

28 November 2019

Transcript of Aspermont FY19 results webcast

Good Morning Ladies and Gentlemen

And welcome to today's Aspermont FY19 results webcast.

The defining point of our presentation today is to affirm that Aspermont is progressing well and is in a substantial growth phase.

FY19 has been an important development year in which we:

- Established our multi-media client services offering;
- Delivered more high -performance growth in audience income and wider network effects;
- Settled the protracted 7-year legal case with Beacon Events; and
- Maintained high top line growth rates with improving profitability across all businesses.

Last year we also laid solid foundations to support the new and 4th phase of our company's development where we will focus on delivering end to end marketing solutions for our client base and I'll talk more about that exciting development later.

I will refer to the presentation we have released to the ASX today. I don't intend to discuss every slide but will summarise the key pages.

SLIDE 2 – The leading media services provider to the global resources industry

Across our titles we have over 560 years of brand heritage which has established Aspermont as the leading media services provider to the global resources sector.

We are listed on the ASX with headquarters in London and offices in Australia, Brazil and the Philippines.

Over the past 20 years we have built a commercial model for B2B media which provides high value content and generates premium subscription audiences.

Our model is scalable, both by sector and geography and we are currently focused on extending our leadership in the Mining, Agriculture, Energy and Technology sectors.

The leading media services provider to the global resources industry

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.



SLIDE 4 – Evolving business, more and more, to value-add solutions

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

In the first phase, we focused on fixing our legacy business and restoring advertising revenues to growth, we 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 and have now delivered 13 quarters of back to back high-performance growth in subscriptions revenues and all associated key SaaS metrics.

Recently we completed phase 3 of our development with the launch of both our events and research businesses to deliver a full multi-media proposition for our audience and client communities.

Now; we are in phase 4 and are building a full end to end marketing services suite for our clients.

This will allow us to open new revenue opportunities, build greater incumbency with our clients and enhance our profitability.



SLIDE 6 - FY19 stated execution priorities and how we performed

Aspermont’s success comes from the complete operational alignment of our key priorities.

Everyone knows what needs to be done. We prioritize, we execute, and we are open and transparent on that progress.

The FY19 scorecard shows what our stated goals were at the beginning of the year and how we have progressed against the key measurable.

In short, we have made good progress in all areas.

Having launched our events and research businesses in FY18 their growth has been good this year, similarly their integration into the main business has started to transition well.

We did have some personnel disruption throughout the year which stunted higher performance but it has been pleasing to see how well entrenched the Future of Mining and Mining Journal Select events series have become and so too the World Risk and Global Leadership annual Reports.

Subscription growth has performed well again this year and so to the technological development of our marketing solutions. Our lead volumes are increasing sharply, and that important indicator bodes well for our future ‘new business’ conversion.

On the client services side we have seen progress in Average Revenues Per Client but perhaps not at the levels that we would have liked. Significant team restructuring over the year has delayed some progress but the changes we took were the right steps for the business as we continually look

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to build the right skills sets in the company not just for the opportunities of today but also of tomorrow.



Later in the presentation we set out our goals for FY20.

SLIDE 8 – FY19 – solid growth and margin expansion

In headline terms the company grew by 17% in FY19, following on from 21% last year.

Our margins reflect a year of significant investment to enhance the scalability of our model and so too our earnings and cashflows have been tempered by this.

Quite simply we are building our base and expanding our market opportunities for more significant future returns.

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SLIDE 10 – 13 quarters of consistent subscriptions momentum

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

Over that period, we grew our subscriptions base by 14%; lifted our pricing by 51% and reduced our churn by 41%.

As with subscriptions we also see continued development in our Average Revenues Per Client and account penetration and expect to see a greater acceleration in those improvements next year.



SLIDE 17 – Blue chip client base of industry leaders with large spend capacity

Aspermont’s client are Fortune 500 industry leaders.

In the last 12 months we attracted new clients such as Microsoft, Amazon and SAP which both confirms our value proposition and also reflects our shift in marketing solutions to attract some of the largest technology and services providers.



