGS amounted to R$ 26.8 million, 17.8% lower yoy, impacted by the depreciation of the Argentinean Peso. The gross margin reduced to 15.7% in 1Q19, from 21.4% in 1Q18. EBITDA reached R$ 1.4 million, versus R$ 1.7 million in 1Q18.

Tables

Table 3 – Net revenue per business unit

in R$ million	1Q19 (A)	%	1Q18 [1] (B)	%	(A)/(B) %
Brazil	**308.9**	**91%**	**294.6**	**88%**	**4.9%**
Wholesale*	246.4	72%	232.2	69%	6.1%
Retail	62.5	18%	62.4	19%	0.2%
Argentina	31.8	9%	41.5	12%	(23.4%)
Total net revenue	**340.7**	**100%**	**336.2**	**100%**	**1.3%**
Intercompany	29.3		33.0		

* Excluding intercompany revenues

[1] Reclassified, excluding discontinued operations, for comparison purpose

Table 4 – Net revenue per product line

	Net Revenue (R$ million)			Volume (tons)			Average price (R$)/Kg		
Product Lines	1Q19 (A)	1Q18 [1] (B)	(A)/(B) %	1Q19 (C)	1Q18 [1] (D)	(C)/(D) %	1Q19 (E)	1Q18 [1] (F)	(E)/(F) %
Bedding, tabletop and bath	221.1	204.7	8.0%	6,680	6,784	(1.5%)	33.1	30.2	9.7%
Intermediate products	57.1	69.0	(17.2%)	5,181	6,565	(21.1%)	11.0	10.5	4.9%
Retail	62.5	62.4	0.2%						
Total	**340.7**	**336.2**	**1.3%**	**11,861**	**13,349**	**(11.1%)**	**28.7**	**25.2**	**14.1%**

[1] Reclassified, excluding discontinued operations, for comparison purpose

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

in R$ million	1Q19 (A)	%	1Q18 [1] (B)	%	(A)/(B) %
Materials	120.8	49.7%	109.7	48.7%	10.1%
Conversion costs and others	107.7	44.3%	98.3	43.6%	9.6%
Depreciation	14.8	6.1%	17.2	7.6%	(14.0%)
COGS	**243.3**	**100.0%**	**225.2**	**100.0%**	**8.0%**
COGS, % Revenues	**71.4%**		**67.0%**		*4.4 p.p.*
Sales expenses	67.8	70.3%	62.6	68.2%	8.3%
General and administrative expenses	28.6	29.7%	29.1	31.8%	(1.8%)
SG&A	**96.4**	**100.0%**	**91.7**	**100.0%**	**5.1%**
SG&A, % Revenues	**28.3%**		**27.3%**		*1.0 p.p.*

[1] Reclassified, excluding discontinued operations, for comparison purpose

Table 6 – Reconciliation of EBITDA

in R$ million	1Q19 (A)	1Q18 [1] (B)	(A)/(B) %
Continuing operations			
Income (Loss)	159.4	(6.9)	n.a.
(+) Income and social contribution taxes	0.4	0.0	n.a.
(+) Financial results	44.2	40.6	8.8%
(+) Depreciation and amortization	26.5	18.2	45.4%
(-) Result from discontinued operations	(194.4)	(15.3)	1168.7%
(-) Depreciation from discontinued operations	(0.6)	(0.6)	(4.8%)
EBITDA from continuing operations (i)	**35.5**	**35.9**	**(1.0%)**
Discontinued operations			
Operational result from discontinued operations	5.7	17.1	(66.4%)
(+) Depreciation from discontinued operations	0.6	0.6	(4.8%)
(+) Result from asset sale, before taxes	275.1	-	n.a.
EBITDA from discontinued operations (ii)	**281.4**	**17.7**	**1489.9%**
Adjusted EBITDA from discontinued operations [2] (iii)	**6.3**	**17.7**	**(64.3%)**
EBITDA (i) + (ii)	**316.9**	**53.6**	**491.6%**
Adjusted EBITDA [2] (i) + (iii)	**41.8**	**53.6**	**(21.9%)**

