

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 19, 2020

XPRESSPA GROUP, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34785
(Commission
File Number)

20-4988129
(I.R.S. Employer
Identification No.)

254 West 31st Street, 11th Floor
New York, New York 10001
(Address of Principal Executive Offices and Zip Code)

Registrant's telephone number, including area code: (646) 525-4319

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))

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

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.

Item 2.02. Results of Operations and Financial Condition.

On February 19, 2020, XpresSpa Group, Inc. (the "Company") issued a press release announcing, among other things, certain preliminary, unaudited estimated results of operations for the fiscal quarter and year ended December 31, 2019. The text of the press release is furnished pursuant to Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Forward-Looking Statements

The press release includes forward-looking statements, which may be identified by words such as "believes," "expects," "anticipates," "estimates," "projects," "intends," "should," "seeks," "future," "continue," or the negative of such terms, or other comparable terminology. Forward-looking statements are statements that are not historical facts. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from the forward-looking statements contained herein. The forward looking statements in the press release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including, but not limited to, the risks and uncertainties and other factors discussed from time to time in the Company's filings with the Securities and Exchange Commission ("SEC"), including the Company's Annual Report on Form 10-K for the year ended December 31, 2018 filed with the SEC on April 1, 2019, as amended on April 30, 2019, and the Company's Quarterly Report on Form 10-Q for the three months ended September 30, 2019, filed with the SEC on November 14, 2019. The Company expressly disclaims any obligation to publicly update any forward-looking statements contained herein, whether as a result of new information, future events or otherwise, except as required by law.

Item 7.01. Regulation FD Disclosure.

The information set forth above under Item 2.02 is hereby incorporated by reference into this Item 7.01.

The Company has prepared an investor presentation to be used in connection with a presentation to be made at the 2020 Wall Street Conference and Retreat on February 19, 2020, a copy which is furnished pursuant to Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

In accordance with General Instruction B.2 on Form 8-K, the information set forth in this Item 7.01 and the press release and investor presentation attached to this report as Exhibits 99.1 and 99.2, respectively, are "furnished" and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor shall such information be deemed incorporated by reference in any filing under the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

[99.1 Press Release of XpresSpa Group, Inc., dated February 19, 2020.](#)

[99.2 Investor Presentation of XpresSpa Group, Inc., dated February 19, 2020.](#)

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 hereunto duly authorized.

XPRESSPA GROUP, INC.

Dated: February 19, 2020

By: /s/ Douglas Satzman

Name: Douglas Satzman

Title: Chief Executive Officer

XpresSpa Group

XpresSpa to Present at the 2020 Wall Street Conference and Retreat Today Company to Announce Fourth Quarter 2019 Financial Results on March 30th

NEW YORK, February 19, 2020 - XpresSpa Group, Inc. (Nasdaq: XSPA) (“XpresSpa” or the “Company”), a health and wellness company, announced that CEO Doug Satzman will present at the 2020 Wall Street Conference and Retreat today, Wednesday, February 19th at 11:30 a.m. Eastern Time at the Hilton West Palm Beach and Convention Center and host investor meetings on Thursday, February 20th.

The 2020 Wall Street Conference and Retreat is an exclusive, invitation-only event being held on Wednesday and Thursday, February 19th and 20th, for money managers, brokers, funds, and family offices. XpresSpa will also bring massage therapists and chairs (mini spa) to the event for the benefit of participants.

Separately, XpresSpa also announced that it will report its fourth quarter 2019 financial results after the close of the financial markets on Monday, March 30th. The announcement will be followed by a conference call at 4:30 p.m. Eastern Time.

The conference call can be accessed live over the phone by dialing 201-689-8263. A replay will be available after the call and can be accessed by dialing 412-317-6671; the passcode is 13699193. The replay will be available until April 13th. The webcast can be accessed from Investor Relations section of the Company’s website at <http://xpresspagroup.com>.

As a reminder, on January 14th, XpresSpa provided preliminary financial results for the fourth quarter and fiscal year ended December 31, 2019.

- A preliminary domestic comparable store sales increase of 7.7% for the fourth quarter 2019, representing the third consecutive quarter of positive comparable store sales growth and best quarterly result of 2019. Notably, the preliminary December domestic comparable store sales increase of 10.2% was the best monthly result since January 2017.
- A preliminary domestic comparable store sales increase of 4.2% for the full year 2019.
- The opening of a new spa in Concourse E at Hartsfield-Jackson Atlanta International Airport in December 2019, joining existing XpresSpa spas in Concourses A, C, and D.
- The closing of two tertiary spas in JFK International Airport in December 2019 which had a negative contribution to operations.

