

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): **August 8, 2019**

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 505, New York, New York 10001
(Address of Principal Executive Office) (Zip Code)

(646) 448-5144

(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value	ASPU	The Nasdaq Stock Market (The Nasdaq Global Market)

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 August 8, 2019, the Chief Executive Officer of Aspen Group, Inc. will present at the Canaccord Genuity 39th Annual Growth Conference in Boston, Massachusetts. The presentation will commence at 2:00 p.m. ET. A copy of the presentation is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

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

99.1 [Investor Presentation dated August 2019](#)

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: August 8, 2019

By: */s/ Michael Mathews*

Name: Michael Mathews

Title: Chief Executive Officer



Investor Presentation

August 8, 2019
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 continued growth in nursing opportunities, expected increase in our market share, the future growth of our new business units, sustained revenue growth, achieving positive Adjusted EBITDA in the fiscal year ending April 30, 2020, the future impact of bookings, our plans regarding the opening of new campuses, our campus revenue forecast, our future revenues, our future cash flow from operations, future capital expenditures, expected G&A trends, the contractual value of our accounts receivable, our plans regarding our hybrid pre-licensure program and our liquidity. 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 are included in our Risk Factors contained in our Form 10-K for the fiscal year ended April 30, 2019 and other filings with the Securities and Exchange Commission.

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 this non-GAAP financial measure (including reconciliations to GAAP) is provided in our press release dated July 9, 2019 and on the Investor Relations section of our website at www.aspu.com.

Aspen Group, Inc. is an education technology holding company that leverages its infrastructure and expertise to allow its two universities, Aspen University and United States University, to deliver on the vision of making college affordable again.

Aspen Group, Inc. – History

2011 – 2012

Michael Mathews appointed CEO of Aspen University; AGI is formed and begins trading on OTCQB (ASPU)



2014

Aspen University announces the breakthrough Monthly Payment Plan (MPP)



Aspen University grows its online post-licensure Nursing school from ~700 to ~5,600 from 2014 - 2018

2017

AGI Acquires United States University (regionally accredited)

AGI uplists on Nasdaq



United States University grows its MSN-Family Nurse Practitioner program from ~100 to ~800 from 2017 - 2018

2018

AU launches first BSN Pre-licensure campus in Phoenix, AZ



AU announces second pre-licensure campus in Phoenix, embedded in HonorHealth facility (expected to open in 9/2019)

Disruptive Business Model

Making College Affordable with Outstanding Student Outcomes

ASPU's monthly payment plans are a revolutionary concept in for-profit education

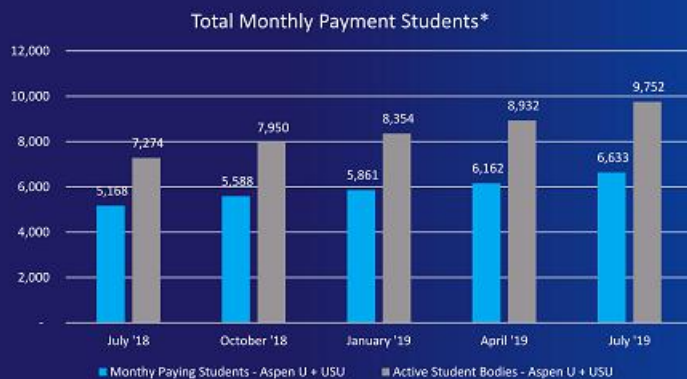
Degree Program	Monthly Payment (\$)	# of Months (tuition)*	Tuition (\$)
RN to BSN (AU, USU)	250	39 (AU) or 47 (USU)	9,750 (AU) or 11,700 (USU)
MSN (AU, USU)	325	36 (AU) or 38/40 (USU)	11,700 (AU) or 12,350/13,000 (USU)
DNP (AU)	375	51	18,900
MSN-FNP (USU)**	375	24	23,250

Aspen has developed ~100 strategic relationships with healthcare providers, many of whom are subsidizing their employees' tuition

*Monthly payment duration for tuition only, additional monthly payments are added for any miscellaneous fees incurred

**Monthly payment plan for first year liability of \$9,000, payable over 24 months @ \$375/month; second year liability requires an alternative payment method

68% of ASPU's active students pay monthly, for a total contractual value >\$50mm



Aspen's low cost of enrollment is driven by its in-house internet advertising and CRM system

The traditional marketing approach of an online educator has been to purchase leads from third party providers; whereas Aspen has differentiated itself from the outset by building an in-house internet advertising platform

The CRM is then designed to take those leads and achieve best in class conversion rates via the use of an algorithm that recommends to enrollment advisors which potential students to engage with at the right time

