



Aspermont
Information for Industry

Investor Update

August 2020

ASX:ASP

www.aspermont.com

Comment on Q3

“At the half year we stated our next set of responses to COVID and our main focus for Q3. We committed to innovation as the most effective way to adapt our business model and deal effectively with the sudden and severe impacts (from COVID) on our live Event business.

We stated an intention to complete a small capital raise with existing shareholders, while executing other measures to bolster our short term cash position. We decided to focus on profitability while building our defensive strengths for the remainder of COVID whilst remaining well poised to accelerate as economies recover.

At the end of Q3 I can report that as a business we have done exactly what we set out to and because of some great product innovation and difficult decisions taken we look forward to reporting a positive year-end set of results despite the extreme conditions.”

(Alex Kent – Managing Director)

We are the leading media services provider to the global resource industries

Aspermont is the leading media services provider to the global resource industries through a range of iconic titles

Aspermont has invested 20 years in building a commercial model for B2B media 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 the UK, Australia, Brazil, North America and the Philippines



Minjng Journal

Minjng Magazine 

 **Notícias de Mineração Brasil**

RESOURCE STOCKS

FUTURE OF MINING

MN
MiningNews.net

AUSTRALIA'S
MINING
MONTHLY

 **ENB**
energynewsbulletin.net

PNGREPORT 

KONMIN GROUP'S
Farming
Ahead
INDEPENDENT INFORMATION FOR AGRICULTURE

 **Research & Intelligence**

Aspermont has the industry leading business model

Aspermont brands have established a high reputation over near 200 years on the principles of providing high value content to premium rate subscriber audiences. Aspermont has been a digital pioneer, developing one of the first media paywalls in 2002 and introducing semantic search architecture in 2008. Technological innovation drives all parts of its model today

Over the last 20 years the company has built significant competitive advantages which has deterred new market entrants and prompted the exit of regional competitors. The business is developing at a faster pace today with annual audience growth at 30% compound

Brand Leverage

560 years of brand heritage accrues unparalleled audience trust. Trust that enables market collaboration to ensure high success rate in new product launches

Operational Agility

Centralized structure with scalable human resource model enables high go-to-market speeds with controlled investment risk

Leadership Team

Tier 1 executive team with extensive C-suite experience at blue-chip firms. Common strength in marketing, technology and problem solving. Tied in with equity based LTIPs

Intellectual Property

Decades of technological experimentation have produced unique IP in processes, marketing systems and commercial models

Industry Leadership

Aspermont engages 7.5million board and senior management executives across key industries. Sentiment and insight analysis enables agenda setting and leadership on macro themes

Scalable Model

SaaS based model with high unit economics and increasing operating leverage. Can be rolled efficiently across other sectors and geographical markets

Q3 Key Highlights:

- 2% decline in total revenue despite Live Events revenue zeroing; due to social distancing restrictions
- 100%+ yoy growth in Earnings
- 600% yoy growth in Cash Flow from operations
- \$1m, fully underwritten, right issue closed heavily oversubscribed
- \$1.9m improvement in cash position (currently \$2.2m net cash; no debt)
- Subscriptions renewal rates and ARPU continue to rise in tandem, despite market conditions
- Digital audiences, on a TTM, basis spiked 10% whilst LTV passed \$50m
- Net Retention Rate moved beyond 100% with growth in unit economies rising to 22:1

16 quarters of growth delivered from solid foundations

Key SaaS Metrics	As at June'16	As at Mar'20	As at Jun'20	Q on Q Growth	CAGR
Number of Subscriptions*	7,158	7,650	7,825	2%	2%
Average Revenue Per Unit (ARPU)	\$623	\$1,041	\$1,046	1%	14%
Annual Contract Value (ACV)	\$4.5m	\$8.0m	\$8.2m	3%	16%
Web Traffic (Sessions)	3.8m	5.7m	6.1m	7%	13%
Web Traffic (Users)	1.1m	3.1m	3.4m	10%	33%
Loyalty Index	41%	58%	59%	2%	10%
Renewal Rate	73%	83%	84%	1%	4%
Lifetime Years	3.7	6.0	6.2	3%	14%
Lifetime Value	\$16.5m	\$48.0m	50.6m	5%	32%

Rapid growth of all metrics driving high performance ACV & LTV



**Large June quarter spike in Digital Users and Sessions
Renewal rates and ARPU rising together despite market conditions
LTV growth of 32% CAGR over last 4 years**