These preliminary financial results demonstrate XpresSpa’s continued progress in strengthening operations and exemplifies its brand positioning as the health and wellness destination for the modern traveler.

In 2020, XpresSpa anticipates opening several spas within successful, existing markets along with new markets, particularly internationally, where the Company already operates some of its most profitable locations. XpresSpa will look to complete its systematic pruning of underperforming locations with one more low sales volume spa targeted for an out-of-cycle spa closure.

XpresSpa will also seek to extend its comparable store sales momentum, improve four-wall margins and manage G&A through effective cost management at the store and corporate level. Importantly, the Company intends to forge new strategic partnerships with brands that share XpresSpa's commitment to health and wellness and can further monetize its desirable real estate and affluent customer base, as it has already done with Calm and Persona.

Preliminary Results

Our financial statements for the quarter and fiscal year ended December 31, 2019 are not yet available and our independent registered public accounting firm, CohnReznick LLP, has not completed its review of any financial statements for such period. Our expectations with respect to our unaudited results for the period discussed above are based upon management estimates. Such results are preliminary and subject to revision based upon the completion of our quarter and year-end financial closing process and are not meant to be comprehensive for this period. Following the completion of our quarter and year-end financial closing process and review by our independent registered public accounting firm, we may report financial results that could differ from these estimates. While we believe that the above information and estimates are based on reasonable assumptions, our actual results may vary, and such variation may be material. Factors that could cause the preliminary financial data and estimates to differ include, but are not limited to: (i) additional adjustments in the calculation of, or application of accounting principles, for the financial results for the quarter and year ended December 31, 2019; (ii) discovery of new information that affects accounting estimates and management's judgment underlying these estimated results; and (iii) the completion of the review by our independent registered public accounting firm of our financial results for the quarter and year ended December 31, 2019.

About XpresSpa Group, Inc.

XpresSpa Group, Inc. (Nasdaq: XSPA) is a health and wellness holding company. XpresSpa Group's core asset, XpresSpa, is a leading airport retailer of spa services and related health and wellness products, with 51 locations in 25 airports globally. XpresSpa offers services that are tailored specifically to the busy travel customer. XpresSpa is committed to providing exceptional customer experiences with its innovative premium spa services, as well as luxury travel products and accessories. XpresSpa provides almost one million services to customers per year at its locations in the United States, Netherlands, and the United Arab Emirates. To learn more about XpresSpa Group, visit: www.XpresSpaGroup.com. To learn more about XpresSpa, visit www.XpresSpa.com.

Forward-Looking Statements

This press release may contain "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. These include statements preceded by, followed by or that otherwise include the words "believes," "expects," "anticipates," "estimates," "projects," "intends," "should," "seeks," "future," "continue," or the negative of such terms, or other comparable terminology. Forward-looking statements relating to expectations about future results or events are based upon information available to XpresSpa Group as of today's date and are not guarantees of the future performance of the company, and actual results may vary materially from the results and expectations discussed. Additional information concerning these and other risks is contained in XpresSpa Group's most recently filed Annual Report on Form 10-K, Quarterly Report on Form 10-Q, recent Current Reports on Form 8-K and other SEC filings. All subsequent written and oral forward-looking statements concerning XpresSpa Group, or other matters and attributable to XpresSpa Group or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. XpresSpa Group does not undertake any obligation to publicly update any of these forward-looking statements to reflect events or circumstances that may arise after the date hereof.

Investor Relations:

ICR
Raphael Gross
(203) 682-8253

The XpresSpa Group

A Global Health & Wellness Destination in Airports

February 19, 2020

Why invest with XpresSpa?

