



**Aspermont**  
*Information for Industry*

# Investor Update

(H1-20)

May 2020

[www.aspermont.com](http://www.aspermont.com)



# 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



**Minjng Journal**

**Minjng Magazine** 

 **Notícias de Mineração Brasil**

**RESOURCE STOCKS**

**FUTURE OF MINING**

**MN**  
MiningNews.net

AUSTRALIA'S  
**MINING**  
MONTHLY

 **ENB**  
energynewsbulletin.net

**PNGREPORT** 

KONDRIN GROUP'S  
**Farming**  
Ahead  
INDEPENDENT INFORMATION FOR AGRICULTURE

 **Research & Intelligence**

# Solid foundations delivering 15 quarters of high performance growth

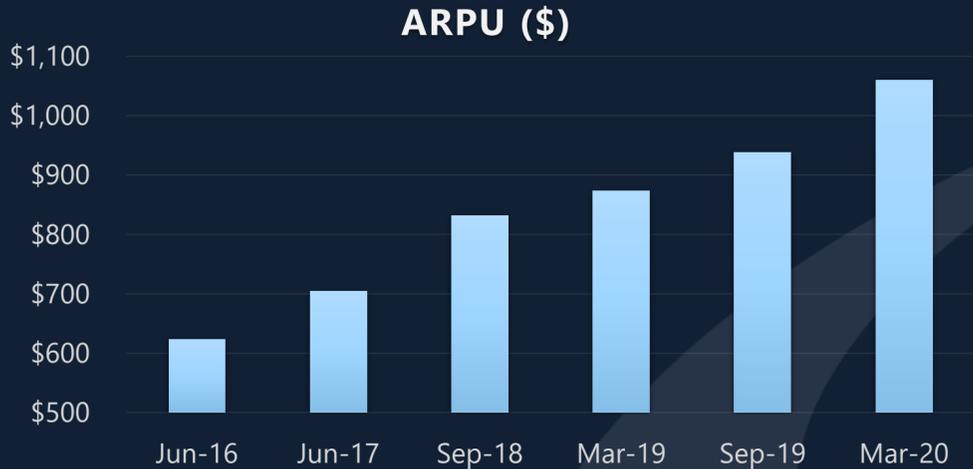
Key SaaS Metrics	As at June'16	As at Mar'20	CAGR
Number of Subscriptions*	7,158	7,650	2%
Average Revenue Per Unit (ARPU)	\$623	\$1,041	15%
Annual Contract Value (ACV)	\$4.5m	\$8.0m	17%
Web Traffic (Sessions)	3.8m	5.7m	12%
Web Traffic (Users)	1.1m	3.1m	32%
Loyalty Index	41%	58%	10%
Renewal Rate	73%	83%	3%
Lifetime Years	3.7	6.0	14%
Lifetime Value	\$16.5m	\$48.0m	33%

