



**INVESTOR
PRESENTATION**

**UNLOCKING
OUR POTENTIAL**

**Mike Matacunas
Chief Executive Officer**

**William Linnane
Chief Strategy & Growth Officer**

Spring 2022



Disclaimer

This Presentation contains "forward-looking statements" within the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, made by, or respecting, SPAR Group, Inc., and its subsidiaries (the "Company"). "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 Exchange Act, the "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 Company in this Presentation may include (without limitation) statements regarding: risks, uncertainties, cautions, circumstances and other factors ("Risks"); and plans, intentions, expectations, guidance, including, in particular, the company's priorities and goals, or other information respecting the potential negative effects of the Coronavirus and COVID-19 pandemic on Company's business, cash flow or financial condition. The Company's forward-looking statements also include (without limitation) those made in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, as filed with the Securities and Exchange Commission (the "SEC") on April 15, 2022, and the First Amendment to the Company's Annual Report on Form 10-K/A for the year ended December 31, 2021, as filed with the SEC on May 2, 2022, in "Business", "Risk Factors", "Legal Proceedings", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Directors, Executive Officers and Corporate Governance", "Executive Compensation", "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters", and "Certain Relationships and Related Transactions, and Director Independence". The Company's forward-looking statements also may include (without limitation) updates and other disclosures made in the Company's Quarterly Reports, Current Reports and other SEC filings since that Annual Report was filed.

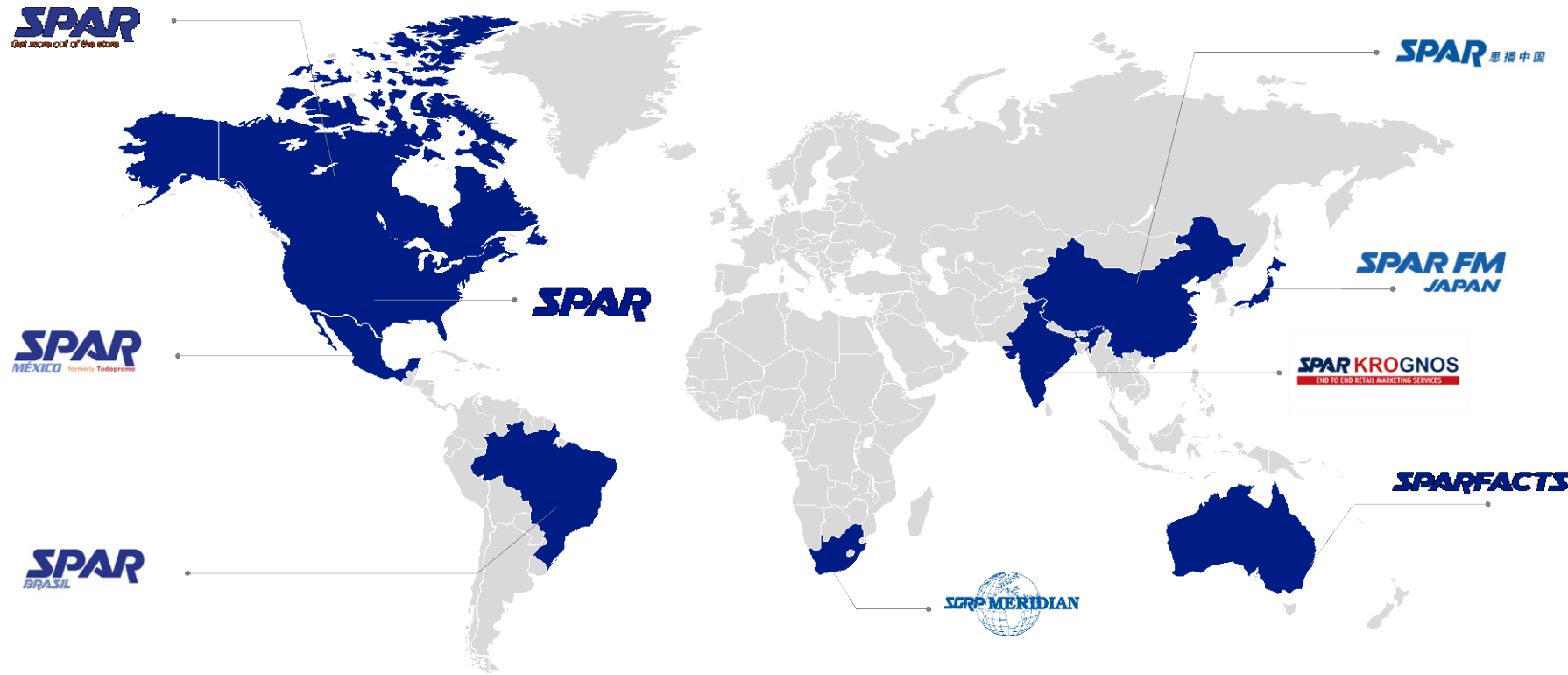
You should carefully review and consider the Company's forward-looking statements (including all risk factors and other cautions and uncertainties) and other information made, contained or noted in or incorporated by reference into this Presentation, but you should not place undue reliance on any of 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

