

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 4, 2022

SPAR Group, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

0-27408
(Commission File No.)

33-0684451
(IRS Employer Identification No.)

1910 Opdyke Court, Auburn Hills, MI
(Address of Principal Executive Offices)

48326
(Zip Code)

Registrant's telephone number, including area code: (248) 364-7727
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	SGRP	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

SPAR Group, Inc. ("SGRP" or the "Corporation", and together with its subsidiaries, the "Company" or "SPAR Group") has listed its shares of Common Stock (the "SGRP Shares") for trading through the Nasdaq Stock Market LLC ("Nasdaq") under the trading symbol "SGRP" and periodically files reports with the Securities and Exchange Commission ("SEC").

For background respecting the events described below, reference is made to: (i) SGRP's Annual Report on Form 10-K for the year ended December 31, 2021, as filed with the SEC on April 15, 2022 (the "10-K"), and as amended by SGRP's First Amendment to the Annual Report on Form 10K/A as filed with the SEC on May 2, 2022 (the "2021 10-K Amendment"); (ii) SGRP's First Amendment to SPAR Group Inc.'s Definitive Proxy Statement on Schedule 14A as filed with the SEC on July 20, 2021 (as amended, the "2021 Proxy Statement"); (iii) SGRP's Quarterly Reports on Form 10-Q as filed with the SEC (the "2021 10Q Reports"); and (iv) SGRP's Current Reports on Form 8-K as filed with the SEC since January 1, 2021, and prior to the date of this Report (the "Current Reports"). The 2020 Annual Report, 2021 Proxy Statement, 2021 10Q Reports, and Current Reports may be referred to collectively as the "SEC Reports".

Item 7.01. Regulation FD Disclosure

The Company intends to make from time to time the presentations to potential investors and advisers outlined in the "SPAR Investor Presentation May 2022" (the "Presentation") attached as Exhibit 99.1 and furnished herewith. The Company also intends to provide a copy to its stockholders in the copy of the Company's Annual Report that it intends to mail to its stockholders. The presentation contains selected adjusted historical data for the Company and its marketplace and forward-looking statements (as defined below), including (without limitation) future priorities and goals. The Company does not intend, assume any obligation, or promise to publicly update or revise any priorities, goals or other forward-looking statements (including any Risks or Expectations, as defined below) or other information (in whole or in part), whether as a result of new information, new or worsening Risks or uncertainties, changed circumstances, future events, recognition, or otherwise.

Forward Looking Statements

This Current Report (including the attached Presentation) contains "forward-looking statements" within the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, made by, or respecting, the Company, and this Current Report (including the attached Presentation) has been furnished by the Corporation with the SEC. "Forward-looking statements" are defined in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and other applicable federal and state securities laws, rules and regulations, as amended (together with the Securities Act and the Exchange Act, "Securities Laws").

All statements (other than those that are purely historical) are forward-looking statements. Words such as "may," "will," "expect," "intend," "believe," "estimate," "anticipate," "continue," "plan," "project," or the negative of these terms or other similar expressions also identify forward-looking statements. Forward-looking statements made by the Corporation in this Current Report (including the attached Presentation) may include (without limitation) statements regarding: risks, uncertainties, cautions, circumstances and other factors ("Risks") such as (among other things) the impact of adding new directors to the Board, the potential negative effects of any stock issuance and/or payment resulting from such resolution negotiations, the potential negative effects of the novel coronavirus and COVID-19 pandemic on the Company's business, the Corporation's compliance with applicable Nasdaq director independence rules, the Company's cash flow or financial condition, or the pursuit or achievement of the Company's corporate objectives.

You should carefully review and consider the Company's forward-looking statements (including all risk factors and other cautions and uncertainties) and other information made, contained or noted in or incorporated by reference into this Current Report, but you should not place undue reliance on any of them. The results, actions, levels of activity, performance, achievements or condition of the Company (including its affiliates, assets, business, clients, capital, cash flow, credit, expenses, financial condition, income, liabilities, liquidity, locations, marketing, operations, performance, prospects, sales, strategies, taxation or other achievement, results, Risks, trends or condition) and other events and circumstances planned, intended, anticipated, estimated or otherwise expected by the Company (collectively, "Expectations"), and our forward-looking statements (including all Risks) and other information reflect the Company's current views about future events and circumstances. Although the Company believes those Expectations and views are reasonable, the results, actions, levels of activity, performance, achievements or condition of the Company or other events and circumstances may differ materially from our Expectations and views, and they cannot be assured or guaranteed by the Company, since they are subject to Risks and other assumptions, changes in circumstances and unpredictable events (many of which are beyond the Company's control). In addition, new Risks arise from time to time, and it is impossible for the Company to predict these matters or how they may arise or affect the Company. Accordingly, the Company cannot assure you that its Expectations will be achieved in whole or in part, that it has identified all potential Risks, or that it can successfully avoid or mitigate such Risks in whole or in part, any of which could be significant and materially adverse to the Company and the value of your investment in the Company's common stock.