Rapid growth of all metrics driving high performance ACV & LTV



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

# Key indicators continue to perform strongly



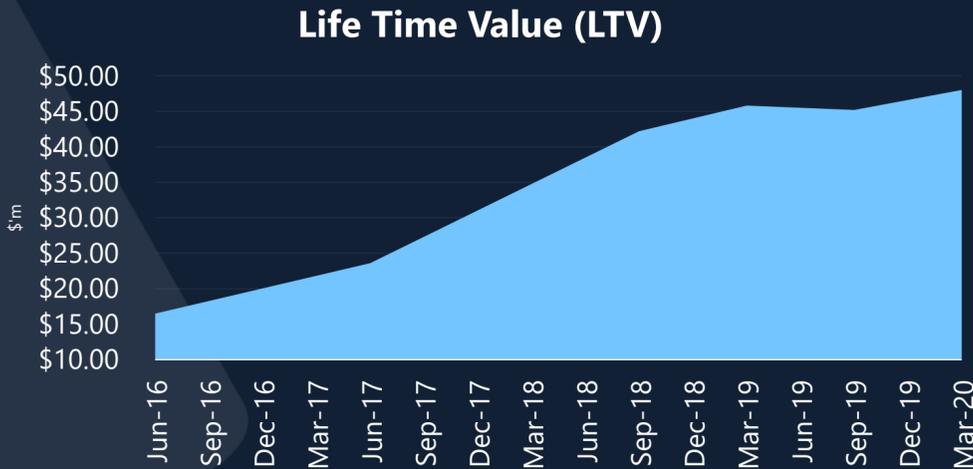
ARPU moves above \$1k at 13% CAGR



ACV moves to \$8m at 17% CAGR



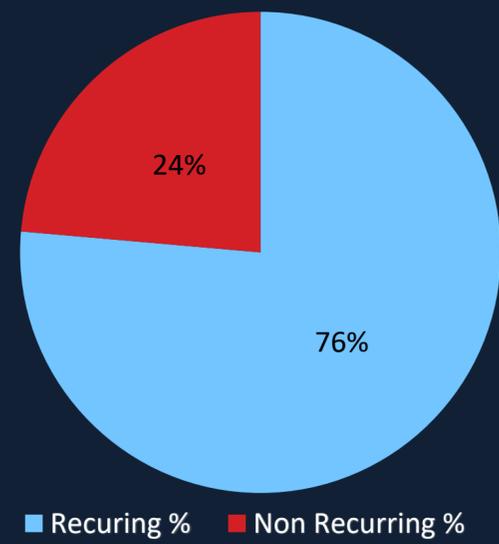
Audience size trebles



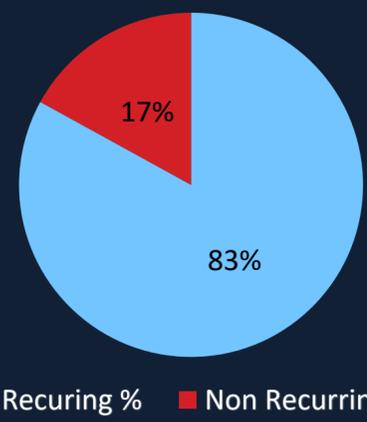
LTV has trebles

# Substantial proportion of all revenue is now recurring

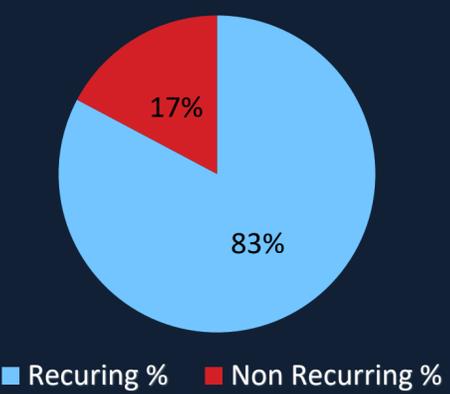
Total Group



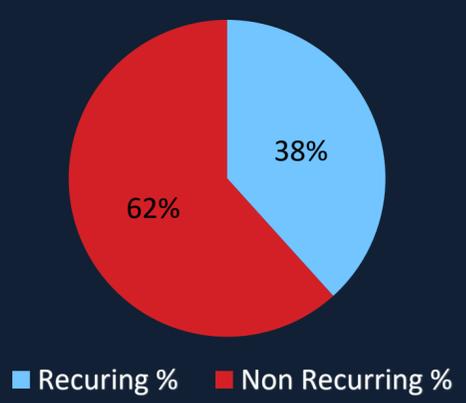
Subscriptions



Media



Events



# Blue chip client base, with large spend capacity and rising ARPC

## COMPANIES

## SUPPLY CHAIN

## FINANCIAL SERVICE

## SERVICES

## TECHNOLOGY

### MINING



### ENERGY



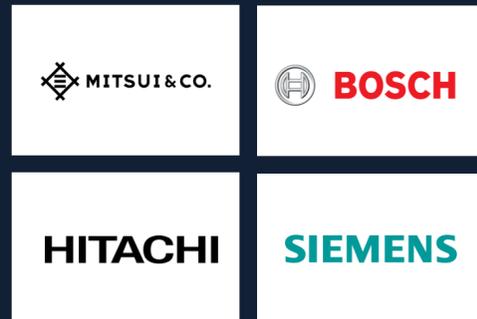
### STEEL



### MACHINERY



### ENGINEERING



### EQUIPMENT



### BANKING



### INVESTMENT SERVICES



### INSURANCE



### ACCOUNTING



### LEGAL



### MANAGEMENT CONSULTANT



Note:

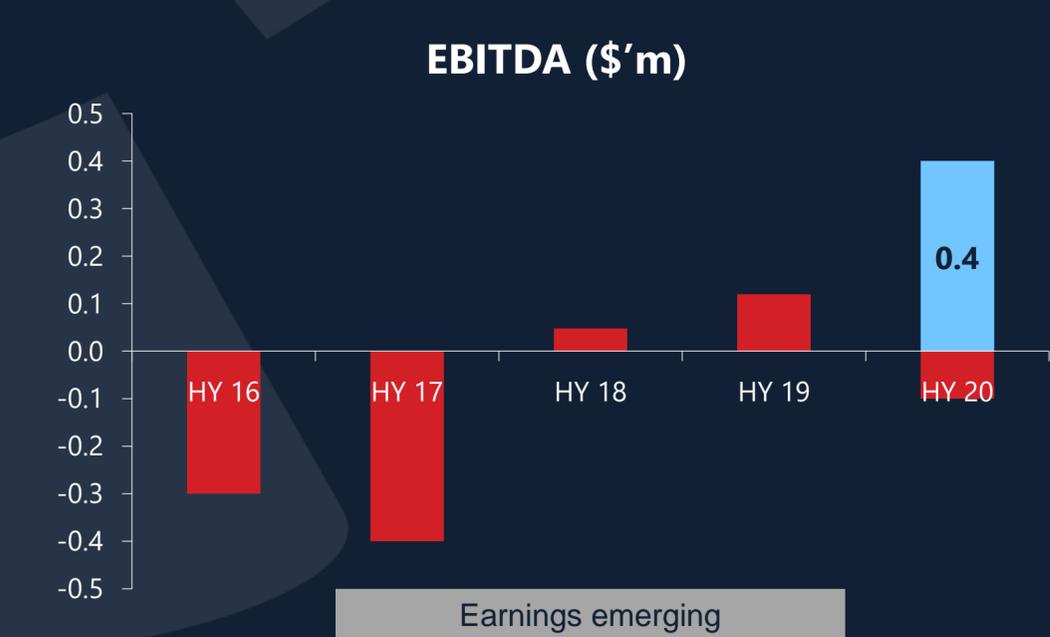
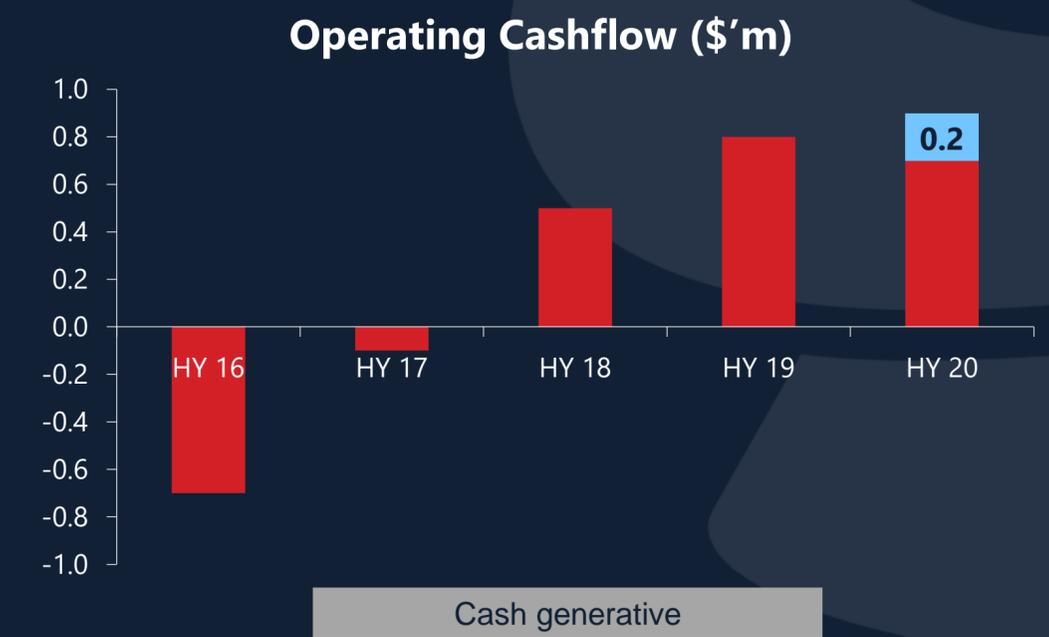
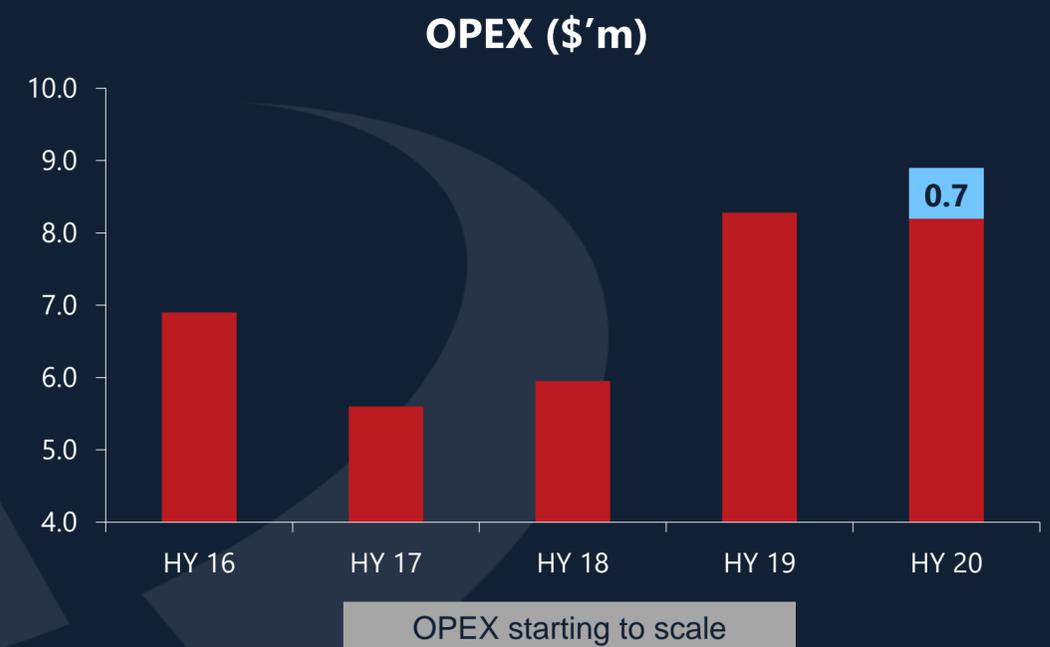
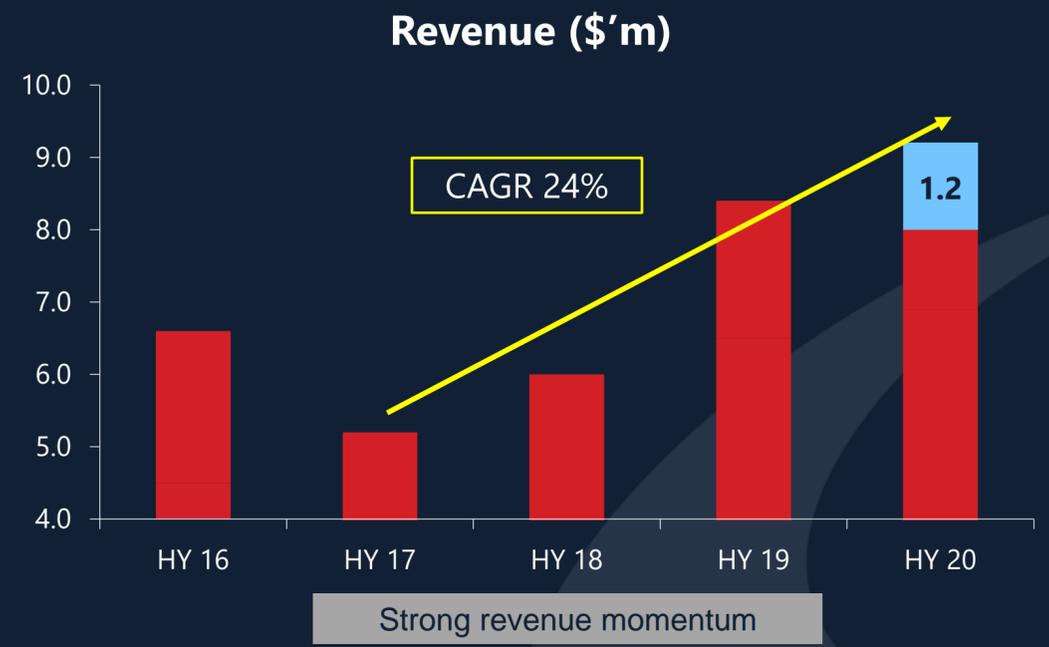
Aspermont is continually developing new products and solutions for its clients. Average Revenue Per Client (ARPC) has grown significantly over the last few years and has the potential to go much higher in the future. See slide 9 [Q1-20 Investor Presentation](#) for more info on ARPC growth