[1] Reclassified, excluding discontinued operations, for comparison purpose

[2] Excluding result from asset sale, totaling R$ 275.1 million, before taxes, in 1Q19

Table 7 – EBITDA per business unit and EBITDA margin

in R$ million	1Q19 (A)	1Q18 [1] (B)	(A)/(B) %
Brazil	**28.0**	**41.1**	**(31.9%)**
Wholesale	24.0	42.6	(43.7%)
Retail	4.0	(1.5)	(366.7%)
Argentina	**1.4**	**1.7**	**(17.6%)**
Non-allocated expenses	6.1	(6.9)	(188.4%)
EBITDA from continuing operations (i)	**35.5**	**35.9**	**(1.0%)**
EBITDA from discontinued operations (ii)	**281.4**	**17.7**	**1489.9%**
Adjusted EBITDA from discontinued operations [2] (iii)	**6.3**	**17.7**	**(64.3%)**
EBITDA (i) + (ii)	**316.9**	**53.6**	**491.6%**
Adjusted EBITDA [2] (i) + (iii)	**41.8**	**53.6**	**(21.9%)**
EBITDA Margin %	*93.0%*	*15.9%*	*77.1 p.p.*
Adjusted EBITDA Margin [2] %	*12.3%*	*15.9%*	*(3.7 p.p.)*

[1] Reclassified, excluding discontinued operations, for comparison purpose

[2] Excluding result from asset sale, totaling R$ 275.1 million, before taxes, in 1Q19

Table 8 – Financial Results

in R$ million	1Q19 (A)	1Q18 [1] (B)	(A)/(B) %
Financial income	8.1	4.9	64.5%
Financial expenses - interests	(30.4)	(30.1)	0.9%
Interest on leasing	(6.1)	-	n.a.
Financial expenses - bank charges and others	(11.7)	(13.1)	(10.7%)
Exchange rate variations, net	(4.1)	(2.3)	78.3%
Financial results	**(44.2)**	**(40.6)**	**8.8%**

[1] Reclassified, excluding discontinued operations, for comparison purpose

Table 9 – Capex

in R$ million	1Q19	1Q18
Manufacturing facilities	25.1	13.4
Retail	2.7	0.5
Acquisition of Keeco´s shares	140.3	-
Total	**168.0**	**13.9**
Total ex-acquisition	**27.7**	**13.9**

Table 10 – Working Capital

in R$ million	1Q19 (A)	4Q18 (B)	1Q18 (C)	(A)/(B) %	(A)/(C) %
Accounts receivable	468.3	503.8	513.8	(7.0%)	(8.9%)
Inventories	397.6	405.4	554.9	(1.9%)	(28.4%)
Advances to suppliers	59.2	56.6	38.3	4.5%	54.6%
Suppliers	(106.8)	(112.8)	(165.5)	(5.4%)	(35.5%)
Working capital	**818.3**	**852.9**	**941.4**	**(4.1%)**	**(13.1%)**

Table 11 – Indebtedness

in R$ million	1Q19 (A)	4Q18 (B)	1Q18 (C)	(A)/(B) %	(A)/(C) %
Loans and financing	945.1	945.1	931.2	0.0%	1.5%
- Domestic currency	737.4	737.4	578.5	(0.0%)	27.5%
- Foreign currency	207.7	207.6	352.7	0.0%	(41.1%)
Debentures	136.6	148.3	198.4	(7.9%)	(31.2%)
Total Debt	**1,081.7**	**1,093.4**	**1,129.6**	**(1.1%)**	**(4.2%)**
Cash and marketable securities	(377.4)	(237.0)	(262.7)	59.2%	43.7%
Net debt	**704.3**	**856.4**	**866.9**	**(17.8%)**	**(18.8%)**
Cash holdback amount - escrow account	(76.4)	(75.7)	(64.3)	n.a.	n.a.
Net debt after retained value	**627.9**	**780.7**	**802.6**	**(19.6%)**	**(21.8%)**

