

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 22, 2023

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", "SPAR" or "SPAR Group") has listed its shares of Common Stock 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").

Item 2.02 Results of Operations and Financial Condition.

On May 22, 2023, the Company announced financial results for the first quarter ended March 31, 2023. A copy of the press release announcing this event is included in this Form 8-K as Exhibit 99.1.

Forward Looking Statements

This Current Report 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 has been filed by the Corporation with the SEC. "Forward-looking statements" are defined in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act and other applicable 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 may include (without limitation) statements regarding: risks, uncertainties, cautions, circumstances and other factors ("Risks") such as (among other things) the impact of the strategic review process or any resulting action or inaction, the impact of adding a new Chief Financial Officer and other finance team members, the potential negative effects of any stock purchase and/or payment, the potential negative effects of the novel coronavirus and COVID-19 pandemic on the Company's business, the Corporation's compliance with applicable Nasdaq Audit Committee and 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, 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 [Press Release announcing earnings for the Company for the first quarter ended March 31, 2023.](#)

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 23, 2023

By: /s/ Antonio Calisto Pato

Antonio Calisto Pato, Chief Financial Officer Treasurer and Secretary



SPAR Group, Inc. Reports Strong First Quarter Fiscal 2023 Results

May 22, 2023

Momentum Continues with Revenues of \$64 million, Up 9.1%, or 12.4% Constant Currency, Gross Margin Expansion, & Operating Income Up 52%

AUBURN HILLS, Mich., May 22, 2023 (GLOBE NEWSWIRE) -- **SPAR Group, Inc.** (NASDAQ: SGRP) (“SPAR”, “SPAR Group” or the “Company”), a leading global provider of merchandising, marketing, and distribution services today reported financial and operating results for the first quarter ended March 31, 2023.

Mike Matacnas, the Company’s President and Chief Executive Officer, commented, “We are very pleased with first quarter results, reporting strong growth in revenues, gross margin and net earnings, as well as Adjusted EBITDA. Momentum continued from 2022 into first quarter, and we expanded our merchandising, remodeling, and distribution services across the platform and especially in the U.S., resulting in revenue expansion.

“The company continues to explore strategic alternatives for SPAR with the goal of maximizing shareholder value. We continue to build a strong balance sheet, expand revenues, improve gross margins, diversify services, and grow long-term relationships with blue chip consumer goods and retail companies. We have nothing to report publicly today regarding the review of strategic alternatives; however, we are committed to growing the business, serving our clients and supporting our employees and joint venture partners,” **concluded Matacnas.**

First Quarter 2023 Financial Results

Net revenues were \$64.4 million, comprised of \$48.6 million from Americas (75.5%) and \$9.7 million from EMEA (15.1%), and \$6.1 million from APAC (9.4%). Total net revenue increased by 9.1%, up 12.4% on a constant currency basis, and Americas revenues increased over the prior year by 13.0%, EMEA increased by 5.5%, and APAC decreased by 10.5% from the prior year quarter.

Gross profit was \$14.1 million, or 22.0% of revenues, compared to \$11.8 million, or 20.1% of revenues, in the prior year quarter. This 190-basis point improvement in gross profit margins was due to a number of planned initiatives, which included improved contract terms and pricing, system enhancements and other cost containments.

Selling, general and administrative (SG&A) expenses were \$10.5 million, or 16.2% of revenues (15.7% of revenues excluding non-recurring costs associated with reviewing strategic alternatives), compared to \$9.3 million, or 15.7% of revenues, in the prior year quarter. Non-recurring costs associated with reviewing strategic alternatives were \$317 thousand during the first quarter.

Operating income was \$3.2 million, up 52%, versus operating income of \$2.1 million from the prior year quarter.

Net income attributable to SPAR Group, Inc. was \$866 thousand, or \$0.04 per share, compared to net income attributable to SPAR Group Inc. of \$674 thousand, or \$0.03 per share, in the year-ago quarter. Adjusted net income attributable to SPAR Group, Inc. ⁽¹⁾ in the quarter was \$1.3 million, or \$0.06 per share, compared to \$502 thousand, or \$0.02 per share, in the year-ago quarter.

