
**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): **March 16, 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 March 16, 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.

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	<u>Investor Presentation dated March 16, 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.

ASPEN GROUP, INC.

Date: March 16, 2020

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
March 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 relating to the growth of future student enrollments, bookings and ARPU, Fiscal 2020 revenue growth, the expansion of the highest LTV programs, expected G&A trends including Fiscal 2020 Adjusted EBITDA, gross margins, expected campus expansion, campus capital expenditures and campus operating metrics and generating cash from operations. 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 our Risk Factors contained in our filings with the Securities and Exchange Commission, including our Prospectus Supplement dated January 17, 2020 and our Annual Report on Form 10-K for the fiscal year ended April 30, 2019 as updated by the Quarterly Report on Form 10-Q for the three months ended July 31, 2019, and the unanticipated and unknown effect of the coronavirus including on our operations and our students.

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 March 10, 2020 and on our website at www.aspu.com - Financial Information.

**ASPEN GROUP
IS AN EDUCATION
TECHNOLOGY COMPANY
WITH MISSION OF
MAKING COLLEGE
AFFORDABLE AGAIN**

1

Focused on high LTV nursing programs to drive revenue growth and margin improvement

2

EdTech platform drives low Customer Acquisition Cost (CAC) that enables **lower tuition rates and monthly payment plans**, while **improving student outcomes**

3

Targeting investment for future growth in new pre-licensure campuses (highest LTV nursing program), a **\$100 million opportunity**

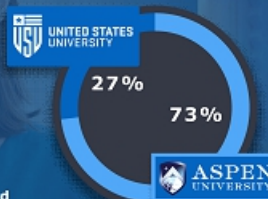
EVOLVING OUR BUSINESS TO DRIVE GROWTH

2014

Launches **Monthly Payment Plans** for online degree programs
Shifts entire marketing focus to post-licensure online nursing degrees for existing RNs

2018

Launches **Bachelor of Science in Nursing pre-licensure program (PL-BSN)** in Phoenix, AZ
PL-BSN delivers the **largest TAM, lowest Customer Acquisition Cost (CAC)** and **highest Lifetime Value (LTV)** of Aspen's nursing programs



2011- 2012

Michael Mathews appointed CEO of Aspen University Launches industry's **only vertically integrated marketing platform** designed to lower **Customer Acquisition Cost (CAC)**

2017

Aspen Group, Inc. **acquires United States University, Expands nursing programs** with Master of Science in Nursing - Family Nurse Practitioner (MSN- FNP) program

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**

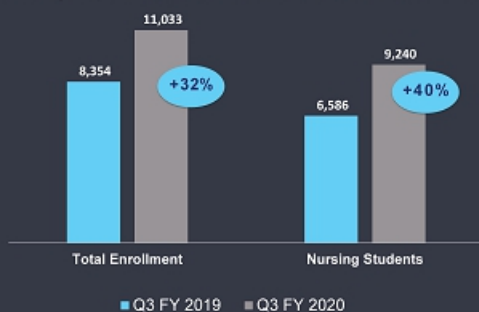
In 2017 nursing schools
turned away over
**56,000 qualified
applicants** while over
**1/3 of hospitals are
challenged*** to find
adequate nurses to fill
open positions.

* 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

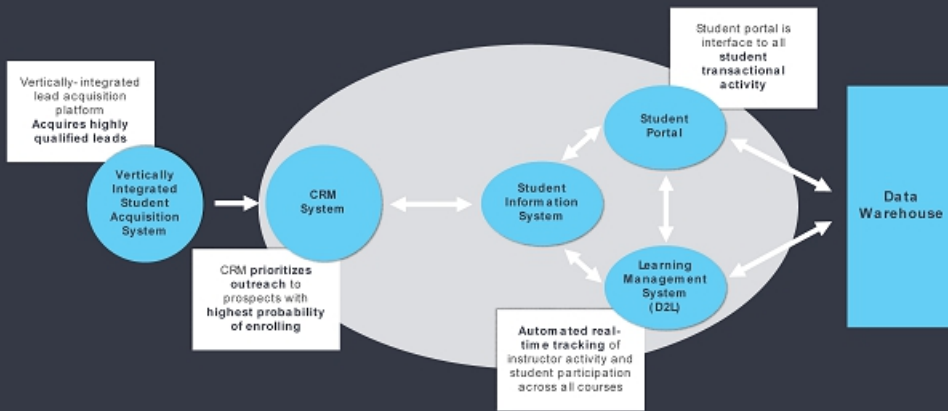
Nursing represents 84% of total ASPU student body



Nursing Student Growth Drivers:

- High market demand
- ASPU targeted marketing
- Affordable tuition
- Online degree monthly payment plan minimizes student debt

EDTECH PLATFORM LOWER ENROLLMENT COSTS AND IMPROVES STUDENT OUTCOMES



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 Group, Inc.			Competitive Degree Offerings			
	ASPEN / USU	AVERAGE*	SAVINGS	CHAMBERLAIN	WGU	WALDEN	CAPELLA
RN to BSN (AU)	\$9,750	\$19,709	49%	\$28,870	\$14,800	\$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 MINIMIZATION

Monthly payment plans minimize student debt burden after graduation

MONTHLY PAYMENT PLAN PROVIDES RECURRING CASH

Students Paying Monthly Tuition by Quarter*



65% of active student body 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 spending and investment to generate **maximum long-term returns**

1

LEVERAGE EDTECH PLATFORM FOR HIGHLY EFFICIENT MARKETING SPEND

One marketing dollar spent delivers at least 15x revenue

2

OPENING NEW PRE-LICENSURE BSN CAMPUSES (WITH MSN-FNP WEEKEND IMMERSIONS)

Our Pre-licensure BSN and MSN-FNP programs deliver the highest LTVs of all our nursing programs

EFFICIENT MARKETING SPEND DELIVERS ATTRACTIVE ROI

Each marketing dollar spent **returned 15X revenue** on average, exceeding traditional online education sector returns and on-par with a SaaS model profile.