1

A large and growing market

2

Dominant player in airport wellness with vast expansion potential

3

Strong unit-level economics with <2.5 years payback period

4

New leadership with strong vision driving meaningful improvement



The Health &
Wellness Industry

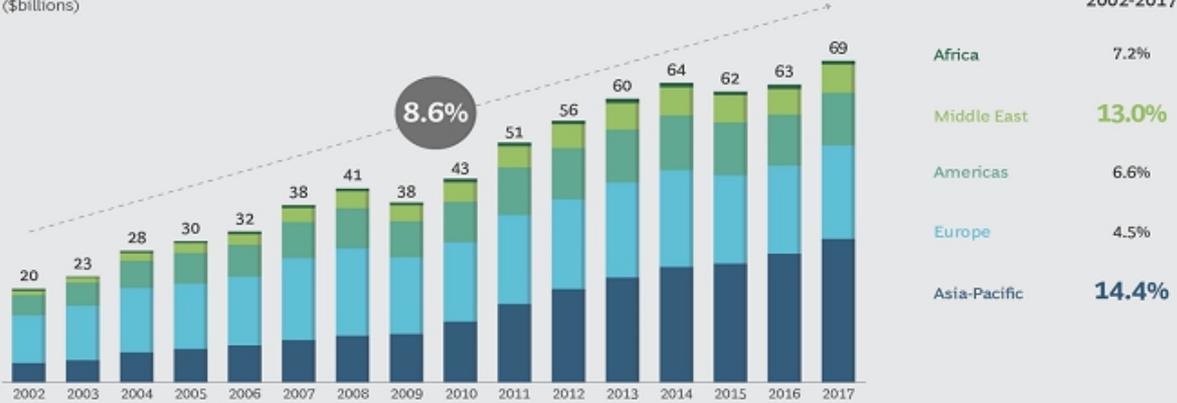
Consumer spending
patterns are shifting in
our favor

- **\$4.2 Trillion global Health & Wellness industry**
 - **\$120 Billion Spa economy is growing due to strong unit level economics and rising consumer interest in Health & Wellness**
 - **150,000 Spas globally actively employing 2.6 Million people**
-

Travel Retail has nearly tripled over the past 15 years

EXHIBIT 1 | The Travel Retail Market Tripled over the Past 15 Years

Travel retail revenue (\$billions)



Sources: Euromonitor; Generation Research.
 Note: Preliminary data for 2017.

\$1.5 Trillion in global airport infrastructure spending is projected by 2023

XpresSpa is the answer to growing traveler demands

1

Increasing number of travelers with longer average wait times

2

Growing desire for stress relief before travel

3

More travelers are seeking experiences at the airport

1

Increasing number of travelers with longer average wait times

- 2.8 Million passengers fly in and out of U.S. airports every day
- About 20% of flights delayed in 2019
- Post security wait time for North American travelers is averaging over 90 minutes
- Air travel was estimated to have grown 6% in 2019, including 465 Million business trips

- Business travel and chronic illness are linked due to the stress and toll of travel on the body
- 87% of employers are committed to workplace wellness, and 73% offer a wellness program
- 62% of consumers desire to spend more on self-care, Health and Wellness experiences and related products

3

More travelers are seeking experiences at the airport

- Today's traveler prioritizes quality, curation and experience. XpresSpa can not be "Amazon-ed"
- Millennials spend nearly 25% of disposable income on Health and Wellness
- 23% of travelers are frequent fliers who have a household income of over \$100,000



We offer busy people an opportunity to relax and renew on-the-go with innovative services and products

XpresSpa[®]

The leading health
and wellness
destination in
airports in the U.S.
and worldwide

50+

Locations

25

Airports globally

1M

Services annually

15

Years of history

... and now under new leadership

New Leadership Team

Previous Experience



Doug Satzman,
Chief Executive Officer

CEO, Joe Coffee Company
CEO, Le Pain Quotidien
SVP, Starbucks Coffee - EMEA
VP, Starbucks Coffee - U.S. License Stores
(Airports, Lodging, Universities, Healthcare, Offices)



Scott Milford,
Chief People Officer

VP, People Operations, Soul Cycle
SVP, Human Resources, Le Pain Quotidien
Chief Human Resources Officer, Town Sports, Int.
VP, Partner Resources, Starbucks Coffee