These forward-looking statements reflect the Company's Expectations, views, Risks and assumptions only as of the date of this Current Report (including the attached presentation), and the Company does not intend, assume any obligation, or promise to publicly update or revise any forward-looking statements (including any Risks or Expectations) or other information (in whole or in part), whether as a result of new information, new or worsening Risks or uncertainties, changed circumstances, future events, recognition, or otherwise.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

99.1 [SPAR Investor Presentation May 2022, as furnished herewith.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SPAR Group, Inc.

Date: May 4, 2022

By: /s/ Fay DeVriese

Fay DeVriese, Chief Financial Officer
Treasurer and Secretary

The logo for SPAR, featuring the letters in a bold, blue, sans-serif font. The background of the entire slide is a low-angle, perspective view of several modern skyscrapers with glass facades, creating a sense of height and architectural complexity.

SPAR

INVESTOR
PRESENTATION

**UNLOCKING
OUR POTENTIAL**

Mike Matacunas
Chief Executive Officer

William Linnane
Chief Strategy & Growth Officer

Spring 2022

SPAR Disclaimer

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You should carefully review and consider the Company's forward-looking statements (including all risk factors and other cautions and uncertainties) and other information made, contained or noted in or incorporated by reference into this Presentation, but you should not place undue reliance on any of them, including, in particular, the company's priorities and goals. The results, actions, levels of activity, performance, achievements or condition of the Company (including its affiliates, assets, business, clients, capital, cash flow, credit, expenses, financial condition, income, liabilities, liquidity, locations, marketing, operations, performance, prospects, sales, strategies, taxation or other achievement, results, risks, trends or condition) and other events and circumstances planned, intended, anticipated, estimated or otherwise expected by the Company (collectively, "Expectations"), and our forward-looking statements (including all Risks) and other information reflect the Company's current views about future events and circumstances. Although the Company believes those Expectations and views are reasonable, the results, actions, levels of activity, performance, achievements or condition of the Company or other events and circumstances may differ materially from our Expectations and views, and they cannot be assured or guaranteed by the Company, since they are subject to Risks and other assumptions, changes in circumstances and unpredictable events (many of which are beyond the Company's control). In addition, new Risks arise from time to time, and it is impossible for the Company to predict these matters or how they may arise or affect the Company. Accordingly, the Company cannot assure you that its Expectations will be achieved in whole or in part, that it has identified all potential Risks, or that it can successfully avoid or mitigate such Risks in whole or in part, any of which could be significant and materially adverse to the Company, the Company's ability to achieve its Priorities and Goals (including those listed on page 14 hereof), and the value of your investment in the Company's Common Stock.

These forward-looking statements reflect the Company's Expectations, views, Risks and assumptions only as of the date of this Presentation, and the Company does not intend, assume any obligation, or promise to publicly update or revise any forward-looking statements (including any Risks or Expectations) or other information (in whole or in part), whether as a result of new information, new or worsening Risks or uncertainties, changed circumstances, future events, recognition, or otherwise.

- 1 Solid financial foundation, global reach, international “blue chip” client base
- 2 A proven executive leadership team with a history of transformation success
- 3 Accelerated tech-enabled transformation
- 4 Introducing new services to improve margins and drive top line growth
- 5 Progress made across a number of fronts in 2021 and into 2022

Transforming from a resource execution company (in store only) to a software-enabled omni-channel services business.

A Global Merchandising & Brand Marketing Services Company



NASDAQ: **SGRP**

FY21 Net Revenues \$255.7m

Cash \$13.5m

Accounts Receivable \$54.2m

Debt - short & long term \$11.7m

As of December 31, 2021

Balance Sheet is Consolidated

Founded: 1967

Headquarters: Michigan, US

Operating in 9 countries:

- United States
- Canada
- Japan
- Brazil
- South Africa
- Mexico
- China
- India
- Australia

Mix of owned and JV businesses

UNLOCKING OUR POTENTIAL

SPAR services – ~77% of 2021 Revenues

- Category and product resets
- New product launches
- Installation of displays and special promotions
- Managing inventory and out-of-stocks
- Maintaining store product layouts
- Setting up kiosks and preparing product
- Inventory audits
- Assisted selling

Growing services – ~23% of 2021 Revenues

- Store remodel services
- Furniture assembly services
- Store downsizing
- Distribution center staffing
- Point of purchase material distribution



