
**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): **January 29, 2020**

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 January 29, 2020, Michael Mathews, Chief Executive Officer of Aspen Group, Inc. delivered a webcast presentation to certain members of the investment community. 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	<u>Investor Presentation dated January 29, 2020</u>



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.

Date: January 29, 2020

ASPEN GROUP, INC.

By: /s/ Michael Mathews

Name: Michael Mathews

Title: Chief Executive Officer



Creating Value by Transforming the College Education Experience

Michael Mathews
Chairman & Chief Executive Officer
January 29, 2020
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 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 our Form 10-Q's for the three and six months ended July 31, 2019 and October 31, 2019.

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.

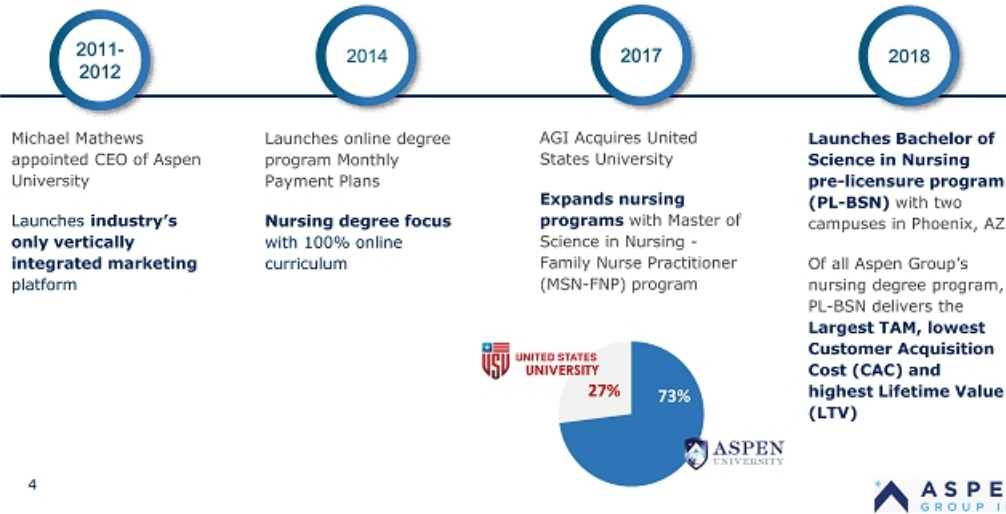
Regulation G - Non-GAAP Financial Measures. This presentation includes a discussion of Adjusted EBITDA, a non-GAAP financial measure. Certain information regarding this non-GAAP financial measure (including reconciliations to GAAP) is provided in our press release dated October 10, 2019 and on our website at www.aspu.com - Financial Information.

Aspen Group is an Education Technology Company With Mission of Making College Affordable Again



- ✓ **Focused on high LTV nursing programs** to drive revenue growth and margin improvement
- ✓ **EdTech platform** drives low Customer Acquisition Cost (CAC) which allows the Company to offer **lower tuition rates and monthly payment plans**, while **improving student outcomes**
- ✓ **Industry leading unit economics** – high graduation rates and Marketing Efficiency Ratio (MER) drive industry leading gross margins

Evolving Our Business to Drive Growth



Trends Fueling Strong Demand for Nurses

The Bureau of Labor Statistics (BLS) estimated in 2016 that **demand for RNs will grow by 15% over the next decade** to ~3.4 million

High percentage of RNs approaching retirement age (>30% over 50) also impacts future demand

BLS cites core reasons fueling the nursing industry's growth:

Baby Boomers' higher demand for health care services as they live longer, increased emphasis on **preventive care** and growing **rates of chronic diseases**

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

Acceptance Rates in Pre-Licensure Degree Programs Not Meeting High Demand

U.S. nursing schools **only accept 70% of applicants** creating wait lists up to 2-3 years at public and private institutions