ASPEN ONLINE NURSING UNIT	
~\$150	Average Cost of Lead
11.9%*	Conversion Rate
\$1,231*	Cost/Enrollment

The durability of this competitive advantage can be seen in the industry-leading conversion rate

*As of July 2019, six-month rolling averages

Student outcomes are key to our success

ASPEN UNIVERSITY ALUMNI SURVEY

97%

Student Satisfaction

Upon completing their studies, % of alumni that responded they achieved the goals they had when they started the course or program

REPORTED TO DEAC FOR CY 2018

84.0%

Graduation Rate—RN to BSN

Compared to the national average of 60% of students who began a bachelor's degree at a 4-year institution in fall 2010 (completion within 6 years)
https://nces.ed.gov/programs/coe/indicator_ctr.asp

FINANCIAL PRUDENCE

84.3%

Financial Prudence*

% of alumni that graduated without taking a federal loan while attending Aspen University

*Based on 1,564 Aspen University graduates between 2017-2018

Targeting the High Growth Nursing Profession

The aging population is fueling strong demand for nurses

The Bureau of Labor Statistics (BLS) estimated in 2016 that the demand for RNs will grow by 15% over the next decade to ~3.4mm; this situation is exacerbated by the high percentage of RNs who are approaching retirement age (>30% over 50)

In addition to Baby Boomers' higher demand for health care services as they live longer, BLS cites an increased emphasis on preventive care and growing rates of chronic conditions like diabetes and obesity as core reasons that are fueling the nursing industry's growth

A recent study by HR consulting firm Mercer found that the U.S. needs to hire 2.3 million new health care workers by 2025 to aid the country's aging population

Highly educated nurses are in demand – with salaries to match

Degree	Avg. Salary***	Purpose	# Students*
Associate	\$67,463	Minimum qualification required to become an RN	n/a
Pre-Licensure BSN	\$77,249	Undergraduate degree for those with no experience	201,517
RN to BSN	\$77,249	Designed for RNs to upskill and meet new industry standards	137,285
MSN	\$93,509	Designed for RNs looking to move into leadership positions	128,644
DNP	\$98,826	For RNs seeking a terminal degree in nursing practice	25,289
MSN - FNP	\$104,610	Designed to bridge the gap between an RN and a Physician	50,000**

*Source: American Association of Colleges of Nursing, 2017 annual report (89.2% of schools reported, student counts are actuals, not projections)
 **FNP specialization is a subset of the 128,644 total MSN students, actuals not available by specialization, therefore this is a company projection

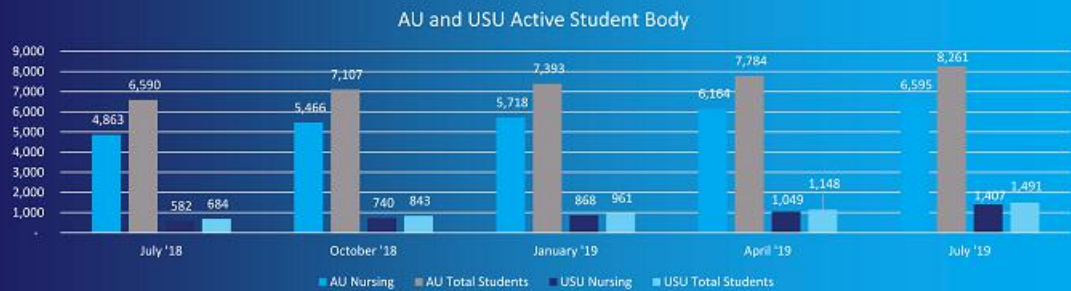
Higher salaries and demonstrated ROI incentivize higher graduation rates

Degree Program	Program Cost (\$)	Salary Uplift (\$)*	Payback (yrs)
RN to BSN	9,750	9,786	1.00
MSN	11,700	16,260	0.72
DNP	18,900	21,577	0.88
MSN-FNP (USU)	27,000	27,361	0.98

These short payback periods demonstrate how by completing a low-cost degree program students can materially improve their financial position

Source: Payscale.com

Nursing students represent 82% of ASPU's total student body*



*As of July 2019

With the addition of two new nursing programs, ASPU dramatically expanded TAM to more than \$4bn

Launched	CCNE Accredited	Degree Program	Market Size (\$)
2011 Q4 2013	2012 Q4 2014	Master of Science in Nursing (MSN) Bachelor of Science in Nursing (RN to BSN)	478mm
2017	In Progress	Doctor of Nursing Practice (DNP)	100mm
USU Acquired — December 2017	2014	Master of Science in Nursing — Family Nurse Practitioner (MSN - FNP)	535mm
July, 2018	Q4 2014	Pre-Licensure Bachelor of Science in Nursing (BSN)	>3.0bn