UNLOCKING OUR POTENTIAL

Engagements Across the Product Lifecycle

11m+ Hours in Store per Year



Strategically Located

25,000+ Merchandisers Worldwide

U.S.-based, 9 Countries

28 Locations around the world

Clients Who Trust Us

90%+ Clients >2 Years

70%+ Revenue from Global 500

300+ Clients

UNLOCKING OUR POTENTIAL

Revenue from
Fortune 500
(sample)

93% of U.S.
Revenue

88% of Brazil
Revenue

67% Mexico
Revenue

73% Japan
Revenue



UNLOCKING OUR POTENTIAL

Total Addressable Market (TAM)

\$20 Billion+ global market
Outsourced merchandising services, brand marketing services, creative services

~\$7 Billion core US market
Sales & merchandising agency market*

*Source: Market data represents estimates from Dechert-Hampe industry report (based on 2018 data).

Global and US Competitors

Fractured market

Advantage Solutions

Smollan Group
Global, non U.S.

Acosta
U.S., Canada, UK&ROI, Australia

Crossmark - U.S.

Pack 'N' Stack - South Africa

Spot Promo - Brazil

UNLOCKING OUR POTENTIAL

SPAR Differentiators

Global company enabling cross-border client opportunities

Better software and technology platform

Cost advantage for domestic merchandisers

Solid Financial Position
Low debt relative to cash and accounts receivable;
Minimum ongoing capital requirements

Expanding strategic tech-enabled partnerships, including Replsly (Dedicated Field Teams), Clear Box Retail (POS Analytics), and Parallel Dots (Image Recognition) to drive capability and client acquisition.

Exciting roadmap for development of further industry capabilities and software.

Refreshing network architecture to facilitate providing Software as a service.

Business Analytics



Disrupting the marketplace with tech-enabled solutions to support our services.

Retail Experience Design

- Is my brand design relevant in the marketplace?
- Does my brand stand out on the shelf?
- Is the imagery telling the right story?
- How do I optimize in-store presentation?
- How can we improve "phygital" integration?
- Do we look the same in the store as we do online?



UNLOCKING OUR POTENTIAL

DISTRIBUTION SERVICES



Providing distribution center staffing, as well as fulfillment/logistics services.

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2021



Global Chief Executive Officer
Mike Matacunas

30+ Years of relevant experience
Services | Retail | International | Fortune 150

Proven management team has deep retail, services, international, transformation and M&A experience.



2020



Global Chief Financial Officer
Fay DeVriese

30+ Years of relevant experience
Services | International | CPA



Global Chief Operating Officer
Kori Belzer

30+ Years of SPAR experience
Services | International | M&A

2021



Global Chief Commercial Officer
Ron Lutz

35+ Years of relevant experience
Services | Retail | International | Business Dev.

2021



Global Chief Strategy & Growth Officer
William Linnane

25+ Years of relevant experience
Services | Retail | International | M&A

UNLOCKING OUR POTENTIAL

Financial Information

UNLOCKING OUR POTENTIAL

Operational Priorities

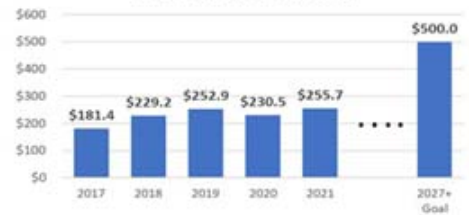
- **Drive Revenue Growth** – 8-15% annual revenue growth on a path to \$500m+
- **Expand Services** – add \$150m+ of new revenue from new businesses and markets
- **Increase Profitability** – 250+ bps improvement in gross profit to drive profit and provide capital for accelerated growth
- **Leverage Technology** – build, partner, buy solutions that drive client sales, profits and operating efficiencies

Goals

- **Revenue \$500m+**
- **Consolidated Adj. EBITDA \$32-\$36m**
- **Consolidated Adj. EBITDA margin improvement from historic 4-6% to 6-9%**

GAAP to Non-GAAP Consolidated Adjusted EBITDA reconciliation in the appendix to this deck.

Revenues (in millions)



Consolidated Adj. EBITDA (in millions)



The company is trading at enterprise value less than 3x EV / Trailing 12-month Consolidated Adjusted EBITDA