Consolidated Adjusted EBITDA ⁽¹⁾ in the 2023 quarter was \$4.2 million, compared to Adjusted EBITDA of \$2.4 million in the prior year. Adjusted EBITDA attributable to SPAR Group, Inc. ⁽¹⁾ in the 2023 quarter was \$2.9 million, compared to Adjusted EBITDA of \$1.5 million in the prior year.

⁽¹⁾ Adjusted Net income attributable to SPAR Group, Inc. and Adjusted Diluted earnings per share attributable to SPAR Group, Inc., and Adjusted EBITDA are non-GAAP financial measures as defined and reconciled below.

Financial Position as of March 31, 2023

The Company’s total worldwide liquidity at the end of the first quarter was \$15.9 million, with \$11.3 million in cash, cash equivalents and restricted cash and \$4.6 million of unused availability as of March 31, 2023. For the three months ended March 31, 2023, net cash provided by operating activities was \$2.9 million and was primarily due strong operating results and working capital changes. The Company ended the quarter with positive net working capital of \$28.1 million at March 31, 2023.

About SPAR Group, Inc.

SPAR Group is a leading global merchandising and marketing services company, providing a broad range of services to retailers, manufacturers, and distributors around the world. With more than 50 years of experience, 25,000+ merchandising specialists around the world, an average of 200,000+ store visits a week and long-term relationships with some of the world’s leading manufacturers and retail businesses, we provide specialized capabilities across more than nine countries. Our unique combination of scale, merchandising and marketing expertise, combined with our unwavering commitment to excellence, separate us from the competition. For more information, please visit the SPAR Group’s website at <http://www.sparinc.com>.

Cautionary Note Regarding Forward-Looking Statements

This Press Release contains, and the above referenced recorded comments, will contain “forward-looking statements” within the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, made by, or respecting, SPAR Group, Inc. (“SGRP”) and its subsidiaries (together with SGRP, “SPAR”, “SPAR Group” or the “Company”), filed in a Current Report on Form 10-Q by SGRP with the Securities and Exchange Commission (the “SEC”) on expected to be filed on or about May 15, 2023. There also are forward-looking statements contained in SGRP’s Annual Report on Form 10-K for its fiscal year ended December 31, 2022, as filed with the SEC on April 17, 2023, and SGRP’s First Amendment to Annual Report on Form 10-K/A for the year ended December 31, 2022, as filed with the SEC on May 1, 2023 (as so amended, the “Annual Report”), , and the SGRP’s Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other reports and statements as and when filed with the SEC (including the Quarterly Report, the Annual Report and the Proxy Statement, the Information Statement, the Second Special Meeting Proxy/Information Statement, each a “SEC Report”). “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”).

The forward-looking statements made by the Company in this Press Release may include (without limitation) any expectations, guidance or other information respecting the pursuit or achievement of the Company’s corporate strategic objectives. The Company’s forward-looking statements also include, in particular and without limitation, those made in “Business”, “Risk Factors”, “Legal Proceedings”, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Annual Report. You can identify forward-looking statements in such information by the Company’s use of terms such as “may”, “will”, “expect”, “intend”, “believe”, “estimate”, “anticipate”, “continue”, “plan”, “project” or similar words or variations or negatives of those words.

You should carefully consider (and not place undue reliance on) the Company’s forward-looking statements, risk factors and the other risks, cautions and information made, contained or noted in or incorporated by reference into this Press Release, the Annual Report, the Proxy Statement and the other applicable SEC Reports that could cause the Company’s actual performance or condition (including its 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) to differ materially from the performance or condition planned, intended, anticipated, estimated or otherwise expected by the Company (collectively, “expectations”) and described in the information in the Company’s forward-looking and other statements, whether expressed or implied. Although the Company believes them to be reasonable, those expectations involve known and unknown risks, uncertainties, and other unpredictable factors (many of which are beyond the Company’s control) that could cause those expectations to fail to occur or be realized or such actual performance or condition to be materially and adversely different from the Company’s expectations. In addition, new risks and uncertainties 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 the Company has identified all potential risks, or that the Company 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 SGRP’s Common Stock.