Aspen University
entered the >\$3bn
BSN Pre-Licensure
campus business
in July 2018

16



By offering a hybrid BSN P-L degree, Aspen has created an affordable offering in a >\$3bn market

The AACN has estimated that there are 190,000 qualified entry level nursing students in the United States annually; however, there is only capacity amongst US nursing schools to accept 70% of worthy applicants

Aspen accepted its first cohort of pre-licensure nursing students at its inaugural Phoenix campus in July 2018 and will offer an additional evening/weekend program from January 2019, doubling the number of potential students

In October 2018, Aspen announced the signing of a memorandum of understanding with HonorHealth (5 hospital system in Arizona) to establish a nursing education center to provide qualified HonorHealth employees and general population applicants with an on-site accredited pre-licensure BSN program from Aspen University

Hybrid BSN P-L program delivers \$30,000 LTV per enrollment

670 active students in program as of 7/31/19

Estimating 90%+ grad rate among final two-year clinical students, and a 2/3's matriculation rate among first-year prereq students)

Given the P-L program's total cost of attendance (tuition + fees) is ~\$47,600 for students that enter with no college credits, we're currently estimating LTV per P-L enrollment of \$30,000

Assuming each campus 3-years out has 600 active students (400 2-year core & 400 first year pre-requisite students), the revenue run rate at that enrollment level would project to be ~\$9mm per campus

Aspen has ample opportunity to invest in its business at very attractive ROIs

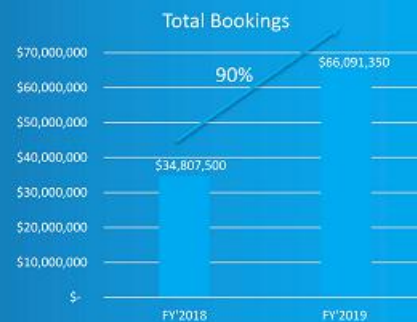
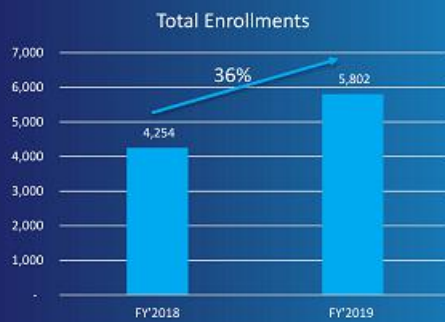
Student enrollment drives revenue which in turn is driven by marketing spend; for every marketing dollar spent the company expects to receive >6x in revenue and >3.6x in contribution margin. These characteristics resemble a best in class SaaS company, not a traditional online educator.

	RN to BSN / MSN	Doctoral	MSN-FNP (USU)	BSN Pre-Licensure
Revenue / Enrollment*	7,350	12,600	17,820	30,000
Marketing Cost / Enrollment*	(1,231)	(1,987)	(1,078)	(478)
Enrollment Advisor*	(811)	(811)	(870)	(484)
Instructional Costs**	(1,260)	(1,575)	(4,140)	(5,100)
Contribution Margin / Enrollment	4,048	8,227	11,732	23,938
Contribution Margin / Marketing \$	3.6x	4.5x	9.1x	31.2x
Marketing Efficiency Ratio	6.0X	6.3X	16.5X	62.8X

*As of 7/31/19 (assumes \$6,000/month/EA)

**Assumes \$150/course completion for Aspen U, \$345/course completion for USU MSN-FNP, and 17% of revenues for BSN Pre-Licensure

FY'18 v. FY'19—Enrollments Increased 36%, While Total Bookings* Increased 90%



*"Bookings" are defined by multiplying LTV by new student enrollments for each operating unit.

FY'18 v. FY'19—Average Revenue Per User (ARPU) Increased 39% Y/O/Y, from \$8,182 to \$11,391

	Lifetime Value (LTV)	FY'2018	FY'2018	FY'2019	FY'2019
	Per Enrollment	Enrollments	Bookings*	Enrollments	Bookings*
AU Online (Nursing + Other) Unit	\$ 7,350	3,858	\$ 28,356,300	3,825	\$ 28,113,750
AU (Doctoral) Unit	\$ 12,600	116	\$ 1,461,600	484	\$ 6,098,400
AU (Pre-Licensure BSN) Unit	\$ 30,000	-	\$ -	433	\$ 12,990,000
USU (FNP + Other) Unit	\$ 17,820	280	\$ 4,989,600	1,060	\$ 18,889,200
Total		4,254	\$ 34,807,500	5,802	\$ 66,091,350
Average Revenue Per User (ARPU)*			\$ 8,182		\$ 11,391

**Bookings* are defined by multiplying LTV by new student enrollments for each operating unit. *Average Revenue Per User or (ARPU)* is defined by dividing total bookings by total enrollments.