AACN estimates there are over **190,000 applicants annually**

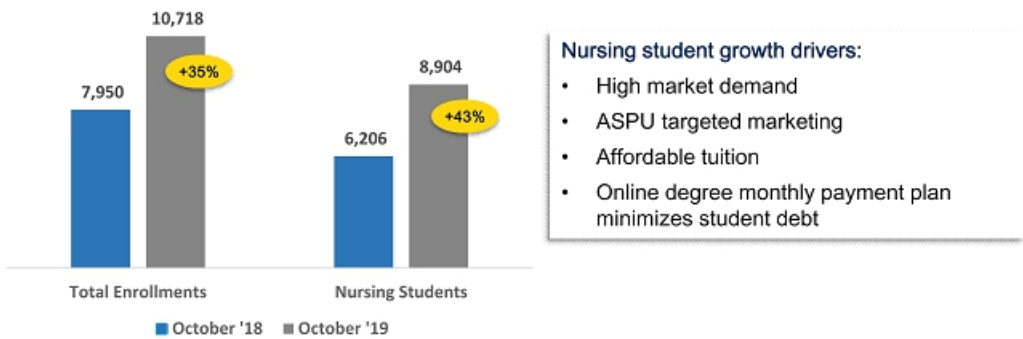
Nursing applicants are turned away due to **budget constraints** and **insufficient resources - faculty, clinical sites, classroom space** and clinical preceptors

In 2017 **nursing schools turned away over 56,000 qualified applicants** while over **1/3 of hospitals challenged*** to find **adequate nurses** to fill open positions.

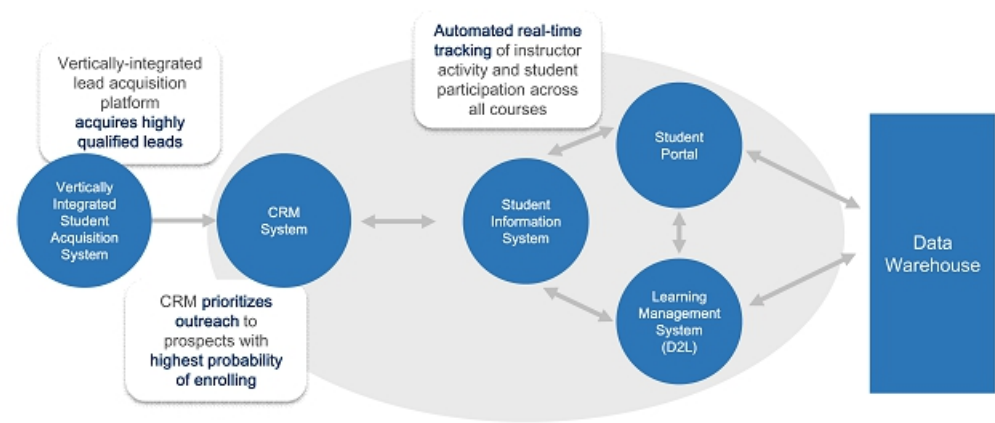
*Source: Leaders for Today 2018 survey of 200 U.S. hospitals

Nursing - Fastest Growing ASPU Student Body

ASPU offers **affordable nursing degrees** from Bachelor to Doctorate, including highly sought-after **MSN-FNP and Pre-licensure BSN** programs (Nursing represents 83% of total ASPU student body)



EdTech Platform Drives Low Cost of Enrollment and Better Student Outcomes



Low Cost of Enrollment Driven by In-House Internet Advertising and CRM System

~\$150	14%	\$1,061
Average Cost of Lead	Conversion Rate*	Cost/Enrollment*
Vertically integrated internet advertising produces highly qualified low-cost leads	Industry leading conversion rates drive high enrollment rates	Low cost leads and high conversion rates drive low cost per enrollment

*For Aspen University online nursing + other program, as of October 2019, six-month rolling averages

EdTech Platform Drives Better Student Outcomes



Student Satisfaction

92%

Aspen University alumni that felt they **achieved the goals** they set when they started the course or program



Aspen University
RN to BSN Graduation Rate

76%

As compared to the **60% national average** of nursing students who began a bachelor's degree at a four-year institution



Monthly Payment Model

84%

Aspen University alumni that graduated **without financial aid***

EdTech Platform Delivers Significant Savings for ASPU Nursing Students

Salary uplift and expanded career options with a **payback of one year or less** motivates student to enroll in ASPU programs and graduate

