
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 2, 2017**

ASPEN GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware
*(State or Other Jurisdiction
of Incorporation)*

000-55107
*(Commission
File Number)*

27-1933597
*(I.R.S. Employer
Identification No.)*

1660 South Albion Street, Suite 525, Denver, CO 80222
(Address of Principal Executive Office) (Zip Code)

(303) 333-4224
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01 Regulation FD Disclosure

On May 2, 2017, Mr. Michael Mathews, the Chairman of the Board and Chief Executive Officer of Aspen Group, Inc. will present at Taglich Brothers Conference. A copy of the presentation is furnished as Exhibit 99.1 to this report.

The information in Item 7.01 of this report, including the information in the presentation attached as Exhibit 99.1 to this report, is furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section. Furthermore, the information in Item 7.01 of this report, including the information in the presentation attached as Exhibit 99.1 to this report, shall not be deemed to be incorporated by reference in the filings of the registrant under the Securities Act of 1933.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

**Exhibit
No.**

Exhibit

[99.1](#) Presentation dated May 2, 2017

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ASPEN GROUP, INC.

Date: May 2, 2017

By: /s/ Michael Mathews

Name: Michael Mathews

Title: Chief Executive Officer



ASPEN GROUP, INC.

Taglich Conference

May 2, 2017

OTCQB: ASPU

www.aspen.edu



SAFE HARBOR STATEMENT



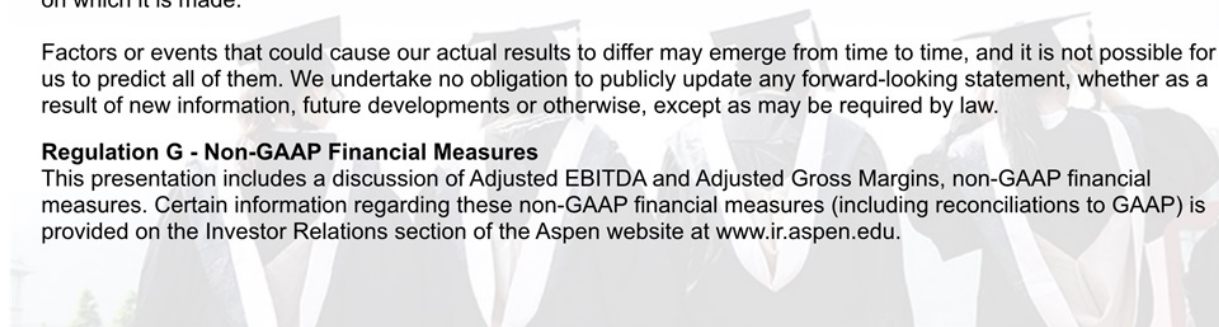
Certain statements in this presentation and responses to various questions include forward-looking statements including statements regarding our opportunities and expectations from the nursing education sector, the future federal regulatory impact on Aspen, the impact of our increased marketing spend, future liquidity, and our strategic plans and financial forecasts and projections. The words "believe," "may," "estimate," "continue," "anticipate," "intend," "should," "plan," "could," "target," "potential," "is likely," "will," "expect" and similar expressions, as they relate to us, are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs.

Important factors that could cause actual results to differ from those in the forward-looking statements include competition, difficulties the new Trump administration may encounter changing existing regulations including delays and litigation, ineffective media and/or marketing, changes in the nursing industry which make having a degree less attractive, failure to maintain growth in degree seeking students, our assumptions that we base our projections/forecasts on turn out to be inaccurate, failure to close acquisition of regionally accredited university and failure to generate sufficient revenue. Further information on our risk factors is contained in our filings with the SEC, including the 10-K dated July 27, 2016. Any forward-looking statement made by us herein speaks only as of the date on which it is made.

Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

Regulation G - Non-GAAP Financial Measures

This presentation includes a discussion of Adjusted EBITDA and Adjusted Gross Margins, non-GAAP financial measures. Certain information regarding these non-GAAP financial measures (including reconciliations to GAAP) is provided on the Investor Relations section of the Aspen website at www.ir.aspen.edu.



