

3 February 2020

MANAGING DIRECTORS AGM PRESENTATION - TRANSCRIPT

Please find attached the transcript of the Managing Directors presentation which accompanies the AGM Presentation.

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About Aspermont

Aspermont is ASX listed with offices in Australia, UK, Brazil, North America and the Philippines. The Company's focus is on global media leadership in the Mining, Agriculture, Energy and Technology sectors.

The company has invested 20 years in building a commercial model for B2B digital media distribution that is founded on providing high value content to a global subscriber base. The B2B model is scalable as to new countries, new commodity sectors and in new languages.

Aspermont is now the dominant player in B2B media for the resources sector.

For more information please see: www.aspermont.com

Transcript of Managing Director presentation for Aspermont 2020 AGM

Good Morning Ladies and Gentlemen

And welcome to our Aspermont Annual General Meeting.

I appreciate this opportunity to update you on Aspermont's strategy and progress. We are firmly established as the leading digital media services provider to the global resource industries. Our goal is to generate new, large and growing complementary revenue streams to increase shareholder returns from a solid base.

The key takeaways for our investors from my presentation today are;

- Our top line growth established over the last 3 years is set to continue
- Our new products and services, developed over recent years, will enable solution selling to drive revenue and increase diversification via cross-sales and ARPC
- Our high-performance is confirmed by SaaS metrics, which also show that our Lifetime Value of Subscriptions is more than twice our market capitalisation which is anomalous in the media-tech sector.
- Our cash flow, margins and profitability should continue improving over FY20

Currently, Aspermont is in the process of scaling its digital platform to new countries and new sectors. Our successful management team has been together a few years now and has a good track record. Business opportunities are expanding, both by geography and sector. We are debt free and are financing new product development from our own cash flow.

Aspermont has momentum on entering a higher growth phase

Investment rationale

1. Digital media platform can upscale growth by country, by language and by sector

2. Successful management team is delivering growth against plan

3. Strong and sustainable growth in subscriptions drives growth momentum in client services business

4. Elimination of debt and strong balance sheet give clear visibility to forward projections

5. Higher growth and new products launched are financed from operational cash flow

	June'16	Dec'19
Audience Development		
Number of Subscriptions	7,158	8,048
Average Revenue Per Unit (ARPU)	\$623	\$1,003
Renewal Rate (%)	73%	85%
Annual Contract Value	\$4.5m	\$7.8m
Lifetime Value (LTV)	\$16.5m	\$50.7m
Digital Users	1.1m	2.8m
Event Attendees	-	1,450
Financials		
Group Revenue	\$12.6m	\$16.4m
GP Margin	48%	55%
EBITDA	(\$1.1m)	\$0.5m
Cash Flow from Ops	(\$0.3m)	\$0.9m
Net Debt	\$8.2m	\$0.0m
Market Capitalisation	\$9.6m	\$21.2m



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Note:
All earnings and operating cashflow figures are normalised and as per audited statutory accounts

SLIDE 2 – The leading media services provider to the global resource industries

Across our titles we have over 560 years of brand heritage which confirms Aspermont to be the leading media services provider to the global resource industries

Over the past 20 years we have built our commercial model for B2B media, which provides distribution of high value content and builds premium subscription audiences.

Our model is scalable, both by sector and by geography.

Our leadership in the Mining sector is unchallenged and we are now building market share in media services for the Agriculture, Energy and the Technology sectors

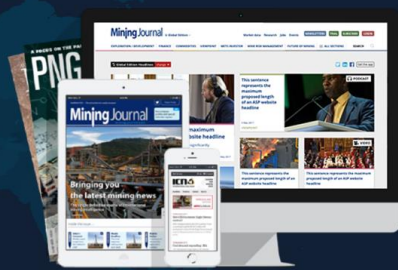
The leading media services provider to the global resource industries

Aspermont is the leading media services provider to the global resource industries

Aspermont has invested 20 years in building a commercial model for B2B media that is founded on providing high value content to a global subscriber base

Aspermont is scaling this B2B model to serve new sectors and new countries and in new languages to maintain global leadership

Aspermont is ASX listed with offices in UK, Australia, Brazil, North America and the Philippines



SLIDE 3 – We are not standing still, we are developing new value accretive solutions

Over the last few years we have transitioned through 3 distinct development phases and have now entered our 4th and most significant, growth phase.