Q1 FY'2020: Enrollments Rise 46% and Bookings Increase 83% Y/O/Y, ARPU Increases to \$13,919

	Lifetime Value (LTV)	Q1 FY'2020	Q1 FY'2020
	Per Enrollment	Enrollments	Bookings*
AU Online (Nursing + Other) Unit	\$ 7,350	941	\$ 6,916,350
AU (Doctoral) Unit	\$ 12,600	198	\$ 2,494,800
AU (Pre-Licensure BSN) Unit	\$ 30,000	276	\$ 8,280,000
USU (FNP + Other) Unit	\$ 17,820	514	\$ 9,159,480
Total		1,929	\$ 26,850,630
Average Revenue Per User (ARPU)*			\$ 13,919

*"Bookings" are defined by multiplying LTV by new student enrollments for each operating unit.
 "Average Revenue Per User" or (ARPU) is defined by dividing total bookings by total enrollments.

ASPU fiscal Q4 highlights: 20% sequential growth and return to delivering positive Adjusted EBITDA

Sequential Financial Results	Q3 FY'2019	Q4 FY'2019	Sequential Improvement
Revenue	\$ 8.5 million	\$ 10.2 million	+\$1.7 million (20%)
Net (Loss)/Income	\$ (2.4) million	\$ (1.6) million	+\$0.7 million (32%)
EBITDA	\$ (1.7) million	\$ (0.7) million	+\$1.0 million (58%)
Adjusted EBITDA	\$ (1.1) million	\$ 0.1 million	+\$1.2 million (107%)
Net Loss Per Share	\$ (0.13)	\$ (0.09)	+\$0.04 cents (31%)

Proven Management Team

Michael Mathews

Chairman & Chief Executive Officer

- Former CEO of Interlock (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. Arnaud

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 BNY Mellon

Gerard Wendolowski

Chief Operating Officer

- Former VP, Marketing of Atrinisic (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

As of 8/6/19

Ticker on Nasdaq:	ASPU
Share Price:	\$4.09
52 Week Range:	\$3.58 - \$8.20
Market Cap:	\$76 Million
Shares Outstanding:	18.6 Million
Mgmt & BOD Ownership:	19%

Appendix

Q4 Fiscal Year 2019 Financial Results

Q4 Fiscal Year 2019 Results

For the Quarter Ended April 30, 2019

Revenues		\$ 10,214,143
Operating expenses		
	Cost of revenues	4,312,332
	General and administrative	6,669,767
	Depreciation and amortization	592,634
		11,550,238
Operating loss from operations		(1,360,590)
Other income (expense):		
	Other income	36,115
	Interest expense	(285,448)
		-
		(249,333)
Loss from operations before income taxes		(1,609,923)
Income tax expense (benefit)		-
Net loss		\$ (1,609,923)
Adjusted EBITDA		\$ 72,933

Net (Loss)/Income, Adjusted EBITDA and EPS

	Consolidated	AGI	AU	USU
Net (Loss)/Income	\$ (1,609,923)	\$ (2.21M)	\$ 1.11M	\$(0.51M)
Adjusted EBITDA	\$ 72,933	\$ (1.61M)	\$ 1.77M	\$(0.09M)
Net Loss Per Share	(\$0.09)			

Subsidiary KPIs—Q4 FY'19 Ratios

		Consolidated	AU	USU
Revenues	\$10,214,143	+41% YOY		
		Ratios as a Percentage of Total AGI Revenue	Ratios as a Percentage of AU Revenue	Ratios as a Percentage of USU Revenue
Instructional costs	\$1,974,846	19.3%	17.5%	25.5%
Marketing costs	\$2,337,486	22.9%	21.4%	19.4%
Operational Amortization	\$218,275	2.1%	2.8%	--
GAAP Gross Profit	\$5,683,536	55.6%	58.4%	55.1%
General & Administrative expenses	\$6,669,767	64.7%	43.4%	64.7%

Net Loss to Adjusted EBITDA Reconciliation (Q4 FY'19)

Net Loss	(\$1,609,923)
Interest Expense	285,437
Taxes	—
Depreciation & Amortization	592,634
EBITDA	(731,852)
Bad Debt Expense	373,942
Stock-Based Compensation	324,256
Non-recurring Charges	106,589
Adjusted EBITDA (Loss)	\$72,933

