
**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): **September 25, 2018**

ASPEN GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware
*(State or Other Jurisdiction
of Incorporation)*

001-38175
*(Commission
File Number)*

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

276 Fifth Avenue, Suite 306, New York, New York 10001
(Address of Principal Executive Office) (Zip Code)

(212) 477-1210
(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 Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark 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 September 25, 2018, Mr. Michael Mathews, the Chairman of the Board of Directors and Chief Executive Officer of Aspen Group, Inc. (the “Company”) will deliver a presentation to certain potential investors. 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, as amended, 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, as amended.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Exhibit
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99.1	<u>Investor Presentation dated September 2018</u>
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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: September 25, 2018

By: /s/ Michael Mathews

Name: Michael Mathews

Title: Chief Executive Officer



September, 2018
Nasdaq: ASPU

Safe Harbor Statement

Certain statements in this presentation and responses to various questions include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding USU's future role with family nurse practitioner's, projected gross margins, assumptions regarding LTV, and our low customer acquisition costs and teaching costs creating favorable gross margins, and our projected annual revenue rate per campus. 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 the continued effectiveness of our online marketing, the ability to hold academic teaching costs in line, how students react to our hybrid pre-licensure BSN program over time, and the Company's ability to enter into partnerships with health care organizations to establish new campuses and/or finance those campuses.

Further information on our risk factors is contained in our filings with the SEC, including the 10-K dated July 13, 2018. 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, a non-GAAP financial measure. 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.aspu.com.



Aspen Group: Why We Are A Compelling Investment

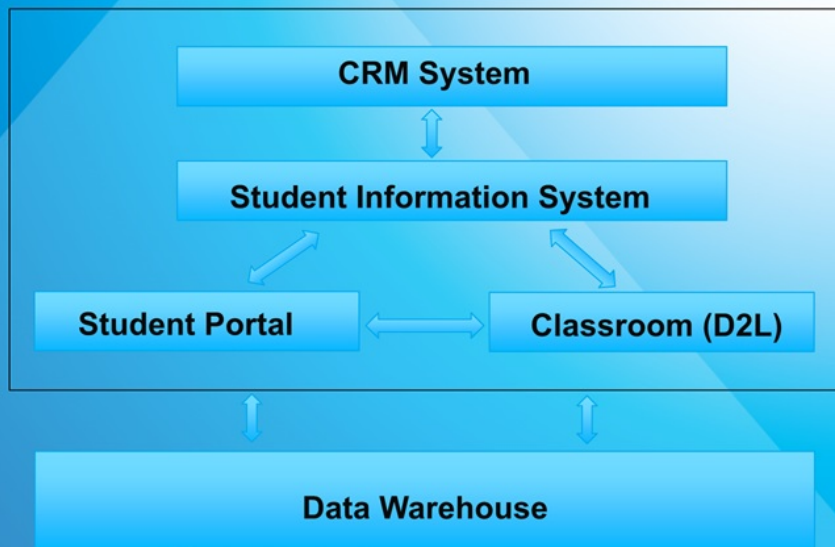
- Disruptive business model (monthly payment plans, no interest) with outstanding student outcomes
- Best-in-Class EdTech infrastructure (Proprietary SIS & CRM, integrated with D2L)
- Recurring revenue model (monthly payments over multiple years, over \$35mm contractual value among >5,100 students or >70% of total active student bodies)
- Unprecedented LTV/CAC ratios (5.8X – 10X)
- Already proven business model
- Proven management team

Aspen Group's Disruptive Business Model: "Making College Affordable"

- Offer world class online education at half the cost of our competitors; committed to cash-based, monthly payment plans (no interest)
- Aspen University Nursing program's overall graduation rate is 63%



- Online Bachelor-level students pay \$250/month
- Online Master-level students pay \$325/month
- Online Doctoral-level and MSN-FNP students pay \$375/month