In the first phase, we had to achieve digital distribution for our legacy business to build subscriptions and restore advertising revenues. We also cleared balance sheet debt, settled legal cases and returned to profitability.

In the second phase we invested in both content and technology platforms to facilitate premium audience build solutions. We have now delivered 14 successive growth quarters in subscriptions revenues and in all associated SaaS metrics.

Phase 3 of our development was recently completed by the launch of our new wholly owned events and research businesses which enable us to deliver a full multi-media proposition for our global readership and client communities

We are now in our 4th growth phase, building a full end to end marketing services suite for all clients. These new services are welcomed by clients as evidenced by our growing ARPC figures. New product launches build client incumbency and at the same time enhance our profitability- a virtuous circle indeed!



SLIDE 4 – Our FY19 execution priorities and how we performed

Aspermont's success comes from a complete operational alignment of our key priorities. As a team, we agree priorities and we aim to be open and transparent on our progress in execution.

The scorecard above shows our stated goals for FY 19 and measures our execution success

We made good progress in all areas and this progress has momentum going into FY20

Our Q1 investor presentation showed:

- A sharp rises in ACV and LTV
- emerging growth in lead generation revenues
- strong gains in ARPC
- high growth in Content Agency

At the end of FY19 it was clear that momentum was building for a strong FY20

FY19 stated execution priorities and how we performed

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KEY OBJECTIVE	MEASUREMENT	RESULT
Drive High Growth in New Business Lines	Events Revenue	+\$1.3m / +108%
	Research / Intelligence Revenue	+\$0.3m / +166%
	Lead Generation Revenue	+\$0.05m
Launch V5 Technology Platform	Hot + Warm (audience) leads	+38k / +332%
Accelerate Subscriptions Growth	Annual Contract Value	+\$0.7m / +10%
	Lifetime Value	+\$3.0m / +7%
Develop Portfolio Sales Approach	Average Revenue Per Client	+\$2.1k / +20%

SLIDE 5 & 6 – FY19 shows solid growth and margin expansion

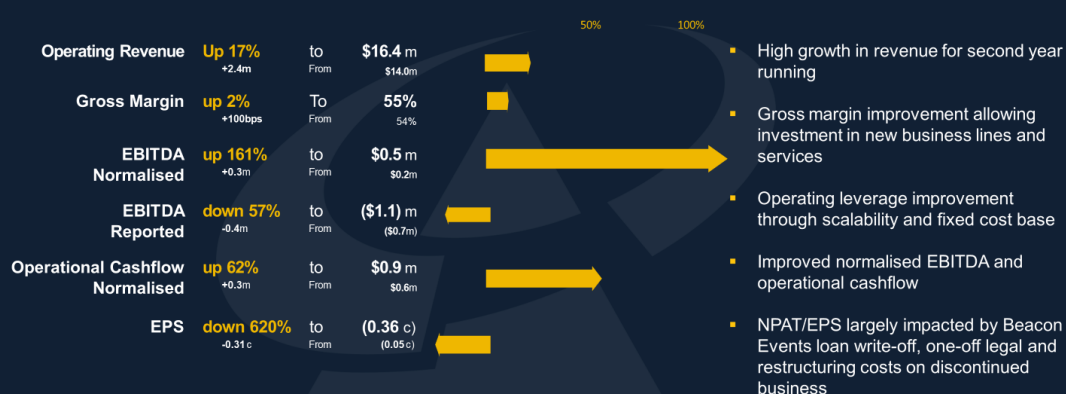
In headline terms, revenues grew by 17% in FY19, building on the 21% growth in FY18

Our improving gross margins reflect benefits from the significant historic investment we made to build the scalability of our model

Quite simply, Aspermont has established a broad base and is now launching new products and entering new markets to significantly enhance our future profitability.