ASPEN UNIVERSITY DISRUPTING THE ONLINE FOR-PROFIT EDUCATION SECTOR





• **Best-in-class customer acquisition**

- Management's expertise in Internet advertising and lead generation allowed Aspen to bring all marketing in-house
 - Do not utilize third-party lead gen firms
 - All Aspen branded ads
 - Direct publisher relationships
 - Average customer acquisition costs <\$800 is 1/5th the cost of competitors (~\$4,000 - \$5,000)

ASPEN UNIVERSITY'S MONTHLY PAYMENT BUSINESS MODEL



- Aspen University offers world class online education at half the cost of its competitors; committed to cash-based, pay-as-you-go education

- **“Let’s Change Higher Education Forever”**

- Students can pay \$325/month for a Master’s degree = \$11,700 (36 monthly payments)
- Students can pay \$250/month for a Bachelor’s Degree = \$18,000 (72 monthly payments)
- Students can pay \$375/month for a Doctoral Degree = \$27,000 (72 monthly payments)



MONTHLY PAYMENT METHODS NOW THE MAJORITY PAYMENT TYPE



Tuition Revenues by Payment Type (last 90 days avg.):

| | |
|--|-----------|
| Monthly Payment Methods: | 61% |
| -Monthly Payment Plan | 56% |
| -Monthly Installment Plan | 5% |
| Cash | 9% |
| Federal Financial Aid | 21% |
| Other (Corporate Tuition Reimbursement/Military) | <u>9%</u> |
| Total | 100% |

- **Recurring Monthly Tuition Billing Now Exceeds \$650,000**
 - 2,575 degree-seeking students enrolled in a monthly payment method (as of 1/31/17)
- **Total value of monthly payment plan contracts exceeds \$16.5 million (as of 10/31/16)**

UNIT ECONOMICS AMONG BEST IN SECTOR



- **Low customer acquisition costs and variable teaching costs create highly attractive unit economics – projecting 68%+ Gross Margins (70%+ Adjusted Gross Margins*) at scale**

- Average course completions per student enrollment is 8 = **\$7,000** revenue** (average \$800 tuition/course today and rising), earned over 4+ years

- **Direct Cost ~\$2,000**

- Student acquisition cost ~ \$800 (average)
- Teaching cost ~ \$1,200 (average)
 - Hybrid faculty model (Full-Time/Adjunct Faculty)
 - <\$150 per student course completion
 - Save ~\$50,000 annual per F-T conversion

- **Gross Profit/New Student Enrollment ~ \$5,000**

* This is a Non-GAAP financial measure - see slide 1 "Regulation G – Non-GAAP Financial Measures"

**Assumes \$600 of misc. revenue/student



- **Critical Nursing shortage projected next decade (260,000 RN shortage by 2025)**

- More than 1 million RNs will reach retirement age within next 10-15 years (average age of RNs is 47 years old); 525,000 replacement Nurses expected, bringing the job openings growth to 1.05mm by 2022