Omar Haynes,
Director of Finance, Analytics
and Treasury



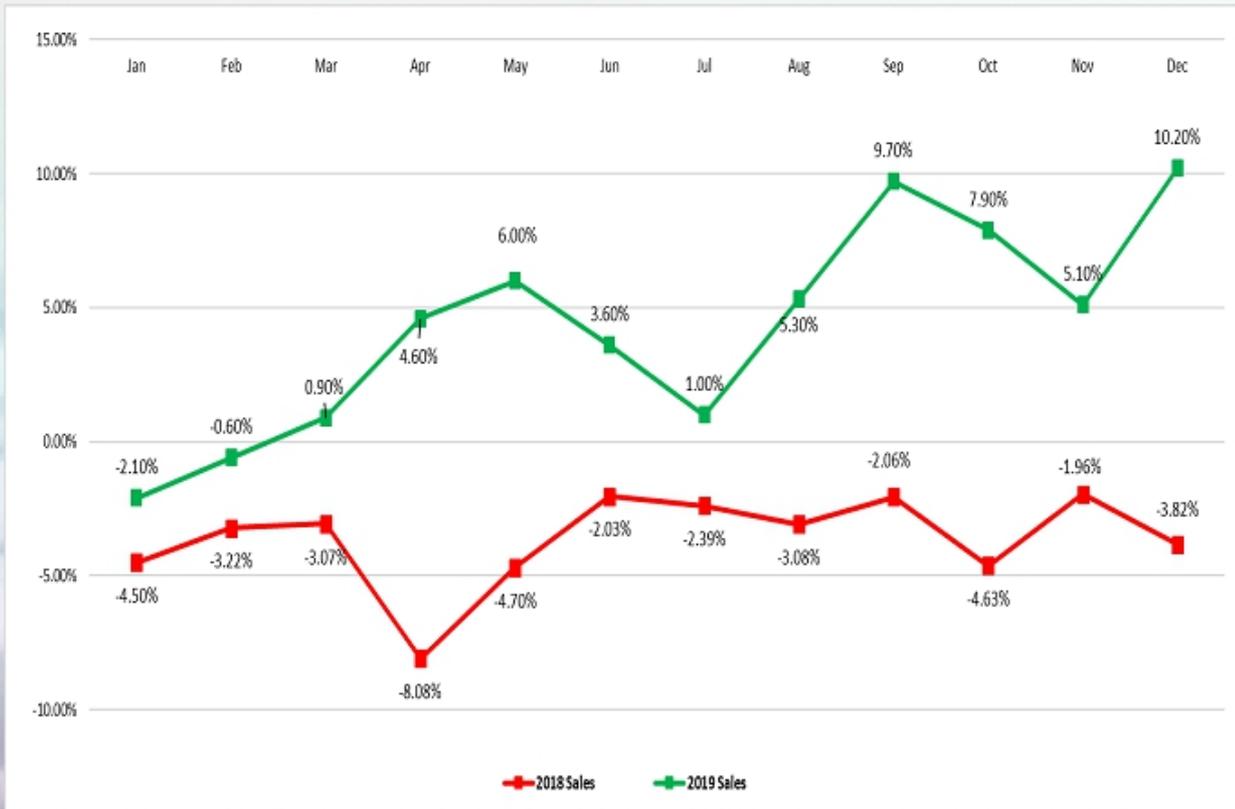
Iga Wyrzykowski,
Director of Store Design and
Construction



