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# Aspermont

Information for Industry

ABN: 66 000 375 048

## **APPENDIX 4E PRELIMINARY FINAL RESULTS**

For the financial year ended  
**30 September 2019**

**ASPERMONT LIMITED**  
**APPENDIX 4E**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**Results for the year ended 30 September 2019**  
(all comparisons to the year ended 30 September 2018)

<b>Key Financial Information</b>			A\$'000
Revenue continuing operations	Up	17%	16,379
Net loss after tax arising from continuing operations <sup>(1)</sup>	Down	690%	(7,452)
Net loss after tax attributable to equity holders of the parent entity <sup>(1)</sup>	Down	690%	(7,452)
EBITDA	Down	55%	(1,080)
Normalised EBITDA <sup>(2)</sup>	Up	162%	461

<sup>(1)</sup> Includes Loan write-down of \$4.9m relating to settlement of Beacon JV divestment as announced in May 2019

<sup>(2)</sup> Normalised EBITDA reconciliation is provided within the operational highlights report below

**Dividends/Distributions**

	Amount per security	Franked amount per security
Final dividend	n/a	n/a
Interim dividend	n/a	n/a

**Additional dividend/distribution information:**

n/a

**Dividend/distribution reinvestment plans**

The Aspermont dividend re-investment plan is currently suspended.

**Net Tangible Assets (NTA)**

			A\$'000
Net tangible asset backing per ordinary share	Down	1,361%	(0.36)
Net tangible asset backing per ordinary share (weighted)	Down	1,293%	(0.37)

**Material Interest in entities which are not controlled entities:** None

A brief explanation of the results has been provided in the Operational report attached. Additional Appendix 4E disclosure requirements can be found in the Directors' Report and the Financial Report for the year ended the 30 September 2019 which has been reviewed by Greenwich and Co with the independent Auditor's Review Report included in the Financial Report.

# ASPERMONT LIMITED

## OPERATIONAL HIGHLIGHTS

### FOR THE YEAR ENDED 30 SEPTEMBER 2019

#### Overview

Aspermont has successfully completed a full strategic, operational, digital and financial transformation to strengthen its position as the leading media services provider to the global resource industries.

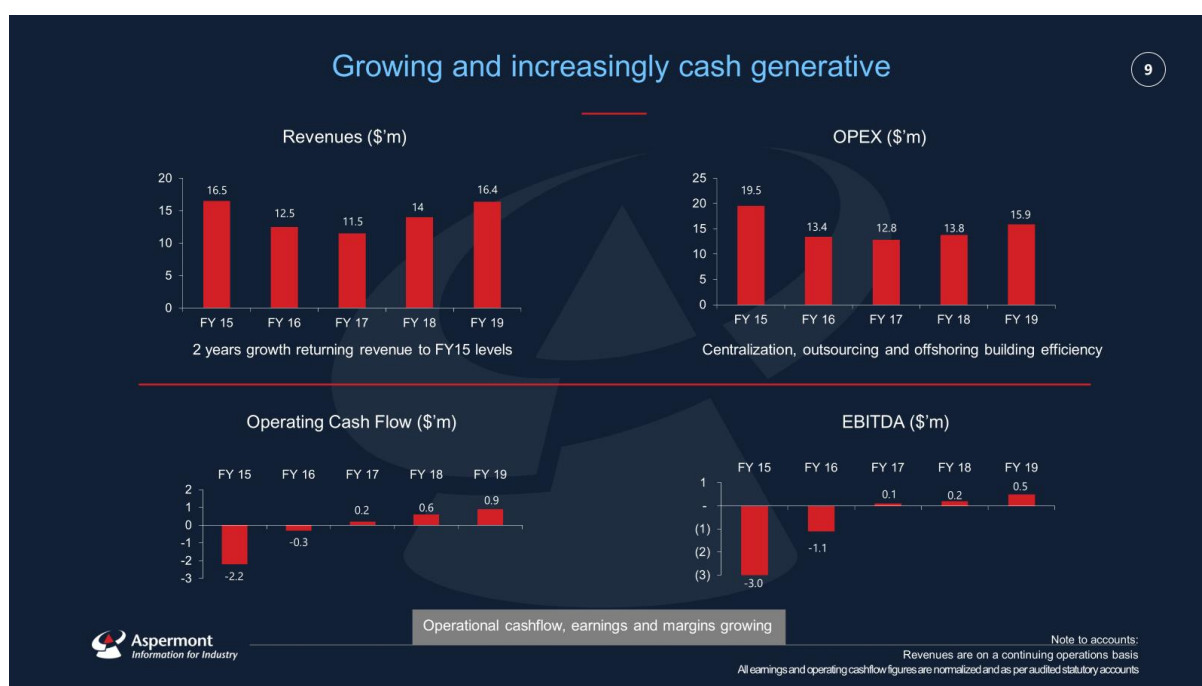
The company has invested in both content and technology platforms to facilitate premium audience build solutions and has now delivered 13 quarters of back to back high-performance growth in subscriptions revenues and all associated SaaS metrics.