Table 12 – Main indicators - Brazil - Wholesale business unit

in R$ million	1Q19 (A)	1Q18 (B)	(A)/(B) %
Net revenue	275.7	265.2	4.0%
(-) COGS	(215.4)	(195.2)	10.3%
Gross profit	60.3	70.0	(13.9%)
Gross Margin %	***21.9%***	***26.4%***	***(4.5 p.p.)***
(-) SG&A	(53.9)	(44.2)	21.9%
(+/-) Others	2.9	0.8	262.5%
Operational result	9.3	26.6	(65.0%)
(+) Depreciation and Amortization	14.7	16.0	(8.1%)
EBITDA	24.0	42.6	(43.7%)
EBITDA Margin %	***8.7%***	***16.1%***	***(7.4 p.p.)***
Intercompany revenue	29.3	33.0	(11.2%)
Revenue ex-intercompany	246.4	232.2	6.1%

Table 13 – Main indicators - Brazil - Retail business unit

Em R$ milhões	1Q19 (A)	1Q18 (C)	(A)/(C) %
Net revenue	62.5	62.4	0.2%
(-) COGS	(30.0)	(30.4)	(1.3%)
Gross profit	32.5	32.0	1.6%
Gross Margin %	***52.0%***	***51.3%***	***0.7 p.p.***
(-) SG&A	(35.0)	(33.7)	3.9%
(+/-) Others	0.2	(0.6)	(133.3%)
Operational result	(2.2)	(2.3)	(4.3%)
(+) Depreciation and Amortization	6.3	0.8	687.5%
EBITDA	4.0	(1.5)	(366.7%)
EBITDA Margin %	***6.4%***	***-2.4%***	***8.8 p.p.***
Number of stores	237	229	3.5%
Owned MMartan	32	31	
Franchise MMartan	126	127	
Owned Artex	35	39	
Franchise Artex	44	32	
Gross Revenue sell-out	130.8	121.2	7.9%

Table 14 – Main indicators - Argentina

in R$ million	1Q19 (A)	1Q18 (B)	(A)/(B) %
Net revenue	31.8	41.5	(23.4%)
(-) COGS	(26.8)	(32.6)	(17.8%)
Gross profit	5.0	8.9	(43.8%)
Gross Margin %	***15.7%***	***21.4%***	***(5.7 p.p.)***
(-) SG&A	(4.9)	(7.6)	(35.5%)
(+/-) Others	-	-	n.a.
Operational result	0.1	1.3	(92.3%)
(+) Depreciation and Amortization	1.3	0.4	225.0%
EBITDA	1.4	1.7	(17.6%)
EBITDA Margin %	***4.4%***	***4.1%***	***0.3 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 01/2007, 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) Bedding, Tabletop and Bath ("CAMEBA") line – includes bed sheets and pillow cases, sheet sets, tablecloths, towels, rugs and bath accessories.

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

(e) Sell-in revenue – Revenue from sales from producer/franchisor to the sales channel.

(f) Adjusted Net debt – Gross debt minus cash and marketable securities minus cash holdbackamount at the escrow account.

(g) Escrow account – funds held by a third party until predetermined contractual obligations are fulfilled.