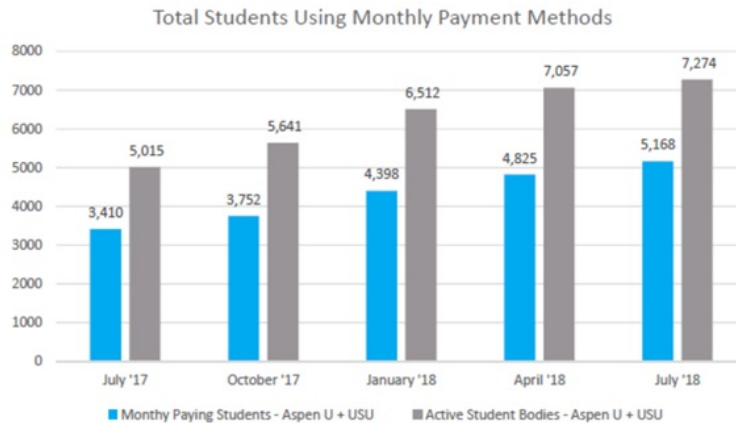


CRM System Delivers Breakthrough Functionality

- Built to achieve highest enrollment conversion rates through recommendation engine algorithm
- Innovating in student services to drive higher persistence rates; alert Academic Advisors of 'At-Risk' events in real-time (launch Spring, 2019)
 - Academic
 - Financial
 - Time Management
 - Personal
 - Etc.



Recurring Revenue Model

- 5,168 students at Aspen U & USU are using a monthly payment method; total value of monthly payment plan contracts exceeds \$35 million*
- An additional 351 Aspen University graduates remain on Monthly Payment Plans as of 8/31/18 (~\$120,000/mo.)



*As of 7/31/18

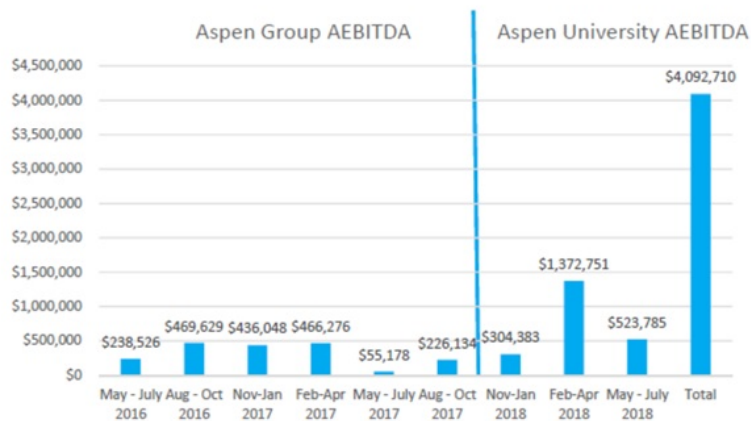
Unprecedented LTV/CAC Ratios

	<u>LTV</u>	<u>CAC*</u>	<u>Marketing Efficiency Ratio (LTV/CAC)</u>
 ASPEN UNIVERSITY			
Nursing + Other	\$7,350	\$1,268	5.8X
Doctoral + Other	\$12,600	\$2,169	5.8X
 UNITED STATES UNIVERSITY			
MSN-FNP	\$17,820	\$1,783	10.0X

*As of 7/31/18

Proven Business Model

- Aspen Group AEBITDA profitable from July 2016 (Q1 FY'17) to October 2017 (Q2 FY'18)
- Following acquisition of USU in December 2017, Aspen University remains AEBITDA profitable



Proven Management Team

Michael Mathews, Chairman & CEO

- Former CEO of Interclick (Nasdaq: ICLK, 2007-2011), sold to Yahoo! in 2011 for \$270mm
- Former Operating Exec of CKS Partners (Nasdaq: CKSG, 1994-1998), sold to USWeb in 1998 for \$344mm

Dr. Cheri St. Arnauld, Chief Academic Officer

- Former CAO of Grand Canyon University (Nasdaq: LOPE, 2007-2012)

Joseph Sevely, Chief Financial Officer

- Former CFO of Cutwater Asset Management (2010-2015), \$22 billion AUM, sold to The Bank of New York Mellon

Gerard Wendolowski, Chief Operating Officer

- Former VP, Marketing of Atrinsic (Nasdaq: ATRN, 2008 -2011)

Dr. Anne McNamara, Chief Nursing Officer (Aspen University)

- Former CNO of Grand Canyon University (Nasdaq: LOPE, 2007-2014); History of 90%+ NCLEX scores at GCU under Dr. McNamara's leadership