# Underlying (COVID adjusted) H1 performance delivers solid growth

	ACTUAL RESULT				COVID ADJUSTED RESULT				
Operating Revenue	<b>Down 4%</b> -0.3m	to	<b>\$8.1 m</b>	-100%	0%	+100%	<b>Up 11%</b> +1.1m	to	<b>\$9.3m</b>
		From	\$8.4m					From	\$8.4m
Gross Margin	<b>Down 4%</b> -400bps	to	<b>53%</b>				<b>Up 1%</b> +100bps	to	<b>58%</b>
		From	57%					From	57%
EBITDA Normalised	<b>Down 167%</b> -0.2m	to	<b>(\$0.1m)</b>				<b>Up 233%</b> +0.28m	to	<b>\$0.4m</b>
		From	\$0.12m					From	\$0.12m
EBITDA Reported	<b>Up 24%</b> +0.2m	to	<b>(\$0.6m)</b>				<b>Up 88%</b> +0.7m	to	<b>(\$0.1m)</b>
		From	(\$0.8m)					From	(\$0.8m)
Operational Cashflow Normalised	<b>Down 16%</b> -0.1m	to	<b>\$0.7m</b>				<b>Up 25%</b> +0.2m	to	<b>\$1.0m</b>
		From	\$0.8m					From	\$0.8m
EPS	<b>Up 76%</b> +0.22 c	to	<b>(0.07c)</b>				<b>Up 83%</b> +0.24 c	to	<b>(0.05c)</b>
		From	(0.29 c)					From	(0.29 c)

- As [announced to the market, on 18<sup>th</sup> March](#), the Company postponed its Q2 live Events due to COVID
- The financial result of those events was clear given the closeness in timeframe between their due date and the announcement
- Revenues and direct costs for the postponed events have been deferred into FY21 and as such have created an anomalous results for this HY reporting period
- Table above shows both the "Actual Results" (on LHS) and the COVID "Adjusted Results" if the two Q2 events had run (on RHS)
- Whilst COVID has impacted other revenue streams, only its impact on the Events division has been rectified in the COVID "Adjusted Results"
- H1 underlying performance was strong for ASP across all metrics and had we not had the interruption, in Q2 events from COVID, our results would have shown that