Degree Program	Aspen / USU	Average*	Savings	Chamberlain	WGU	Walden	Capella
RN to BSN (AU)	\$9,750	\$19,709	49%	\$28,870	\$14,180	\$17,785	\$18,000
MSN (AU)	\$11,700	\$22,395	52%	\$27,480	\$15,780	\$25,320	\$21,000
DNP (AU)	\$18,900	\$40,510	47%	\$39,660	N/A	\$40,790	\$41,080
MSN – FNP (USU)	\$23,250	\$41,208	56%	\$39,435	N/A	\$42,980	N/A

* Average tuition of comparable institutions

Transforming the College Financing Experience Through Monthly Payment Plans

Aspen is **transforming the college education experience** for students looking to pursue higher paying careers that require advanced skills

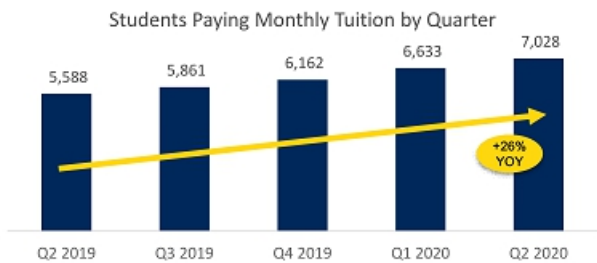


Affordable – Lower tuition costs than comparable campus and online programs



Debt Free – Monthly payment plans minimize student debt burden after graduation

Monthly Payment Plan Delivers Recurring Cash



- 66% of ASPU students pay monthly
- Monthly recurring cash of over \$1.6 million*
- Monthly payments are interest free and paid over a fixed period

* As of October 31, 2019

Prioritize Investment to Accelerate Growth

Focusing our resources on growth with highest long-term returns

- 1 Efficient Marketing Spend**
One marketing dollar spent delivers at least 6.9x revenue and 3.9x contribution margin
- 2 Expand Pre-licensure BSN Campuses – Plan to Add 2 Campuses Per Year**
Our Pre-licensure BSN program delivers the highest LTV of all our nursing programs

Pre-Licensure BSN Campuses - \$100 Million Opportunity

Pre-licensure BSN program estimated **\$30,000 LTV per enrollment** - the highest of all our nursing programs



Targeting 12 campuses nationally by 2024
Opening new campuses in Texas and Florida in CY 2020



~1500 active students by year three per campus



Expected \$9 million+ revenue run-rate per campus

Assumptions:

- \$47,600 - average total cost for tuition and fees*
- ~2/3 of the 400 first year pre-requisite students matriculate to core clinical program
- >90% graduation rate for core clinical students

*Tuition and fees for students with no college credits

Fiscal Year 2020 Key Metrics

Increasing enrollments
in highest LTV program
while **managing costs** to
achieve **positive**
Adjusted EBITDA

- 1 Year-over-year enrollment growth of ~30%
- 2 54% annual bookings growth to ~\$102 million
- 3 Annual revenue growth to meet or exceed 41%
- 4 Adjusted EBITDA positive for Fiscal Year 2020

Aspen Group Key Investment Takeaways



- ✓ Targeting **high-growth nursing education sector** with a comprehensive degree offering
- ✓ Unique EdTech platform provides **key competitive advantages** of lower tuition costs and flexible financing options
- ✓ Focused marketing spend on highest LTV nursing programs **drives revenue growth and margin expansion**



