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**Aspermont**  
*Information for Industry*

# Investor Update (Q1)

January 2020

ASX:ASP

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

# The leading media services provider to the global resources industry

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**

**RESOURCESTOCKS**

**FUTUREOFMINING**

**MN**  
MiningNews.net

AUSTRALIA'S  
**MINING**  
MONTHLY

 **ENB**  
energynewsbulletin.net

**PNGREPORT** 

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

 **Research & Intelligence**

# Consistent revenue growth with increasing diversification

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## Revenues

- Quarterly revenues of \$4.3m with momentum building
- New revenue sources introduced; Lead Generation & Content Agency; with initial contribution of 3% of revenue but rapid growth going forward
- Continual revenue diversification driven by solution selling

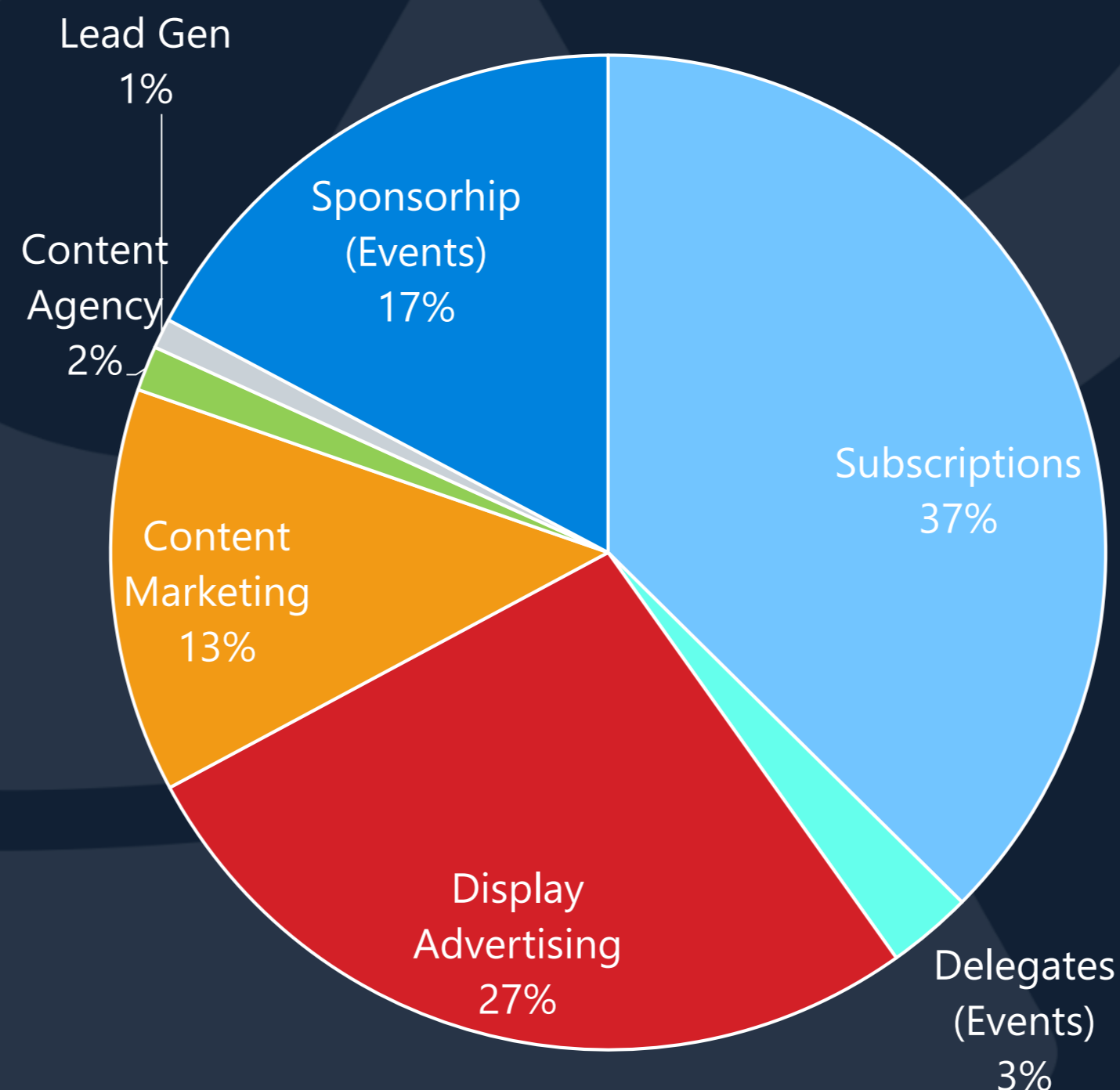
## Series expansion

- The strong success of Mining Journal Select in June 19 has created demand for further Events in the same series