You should also carefully review the risk factors described in the Annual Report (See Item 1A – Risk Factors) and any other risks, cautions or information made, contained or noted in or incorporated by reference into the Annual Report, the Proxy Statement or other applicable SEC Report. All forward-looking and other statements or information attributable to the Company or persons acting on its behalf are expressly subject to and qualified by all such risk factors and other risks, cautions and information.

The Company does not intend or promise, and the Company expressly disclaims any obligation, to publicly update or revise any forward-looking statements, risk factors or other risks, cautions or information (in whole or in part), whether as a result of new information, risks or uncertainties, future events or recognition or otherwise, except as and to the extent required by applicable law.

Investor Relations Contact:

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

- Financial Statements Follow -

SPAR Group, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(unaudited)
(In thousands, except per share amounts)

| | Three Months Ended | |
|--|---------------------------|-------------|
| | March 31, | |
| | 2023 | 2022 |
| Net revenues | \$ 64,380 | \$ 58,994 |
| Related party - cost of revenues | 1,497 | 2,145 |
| Cost of revenues | 48,745 | 45,018 |
| Gross profit | 14,138 | 11,831 |
| Selling, general and administrative expense | 10,456 | 9,254 |
| Depreciation and amortization | 532 | 510 |
| Operating income | 3,150 | 2,067 |
| Interest expense, net | 390 | 149 |
| Other income, net | (58) | (87) |
| Income before income tax expense | 2,818 | 2,005 |
| Income tax expense | 1,041 | 551 |
| Net income | 1,777 | 1,454 |
| Net income attributable to non-controlling interest | (911) | (780) |
| Net income attributable to SPAR Group, Inc. | \$ 866 | \$ 674 |
| Basic and diluted income per common share: | \$ 0.04 | \$ 0.03 |
| Weighted-average common shares outstanding— basic | 23,114 | 21,583 |
| Weighted-average common shares outstanding – diluted | 23,279 | 21,729 |

SPAR Group, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(unaudited)
(In thousands, except share and per share data)

| | <u>March 31,</u> <u>2023</u> | <u>December 31,</u> <u>2022</u> |
|--|---------------------------------|------------------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 11,253 | \$ 9,345 |
| Accounts receivable, net | 63,645 | 63,714 |
| Prepaid expenses and other current assets | 6,821 | 7,861 |
| Total current assets | <u>81,719</u> | <u>80,920</u> |
| Property and equipment, net | 3,201 | 3,261 |
| Operating lease right-of-use assets | 1,140 | 969 |
| Goodwill | 1,711 | 1,708 |
| Intangible assets, net | 1,730 | 2,040 |
| Deferred income taxes, net | 4,027 | 3,766 |
| Other assets | 1,816 | 1,934 |
| Total assets | <u>\$ 95,344</u> | <u>\$ 94,598</u> |
| Liabilities and stockholders' equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 10,493 | \$ 10,588 |
| Accrued expenses and other current liabilities | 19,026 | 20,261 |
| Due to affiliates | 2,855 | 2,964 |
| Customer incentives and deposits | 2,182 | 2,399 |
| Lines of credit and short-term loans | 18,585 | 17,980 |
| Current portion of operating lease liabilities | 457 | 363 |
| Total current liabilities | <u>53,598</u> | <u>54,555</u> |
| Operating lease liabilities, net of current portion | 683 | 606 |
| Long-term debt and other liabilities | 1,204 | 1,376 |
| Total liabilities | <u>55,485</u> | <u>56,537</u> |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Series A convertible preferred stock, \$0.01 par value per share: 2,445,598 shares authorized as of March 31, 2023 and December 31, 2022; no shares issued as of March 31, 2023 and December 31, 2022; no shares outstanding as of March 31, 2023 and December 31, 2022 | - | - |
| Series B convertible preferred stock, \$0.01 par value per share: 2,000,000 shares authorized as of March 31, 2023 and December 31, 2022; 2,000,000 shares issued as of March 31, 2023 and December 31, 2022; 650,000 shares and 854,753 shares outstanding as of March 31, 2023 and December 31, 2022, respectively | 7 | 9 |
| Common stock, \$0.01 par value per share: 47,000,000 shares authorized as of March 31, 2023 and December 31, 2022; 23,473,611 and 23,059,138 shares issued as of March 31, 2023 and December 31, 2022, respectively; 23,268,126 shares and 22,853,653 shares outstanding as of March 31, 2023 and December 31, 2022, respectively | 233 | 229 |
| Treasury stock, at cost, 205,485 shares and 205,485 shares as of March 31, 2023 and December 31, 2022, respectively | (285) | (285) |
| Additional paid-in capital | 20,884 | 20,708 |
| Accumulated other comprehensive loss | (4,856) | (4,941) |
| Retained earnings | 7,573 | 6,707 |
| Total stockholders' equity attributable to SPAR Group, Inc. | <u>23,556</u> | <u>22,427</u> |
| Non-controlling interest | 16,303 | 15,634 |
| Total stockholders' equity | <u>39,859</u> | <u>38,061</u> |
| Total liabilities and stockholders' equity | <u>\$ 95,344</u> | <u>\$ 94,598</u> |