SLIDE 20 - Focused on building paid audiences and leveraging them for client revenues

We have spent a lot of time in the marketplace over the last few years, talking with our clients to understand their marketing aspirations, to see how we can alleviate their pains and optimise their gains.

Many of our clients work with us to focus on developing their brands and to increase awareness of their product and services, which we deliver through traditional display advertising solutions.

Increasingly; clients ask us to transmit their messages to our audiences in new ways and through other forms of content: blogs, articles, profiles, case studies, guides, webinars, whitepapers, video, podcasts, animation, face to face and so on.

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

We launched a content agency this year, enabling clients to access the world class talent in journalism we have at Aspermont to help build recognition for their best attributes. Our journalists

are skilled at writing and placing content in new and engaging ways to give clients wider recognition.

We also work with marketers in new ways to help them prove the efficacy of their campaign spends and ROI. Lead generation services have been developed and launched which specifically help to track and prove physical performance for clients from the content and other marketing assets that they have created.

In some circumstances we go a step further and nurture leads for the client's sales teams; working to remove some of the initial hurdles they encounter on the road to successful conversion.

Through deeper understanding and closer relationships within the market we aim to cater for every part of our client's marketing needs and through the strong performance in our own audience build we help our clients further leverage their success in line with our success.

To describe our revenue model in a little more granularity, because its important, lets break it into 2 sections:

Audience Revenues and Client Revenues



Audience revenues comes from subscribers and paid event delegates.

Typically, a subscriber might pay \$1000 for an annual service to one of our media brands.

That payment is taken in full, upfront, and before the service is delivered.

Similarly, those same subscribers may also choose to attend one of our events.

For that they pay an additional fee, per event pass, which is also taken upfront and before the product has been delivered.

Client revenues, on the other hand, come from marketing campaigns that we run for our customers.

An advertising campaign might run over many months and the client would pay in monthly increments as that campaign is running or in a larger portion upfront.

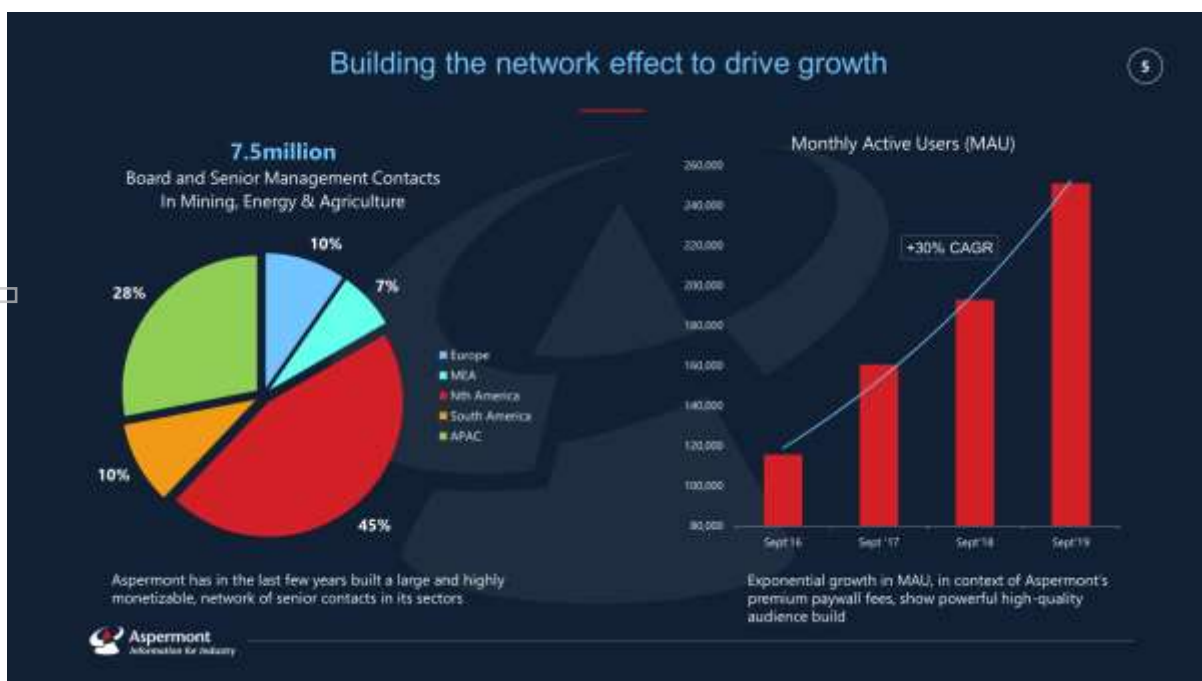
With event sales, clients might buy an exhibition booth or a speaking slot and in those cases, they also would pay upfront.