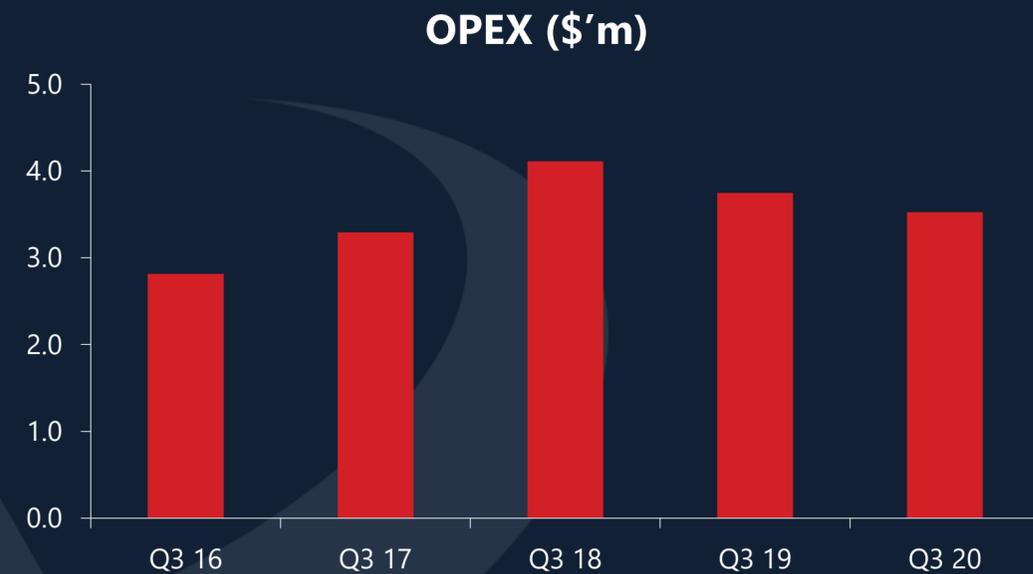
-Refer to glossary in appendix for full definitions of all SaaS metrics

*Aspermont does not present the number of Paid Member per subscription for competitive reason but whilst 'number of subscription' orders are showing low growth, the actual number of Paid Members is in strong double-digit growth owing to our successful ABM strategies

Last quarter shows growth in profitability despite COVID revenue impacts



Subs, Media flat growth with Events revenue wiped out



Costs reductions will deliver larger savings in future periods



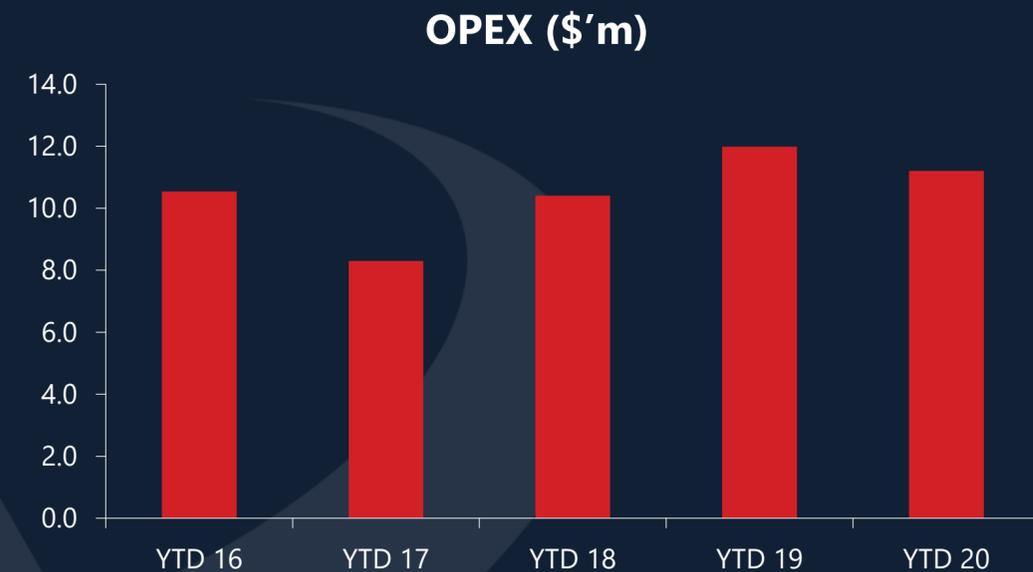
Cashflow strengthened



Profitability* impacted by loss of live Events contribution and lower OPEX investment profile