SPAR Group, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(unaudited)
(In thousands)

| | Three Months Ended March 31, | |
|--|-------------------------------------|------------------|
| | 2023 | 2022 |
| Cash flows from operating activities: | | |
| Net income | \$ 1,777 | \$ 1,454 |
| Adjustments to reconcile net income to net cash provided by (used in) provided by operating activities | | |
| Depreciation and amortization | 532 | 510 |
| Amortization of operating lease right-of-use assets | 133 | 241 |
| Bad debt expense, net of recoveries | (35) | 34 |
| Deferred income tax (benefit) | (129) | - |
| Share-based compensation expense | 173 | 150 |
| Majority stockholders change in control agreement | - | (420) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 607 | (5,780) |
| Prepaid expenses and other current assets | 1,301 | (1,716) |
| Accounts payable | (325) | (145) |
| Operating lease liabilities | (133) | (242) |
| Accrued expenses, other current liabilities, due to affiliates and customer incentives and deposits | (965) | 2,916 |
| Net cash provided by (used in) operating activities | <u>2,936</u> | <u>(2,998)</u> |
| Cash flows from investing activities | | |
| Purchases of property and equipment | (343) | (478) |
| Net cash used in investing activities | <u>(343)</u> | <u>(478)</u> |
| Cash flows from financing activities | | |
| Borrowings under line of credit | 26,659 | 19,271 |
| Repayments under line of credit | (26,577) | (14,446) |
| Proceeds from term debt | 445 | - |
| Payments on term debt | (124) | - |
| Payments on capital lease obligations | (5) | - |
| Payments of notes to seller | (722) | - |
| Dividend on noncontrolling interest | (304) | - |
| Net cash provided by (used in) financing activities | <u>(628)</u> | <u>4,825</u> |
| Effect of foreign exchange rate changes on cash | (57) | 13,473 |
| Net change in cash, cash equivalents and restricted cash | <u>1,908</u> | <u>14,061</u> |
| Cash, cash equivalents at beginning of period | 9,345 | - |
| Cash, cash equivalents at end of period | <u>\$ 11,253</u> | <u>\$ 14,061</u> |