In FY19 the company completed phase 3 of its development with the launch and subsequent integration, of both an Events and Research business to deliver a full multi-media proposition for its audiences and client communities.

Now; in its fourth phase 4 of development, Aspermont is focused on extending this capability to a complete end-to-end marketing service for its clients.

Over the past twelve months the company has progressed well in its substantial new growth phase with revenues, margins and profitability all making good improvements. At the same we have made significant investments to enhance the scalability of our model.

Aspermont is building its base and expanding its market opportunities for significant long-term growth.



#### Performance versus Guidance

Our expectations for FY19 were:

1. High top line growth
2. All revenue classes to remain in growth
3. Significant improvement in all key SaaS metrics
4. Gross and net margins to continue expanding
5. Improving profitability and higher operational cash flow

Aspermont has delivered well against all those expectations.

The results for the twelve months ended 30 September 2019 reflect continuing improvement in Aspermont's financial performance and outlook.

**ASPERMONT LIMITED  
OPERATIONAL HIGHLIGHTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**Key Financial Highlights**

<b>Year Ended 30 September</b>	<b>2018</b>	<b>2019</b>	<b>Improvement</b>
<i>Subscriptions</i>	\$5.7	\$6.4	+12%
<i>Delegates</i>	\$0.3	\$0.7	+131%
<b>Audience Revenues</b>	<b>\$6.0</b>	<b>\$7.1</b>	<b>+18%</b>
<i>Display Advertising</i>	\$4.6	\$4.9	+7%
<i>Event Sponsorship</i>	\$0.9	\$1.9	+109%
<i>Content Marketing</i>	\$2.3	\$2.1	-8%
<i>Content Agency</i>	-	\$0.12	New
<i>Lead Generation</i>	-	\$0.05	New
<i>Jobs/Classifieds</i>	\$0.2	\$0.2	
<b>Client Services Revenues</b>	<b>\$8.0</b>	<b>\$9.3</b>	<b>+16%</b>
<b>Total Revenue</b>	<b>\$14.0</b>	<b>\$16.4</b>	<b>+17%</b>
Gross Margins	54%	55%	+2%
<b>EBITDA</b>	<b>\$0.2m</b>	<b>\$0.5m</b>	<b>+161%</b>
Cash Flow from Operating Activities	\$0.6m	\$0.9m	+62%

**Notes:**

- Revenue classifications based on management accounts and reflective of new reported product divisions
- EBITDA and Cash from Operating Activities figures are normalised (refer Appendix 1)
- Decline in content marketing revenues this year are an anomaly and not expect to repeat in FY20

**Key Achievements**

- Total revenue growth of 17% to \$16.4m
- Strong double-digit growth in
  - Audience revenues and associated audience build metrics
  - Client Services revenues and network size
- Margins continuing to expand year on year
- Large improvements in both normalized EBITDA and operating cash flows
- Key personnel appointments
  - Chief Commercial Officer (Matt Smith)
  - Group People Director (Leah Thorne)
- Better establishment of products and series launched in prior year
  - Events: Future of Mining series & Mining Journal Select series
  - Research: World Risk Report & Global Leadership Report
- Successful launch of new business lines
  - Lead generation
  - Content agency
- Significantly enhanced penetration in North American market
  - Diversified revenue growth of 65% (FY17 - FY19)
  - Active digital user growth of 470% (FY-16 - FY19)

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**ASPERMONT LIMITED  
OPERATIONAL HIGHLIGHTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**Financial Position**

- Aspermont has no net debt and is making investments from existing funds to accelerate the Company's growth strategy.
- At year end, the Company has a cash balance in excess of \$0.7m despite its significant investment in organic business drivers.

