

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): February 3, 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, 2020, as filed with the SEC on March 31, 2021 (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 April 29, 2021 (the "2020 10-K Amendment", and as so amended, the "2020 Annual Report"); (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 February 2022" (the "Presentation") attached as Exhibit 99.1 and furnished herewith. 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 February 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: February 3, 2022

By: /s/ Fay DeVriese

Fay DeVriese, Chief Financial Officer
Treasurer and Secretary

The SPAR logo is rendered in a bold, white, italicized sans-serif font. The letters are closely spaced, with the 'P' and 'A' having a distinctive slanted, dynamic feel. The background of the slide features a dark, moody city skyline at dusk or dawn, with silhouettes of skyscrapers and a body of water in the foreground.

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**INVESTOR
PRESENTATION**

Mike Matacunas
Chief Executive Officer

William Linnane
Chief Strategy & Growth Officer

February 2022

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 filed with the SEC on March 31, 2021, as amended on April 29, 2021, 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 with an international “blue chip” client base
- 2 Launching aggressive tech-enabled transformation
- 3 Resolved all majority shareholder disputes and cleared the path for growth
- 4 Introducing new services to improve margins and accelerate top line
- 5 A new, proven executive leadership team with a history of transformation success

**Transitioning from a tactical provider to a STRATEGIC HIGHER MARGIN
SERVICE PROVIDER**

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2021



**Global Chief Executive Officer
Mike Matacunas**

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

New 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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Revenue from
Fortune 500
(sample)

93% of U.S.
Revenue

88% of Brazil
Revenue

67% Mexico
Revenue

73% Japan
Revenue



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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

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SPAR Differentiators

Global company enabling cross-border client opportunities

Better software and technology platform

Cost advantage for domestic merchandisers

Strong Balance Sheet
 Low debt relative to cash and accounts receivable;
 Capital requirements light

A Global Merchandising & Brand Marketing Services Company



NASDAQ: SGRP

Market Capitalization: \$25.3m
 Shares Outstanding: 21.3m
 Avg Daily Volume: 161k
 Recent Price: \$1.19
 52-week high: \$3.86
 52-week low: \$1.01
 As of January 31, 2022

Cash: \$15.3m
 Debt - short & long term: \$14.8m
 As of September 30, 2021

Founded: 1967
 Headquarters: Michigan, US

Operating in 9 countries:

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

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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

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Sample of SPAR services

- 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

Plus...

- Store remodel services
- Furniture assembly services
- Store downsizing
- Distribution center staffing



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Strong Fiscal 2020 Year End Results

\$230.5m
Revenue

\$13.5m
Adjusted EBITDA*

+42% YoY
Net Income Grow

+5.8%
Adj. EBITDA* Margin

*Non GAAP Consolidated Adjusted EBITDA is reconciled to GAAP measures in the appendix to this deck. EBITDA reported in this slide is Consolidated Adjusted EBITDA.

Thru 3Q 2021 Highlights

Covid-19 resilience

14% YoY revenue growth

18% International growth

95%+ YoY Net Income growth

Addition of new executive leaders

Expansion into Distribution Services

Expansion of SPARview (internal system)

Development of unique industry capabilities and software

Partnerships with strategic solutions that drive client acquisition

Business Analytics



We are focused on disrupting the marketplace by “leap-frogging” the competition

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?



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DISTRIBUTION SERVICES



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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

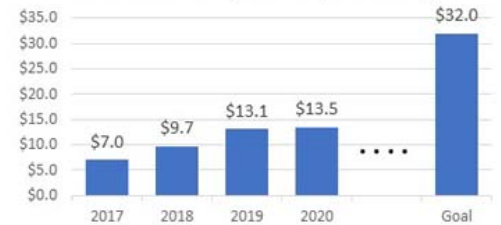
- **Revenue \$500m+**
- **Consolidated Adj. EBITDA \$32-\$36m**
- **Consolidated Adj. EBITDA margin improvement from historic 4-5% to 6-9%**

Non GAAP Consolidated Adjusted EBITDA is reconciled to GAAP measures in the appendix to this deck.

Revenues (in millions)



Consolidated Adj. EBITDA (in millions)



The company is trading at an enterprise value of less than 3x EV / Trailing 12-month

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Thank You!

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Appendix

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

(in thousands)	2020	2019	2018	2017
Consolidated Revenue	230,517	252,876	229,191	181,381
Consolidated Net Income	8,962	5,833	1,638	1,177
Depreciation and amortization	2,130	2,190	2,109	2,126
Interest expense	690	1,046	1,095	337
Income Tax expense	312	3,578	1,402	2,977
Other income	(242)	(266)	(406)	(401)
Consolidated EBITDA	11,852	12,381	5,838	6,216
Share based compensation	0	0	0	0
Legal costs / Settlements - non-recurring	898	761	3,850	833
Board-related one off costs, e.g. retirement costs	700	0	0	0
Acquisition-related expenses	0	0	0	0
Restructuring expenses	0	0	0	0
Consolidated Adjusted EBITDA	13,450	13,142	9,688	7,049
Adjusted EBITDA attributable to non controlling interest	(5,595)	(3,414)	(3,189)	(2,100)
Adjusted EBITDA attributable to SPAR Group, Inc.	7,855	9,728	6,499	4,949
Ratios:				
Net Income % of Consolidated Revenues	3.9%	2.3%	0.7%	0.6%
Consolidated Adjusted EBITDA % of Consolidated Revenues	5.8%	5.2%	4.2%	3.9%
Adjusted EBITDA attributable to SPAR Group, Inc. % of Consolidated Revenues	3.4%	3.8%	2.8%	2.7%

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

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

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