FY19 – solid growth and margin expansion

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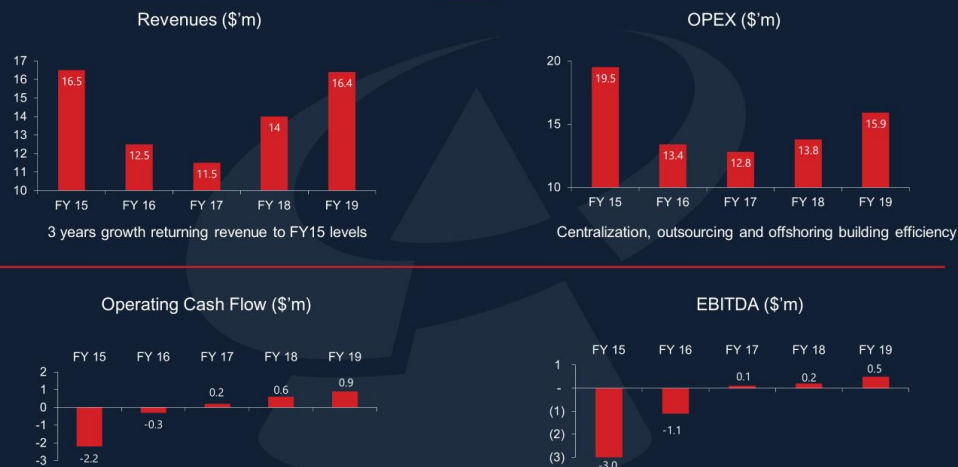


Note to accounts:

- All results are on a continuing operations basis and like for like for the 12 month period
- Gross margin is internally measured after all selling, distribution and operating costs excluding Group and Corporate costs
- Normalised EBITDA & Cashflow excludes one-off transformation, discontinuation, exceptional legal costs and establishment costs of new business lines

Growing and increasingly cash generative

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Operational cashflow, earnings and margins growing

Note to accounts:
Revenues are on a continuing operations basis
All earnings and operating cashflow figures are normalized and as per audited statutory accounts

SLIDE 7 – shows 14 quarters of consistent subscriptions momentum

Our audience metrics show both consistency and high performance since June 2016

Over the period from June 2016, we grew our subscriptions base by 13%, lifted our pricing by 61% and reduced our churn rate by 44%.

This has generated a 73% lift in ACV and a **307% increase in LTV**

14 quarters of consistent subscriptions momentum

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Key SaaS Metrics	As at June'16	As at Dec'19	CAGR
Number of Subscriptions	7,158	8,048	3%
Average Revenue Per Unit (ARPU)	\$623	\$1,003	15%
Annual Contract Value (ACV)	\$4.5m	\$7.8m	17%
Web Traffic (Sessions)	3.8m	5.5m	11%
Web Traffic (Users)	1.1m	2.8m	31%
Loyalty Index	41%	58%	10%
Renewal Rate	73%	85%	4%
Lifetime Years	3.7	6.5	17%
Lifetime Value	\$16.5m	\$50.7m	38%

Rapid growth of all metrics driving high performance ACV & LTV



Aspermont market capitalization is less than half the current LTV of subscriptions alone



-Refer to glossary in appendix for full definitions of all SaaS metrics

-Aspermont does not present number of Paid Member per subscription for competitive reason but whilst orders are showing a slight decline the number of Paid Members continue to be in solid growth owing to successful ABM strategies (discussed further on next slide in this presentation)

SLIDE 8 – Market Leader Competitive Strengths

Over the last few years Aspermont has

1. strengthened our content propositions to build brand strength;
2. Broadened the client base and C suite relationships;
3. Added top tier executives to strengthen and transform management teams;
4. Developed new products and services for the future and upgraded legacy products;
5. Optimised the digital tech platform and operational structures to drive scalability

Aspermont's enhanced competitiveness assures global leadership in our key markets