Equity Snapshot

- Closed on \$23mm equity raise on April 23, terminated \$10mm credit facility following day
- Cash on hand ~\$9.9mm (9/10/18)

As of 9/21/18	
Ticker on Nasdaq:	ASPU
Share Price:	\$7.17
52 Week Range:	\$5.85 - \$9.61
Market Cap:	\$131 Million
Shares Outstanding :	18.3 Million
Mgmt & BOD Ownership:	19%

Appendix

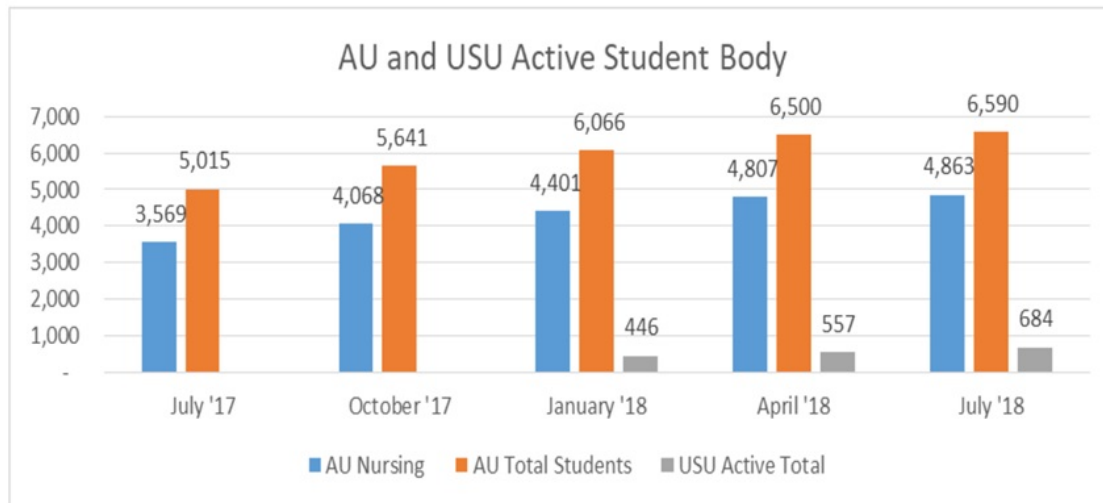
Q1 FY'19 KPI Results—Enrollments

NEW ENROLLMENT METHODOLOGY (Unconditional Accepts only)

	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	EAs	Enrolls/Month/EA
Aspen (Nursing + Other)	862*	1,044*	972*	980	882	51	5.8
Aspen (Doctoral)				116	118	5	7.9
USU (FNP + Other)				177	221	11	6.7
Aspen (Pre-Licensure BSN, AZ Campus)					93	3	10.3
Total	862	1,044	972	1,273	1,314	70	

*Included doctoral enrollments

KPI Results—Student Body



*Active Degree-Seeking Students" are defined as degree-seeking students who were enrolled in a course during the quarter reported, or are registered for an upcoming course.

Q1 Fiscal Year 2019 Results

For the Quarter Ended April 30, 2018		
Revenues		\$ 7,221,305
Operating expenses		
Cost of revenues		3,752,392
General and administrative		5,824,132
Depreciation and amortization		498,105
		10,074,629
Operating loss from operations		(2,853,324)
Other income (expense):		
Other income		56,104
Interest expense) 40,353(
		-
		16,048
Loss from operations before income taxes		(2,837,276)
Income tax expense (benefit)		-
Net loss		\$ (2,837,276)
Adjusted EBITDA		\$ (1,778,348)

Net (Loss)/Income, Adjusted EBITDA and EPS

	Consolidated	AGI	AU	USU
Net (Loss)/Income	\$ (2,837,276)	\$ (1.90M)	\$ 0.21M	\$(1.15M)
Adjusted EBITDA	\$ (1,778,348)	\$ (1.49M)	\$ 0.52M	\$(0.81M)
Net Loss Per Share	(\$0.15)			

Subsidiary KPIs—Q1 FY'19 Ratios

	AGI Consolidated		AU	USU
Revenues	\$7,221,305	70% YOY		
			Ratios as a Percentage of AU Revenue	Ratios as a Percentage of USU Revenue
Instructional costs	\$1,564,936		19%	33%
Marketing costs	\$2,187,456		27%	26%
Gross Profit	\$3,309,768		51%	40%
General & Administrative expenses	\$5,824,132		46%	111%