UNLOCKING OUR POTENTIAL

SPAR Group, Inc. (SGRP) and Subsidiaries: Consolidated Balance Sheet

(in \$ thousands) at December 31st	2021	2020	2019	2018	2017
Cash and cash equivalents	13,473	15,972	10,458	7,111	8,827
Accounts receivable, net	54,171	46,914	49,299	46,142	35,964
Other current assets	4,382	3,631	2,404	1,879	2,031
Total Current Assets	72,026	66,517	62,161	55,132	46,822
Other assets	16,990	17,512	17,374	13,963	11,166
Total Assets	89,016	84,029	79,535	69,095	57,988
Accounts payable	8,943	7,859	9,186	8,668	7,341
Accrued expenses and other current liabilities	22,031	18,745	18,548	18,168	13,581
Due affiliates, customer incentives/deposits, current operating lease	8,190	6,972	8,088	5,265	4,465
Lines of credit and short term loans	11,042	9,329	8,932	10,414	6,939
Total Current Liabilities	50,206	42,905	44,754	42,515	32,326
Operating Leases, non current	762	1,502	2,120	0	0
Long-Term debt	700	1,000	1,300	1,806	107
Total Liabilities	51,668	45,407	48,174	44,321	32,433
Total SPAR Group, Inc. equity	19,751	22,159	18,955	16,298	19,650
Non-controlling interest	17,597	16,463	12,406	8,476	5,905
Total Equity	37,348	38,622	31,361	24,774	25,555
Total Liability and Equity	89,016	84,029	79,535	69,095	57,988

UNLOCKING OUR POTENTIAL

SPAR Group, Inc. (SGRP): Reconciliation from GAAP to Non-GAAP Measures

(in thousands)	Twelve Months Ended December 31,				
	2021	2020	2019	2018	2017
Consolidated Revenue	255,698	230,517	252,876	229,191	181,381
Net Income	\$2,000	\$8,962	\$5,833	\$1,638	\$1,177
Depreciation and amortization	2,083	2,130	2,190	2,109	2,126
Interest expense	585	690	1,046	1,095	337
Income Tax expense	2,108	312	3,578	1,402	2,977
Other income	(509)	(242)	(266)	(406)	(401)
Consolidated EBITDA	6,268	11,852	12,381	5,838	6,216
Share based compensation	711	136	235	186	225
Legal costs / Settlements - non-recurring (1)	4,814	898	761	3,850	833
Board-related one off costs, e.g. retirement costs	0	700	0	0	0
Acquisition-related expenses	72	0	0	0	0
Consolidated Adjusted EBITDA	\$11,864	\$13,586	\$13,377	\$9,873	\$7,274
Adjusted EBITDA attributable to non controlling interest	(4,908)	(5,614)	(4,894)	(4,407)	(2,567)
Adjusted EBITDA attributable to SPAR Group, Inc.	\$6,957	\$7,972	\$8,483	\$5,467	\$4,707
Ratios:					
<i>Net Income % of Consolidated Revenues</i>	0.8%	3.9%	2.3%	0.7%	0.6%
<i>Consolidated Adjusted EBITDA % of Consolidated Revenues</i>	4.6%	5.9%	5.3%	4.3%	4.0%
<i>Adjusted EBITDA attributable to SPAR % of Consolidated Revenues</i>	2.7%	3.5%	3.4%	2.4%	2.6%

(1) 2021 charges primarily related to the majority stockholders change of control agreement.

UNLOCKING OUR POTENTIAL

SPAR Group, Inc. (SGRP): Reconciliation from GAAP to Non-GAAP Measures

(in thousands)	Twelve Months Ended December 31,				
	2021	2020	2019	2018	2017
Net Income (Loss) attributable to SPAR Group Inc.	<u>(1,779)</u>	<u>3,367</u>	<u>2,419</u>	<u>(1,551)</u>	<u>(923)</u>
Add-back one-time impact (net of taxes) (1)	4,421	1,370	786	3,188	836
One-time deferred tax adjustments	-	(3,013)	-	-	-
Adjusted Net Income (Loss) attributable to SPAR Group, Inc.	<u>2,642</u>	<u>1,724</u>	<u>3,205</u>	<u>1,637</u>	<u>(87)</u>
Diluted earnings per share attributable to SPAR Group, Inc.	\$ (0.08)	\$ 0.16	\$ 0.11	\$ (0.07)	\$ (0.04)
Add-back one-time impact (net of taxes) (1)	\$ 0.21	\$ 0.06	\$ 0.04	\$ 0.15	\$ 0.04
One-time deferred tax adjustments		\$ (0.14)	\$ -	\$ -	\$ -
Adjusted Diluted earnings per share attributable to SPAR Group, Inc.	<u>\$ 0.12</u>	<u>\$ 0.08</u>	<u>\$ 0.15</u>	<u>\$ 0.08</u>	<u>\$ (0.00)</u>

(1) 2021 after-tax, charges, and per share amounts, primarily related to the majority stockholders change of control agreement.

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Transforming from a resource execution company (in store only) to a software-enabled omni-channel services business.



INVESTOR QUESTIONS

Investor Contact:

Three Part Advisors, LLC
Sandy Martin or Phillip Kupper
214-616-2207 or 817-778-8339