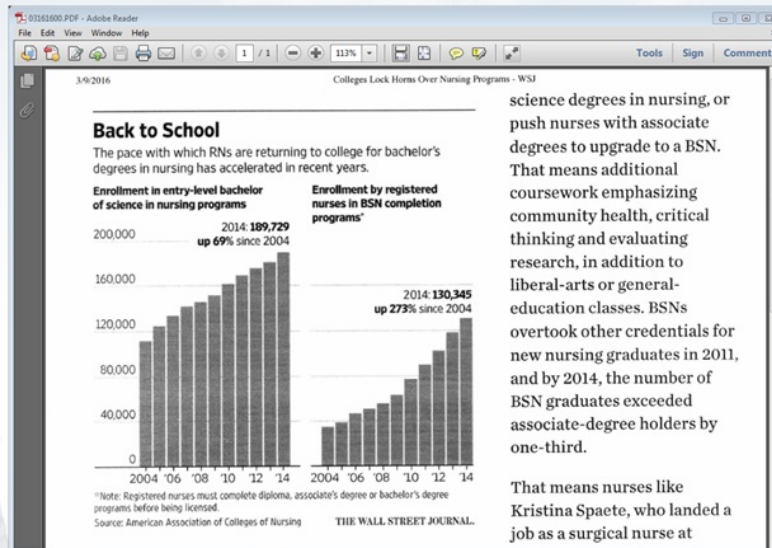


- **Nursing expected to be among fastest growing occupations in U.S. through 2022 -- RN workforce expected to grow from 2.71mm RNs in 2012 to 3.24mm in 2022 (19%)***
- **U.S. Nursing schools turned away 79,659 qualified applicants from Baccalaureate and Graduate programs in 2012 due to insufficient number of Faculty and classroom sites****

ASPEN CAPTURING ~2% OF BSN COMPLETION STARTS



Approximately 140K students currently enrolled in BSN Completion programs; or approx. 50,000 new enrolls/year

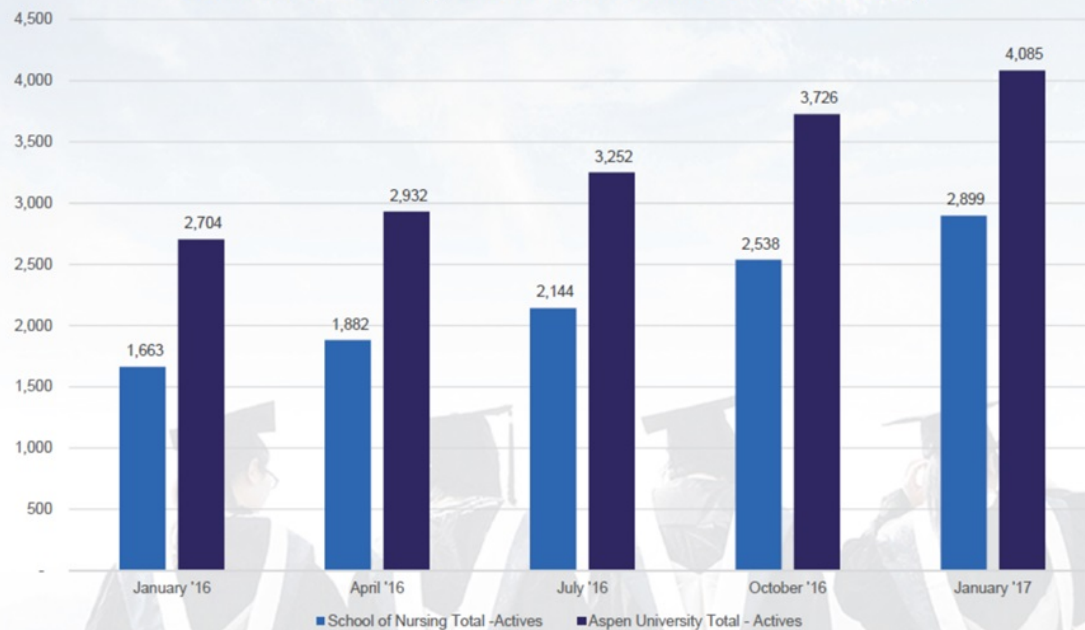


WSJ Article, March 6, 2016

STUDENT BODY ANALYSIS



School of Nursing Now 71% of Active Student Body



FISCAL Q3'17 RECORD OPERATING METRICS



- **Aspen set a quarterly enrollment record in Q3 with 825 new student enrollments; expecting well over 900 in Q4**
- **New class starts up 69% YoY, from 2,753 to 4,652**
- **Rolling 6-month average cost-per-enrollment (CPE) dropped 8% YoY, from \$828 to \$768**
 - Particularly impressive given marketing spending rose by 35% YoY
 - Marketing efficiency ratio is 9.1X; meaning Aspen now projects to earn a 9.1 times return on its marketing investments

LOI For Regionally-Accredited University



- On 3/9/17 Aspen Group announced the signing of a letter of intent to acquire a regionally accredited, for-profit university in California
- \$9mm purchase price (\$4.5mm stock, \$2.5mm cash, \$2mm convertible note maturing over a two year period)
- Closing targeted for late in calendar year
- Plan to launch Aspen's monthly payment plans across all degree categories for this university

Aspen Group, Inc.