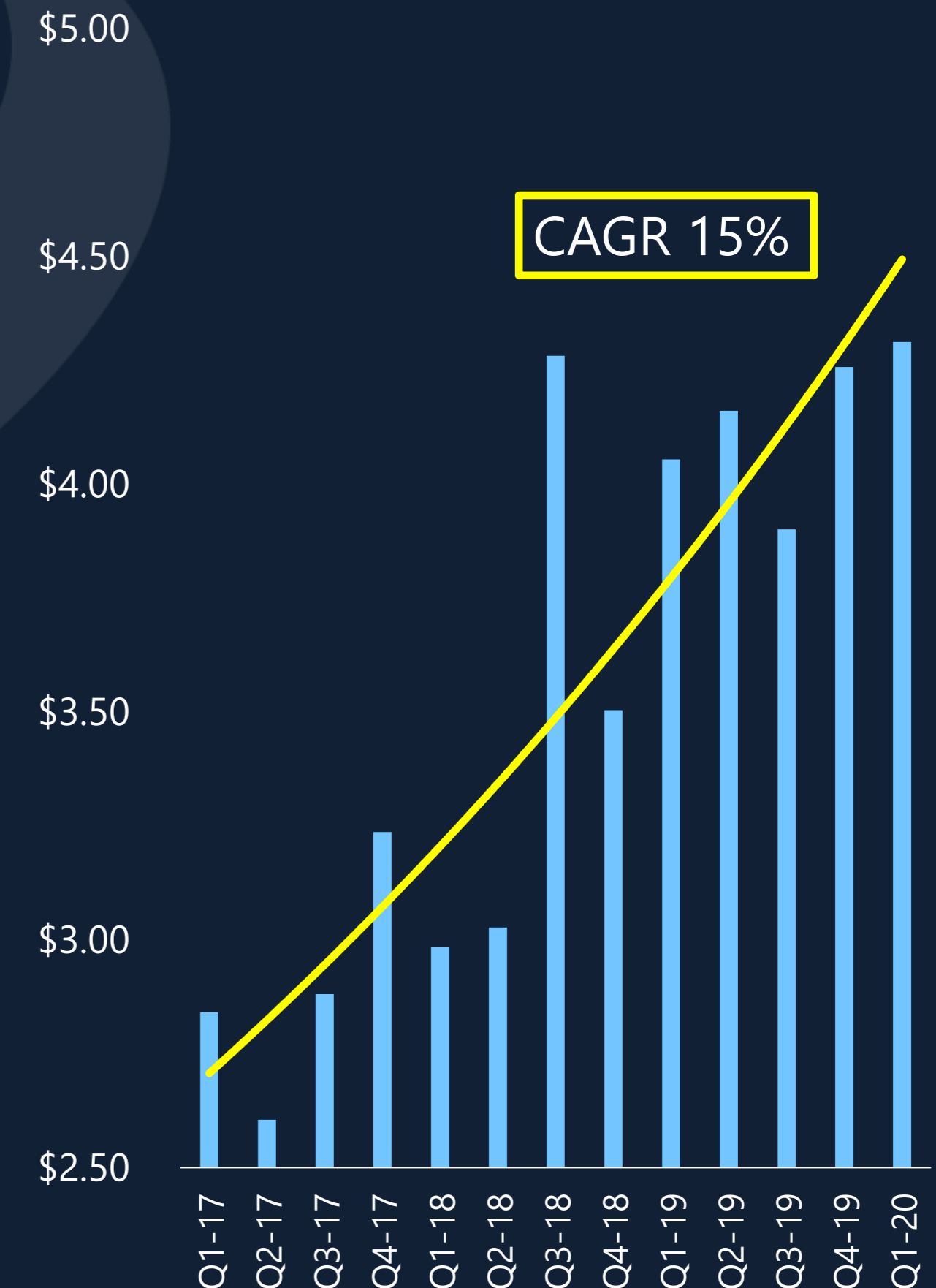
## New products

- Mining Journal In the Studio was launched in Q1 to film interviews and panels in a dedicated studio