Balance sheet

in R$ million	1Q19	4Q18	1Q18
Assets			
Current assets	**1,285.2**	**1,486.8**	**1,392.8**
Cash and cash equivalents	248.5	139.5	134.2
Marketable securities	49.6	17.0	56.4
Derivatives and Financial instruments	2.9	4.8	7.8
Accounts receivable	468.3	503.8	513.8
Leases receivable	5.8	-	-
Inventories	397.6	405.4	554.9
Advances to suppliers	59.2	56.6	38.3
Recoverable taxes	17.8	17.7	26.5
Other receivables	35.6	33.8	61.0
Assets held for sale	-	308.2	-
Noncurrent assets	**2,084.9**	**1,737.3**	**1,371.7**
Long-term assets	**703.1**	**658.4**	**381.8**
Marketable securities	76.4	75.7	64.3
Cash holdback amount	24.5	-	-
Receivable - clients	37.9	39.9	34.5
Receivable - sale of property	-	-	55.7
Related parties	22.1	18.9	41.8
Advances to suppliers	53.9	53.9	0.0
Leases receivable	94.8	-	-
Recoverable taxes	233.3	228.2	15.6
Deferred income and social contribution taxes	69.5	150.0	89.5
Property, plant and equipment held for sale	37.3	37.4	34.1
Escrow deposits	12.5	12.5	13.2
Others	41.0	41.6	33.0
Permanent	**1,381.8**	**1,078.9**	**989.9**
Investments in affiliate	140.3	-	-
Investment properties	350.5	347.8	210.8
Property, plant and equipment	655.5	649.2	663.7
Right-of-use assets	154.4	-	-
Intangible assets	81.1	81.9	115.3
Total assets	**3,370.1**	**3,224.0**	**2,764.5**

in R$ million	1Q19	4Q18	1Q18
Liabilities and Equity			
Current liabilities	**779.4**	**1,145.1**	**726.0**
Loans and financing	392.4	527.2	358.5
Debentures	75.0	74.7	63.4
Suppliers	106.8	112.8	165.5
Taxes	16.8	19.5	8.9
Income and social contribution taxes payable	17.7	17.8	0.0
Payroll and related charges	60.3	63.0	61.7
Government concessions	21.3	21.4	19.8
Leases payable	33.0	8.8	7.2
Other payables	56.1	59.9	40.9
Liabilities related to assets held for sale	0.0	240.1	-
Noncurrent liabilities	**1,108.8**	**753.9**	**899.1**
Loans and financing	552.6	417.8	572.7
Debentures	61.6	73.7	135.0
Leases payable	248.6	14.5	13.5
Related parties	0.1	0.1	1.5
Government concessions	43.4	44.1	42.8
Employee benefit plans	102.6	104.0	94.2
Miscellaneous accruals	12.9	12.9	18.4
Deferred taxes	63.1	64.4	4.3
Other obligations	23.9	22.6	16.7
Equity	**1,481.9**	**1,325.0**	**1,139.4**
Capital	1,860.3	1,860.3	1,860.3
Capital reserves	79.4	79.4	79.4
Assets and liabilities valuation adjustment	114.1	114.0	82.5
Cumulative translation adjustment	(244.3)	(241.8)	(277.4)
Earnings reserves	-	-	25.2
Accumulated deficit	(327.5)	(486.8)	(630.5)
Total liabilities and equity	**3,370.1**	**3,224.0**	**2,764.5**