SLIDE 9 – Our Blue-chip client base of industry leaders has large spend capacity

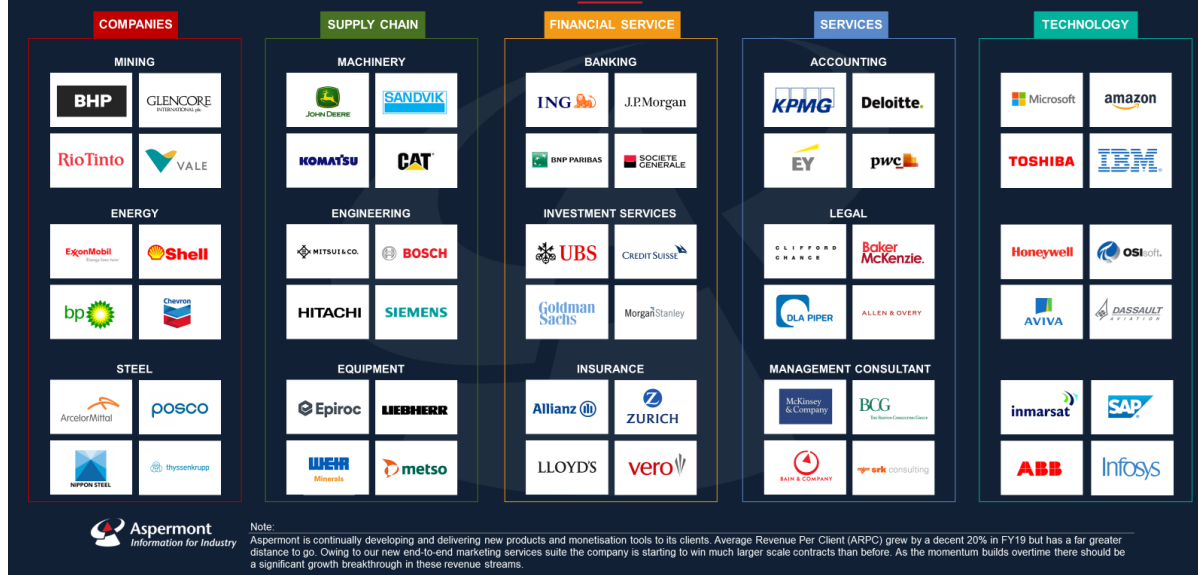
Most of Aspermont's Top 20 clients are Fortune 500 industry leaders

Through building end-to-end product and client services suites, we adopt solution selling approaches with success as reflected in the ARPC and cross sales ratios.

We expect to see increasing growth over the foreseeable future

Blue chip client base of industry leaders with large spend capacity

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SLIDE 10 – Aspermont’s three growth horizons