# H1-20 Actuals with COVID-adjusted Events figures (blue cap) Consistent growth in revenue, cashflow and profitability



# Agility and adaptability in mitigating COVID impacts

IMPACT	RESPONSE	RESULT
<p><b>Illegal to hold large gatherings in public places</b></p>	<p>Q2 &amp; Q3 Event dates postponed</p> <p>Event costs (Direct + Staff) zeroed</p> <p>New virtual Event solutions</p>	<ul style="list-style-type: none"> <li><span style="color: red;">■</span> \$2.5m revenue shift to FY21</li> <li><span style="color: orange;">■</span> Contribution loss in Events mostly offset</li> <li><span style="color: green;">■</span> NEW revenue</li> </ul>
<p><b>Physical office shutdown &amp; forced remote working</b></p>	<p>Suspension of office lease</p> <p>Accelerated cloud migration</p>	<ul style="list-style-type: none"> <li><span style="color: green;">■</span> Immediate cost savings</li> <li><span style="color: green;">■</span> Long-term remote working capabilities</li> </ul>
<p><b>Contraction in client marketing spend</b></p>	<p>Operational cost savings</p> <p>New 'tactical' product launches</p>	<ul style="list-style-type: none"> <li><span style="color: orange;">■</span> Contribution loss minimized</li> <li><span style="color: green;">■</span> NEW revenue</li> </ul>
<p><b>Supply chain disruptions in print distribution</b></p>	<p>E-reader format delivery</p> <p>Large circulation increases</p>	<ul style="list-style-type: none"> <li><span style="color: orange;">■</span> Positive audience feedback</li> <li><span style="color: orange;">■</span> Minimized campaign cancellations</li> </ul>

## **COVID-19 will affect FY20 reporting results**

\$2.5m of revenue from Events division likely to shift into Q1-21

Lower than anticipated growth rates expected for Media revenues

Subscriptions revenue growth to stay robust but unlikely to achieve double digits

Significant cost saving initiatives will defend bottom line performance

All these distortions combined will result in an anomalous result for FY20

## **Positive strategies emerging from the crisis**

Accelerated cloud migration for all systems and servers meaning all staff have high productivity in remote working environments

Launched e-reader solution driving sustainable increases in circulation and lower distribution costs

Launch of new, disruptive, virtual events product expected in H2

Free to air, COVID-19 related, news provision resulting in high traffic spikes

# The fundamentals haven't changed

## Income engines are robust and long term

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 growth – expected to continue

Events remain a highly scalable opportunity that ASP will benefit from when the market conditions realow

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

## Management team is resilient and innovative

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

Recruitment of high caliber people continues to evolve thinking, capabilities and IP

Development of skills drives productivities

## Technology and organizationally enabled

V5 technology platform allows new product design and build, in weeks not years

Operations have been streamlined to improve efficiencies

Outsourced functions provide resource scalability

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

## Improving economics with scalable model

Attractive unit economies and high growth LTV

Several years of consistent high topline growth with expanding margins

Profitability established and operationally cash generative

No debt

# For further information

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# Glossary (SaaS Metrics)

## Number of Subscriptions

Number of live subscriptions at end of period

**7,650**

## Average Revenue Per Unit (ARPU)

Annual Contract Value / Number of Subscriptions

**\$1,041**

## Annual Contract Value (ACV)

Aggregate contract cash value of all live subscriptions at the end of a period

**\$8.0m**

## Sessions

Total number of web sessions over a trailing twelve month basis

**5.7m**

## Users

Total number of users who initiated at least one web session over a trailing twelve month basis

**3.1m**

## Loyalty Index

Internal metric analysis of subscriber loyalty through their engagement

**58%**

## Renewal Rate

Volume of subscriptions renewed over trailing twelve month basis (i.e. the inverse of Churn Rate)

**83%**

## Lifetime Years (LY)

Average lifetime of a subscription =  $1/\text{Churn Rate}$

**6.0 years**

## Lifetime Value (LTV)

Aggregate of present and future value of all subscriptions =  $(\text{Lifetime Year} \times \text{Annual Contract Value})$

**\$48.0m**

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