**The Network Effect**

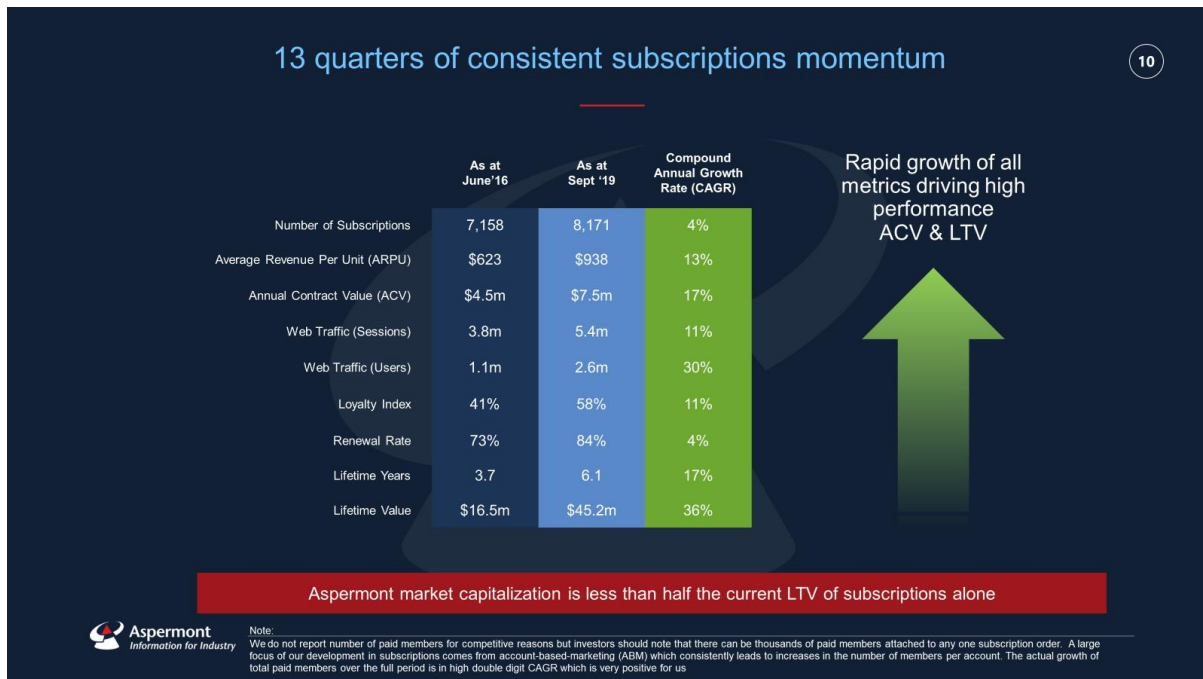
As Aspermont's paid network has built over the last few years and all its revenues have grown, the business has been able to enhance the value of its offering to both its audiences and clients. (This is what we refer to as 'the network effect').

On the Audience side; investments in content have seen new research and data products, wider news coverage and new conferences. All of which have driven audience revenues.

On the client side; investments in new sales capabilities have seen new lead generation tools, multi-media formats and content creatives. All of which have driven client services revenues.