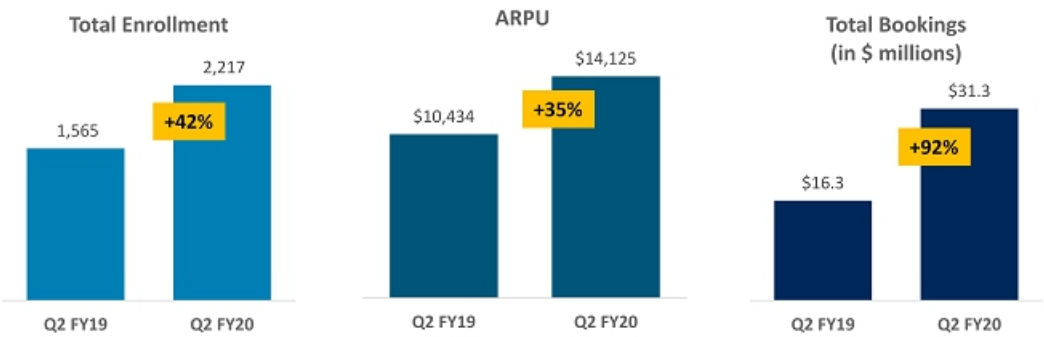


Operating Metrics and Financial Results Second Quarter FY 2020

Q2 and Year-to-Date FY 2020 Summary Financials


(\$ in millions)	Three months ended			Six months ended		
	October 31, 2019	October 31, 2018	% Change B/(W)	October 31, 2019	October 31, 2018	% Change B/(W)
Revenue	\$12.1	\$8.1	49%	\$22.4	\$15.3	47%
GAAP Gross profit	\$7.6	\$4.1	87%	\$13.4	\$7.4	81%
GAAP Gross margin (%)	63%	50%	1,300 bps	60%	48%	1,200 bps
Operating Income (Loss)	(\$0.3)	(\$2.5)	87%	(\$2.0)	(\$5.3)	63%
Net Income (Loss)	(\$0.6)	(\$2.5)	74%	(\$2.7)	(\$5.3)	49%
Cash Used in Operations	(\$0.3)	(\$2.1)	84%	(\$2.0)	(\$5.5)	63%
EBITDA (Loss)*	\$0.5	(\$1.9)	>100%	\$(0.5)	(\$4.2)	88%
Adjusted EBITDA (Loss)*	\$1.4	(\$1.3)	>100%	\$1.3	(\$3.1)	>100%

Strong Bookings Growth and Increased ARPU Fueled by High LTV Program Enrollments



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

Average Revenue Per User (ARPU) Increased 35% due to Increased Percentages of High LTV Enrollment

	LTV/ Enrollment	Q2 FY'2019 Enrollments	% of total	Q2 FY'2019 Bookings*	Q2 FY'2020 Enrollments	% of total	Q2 FY'2020 Bookings*
AU Online (Nursing + Other) Unit	\$7,350	1,104	71%	\$8,114,400	1,196	54%	\$8,790,600
AU (Doctoral) Unit	\$12,600	133	9%	\$1,675,800	190	9%	\$2,394,000
AU (Pre-Licensure BSN) Unit	\$30,000	57	4%	\$1,710,000	437	20%	\$13,110,000
USU (FNP + Other) Unit	<u>\$17,820</u>	<u>271</u>	<u>17%</u>	<u>\$4,829,220</u>	<u>394</u>	<u>18%</u>	<u>\$7,021,080</u>
Total		1,565		\$16,329,420	2,217		\$31,315,680
Average Revenue Per User (ARPU)*				\$10,434			\$14,125

*"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.

Consistent Enrollment Growth with Solid Enrollment Advisor Results Across All Programs

	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	EAs	Enrolls/ Month/EA
Aspen (Nursing + Other)	1,104	895	944	941	1,196	47	8.5
Aspen (Doctoral)	133	120	113	198	190	8	7.9
USU (FNP + Other)	271	251	317	514	394	18	7.3
Aspen (Pre-Licensure BSN, AZ Campuses)	<u>57</u>	<u>97</u>	<u>186*</u>	<u>276*</u>	<u>437*</u>	<u>8</u>	18.2
Total	1,565	1,363	1,560	1,929	2,217	81	

*Includes prerequisite students for HonorHealth campus and students registered for upcoming start dates awaiting financial clearance

Equity Snapshot

As of 01/27/2020

Nasdaq Ticker:	ASPU
Share Price:	\$8.17
52 Week Range:	\$3.58 - \$8.67
Market Cap:	\$157 Million
Shares Outstanding:	21.6 Million
Management & Director Ownership:	17%