The diagram shows a corporate structure where Aspen Group, Inc. is the parent entity, indicated by a box above two child boxes. The child boxes are 'Regionally-Accredited University in CA' and 'Aspen University Inc.', connected by a horizontal line and a vertical line descending from the parent box. The background of the slide features a faded image of graduates in caps and gowns.

Regionally-Accredited
University in CA

Aspen
University Inc.

Summary Income Statement



FYE April, (\$ 000's)

| | 2015A | 2016A | Q1A | Q2A | Q3A |
|--------------------------------|------------------|------------------|----------------|----------------|----------------|
| New Enrollments | 1,250 | 2,089 | 621 | 811 | 825 |
| y/y % growth | | 67% | 51% | 46% | 50% |
| Revenue | \$5,226 | \$8,454 | \$2,757 | \$3,465 | \$3,736 |
| y/y % growth | | 62% | 62% | 81% | 73% |
| Cost of Revenue | \$2,666 | \$4,138 | 1,036 | 1,364 | 1,480 |
| Gross Profit | \$2,560 | \$4,316 | 1,721 | 2,101 | 2,256 |
| Gross Profit % | 49% | 51% | 62% | 61% | 60% |
| Operating Expenses | \$5,963 | \$6,451 | 2,193 | 1,930 | 2,170 |
| Operating Income/(Loss) | (\$3,403) | (\$2,135) | (\$472) | \$171 | \$86 |
| Adj EBITDA | (\$1,352) | (\$452) | \$239 | \$470 | \$462 |

Adjusted EBITDA is a Non-GAAP financial measure - see slide 1 "Regulation G – Non-GAAP Financial Measures"

EQUITY SNAPSHOT



As of 4/27/17

| | |
|-----------------------|-----------------|
| Ticker on OTCQB: | ASPU |
| Share Price: | \$4.65 |
| 52 Week Range: | \$1.52 - \$5.00 |
| Market Cap: | \$62.8 Million |
| Shares Outstanding : | 13.5 Million |
| Mgmt & BOD Ownership: | 19% |





Company at Inflection Point with Multiple Near Term Catalysts

- 60%+ projected revenue growth for FY'17 (FYE April) and FY'18
- Turned Net Income positive in Q2/Q3 FY'17 with ~ \$1.5M projected FY'17 Adjusted EBITDA*
- Pending acquisition of California University provides key regional accreditation status, additional scale and expands addressable market
- Recent \$7.5mm PIPE fulfilled NASDAQ equity threshold uplisting requirement and yielded debt-free balance sheet

Disruptive Business Model

- Best in class customer acquisition metrics
- Low-cost, pay-as-you go tuition plan allows students to graduate with little or no debt
- Limited reliance on Federal Financial Aid (~21% of revenue compared to industry average of 80% to 90%)
- Unit economics among best in education sector: targeting 70%+ gross margins at scale

Large Addressable Growth Markets

- Nursing projected to be amongst the fastest growing occupations in U.S. and faces a shortage due to baby boomer retirements
- Aspen is capturing only 2% of BSN Completion Nursing starts providing significant growth opportunity

Strong Management Team

- Management team has strong expertise in internet advertising and for-profit education
- CEO Mike Mathews previously built Interclick, a data driven internet advertising network, subsequently sold to Yahoo for \$270M

**This is a Non-GAAP financial measure - see slide 1 "Regulation G – Non-GAAP Financial Measures"*



ASPEN GROUP, INC.

Q&A