**Key Audience Metrics**

Aspermont has now delivered thirteen consecutive quarters of growth in all audience metrics



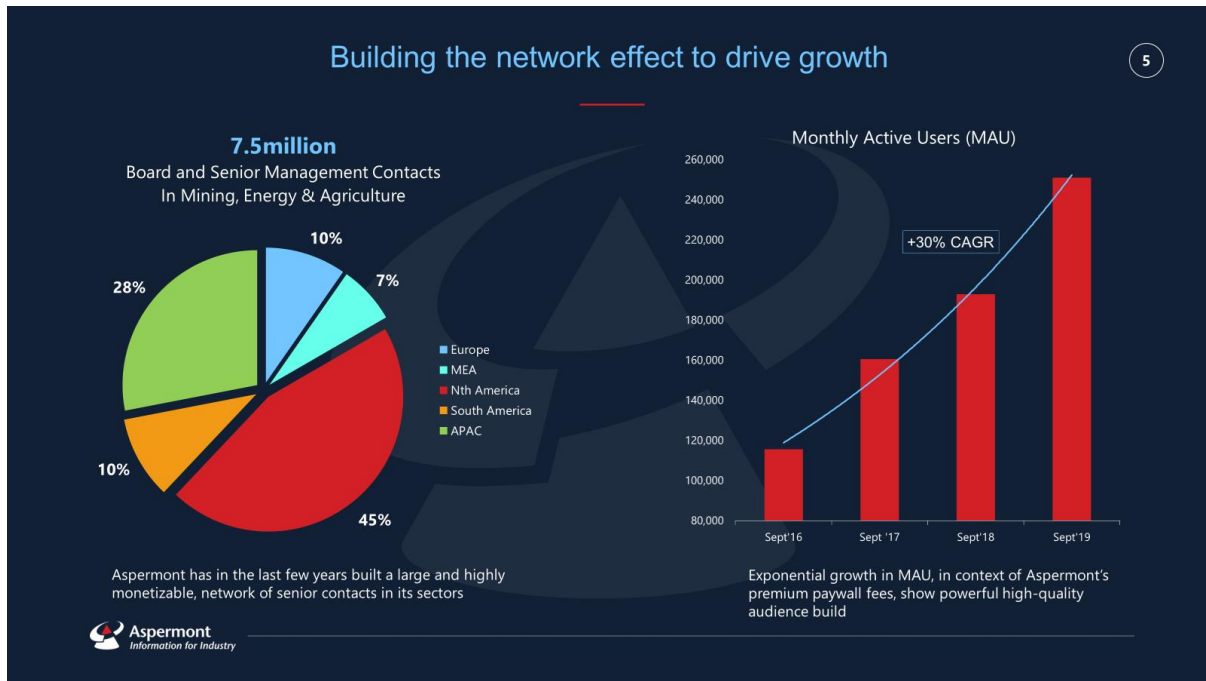
Aspermont's key lead indicator is Monthly Active Users (MAU). We measure this for all digital media products on a combined basis.

Aspermont has 250K+ MAU's as at the end of September 2019. MAU's have grown by 30% CAGR since September 2016. This growth shows the underlying strength of the value model and the depth and performance of our ABM strategies (see chart on RHS of slide below).

The second lead indicator to track is Event attendees which has grown from zero in FY16 to 1,532 in FY19. (We define Event attendees as all those speakers and delegates who attend our conferences).