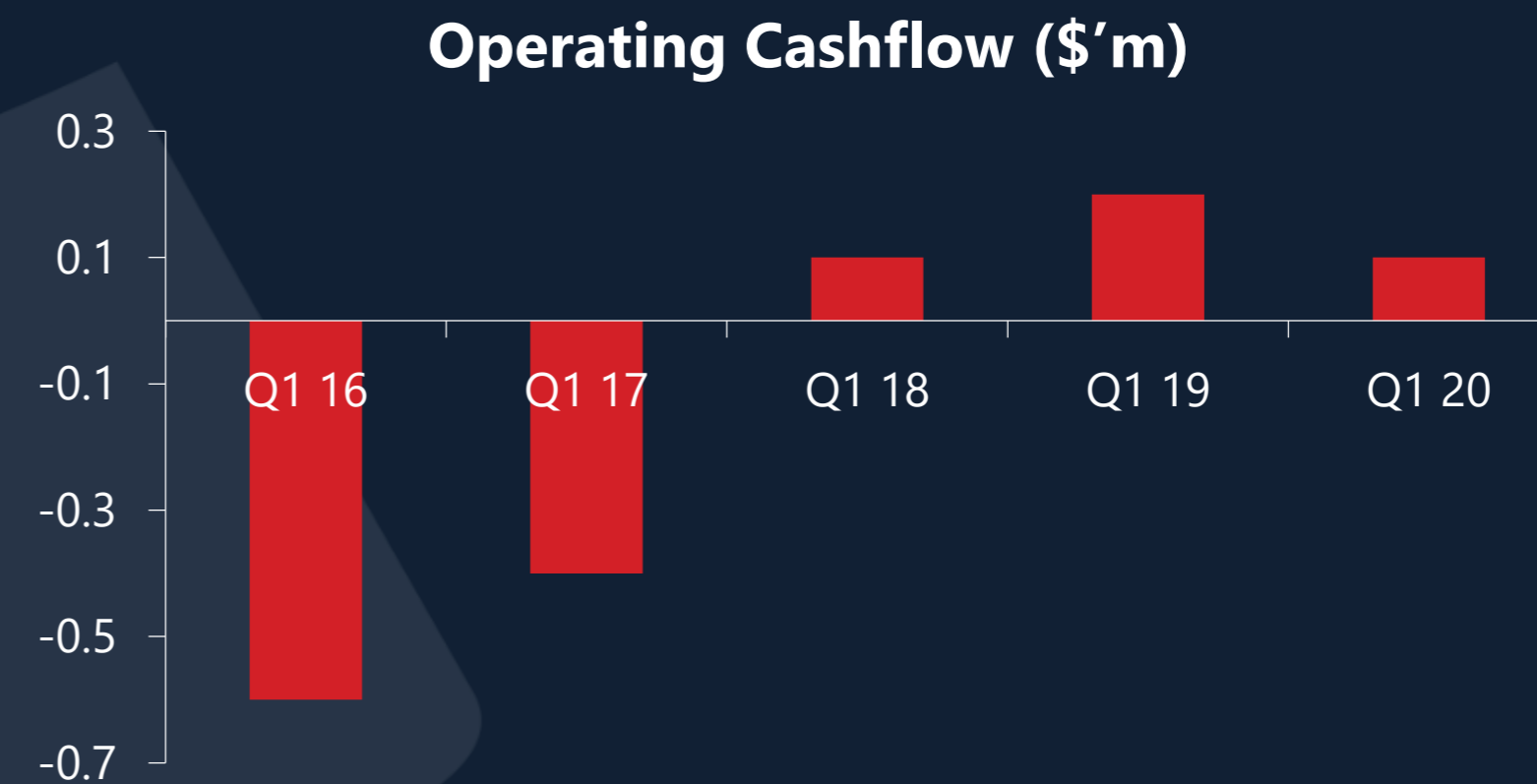
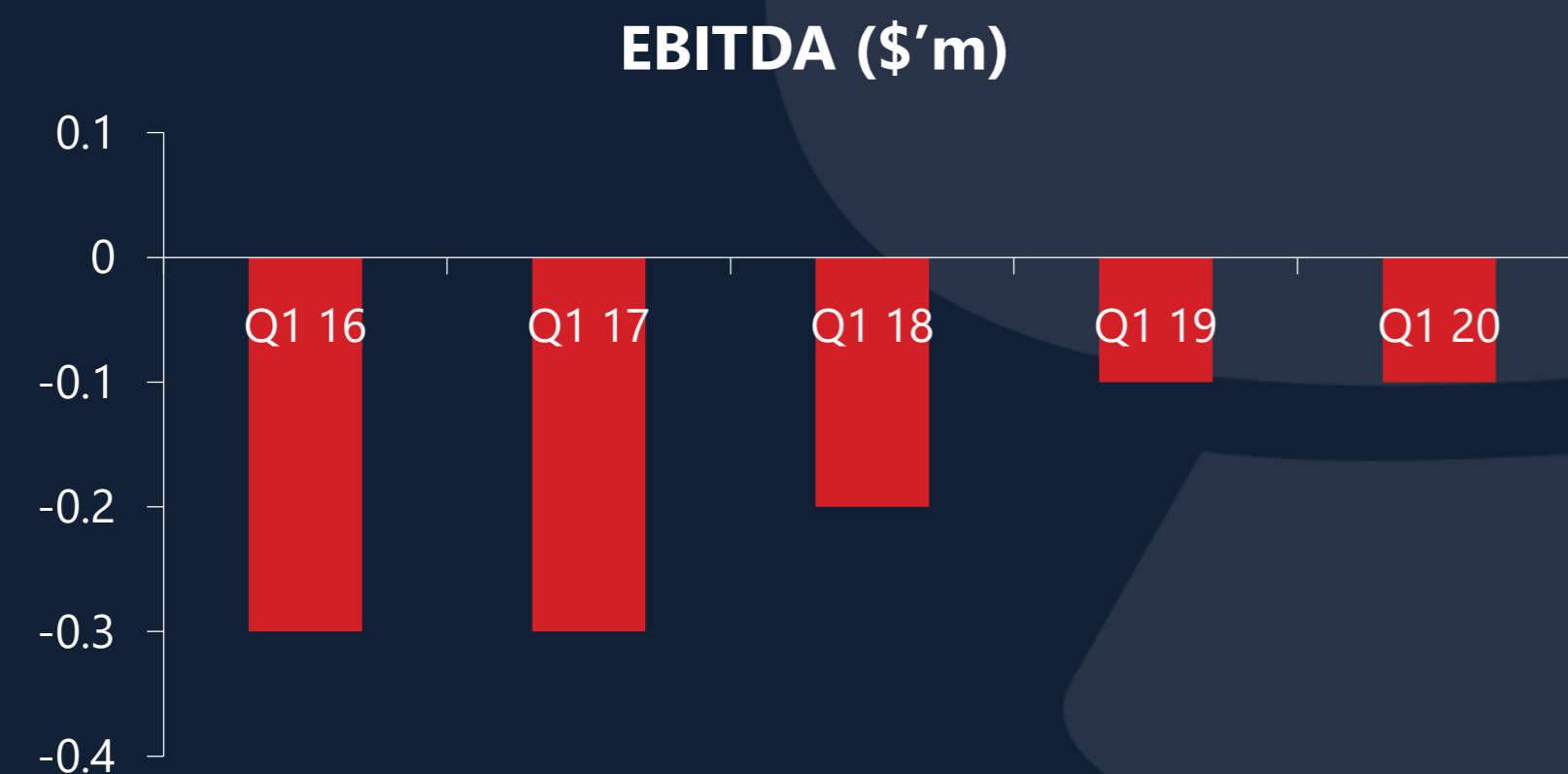
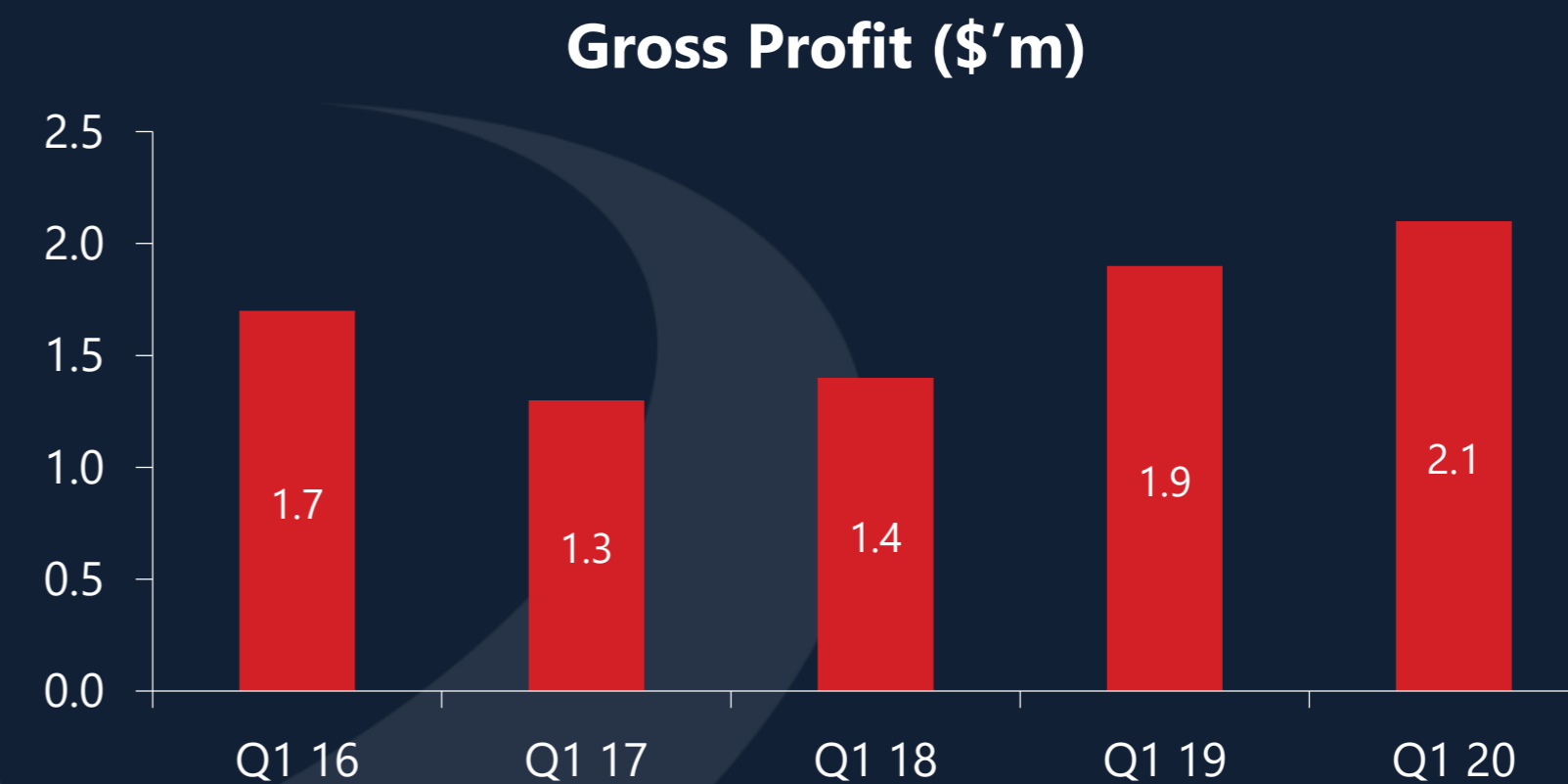
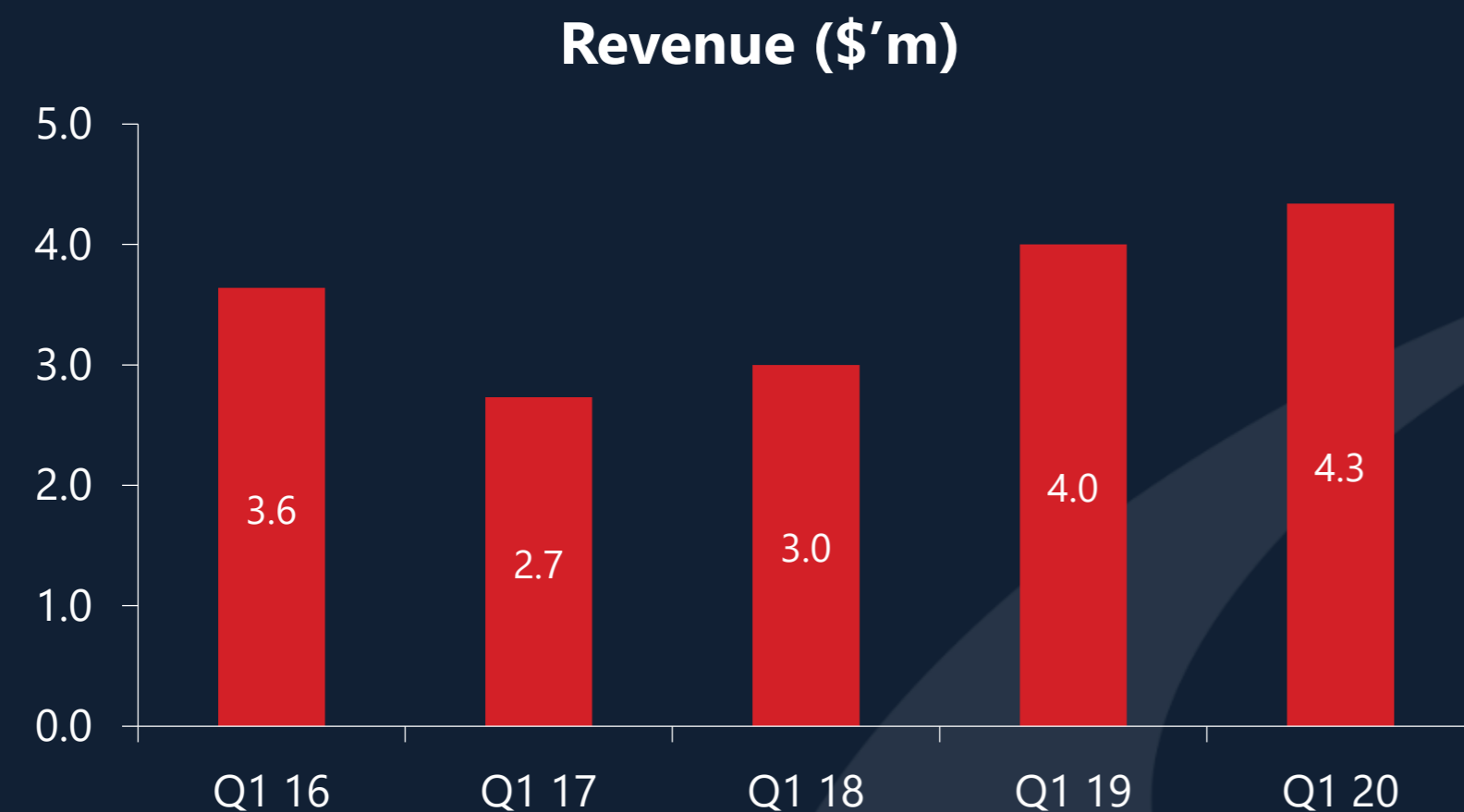
Revenue Composition (Q1-20)