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



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

Long-Standing Relationships With The World's Best Companies

SPAR

**Revenue from
Fortune 500
(sample)**

**93% of U.S.
Revenue**

**88% of Brazil
Revenue**

**67% Mexico
Revenue**

**73% Japan
Revenue**

Walmart
Save money. Live better.

CVS

DOLLAR TREE

DOLLAR GENERAL

**BED BATH &
BEYOND**

TARGET

MCKESSON

MJ Holding

Staples

**Advance
Auto Parts**

RaceTrac

FAMILY DOLLAR

SAMSUNG

**O'Reilly
AUTO PARTS**

PET SMART

FOSTER GRANT

P&G

CLOROX

TELUS

Kraft Heinz

Red Bull

JDE
JACOBS DOUWE EGBERTS

W
WOOLWORTHS

Coca-Cola

Heineken

Google Play

**FOSSIL
GROUP**

Kimberly-Clark

motorola

Cadbury

NIVEA

Mars

BRITA

Cargill

BOSE

Nestlé

Incomm

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

SPAR Differentiators

Global company enabling cross-border client opportunities

Better software and technology platform

Cost advantage for domestic merchandisers

Solid Financial Position

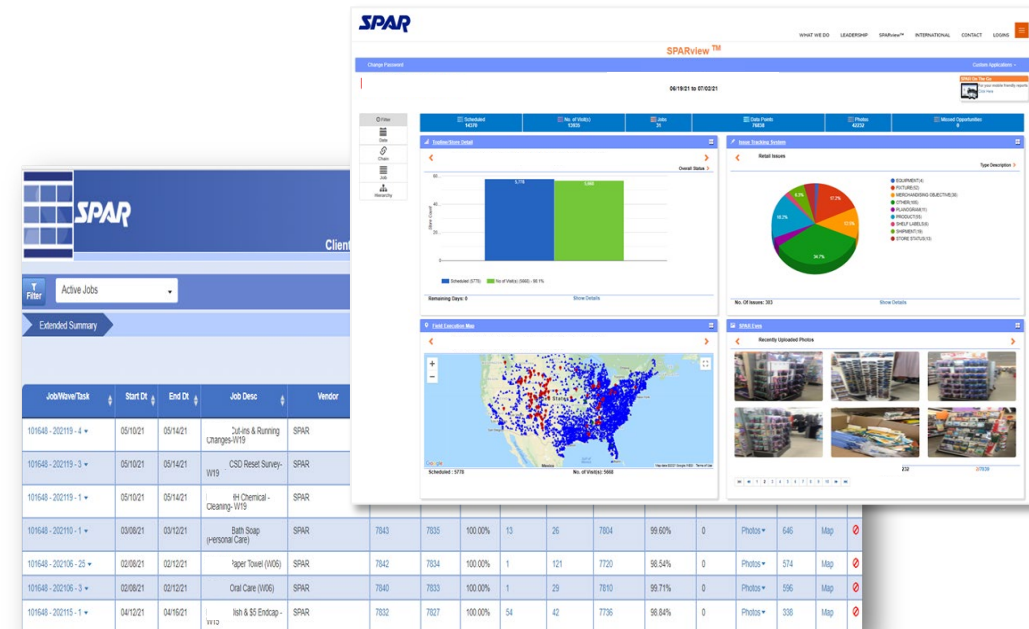
Low debt relative to cash and accounts receivable;
Minimum ongoing capital requirements

Expanding strategic tech-enabled partnerships, including Repsly (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?