**ASPERMONT LIMITED  
OPERATIONAL HIGHLIGHTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

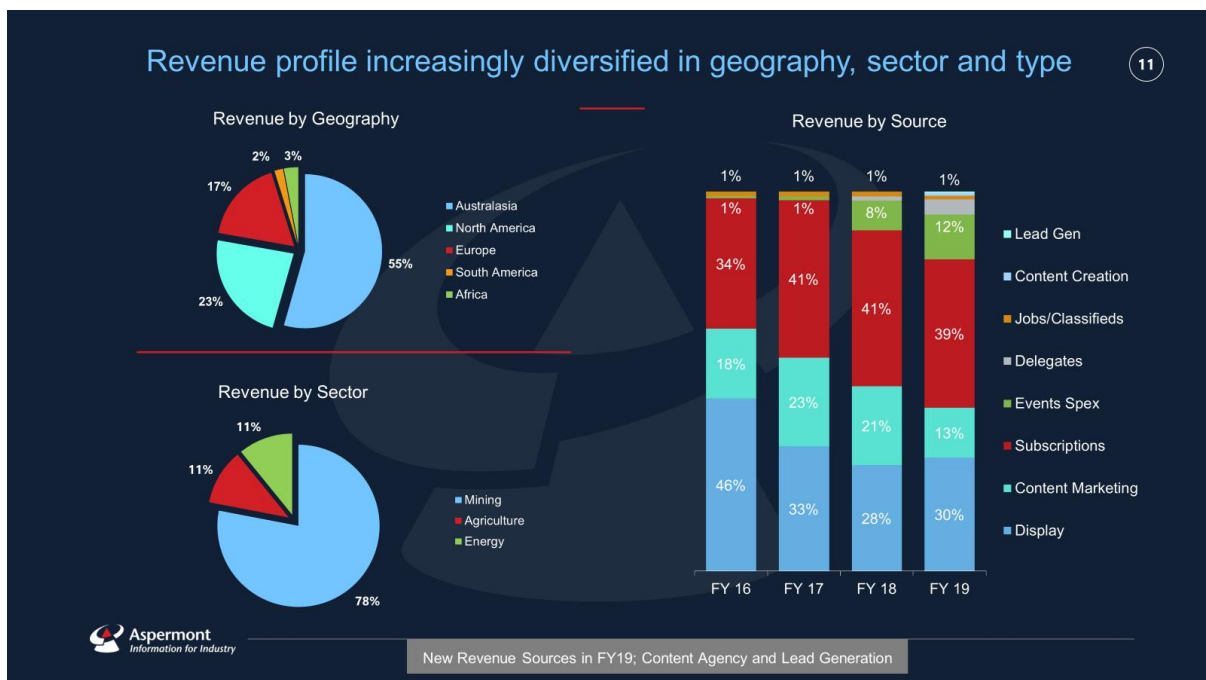
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**Key Client Metrics**

In FY 19 we launched both content creation services and lead generation services.

A new third lead indicator, which will have an increasing significance as we develop these new revenues streams is "senior contacts". On the Client side we now have 7.5 million board and senior management contacts in our sectors (see pie chart on LHS of slide above). This network allows us to simultaneously extend our marketing services' product suite; provide a better value-add service to our clients and improve our revenue diversification.