SPAR Group, Inc. and Subsidiaries
Segment Information
(unaudited)
(In thousands)

| | Three Months Ended | |
|-------------------------------|---------------------------|------------------|
| | March 31, | |
| | 2023 | 2022 |
| Net Revenues: | | |
| Americas | \$ 48,578 | \$ 42,978 |
| APAC | 6,100 | 6,818 |
| EMEA | 9,702 | 9,198 |
| Total net revenues | \$ 64,380 | \$ 58,994 |
| Operating income: | | |
| Americas | \$ 2,521 | \$ 1,780 |
| APAC | (192) | (441) |
| EMEA | 821 | 728 |
| Total operating income | \$ 3,150 | \$ 2,067 |

Reconciliation of GAAP to Non-GAAP Financial Measures

Adjusted net income attributable to SPAR Group and related per share amounts represents net income attributable to SPAR Group adjusted for the removal of a one-time positive adjustment. Adjusted EBITDA represents net income before, as applicable from time to time, (i) interest expense, net, (ii) provision (benefit) for income taxes, (iii) depreciation and amortization of long-lived assets, (iv) share based compensation expense, (v) review of strategic alternatives, (vi) nonrecurring legal settlement costs and associated legal expenses unrelated to the Company's core operations. These metrics are supplemental measures of our operating performance that are neither required by, nor presented in accordance with, GAAP. These measures have limitations as analytical tools and should not be considered in isolation or as an alternative to performance measure derived in accordance with GAAP as an indicator of our operating performance. We present Adjusted net income attributable to SPAR Group and per share amounts, and Adjusted EBITDA because management uses these measures as key performance indicators, and we believe that securities analysts, investors and others use these measures to evaluate companies in our industry. Our calculation of these measures may not be comparable to similarly named measures reported by other companies. The following tables present a reconciliation of net income, the most directly comparable measure calculated in accordance with GAAP, to these measures for the periods presented:

SPAR Group, Inc.
Net Income attributable to SPAR Group, Inc. to
Adjusted Net Income attributable to SPAR Group, Inc. Reconciliation
Diluted Net Income per common share attributable to SPAR Group, Inc. to
Adjusted Diluted Net Income per common share attributable to SPAR Group, Inc. Reconciliation

| (in thousands) | Three Months Ended March 31, | |
|--|---------------------------------|----------------|
| | 2023 | 2022 |
| Net Income attributable to SPAR Group Inc. | \$ 866 | \$ 674 |
| Add-back one-time impact (net of taxes) | 387 | (172) |
| Adjusted Net income attributable to SPAR Group, Inc. | \$ 1,253 | \$ 502 |
| Diluted Net Income per common share attributable to SPAR Group, Inc. | \$ 0.04 | \$ 0.03 |
| Add-back one-time impact (net of taxes) | \$ 0.02 | \$ (0.01) |
| Adjusted Diluted Net Income per common share attributable to SPAR Group, Inc. | \$ 0.06 | \$ 0.02 |

SPAR Group, Inc.
Net Income to Consolidated Adjusted EBITDA to
Adjusted EBITDA attributable to SPAR Group, Inc. Reconciliation

| (in thousands) | Three Months Ended March 31, | |
|--|---------------------------------|-----------------|
| | 2023 | 2022 |
| Consolidated Net Income | \$ 1,777 | \$ 1,454 |
| Depreciation and amortization | 532 | 510 |
| Interest expense | 390 | 149 |
| Income Tax expense | 1,041 | 551 |
| Other income | (58) | (87) |
| Consolidated EBITDA | 3,682 | 2,577 |
| Share based compensation | 173 | 150 |
| Review of Strategic Alternatives | 317 | - |
| Legal Costs / Settlements - non recurring | - | (368) |
| Consolidated Adjusted EBITDA | 4,172 | 2,359 |
| Adjusted EBITDA attributable to non controlling interest | (1,276) | (878) |
| Adjusted EBITDA attributable to SPAR Group, Inc. | \$ 2,896 | \$ 1,481 |

Note: We report non-GAAP financial measures in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. See the section entitled "Statement Regarding Use of Non-GAAP Financial Measures" for an explanation of non-GAAP measures, and the table entitled "GAAP to Non-GAAP Reconciliation" for a reconciliation of GAAP to non-GAAP measures.



Source: SPAR Group, Inc.