Revenue by Quarter (\$'m)

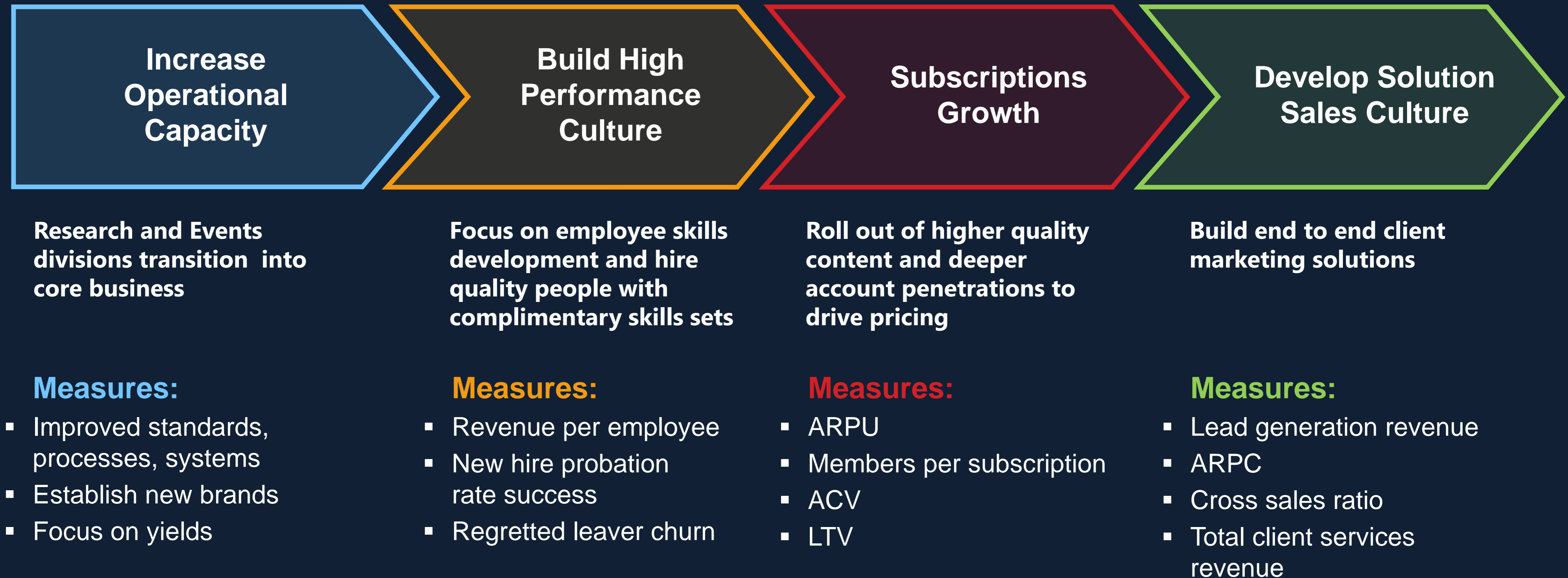


# Our growth is funded by our cash flow



# Our execution priorities for FY20 and how investors can measure us

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# ARPU momentum and high renewal rates deliver significant growth in LTV