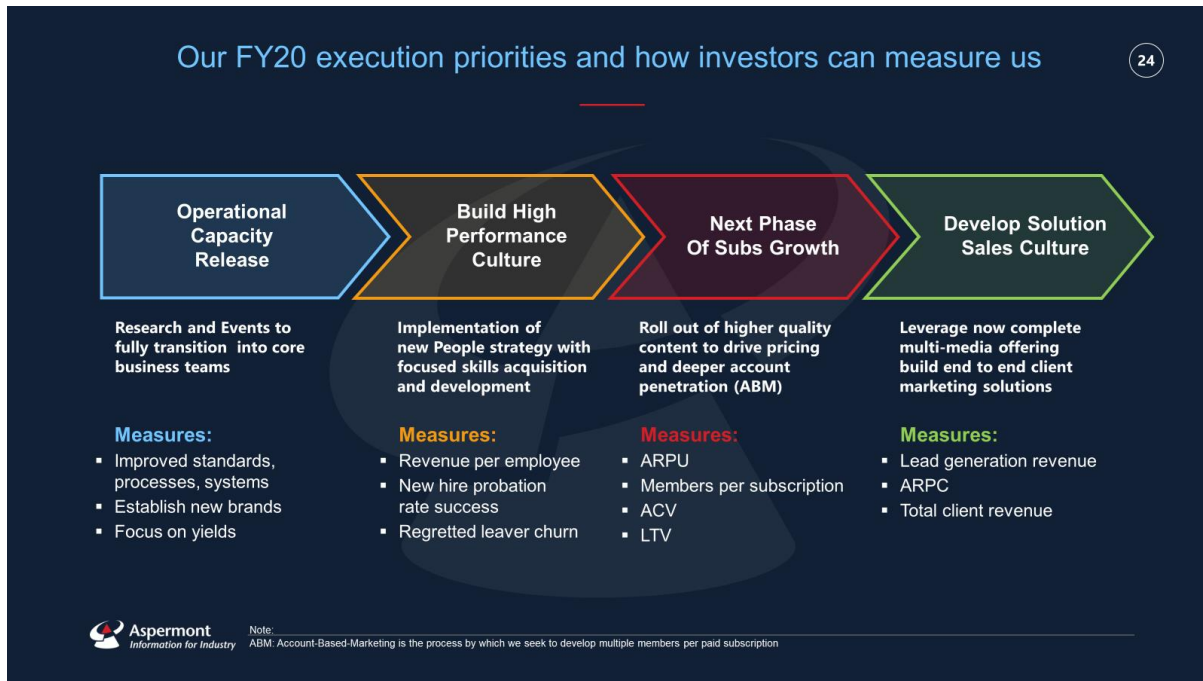


**ASPERMONT LIMITED  
OPERATIONAL HIGHLIGHTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**F20 Execution Priorities**

Over the next 12 months we are focused on talent acquisition/retention, performance management and skills development strategies within our business to drive a high-performance employee culture.

Subscriptions growth remains a core priority as does our transition to a solution selling approach. Now that we have the audience and product assets to leverage, we have an opportunity to maximise our returns at far higher levels.



**Outlook**

Aspermont now has a proven model; a consistent track record of growth, improving margins and cash generation. We have a clear growth strategy and the capabilities to deliver the solutions that clients increasingly need and want. Our unit economies are attractive, we have a relatively stable fixed cost base and we have the people and technologies in place to see the business springboard.

Consequently, in FY20 we expect to show:

1. Continued top-line performance,
2. Improving bottom lines and cashflow performance
3. Margins expansions (gross and net)
4. Continued development of all audience, SaaS and ARPC metrics

**ASPERMONT LIMITED**  
**OPERATIONAL HIGHLIGHTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**Appendix 1:**

**Normalised EBITDA**

The reconciliation of statutory earnings to EBITDA is as follows:

<b>Year Ended</b>	<b>30 Sept 2019 \$000</b>	<b>30 Sept 2018 \$000</b>
<b>Reported income/(loss) from continuing operations before income tax expense</b>	<b>(7,466)</b>	<b>(868)</b>
Net interest	103	24
Depreciation and amortisation	1,061	188
Other (share based payments & provisions, foreign exchange, other income)	278	(43)
Write-down of Loan receivable	4,944	-
<b>Reported EBITDA</b>	<b>(1,080)</b>	<b>(699)</b>
Fair value revaluation and interest receivable of Beacon loan		(584)
Exceptional one-off charges <sup>(2)</sup>	384	389
New business establishment costs <sup>(3)</sup>	1,157	1,070
<b>Normalised EBITDA<sup>(1)</sup></b>	<b>461</b>	<b>176</b>

**Normalised Cash Flow from Operations Reconciliation**

<b>Year Ended</b>	<b>30 Sept 2019 \$000</b>	<b>30 Sept 2018 \$000</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	18,772	14,225
Cash outflows to suppliers and employees	(19,123)	(14,648)
Interest and other costs of finance paid	(42)	(13)
<b>Cash outflow from Operating activities</b>	<b>(393)</b>	<b>(436)</b>
Exceptional cash outflows <sup>(2), (3)</sup>	1,295	992
<b>Normalised Cash inflow/(outflow) from operating activities <sup>(1)</sup></b>	<b>902</b>	<b>556</b>

Notes for Normalised EBITDA and Normalised Cash Flow from Operations reconciliations:

<sup>(1)</sup> Based on unaudited management accounts

<sup>(2)</sup> One-off expenses relating to Beacon Events<sup>1</sup> legal costs and business restructuring

<sup>(3)</sup> Estimated expenditure in relation to the establishment of new business lines e.g. Events, Research, Lead Generation, Content Agency

<sup>1</sup> Beacon Events was a joint venture entity that Aspermont used to own 60% of and over the last few years of its divestment entailed a long-standing legal dispute. In May 2019 the company reached a full and final settlement with Beacon Events on all matters

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