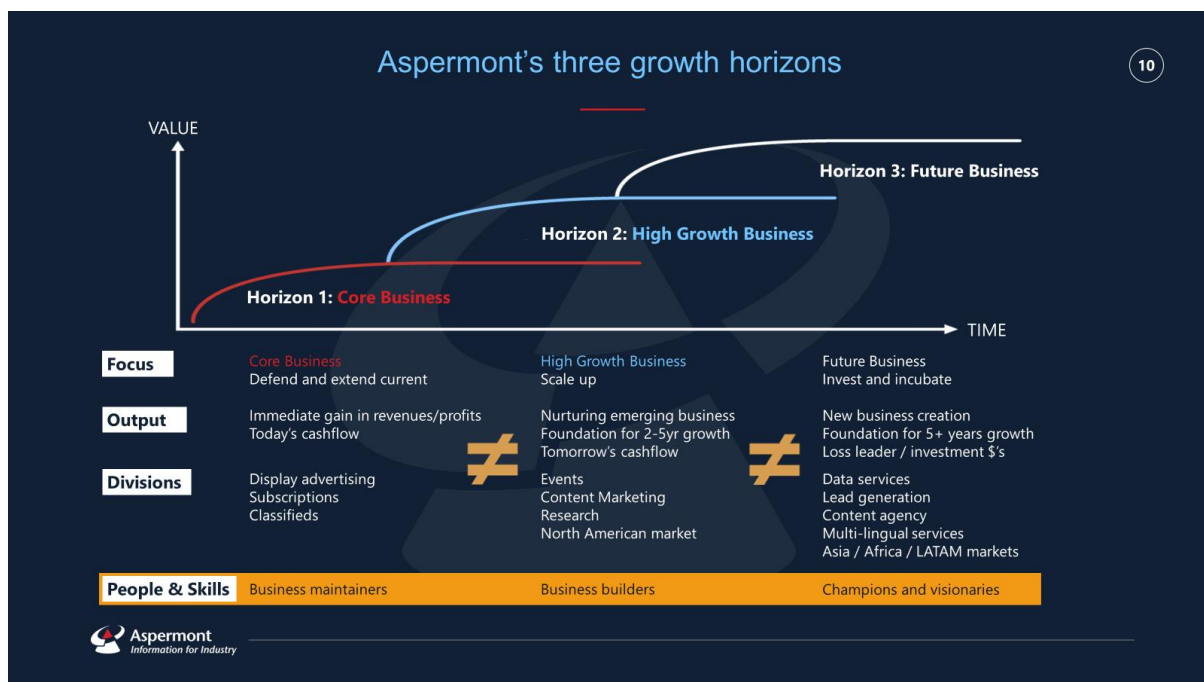
At Aspermont we see our growth evolving through 3 distinct horizons with our execution nuanced to suit the focus of each

In our first horizon we have the primary businesses - advertising and subscriptions – where our teams are fully integrated, and our commercial models are already proven to be state of art.

Our second horizon is here now with our launches of new products and services – such as events and research – after in-house incubation to build scale. Once they become fully commercial, we integrate these new products into our primary businesses

In our third horizon we look ahead: we seed – with capital and management time – the products and services of our future. After incubation, new products such as lead generation and content agency, are launched in Beta mode and go through careful refinement and optimisation before being launched commercially in our global markets.

In each of our three growth horizons we curate management teams and dedicate people skills to optimise execution



SLIDE 11 – As new business streams come online, we are also able to build a significant data base from interaction with clients to understand their marketing aspirations to work out how we can alleviate their pains to optimise their gains.

Many clients work with us to advance the development of their brands and to increase market awareness of their product and services, which we help deliver through traditional display advertising solutions

We also work with clients to distribute their messages to our global audiences through new forms of content such as blogs, articles, profiles, case studies, guides, webinars, whitepapers, video, podcasts, animation, face to face etc

Over the last few years, we have built delivery capabilities for all these different formats.

Last year we launched a content agency which enables clients to work with some of Aspermont's industry leading journalists to build recognition of their value proposition.

Our sales team works with marketers in new ways to help increase the effectiveness of company advertising campaign spends and ROI. Our lead generation services can accurately track the actual performance and effectiveness of their content and marketing programs.

Sometimes we can go a step further and identify leads for client's sales teams to remove some early hurdles along their road to successful customer conversion.

Through deeper understanding and closer client relationships we can cover a wider range of our client's marketing needs and as our global audiences continue to grow, we can further leverage client success in tandem with our success.

Our Q1 results confirmed that we successfully launched these two new products, Lead Generation and Content Agency with an initial 3% of our revenue but set for high growth going forward.

New Business Streams Coming Online 11

Two New Business Line Launches in FY20
Responding to client marketing needs and developing bespoke solutions

Content Agency

Utilising award winning inhouse journalists and designers to create content and marketing assets for clients to use across Aspermont's and other networks



Lead Generation Services

Utilising content marketing campaigns to drive fully qualified, GDPR compliant, marketing leads to clients



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SLIDE 12 – Scalable growth through expansion of content and sales resources

We focussed on building our presence in the North American market over the last 18 months and our market share will continue to expand. We are now increasing our focus on the Asian markets, which will be our next key development region.