Targeting Four Growth Vectors



Growth Vector 1: RNs - Fully Online RN to BSN & MSN



RNs (post-licensure):

BSN & MSN

2.9mm RNs in U.S. Today

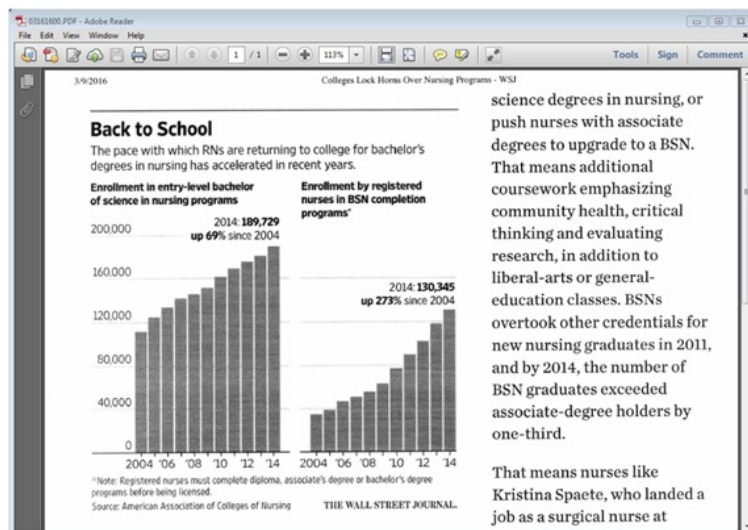
65,000 Starts per Annum

(TAM: - \$478mm)*

*Assumes Aspen's \$7,350 LTV

Aspen University Capturing ~2% Of BSN Completion Starts

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



Growth Vector 2: Pre-Licensure BSN Hybrid Online/Campus Program



**Pre-Licensure BSN Program:
(Hybrid Online/Campus Program)
100,000 Pre-Licensure BSN Starts
per Annum
(TAM: - \$3B)***

***Assumes an \$30,000 LTV**

Aspen University Pre-Licensure BSN: Launched First campus in Phoenix in July, 2018

- **3-Year BSN program is 120 credits – 69% online, 31% on ground**
- **Approved by the AZ BON, AZPPSE, State of Colorado, DEAC**
- **Have clinical partnerships in PHX (Maricopa Integrated Health System, Honor Health, Phoenix Children's Hospital)**
- **Unique compared to other 120-credit pre-licensure BSN programs**
 - Majority of courses online
 - Total cost of attendance (tuition + fees) <\$50,000
 - 9 strategically placed seminars throughout program
 - Attitudes and behaviors
 - Connecting all content together with experts
- **First Semester (and academic year) already at capacity; just announced night/weekend program starting January, 2019**

Forecasting \$10mm+ Annual Revenue Run Rate
Per Campus, 4-5 Years Out

Growth Vector 3: Doctoral Students – Fully Online





Doctoral Programs (Fully Online):
55,000 Graduates per Annum
14% Online Students or ~8K/yr.
(TAM: - \$100mm)*

***Assumes Aspen's \$12,600 LTV**

Growth Vector 4: RNs – MSN/FNP Hybrid Online Program

- **USU to become the university of choice for preparing six-figure Nurse Practitioners (\$27K: \$375 for 72 months)**





RNs (post-licensure):
MSN-Family Nurse Practitioner
(Hybrid Online Program)
234,000 NPs in U.S. Today (8% of
total RNs)
30,000 Starts per Annum
(online/hybrid and campus-based programs)
(TAM: - \$535mm)*

*Assumes USU's \$17,820 LTV

Net Loss to Adjusted EBITDA Reconciliation (Q1 FY'19)

Net Loss	(\$2,837,276)
Interest Expense	40,353
Depreciation & Amortization	<u>498,105</u>
EBITDA	(2,298,818)
Bad Debt Expense	121,805
Stock-Based Compensation	209,976
Non-recurring Charges	<u>188,689</u>
Adjusted EBITDA (Loss)	<u>(\$1,778,348)</u>