Income Statement

in R$ million	1Q19 (A)	4Q18 (B)	1Q18 [1] (C)	(A)/(B) %	(A)/(C) %
Gross revenues	447.7	471.2	427.8	(5.0%)	4.7%
Net revenues	**340.7**	**353.7**	**336.2**	**(3.7%)**	**1.3%**
Cost of goods sold	**(243.3)**	**(261.7)**	**(225.2)**	**(7.1%)**	**8.0%**
% of net sales	*71.4%*	*74.0%*	*67.0%*	*(2.6 p.p.)*	*4.4 p.p.*
Materials	(120.8)	(131.2)	(109.7)	(7.9%)	10.1%
Conversion costs and others	(107.7)	(113.1)	(98.3)	(4.8%)	9.6%
Depreciation	(14.8)	(17.5)	(17.2)	(15.4%)	(14.0%)
Gross profit	**97.4**	**92.0**	**111.0**	**5.8%**	**(12.2%)**
% Gross Margin	*28.6%*	*26.0%*	*33.0%*	*2.6 p.p.*	*(4.4 p.p.)*
SG&A	**(96.4)**	**(98.7)**	**(91.7)**	**(2.3%)**	**5.1%**
% of net sales	*28.3%*	*27.9%*	*27.3%*	*0.4 p.p.*	*1.0 p.p.*
Selling expenses	(67.8)	(66.5)	(62.6)	1.9%	8.3%
% of net sales	*19.9%*	*18.8%*	*18.6%*	*1.1 p.p.*	*1.3 p.p.*
General and administrative expenses	(28.6)	(32.2)	(29.1)	(11.0%)	(1.8%)
% of net sales	*8.4%*	*9.1%*	*8.7%*	*(0.7 p.p.)*	*(0.3 p.p.)*
Tax recovery	**0.0**	**194.3**	**-**	**n.a.**	**n.a.**
% of net sales	*0.0%*	*54.9%*	*0.0%*	*n.a.*	*n.a.*
Others, net	**8.6**	**5.1**	**(0.9)**	**68.5%**	**n.a.**
% of net sales	*2.5%*	*1.5%*	*(0.3%)*	*1.1 p.p.*	*2.8 p.p.*
Income from operations	**9.6**	**192.7**	**18.4**	**(95.0%)**	**(47.6%)**
% of net sales	*2.8%*	*54.5%*	*5.5%*	*(51.7 p.p.)*	*(2.6 p.p.)*
Financial result	(44.2)	(30.7)	(40.6)	43.8%	8.8%
Profit (loss) before taxes	**(34.6)**	**162.0**	**(22.3)**	**n.a.**	**n.a.**
Income and social contribution taxes	(0.4)	(53.8)	(0.0)	n.a.	n.a.
Net result from continued operations	**(35.0)**	**108.2**	**(22.3)**	**n.a.**	**n.a.**
Net result from discontinued operations	**194.4**	**15.4**	**15.3**	**1164.5%**	**1168.7%**
Net income (loss)	**159.4**	**123.6**	**(6.9)**	**n.a.**	**n.a.**

[1] Reclassified, excluding discontinued operations, for comparison purpose

Cash Flow Statement

in R$ million	1Q19	1Q18
Cash flows from operating activities		
Net income (loss) for the period	159.4	(6.9)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Depreciation and amortization	22.7	18.2
Result from the sale of discontinued operations	(275.1)	-
Income and social contribution taxes	83.1	0.6
Gain on disposal of property, plant and equipment	0.1	(1.9)
Gain on financial instruments, net	-	(7.8)
Exchange rate variations	4.1	2.4
Monetary variation	0.3	1.5
Bank charges, interests and commissions	37.5	34.8
Other provisions	(0.3)	(0.1)
	31.8	**40.7**
Changes in assets and liabilities		
Marketable securities	5.6	(3.4)
Accounts receivable	32.7	(16.6)
Inventories	(11.6)	(20.2)
Advances to suppliers	(2.6)	(1.2)
Suppliers	(12.5)	2.2
Taxes	(4.7)	(5.1)
Others	(35.5)	(11.5)
Net cash provided by (used in) operating activities	**3.2**	**(15.1)**
Interest paid on loans	(26.1)	(22.1)
Income and social contribution taxes paid	(0.7)	(0.7)
Net cash provided by (used in) operating activities after interest and taxes	**(23.6)**	**(37.9)**
Cash flows from investing activities		
Acquisition of permanent investment	(3.2)	(0.1)
Acquisition of property, plant and equipment	(24.6)	(13.8)
Acquisition of intangible assets	-	(2.1)
Disposal of property, plant and equipment	0.6	2.5
Disposal of discontinued assets	329.4	-
Loans between related parties	(33.0)	(24.0)
Net cash provided by (used in) investing activities	**269.3**	**(37.5)**
Cash flows from financing activities		
Proceeds from new loans, net of prepaid fees	103.5	267.3
Repayment of loans	(227.4)	(212.2)
Repayment of leases	(14.0)	0.0
Net cash provided by (used in) financing activities	**(137.9)**	**55.1**
Effect of exchange rate changes on cash and cash equivalents of foreign subsidiaries	1.2	(0.9)
Increase (decrease) in cash and cash equivalents	**109.0**	**(21.3)**
Cash and cash equivalents:		
At the beginning of the period	139.5	155.4
At the end of the period	248.5	134.2

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").