Scalable growth achieved through expansion of content and sales resources 12



- 1 Scale content services to new geographies
- 2 Leverage multi-lingual platform capabilities
- 3 Build content services in new sectors

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SLIDE 13 – Our FY20 execution priorities and how investors can measure us

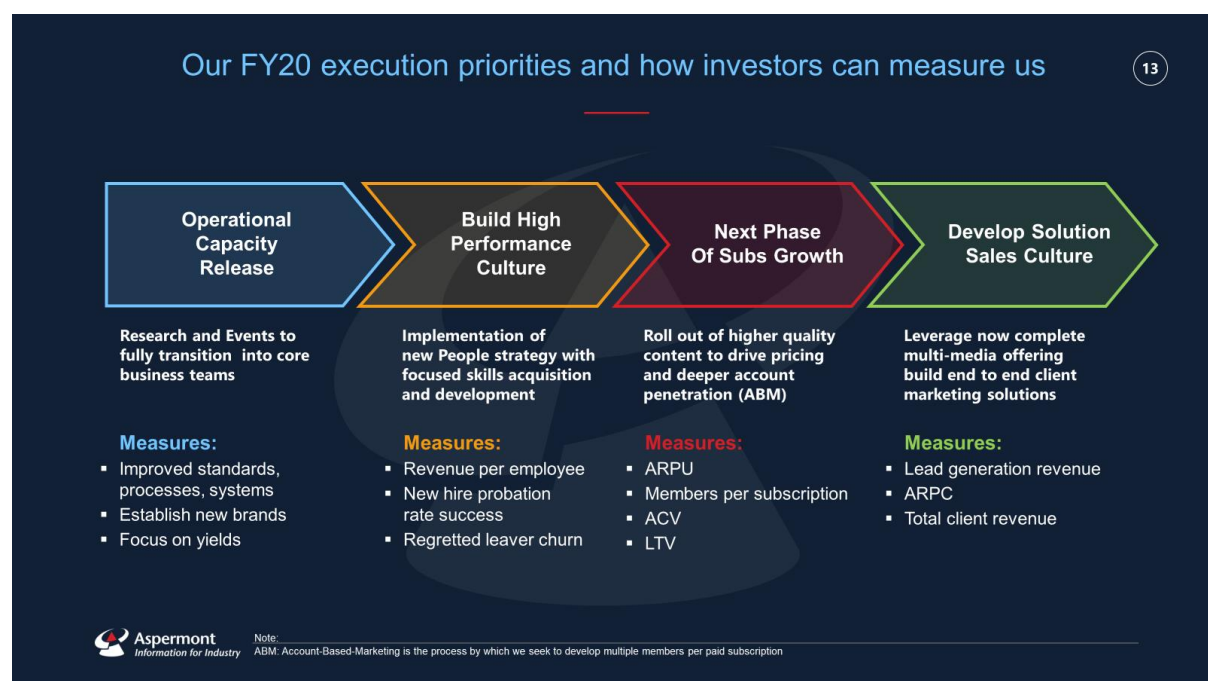
Earlier in the presentation we reviewed our performance against the priorities set out for FY19. Here we lay out the targets to be measured for FY20.

Our new Group People Director will help optimise our skills development, operational capacity and employee productivity

Subscriptions development will remain at our core as does our commercial teams' transition from transactional to solution selling.

Each year we will re-invest our cash flow to upgrade and broaden our product offerings

We will continue to upgrade our ambitions in people and support their performance
In parallel, we will invest in products, systems and processes to enhance that performance.



SLIDE 14 – The outlook for FY 20 is for higher growth

We now have a proven model and are building a consistent growth record, with increasing free cash generation and improving profit margins

Our growth strategy is clear, and we can deliver the solutions our clients need and want.

Our unit economies are attractive; our fixed cost base has stabilised, and we have the people and technologies in place to deliver higher levels of growth

In FY20 we anticipate higher top-line growth, with revenue momentum improving our margins and growth flows through to the bottom line.

Thank you for your attention.