Tesh Ramsarup,
Director of Operations Services

2018/2019 Comp Sales

10 consecutive months of Comp Sales Increase



Massage



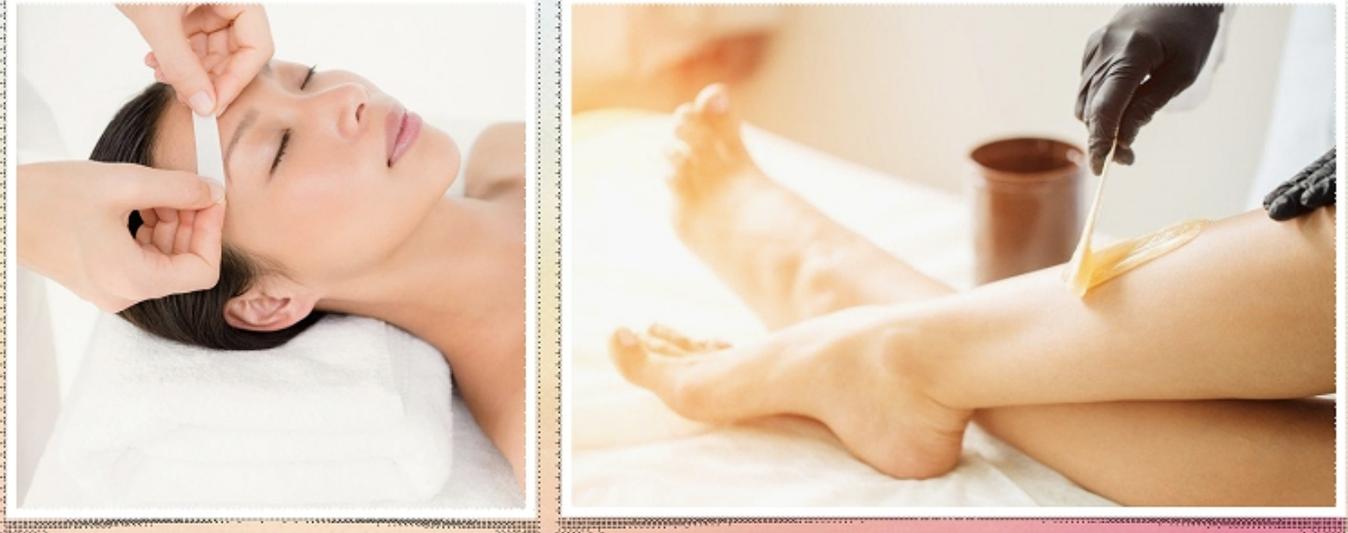
Nail Care



Facials



Waxing

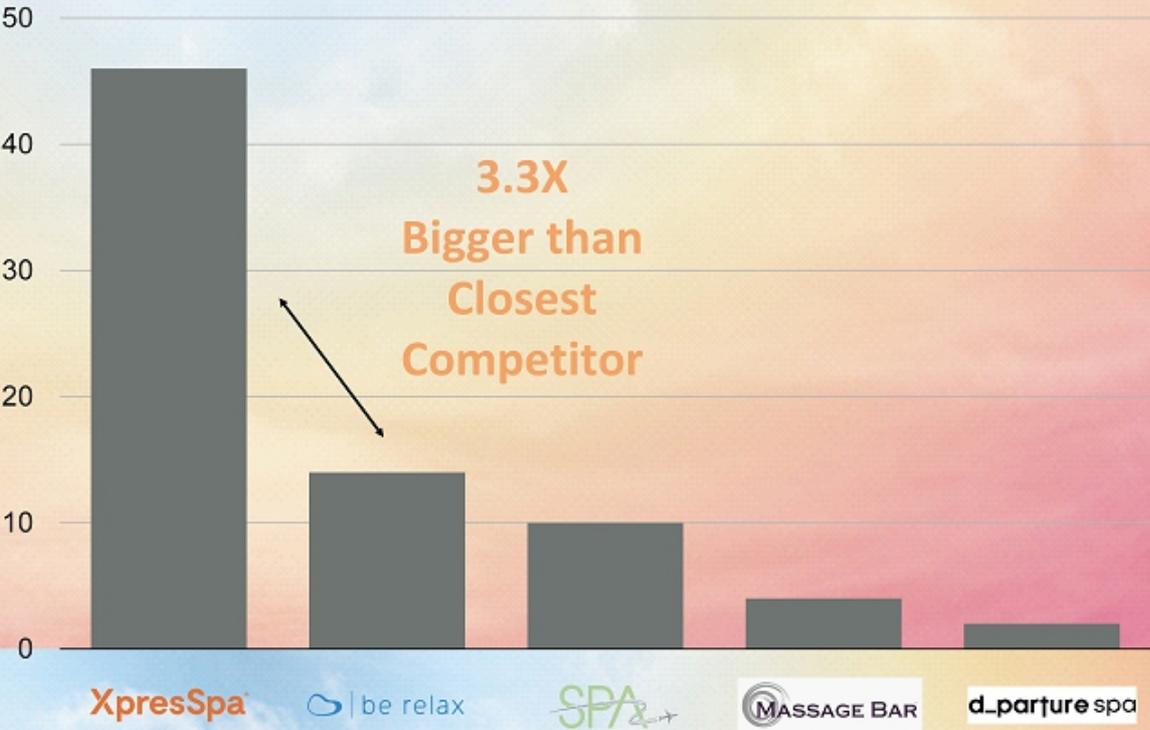


Dominant Airport Presence



25 Domestic &
International
Airports

XpresSpa holds over 60% U.S. market share

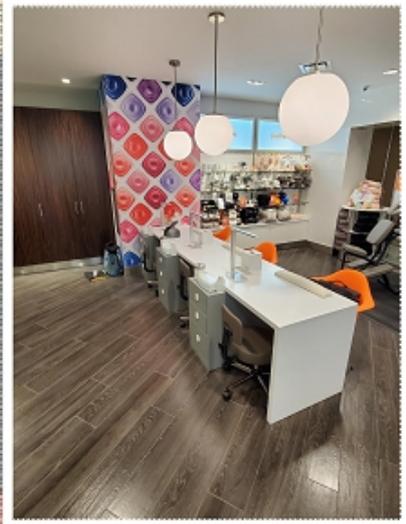


XpresSpa is in every one of the busiest U.S. airports with 2.5X growth potential in these airports alone

Airport	Code	Total passengers	Total XpresSpa	Opportunity	Potential
Hartsfield–Jackson Atlanta International	ATL	103,902,992	4	6	10
Los Angeles International	LAX	84,557,968	2	7	9
O'Hare International	ORD	79,828,183	1	7	8
Dallas/Fort Worth International	DFW	67,092,194	3	4	7
Denver International	DEN	61,379,396	2	4	6
John F. Kennedy International	JFK	59,392,500	6	1	7
San Francisco International	SFO	55,822,129	1	5	6
McCarran International	LAS	48,566,803	3	2	5
Charlotte Douglas International	CLT	45,909,899	2	3	5
Orlando International	MCO	44,511,265	4	1	5
Miami International	MIA	44,071,313	1	3	4
Phoenix Sky Harbor International	PHX	43,921,670	2	2	4
George Bush Intercontinental	IAH	40,696,189	1	3	4
Total		779,652,501	32	48	80

<https://www.worldatlas.com/articles/busiest-airports-in-united-states.html>

Hartsfield-Jackson Atlanta International Airport