*Due to COVID impact on business the company also received a one off \$250k in government grants. These benefits have been stripped out to show normalised figures.
 -All EBITDA and Cashflow figures are presented on a normalised based as per unaudited management accounts

YTD profitability strengthening with rising cash flow



*Due to COVID impact on business the company also received a one off \$284k in government grants. These benefits have been stripped out to show normalised figures.
-All EBITDA and Cashflow figures are presented on a normalised based as per unaudited management accounts

COVID has not affected the core business

AUDIENCE STATS	KEY FINANCIALS	CORE SUBSCRIPTION METRICS
40k Paid members	High Top line Growth Strong Double Digit CAGR	\$8.2m Annual Contract Value (ACV)
250k Social Media Audience	Cash Generative \$2.1m Net Cash; No Debt	16% ACV & ARR CAGR
280k Monthly Active Users	 Aspermont <i>Information for Industry</i>	22:1 Unit Economies
3.4m Digital Users	58% Gross Margins with Scaling	\$51m Lifetime Value
7.5m Board/Snr Mgmt Contacts	75% Recurring Revenue	100% Net Retention Rate

Core businesses are robust and scalable

Subscriptions revenues and SaaS metrics have grown consistently for 15 quarters - expected to continue

Media revenues have reversed a decade long industry-wide decline, in net advertising to return with growth now accelerating

Events remain a highly scalable opportunity that ASP will benefit from when market conditions return to normal

New Content Works and Lead Generation engines have launched and are ramping up

New digital events and exhibitions are set for commercial release

Resilient and innovative

Business has recently emerged from a full operational, technological and financial turnaround

Recruitment of high calibre management enhances innovation and IP

Greater skill sets drive productivity

Technology and organizationally enabled

V5 technology platform allows agile product design with go-to-market launches in weeks, not months

Streamlined operations improve efficiency

Outsourced functions provide resource scalability

Group C suite structure, with functional reporting lines, allows decision making speed

Improving economics with scalable model

High unit economies with consistent growth in ARR, NRR and LTV

Several years of consistent growth with expanding margins

Profitable with cash flow

No debt with new products developed from retained earnings

Outlook for FY20

- Growth expected in all revenue streams except for live events
- Positive improvement in earnings, cash flow and margins expected
- 16 quarters of growth in all SaaS metrics expected to continue
- No live Events expected for remainder of FY20
- Virtual Event/Exhibition products to launch in Q4
- Plans to enhance Asian market penetration with new government partnerships

For further information



Address

Aspermont
613-619 Wellington Street
Perth
Western Australia, 6000



Contact Info

Email: corporate@aspermont.com



Telephone

Office Phone: +61 8 6263 9100



Capital Structure

Shares on issue	2.3b	
Options on issue	324m	@3 cent
	10m	@1 cent
Unlisted Performance Rights	92.4m	
Market Capitalisation	18.2m	
Substantial Shareholdings	15.3%	Drysdale Investments Limited
	13.1%	Allandale Holdings Pty Ltd
	11.7%	Mega Hills Limited
	7.6%	Annis Trading Limited
	5.35%	Ginga Pty Ltd

Glossary (SaaS Metrics)

Number of Subscriptions	
Number of live subscriptions at end of period	7,825
Average Revenue Per Unit (ARPU)	
Annual Contract Value / Number of Subscriptions	\$1,046
Annual Contract Value (ACV)	
Aggregate contract cash value of all live subscriptions at the end of a period	\$8.2m
Sessions	
Total number of web sessions over a trailing twelve month basis	6.1m
Users	
Total number of users who initiated at least one web session over a trailing twelve month basis	3.4m
Loyalty Index	
Internal metric analysis of subscriber loyalty through their engagement	59%
Renewal Rate	
Volume of subscriptions renewed over trailing twelve month basis (i.e. the inverse of Churn Rate)	84%
Lifetime Years (LY)	
Average lifetime of a subscription = 1/Churn Rate	6.2 years
Lifetime Value (LTV)	
Aggregate of present and future value of all subscriptions = (Lifetime Year x Annual Contract Value)	\$50.6m

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Presentation of information

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