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| Key SaaS Metrics                | As at June'16 | As at Dec,18 | As at Sept'19 | As at Dec'19 | Last Q Growth | CAGR |
|---------------------------------|---------------|--------------|---------------|--------------|---------------|------|
| Number of Subscriptions*        | 7,158         | 8,208        | 8,171         | 8,048        | -2%           | 3%   |
| Average Revenue Per Unit (ARPU) | \$623         | \$833        | \$938         | \$1,003      | 7%            | 15%  |
| Annual Contract Value (ACV)     | \$4.5m        | \$6.8m       | \$7.5m        | \$7.8m       | 4%            | 17%  |
| Web Traffic (Sessions)          | 3.8m          | 4.9m         | 5.4m          | 5.5m         | 2%            | 11%  |
| Web Traffic (Users)             | 1.1m          | 2.0m         | 2.6m          | 2.8m         | 8%            | 31%  |
| Loyalty Index                   | 41%           | 60%          | 58%           | 58%          | 0%            | 10%  |
| Renewal Rate                    | 73%           | 85%          | 84%           | 85%          | 1%            | 4%   |
| Lifetime Years                  | 3.7           | 6.5          | 6.1           | 6.5          | 7%            | 17%  |
| Lifetime Value                  | \$16.5m       | \$44.4m      | \$45.2m       | \$50.7m      | 12%           | 38%  |

ABM strategies drive significant growth in ACV and LTV gains



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

• Refer to glossary in appendix for full definitions of all SaaS metrics  
• Aspermont does not present number of Paid Member per subscription for competitive reason. The actual number of overall Paid Members remain in a high double digit CAGR; owing to successful ABM strategies (see next slide or more detail)

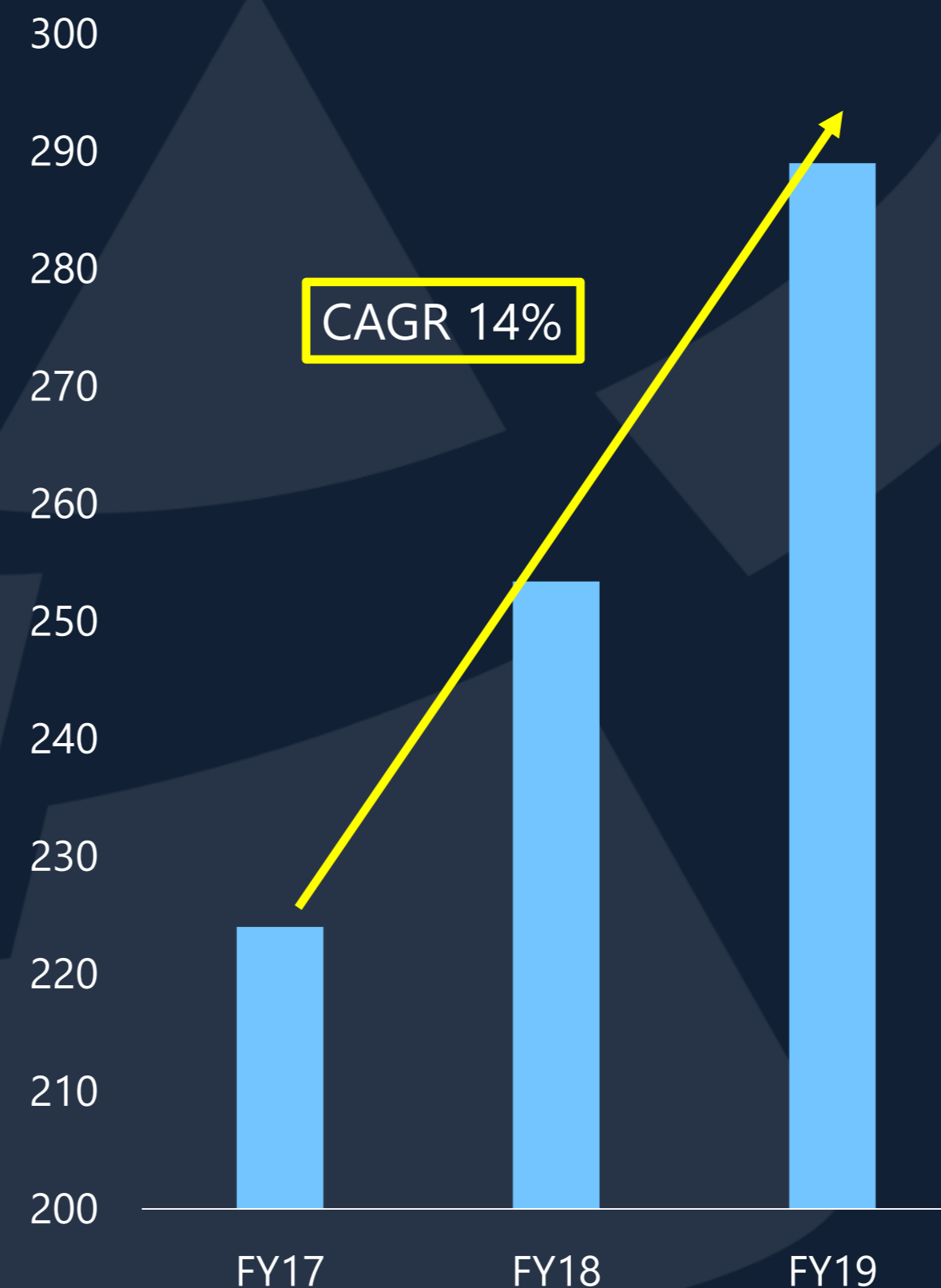
# ABM strategies are long term driver of subscriptions growth