Amsterdam, Netherlands



San Francisco International Airport (*upcoming*)



Seattle-Tacoma International Airport (*upcoming*)



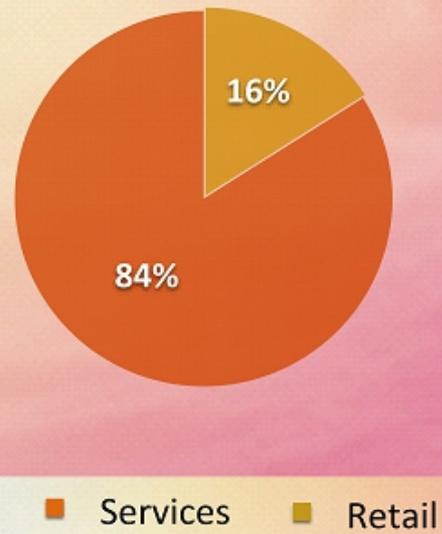
Dubai International
Airport
(*upcoming*)



Strong Unit-Level Economics

TYPICAL SIZE	500 - 1,500 SF
AVERAGE UNIT SALES	\$850,000 - \$1,000,000
AVERAGE SALES PER SQUARE FOOT	\$850 - \$1,000
AVERAGE INVESTMENT COST	\$300,000 - \$600,000
AVERAGE UNIT CONTRIBUTION	18% - 22%
PAYBACK PERIOD	2.0 - 2.5 YEARS
AVERAGE LEASE TERM	5 - 7 YEARS

YTD Q3 2019 Sales Breakdown



Strategic Priorities

Drive Top Line Revenue

Reduce Costs / Drive Bottom Line

Revamp Products / Develop Partnerships

Disciplined Development

2019 Accomplishments

U.S. Comparable Store Sales

- 10.2% in Dec 2019
- 7.7% in Q4 2019
- 4.2% in 2019

On a Path to Spa Operations Profitability

- Reduced G&A expenditures
- Significantly reduced YOY EBITDA loss
- Lowered net loss from continuing ops by approx. 50%
- Approaching adjusted EBITDA break even

Strengthened Capital Structure and Liquidity

- Completed series of debt refinancing, issuances and equity transactions
- Conversion of Series D Preferred to Common Equity
- Aligned Lender and Shareholders' interests

2019 Accomplishments

Development & Optimization

- Opened 5 company-operated spas
- Opened 1st franchise-operated spa
- Completed streamlining of store portfolio

