

5 August 2019

## **ASPERMONT INVESTOR UPDATE Q3-19**

### ***Rapid Growth with positive Cash Flow***

#### **Q3 YTD Highlights**

- 15% Revenue Growth.
- 20% Gross Profit Growth.
- 36% EBITDA Growth.
- 45% operating cash flow Growth.
- Digital Users now exceed 2.2 million.
- Debt free with healthy cash balance.
- All legacy legal disputes now settled.
- Higher growth rate and new product development funded from cash flow.
- Lifetime Value (**LTV**) of subscriptions alone now \$45.5m.
- Market capitalisation ~\$23M.

For Full Q3 Investor Presentation please [click here](#).

#### **Q3 YTD Comparison Charts (slide 4)**

- Revenue composition of new business units (Events and Data)
- Large increases Year On Year in gross profit.
- Operational cash flow momentum.
- Earnings flat as growth investment now more OPEX than CAPEX.
- Growth to be financed by free cash flow and OPEX investments going forward.

#### **Software as a Service (**SaaS**) (slide 5)**

- 4 years of consistent SaaS development in every area of subscriptions model.
- Focus on Account Based Marketing (ABM) and content quality (which drives Annual Revenue Per Unit or ARPU) to continue with expected ramp up in new business over the coming quarters.
- Loyalty index and renewal rates are stabilising but expected to develop further with expansion of multiple member subscriptions.
- Lifetime years (6.1) and lifetime value of subscriptions (\$45.5m) growth are significantly outpacing Aspermont's market capitalization (~\$23m).

### **Annual Contract Value (ACV) (slide 6)**

4 years ago Aspermont sets out plans to refresh and develop subscriptions after several prior years of decline. Investment in new technology; upgrades in process and people/skills have delivered years of solid growth across the board in subs and particularly in ACV, since then.

ASP's current 18% Compound Annual Growth Rate (CAGR) is in the mid- range of growth expected in this area over the next 5 years.

Moreover whilst the company has a dominant position in its sectors it believes the total addressable market to be many times larger than its current penetration.

The company remains as positive about the long term growth of its subscriptions business as it was 4 years ago when it started recording ACV.

### **FY17 Revenue Tree (slide 7)**

In FY17 Aspermont's revenue reflected core long terms businesses in display advertising and subscriptions.

ASP was then launching new, Horizon 2 units in content marketing, research/intelligence and events (*for more information on Aspermont's Horizons' Strategy please see slide 9*).

Horizon 1 revenues dominated 89% of all revenues in the group at this time.

### **FY19 Revenue Tree (slide 8)**

Now in FY19, Horizon 2 business units now account for 38% of group revenues; despite the continued growth in Horizon 1 businesses (note: as per slide 5 subscriptions are CAGR 18% and yet declining in revenue composition).

Whilst we expect exceptional growth in these Horizon 2 businesses over the next few years we believe our Horizon 3 business lines will increasingly build revenue share.

Lead generation solutions and content agency have both now been fully launched and are in the market.

### **Transitioning Growth Horizons (slide 9)**

As previously stated Horizon 2 business units - in events, content marketing and research – coming to revenue fruition; their path to actual cash contributions now means they move into core business.

This transition to core business required new management structures with minor disruption for the business.

Our Horizon 3 businesses of Lead generation and content agency should generate new revenues in Horizon 2.

Essentially our broadening core revenues are delivering increasing growth as more new businesses transition from Horizon 3 alongside Horizon 2 growth.

For Full Q3 Investor Presentation please [click here](#).

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**About Aspermont**

Aspermont is the leading media services provider to the global mining and resources industry and delivers high value, premium subscription-based content through digital, print, social conferencing and events channels. Aspermont's portfolio includes brands such as *Mining Journal*, *Mining Magazine*, *Australia's Mining Monthly* and *MiningNews.net*. Aspermont successfully restructured over recent years to transition from print to become the global digital media distributor to the mining and resource industry and is focused on scaling new content solutions to better serve new territories and sectors.

Aspermont is listed on the Australian Stock Exchange (ASX: ASP) with offices in offices in London, Australia, USA, Philippines and Brazil.

For more information please see: [www.aspermont.com](http://www.aspermont.com)