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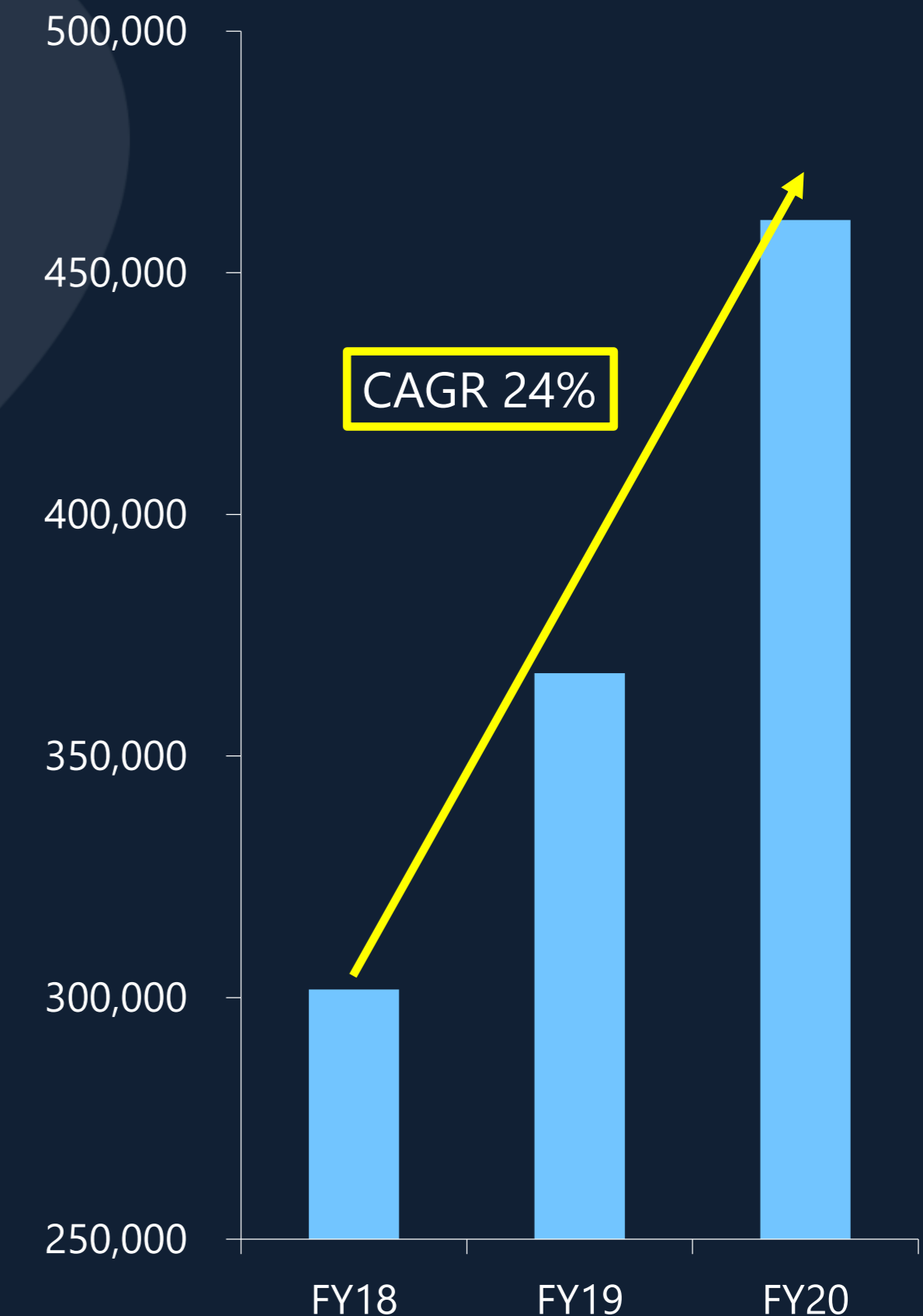
ABM strategy drives consistent increase in subscriptions growth

- Our ABM strategy has been the key driver of subscriptions growth over the last few years
- ABM drives the number of paid members per subscription to boost ARPU and strengthen retention rates
- Our Top 20 subscription customers over the last 3 years have delivered:
  - 24% CAGR in revenues
  - 14% CAGR in number of paid members per subscriptions
  - 24% CAGR in ARPU
  - 100% retention rates
- ABM impacts across our entire subscriber base and momentum is building going forward