DISTRIBUTION SERVICES



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

Executive Leadership Team



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

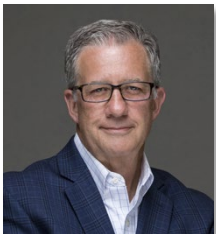
30+ Years of relevant experience
Services | International | CPA



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

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Financial Information

Operational Priorities

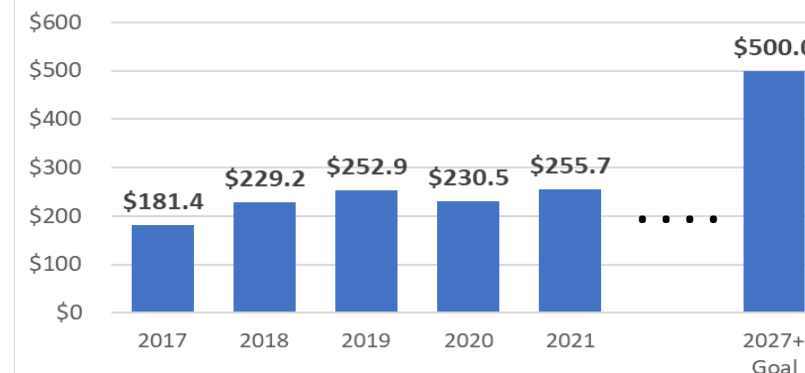
- **Drive Revenue Growth** – 8-15% annual revenue growth on a path to \$500m+
- **Expand Services** – add \$150m+ of new revenue from new businesses and markets
- **Increase Profitability** – 250+ bps improvement in gross profit to drive profit and provide capital for accelerated growth
- **Leverage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

Goals

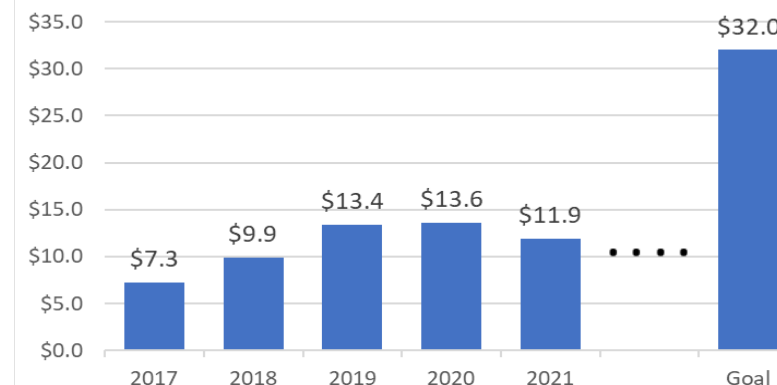
- **Revenue \$500m+**
- **Consolidated Adj. EBITDA \$32-\$36m**
- **Consolidated Adj. EBITDA margin improvement from historic 4-6% to 6-9%**

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

Historical Balance Sheet



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

(in \$ thousands) at December 31st

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
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

Historical Revenue and Consolidated Adjusted EBITDA



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:

Net Income % of Consolidated Revenues	0.8%	3.9%	2.3%	0.7%	0.6%
Consolidated Adjusted EBITDA % of Consolidated Revenues	4.6%	5.9%	5.3%	4.3%	4.0%
Adjusted EBITDA attributable to SPAR % of Consolidated Revenues	2.7%	3.5%	3.4%	2.4%	2.6%

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

Historical Revenue & Consolidated Adjusted Net Income



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.	(1,779)	3,367	2,419	(1,551)	(923)
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.	2,642	1,724	3,205	1,637	(87)
 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.	\$ 0.12	\$ 0.08	\$ 0.15	\$ 0.08	\$ (0.00)

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

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INVESTOR QUESTIONS

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