Technology

- Improved in-store technology to gain process efficiencies
- Launched new digital training program leveraging gaming methodology
- Developed first mobile App

Strategic Partnerships

- Expanded and extended Calm partnership
- Activated Persona Nutrition (Nestle Health) partnership
- Testing Nira CBD products

2020 Agenda

Build a Sustainable & Enduring Brand while Achieving Positive EBITDA Profitability by Year-End

Bring Health & Wellness Innovation to our Spas

Secure New Strategic Partnerships

Accelerate Organic Revenue Growth & Pursue Disciplined Development

Improve Business Process Improvements to Yield Further Cost Savings

Continue Working Capital & Cap Ex Financings

Incubate New Health & Wellness Concepts

Investor Considerations

1

Dominant U.S market presence with vast expansion potential

2

New Leadership driving meaningful improvements across business

3

**Attractive partner for Health & Wellness companies given
unique Real Estate**

4

Strengthened capital structure and financial flexibility

5

Plan to achieve EBITDA profitability in 2020

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Disclaimers

Safe Harbor Statement

This presentation includes forward-looking statements, which may be identified by words such as “believes,” “expects,” “anticipates,” “estimates,” “projects,” “intends,” “should,” “seeks,” “future,” “continue,” or the negative of such terms, or other comparable terminology. Forward-looking statements relating to expectations about future results or events are based upon information available to XpresSpa Group as of today’s date, and are not guarantees of the future performance of the company, and actual results may vary materially from the results and expectations discussed. Additional information concerning these and other risks is contained in XpresSpa Group’s most recently filed Annual Report on Form 10-K, Quarterly Report on Form 10-Q, recent Current Reports on Form 8-K and other SEC filings. All subsequent written and oral forward-looking statements concerning XpresSpa Group, or other matters and attributable to XpresSpa Group or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. XpresSpa Group does not undertake any obligation to publicly update any of these forward-looking statements to reflect events or circumstances that may arise after the date hereof.

Trademark Usage

XpresSpa Group, the XpresSpa Group logo, and other XpresSpa Group trademarks, service marks, and designs are registered or unregistered trademarks of XpresSpa Group Inc. and its subsidiaries in the United States and in foreign countries. This presentation contains trade names, trademarks and service marks of other companies. All such trade names, trademarks and service marks of other companies are property of their respective owners.

Use of Non-GAAP Financial Measures

XpresSpa uses GAAP and non-GAAP measurements to assess the trends in its business. Items XpresSpa reviews on an ongoing basis are revenues, comparable store sales (which it defines as sales from stores opened longer than a year compared to the same period sales of those stores a year ago), store contribution margins, and number of transactions (which is a way to measure traffic in spas). In addition, XpresSpa monitors stores’ performance compared to its model store metrics to ensure that it is consistently opening spas that have the same or similar return dynamics as historical stores. XpresSpa believes the trends exhibited by its business are strong and substantiate its continued investment in additional locations and infrastructure.

Sources

- https://www.faa.gov/air_traffic/by_the_numbers/
- https://www.transtats.bts.gov/Data_Elements.aspx?Data=1
- <https://www.supplychaindive.com/news/with-more-security-and-little-storage-airport-retail-challenges-the-supply/530392/>
- https://www.transtats.bts.gov/OT_Delay/OT_DelayCause1.asp
- <https://www.vanemag.com/travel-tips/the-biggest-airport-wellness-trends-of-2019/>
- <https://www.sfmic.com/10-workplace-wellness-programs-statistics/>
- <https://www.marketing-resource-directory.com/article/every-experience-matters-at-least-it-should.html>
- https://www.creativegroupinc.com/2019/08/19/10-stats-that-prove-the-experience-economy-is-here-to-stay/#_edn9
- <https://www.aarp.org/research/topics/life/info-2017/2018-travel-trends.html>
- <https://www.cbinsights.com/research/report/wellness-trends-2019/>
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- https://www.ustravel.org/system/files/media_root/document/Outlook_Back_Page_May_2016.html
- <https://www.businesstravelnews.com/Lodging/Business-Travelers-Are-Getting-Better-About-Wellness-on-the-Road>
- <https://www.forbes.com/sites/daniellebrooker/2018/12/29/business-travel-could-do-with-a-wellness-injection/#6b32276c5890>

The XpresSpa Group

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