**Number of Paid Members per subscription from top 20 customers**



**Subscriptions revenue from top 20 customers**



# A Blue-Chip client base of industry leaders with large spend potential

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## COMPANIES

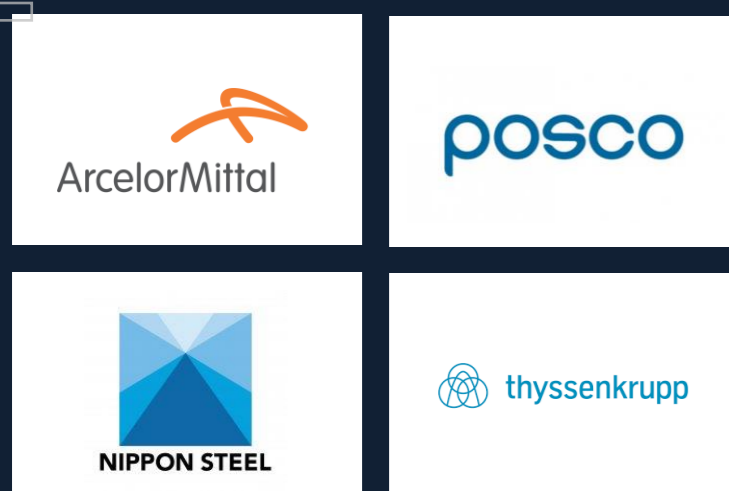
### MINING



### ENERGY



### STEEL



## SUPPLY CHAIN

### MACHINERY



### ENGINEERING



### EQUIPMENT



## FINANCIAL SERVICE

### BANKING



### INVESTMENT SERVICES



### INSURANCE



## SERVICES

### ACCOUNTING



### LEGAL



### MANAGEMENT CONSULTANT



## TECHNOLOGY



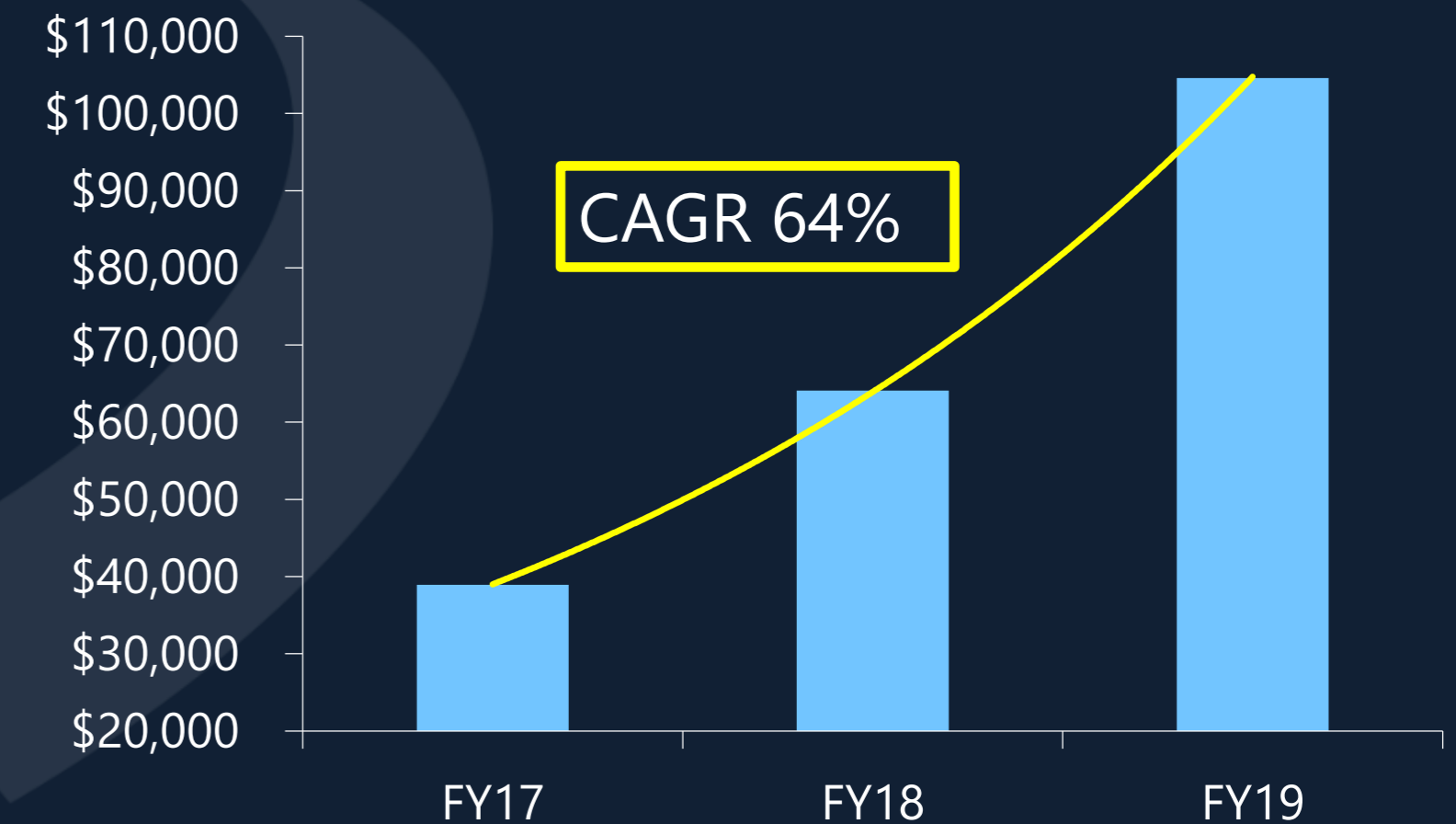
Note:

Aspermont is continually developing and delivering new products and monetisation tools to its clients. Owing to our new end-to-end marketing services suite the company is starting to win much larger scale contracts than before which is driving Average Revenue Per Client (ARPC). As the momentum builds we expect significant growth breakthrough in ARPC overtime

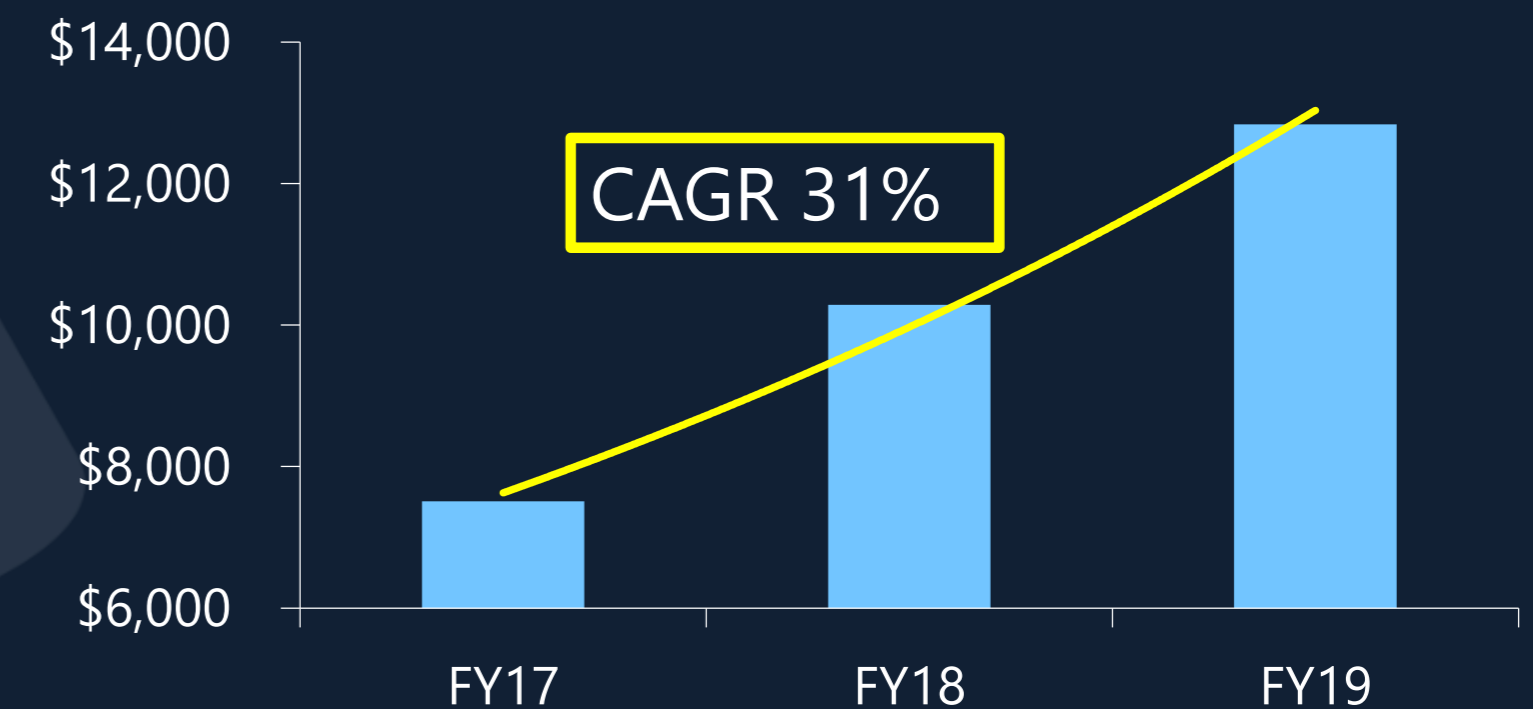
# Solution selling delivers broader packages across our global client base