Nowadays clients might also have us develop some content assets for them (this is the service that we call 'Content Agency').

Some want us to market those assets to relevant segments of our audiences (this is the service that we call Content Marketing);

and finally many want us to go ahead and physically generate leads for them from those activities (this is the service of we call lead generation).

And through the recent development of 7.5m senior management and board contacts that we have built up in our sectors (and shown a breakdown of in slide 5), alongside our enhanced delivery capabilities; multi-medium formats and content varieties; we are now able to execute for our clients at a much higher, value-add, level.



At Aspermont we always look to be one step ahead in anticipating the next market trend or need.

SLIDE 23 North American market development

North America is a key market for us over the next few years and we have made great progress in our development to date.

More content resources, have produced more audiences, at higher levels of engagement.

Over the last few years we have grown our digital North American audiences by around 500% and at the same time grown our subscriptions revenues from the region by 125%.

On the client side, we have extended our products and services suite to enhance the commercialisation of those new audiences.

And overall; our revenues have improved by \$1.5m in the last 2 years, some 65% increase.

and we fully expect that trend to continue in North America for the foreseeable future.



SLIDE 24 – Our FY20 execution priorities and how investors can measure us

Earlier in the presentation we reviewed our performance against last years stated execution priorities and here we lay out the targets to be measured this year.

First, our new Group People Director will help us drive a new focus on skills development, operational capacity and employee productivity.

Subscriptions development remains at the core for next year -as always- and so does the continued transition of our commercial teams from transactional to solution selling. This is at the heart of our priorities for next year and likely the following few years as well.

Each year we upgrade, and we invest.

We upgrade our ambitions in people and their performance and

We invest in the products, systems and processes needed to enable that performance.



SLIDE 25 – The outlook for next year remains one of high growth

We now have 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.

In FY20 we expect to show continued top-line performance, with an improving bottom line as margins expand.

SLIDE 26 - Conclusion

Over the next 12 months Aspermont is going to expand its operational capacity; drive enhanced productivity from our key assets – our people – continue to develop our subscription proposition and develop the commercial skills of our sales teams. As laid out on slide 26 we invite investors to track our progress in these respects.

In conclusion:

- Aspermont has leveraged its audience strengths and excellent industry reputation to build solutions for our customers of today and tomorrow.
- We have been purposeful in planning our growth and judicious in the opportunities we have prioritised for development.
- Consistent delivery; clear alignment and strong accountability are the three key tenements of our execution strategy.
- And we expect strong financial performance to follow.

Thank you


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 are being financed from cash flow

Audience Development		June'18	Sep'18
Number of Subscriptions		7,158	8,171
Average Revenue Per Unit (ARPU)		\$623	\$938
Renewal Rate (%)		73%	84%
Annual Contract Value		\$4.5m	\$7.5m
Lifetime Value (LTV)		\$16.5m	\$45.2m
Digital Users		1.1m	2.6m
Event Attendees		-	1,532

Financials		June'18	Sep'18
Group Revenue		\$12.6m	\$16.4m
GF 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	\$23.3m
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Note: All earnings and operating cashflow figures are normalised and as per audited statutory accounts