- Our key execution priority over the past 2 years has been to build a solutions sales approach
- Currently we are seeing strong improvement in both cross-sales and value (pricing) uplifts with our key clients primarily from:
  - The launch of new products and services (Events; Research; Lead generation and Content Agency) enables us to offer more complete client packages
  - Continuous enhancement in the value packages of our legacy products (display advertising and content marketing)
- Over the last 3 years we have succeeded in lifting Average Revenues Per Client (ARPC) with momentum to be maintained for the foreseeable future
  - 31% CAGR across all clients
  - 64% CAGR across the top 20 clients

**Annual ARPC - Top 20 Clients**



**Annual ARPC - All Clients**



# Client testimonials

## Content Agency

**Emmerson plc** (Hayden Locke, CEO)

*"We worked with the (new) [ContentWorks](#) division at Aspermont to deliver a high value integrated content and social marketing program to promote our potash asset. This involved the use of video, event, podcast and custom social media adverts to drive retail investor engagement. In 6 weeks our video achieved close to 600 full views, 50,000 impressions and had an impressive CTR. The team were creative, knowledgeable and always open to working with my team and providing advice on how we could get the very best from the content they created via their media solutions. Most importantly, there was a clear desire from ContentWorks to make the campaign work, and to do what was necessary to achieve success. I will be continuing my relationship with them."*

## Display Advertising & Content Marketing

**Ontrak Engineering** (Steve Lewry, Managing Director)

*"Due to the downturn of the Industry we decided not to attend [ a rival industry conference] , which is the format Ontrak relies on to keep our brand at the forefront. The team here elected to take up an offer from Aspermont to do a program of advertising and editorial pieces. The Aspermont Team worked alongside the Ontrak Team to develop each specific aspect of the program, and the results were a great success. The Aspermont guys have been easy to work with and have jumped in to carry the load when we have been too busy to scope out the next Editorial, providing us with the proofs for approval when necessary. Can't thank them enough."*

*We seem to have a lot more phone conversations with prospective customers after the Aspermont program, and not that we weren't busy beforehand, but the results speak volumes about the effectiveness of the Australia's [Mining Monthly](#)! Thanks guys"*

## Subscriptions

**Euromines** (Mark Rachovides, President)

*"[Mining Journal](#) has been essential reading for over 20 years. From breaking news to different perspectives and expert opinions, it has kept me abreast of developments in and around the industry and has adapted very successfully to a rapidly changing world. Be it on my smartphone, laptop or in print, it is easily and happily read wherever I am. I enjoy it as much today as the first day I read it"*

## Events

**Reward Minerals** (Greg Cochran, CEO)

*"As a company presenting at [Mining Journal Select](#), I was impressed with the concierge service that ensured we maximized the opportunity to meet with as many potential investors as possible"*

## Research & Intelligence

**Yukon Government** (Cristiana Pekarik, Snr Advisor)

*"In the interest of offering what insight I might, I want to re-iterate that the [World Risk Report](#) is a valuable addition to the analytical toolbox for policy-makers and it is welcome to see it being deployed to assist both industry and investors"*

## Outlook for FY20

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- Strong revenue growth to continue
- Increasing profitability from better profit margins and high retention rates
- ABM strategy will continue to drive increase in members per subscription and products per subscriber
- New products and services will enhance solution selling capability and drive ARPC
- Further penetration of the North American market
- Roll out of Mining Journal Select and Future of Mining Events to new countries

# Investment rationale

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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 launched are financed from operational cash flow

## Audience Development

|                                 | June'16 | Dec'19  |
|---------------------------------|---------|---------|
| Number of Subscriptions         | 7,158   | 8,048   |
| Average Revenue Per Unit (ARPU) | \$623   | \$1,003 |
| Renewal Rate (%)                | 73%     | 85%     |
| Annual Contract Value           | \$4.5m  | \$7.8m  |
| Lifetime Value (LTV)            | \$16.5m | \$50.7m |
| Digital Users                   | 1.1m    | 2.8m    |
| Event Attendees                 | -       | 1,450   |

## Financials

|                    | June'16  | Sep'19  |
|--------------------|----------|---------|
| Group Revenue      | \$12.6m  | \$16.4m |
| GP 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

\$21.2m

## For further information



### AUS Address

Aspermont  
613-619 Wellington Street  
Perth  
Western Australia, 6000



### UK Address

Aspermont Media  
No.1 Poultry  
London  
United Kingdom, EC2R 8EJ



### Contact Info

Email: [corporate@aspermont.com](mailto:corporate@aspermont.com)



### Contact Info

Email: [corporate@aspermont.com](mailto:corporate@aspermont.com)



### Telephone

Office Phone: +61 8 6263 9100



### Telephone

Office Phone: +44 207 216 6060



## Glossary (SaaS Metrics)

### Number of Subscriptions

Number of live subscriptions at end of period

8,048

### Average Revenue Per Unit (ARPU)

Annual Contract Value / Number of Subscriptions

\$1,003

### Annual Contract Value (ACV)

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

\$7.8m

### Sessions

Total number of web sessions over a trailing twelve month basis

5.5m

### Users

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

2.8m

### 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)

85%

### Lifetime Years (LY)

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

6.5 years

### Lifetime Value (LTV)

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

\$50.7m

# Glossary (Others)

## **Audience Revenues**

Subscriptions + event delegate revenues

(i.e. All revenues – Client Services Revenues)

## **Client Services Revenues**

Display advertising + content marketing + lead generation + content agency + event sponsorship revenues

(I.e. All revenues – Audience Revenues)

## **ABM (Account Based Marketing)**

ABM is a sales and marketing strategy that focused on developing the spend and penetration in targeted accounts

## **Solution Selling**

Solution selling is an approach where we bespoke sell our product and services to clients in a best fit manner to suit their actual needs. This contrast transactional selling where clients simply buy the products or services from us and tailor them to their own needs

## **ARPC**

Average revenue per client is measured as:  $\text{Total Client Services Revenues} / \text{Number of Clients}$

## **Paid Members per Subscription**

each subscription has multiple paid members attached to it and as ABM strategies develop the number of Paid Members per subscription increases; which also drives pricing (ARPU)

# Capital Structure

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|                             |       |                              |
|-----------------------------|-------|------------------------------|
| Shares on issue             | 2.1b  | @1 cent                      |
| Options on issue            | 324m  | @3 cent                      |
|                             | 10m   | @1 cent                      |
| Unlisted Performance Rights | 92.4m |                              |
| Market Capitalisation       | 21.2m |                              |
| Substantial Shareholdings   | 15.3% | Drysdale Investments Limited |
|                             | 13.1% | Allandale Holdings Pty Ltd   |
|                             | 12.3% | Mega Hills Limited           |
|                             | 7.6%  | Annis Trading Limited        |

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**FY** refers to the full year to 30 September.

All quarterly figures (Q1 & Q3) are based on unaudited management accounts.

All half year and full year figures are based on audited accounts – unless stated otherwise

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