Marketing Efficiency Ratio

	Enrollments	CAC ¹	LTV ²	MER
Aspen University	1,371	961	14,482 ³	15.1X
USU	375	1,103	17,820 ⁴	16.2X

¹Based on 6-month rolling weighted average CAC for each university's enrollments
²Lifetime Value (LTV) of a new student enrollment

³Weighted average LTV for all Aspen University enrollments in the quarter
⁴LTV for USU's MSN-FNP Program

PRE-LICENSURE BSN CAMPUSES - \$100 MILLION OPPORTUNITY

Aspen University's **Pre-licensure BSN** program
carries the **highest LTV** 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 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



SLIDE 15

FISCAL YEAR 2020 KEY METRICS

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

Year-over-year enrollment growth of ~30%

Bookings forecasted to exceed 54% to over \$102 million

Annual revenue growth to meet or exceed 42%

Adjusted EBITDA positive for fiscal year 2020



ASPEN GROUP KEY INVESTMENT TAKEAWAYS

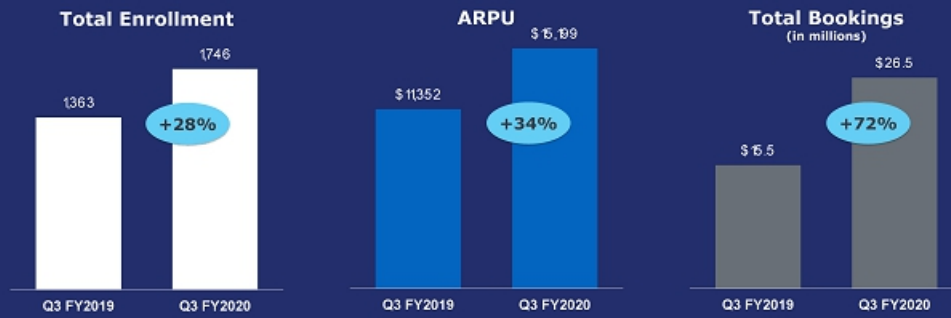
- ✓ Targeting **high-growth nursing education sector** with a comprehensive degree offering
- ✓ **EdTech platform provides key competitive advantages** of lower tuition costs, flexible financing options and better student outcomes
- ✓ **Focused marketing** spend on highest LTV nursing programs **drives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

A woman in blue scrubs is smiling and holding a clipboard in a hospital hallway. Other people in scrubs are visible in the background.

APPENDIX

OPERATING METRICS AND FINANCIAL RESULTS THIRD QUARTER FY 2020

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.

EQUITY SNAPSHOT

AS OF 03/11/2020

NASDAQ TICKER:	ASPU
SHARE PRICE:	\$6.34
52 WEEK RANGE:	\$3.58 - \$10.27
MARKET CAP:	\$137 Million
SHARES OUTSTANDING:	216 Million
MANAGEMENT & DIRECTOR OWNERSHIP:	17%

Q3 FY'20 Income Statement

For the Quarter Ended January 31, 2020

Revenues	\$	12,537,940
Operating expenses		
Cost of revenues		5,163,007
General and administrative		8,627,588
Depreciation and amortization		475,393
Total operating expenses		14,265,988
Operating loss from operations		(1,728,048)
Other income (expense):		
Other income		34,117
Interest expense		(571,958)
Loss from operations before income taxes		(2,265,889)
Income tax expense		6,163
Net loss	\$	(2,281,052)
Adjusted EBITDA	\$	222,416

Q3 FY'20 Net (Loss)/Income, Adjusted EBITDA and EPS for Consolidated and Subsidiaries

	Consolidated	AGI	AU	USU
Net (Loss)/Income	\$ (2,281,052)	\$ (3,604,910)	\$ 1,283,830	\$40,028
Adjusted EBITDA	\$ 222,415	\$ (1,894,480)	\$ 1,868,821	\$248,074
Net Profit/(Loss) Per Basic Share	(\$0.2)	(\$0.1)	\$0.07	\$0.00

Subsidiary KPIs—Q3 FY'20 Ratios

	Consolidated		AU	USU
Revenues	\$12,537,940	+48% YOY	\$9,112,663	\$3,425,277
		Ratios as a Percentage of Total AGI Revenue	Ratios as a Percentage of AU Revenue	Ratios as a Percentage of USU Revenue
Instructional costs	\$2,623,252	20.9%	19.4%	25.0%
Marketing costs	\$2,539,755	20.3%	19.6%	14.6%
Depreciation and Amortization	\$475,393	3.8%	3.8%	3.5%
GAAP Gross Profit	\$7,094,160	56.6%	57.9%	60.4%
General and Administrative expenses	\$8,627,588	68.8%	43.0%	55.6%

Q3 FY'20 Net Loss to Adjusted EBITDA Reconciliation

Net Loss	(\$2,281,052)
Interest income, net	570,020
Taxes	98,173
Depreciation and Amortization	<u>475,393</u>
EBITDA (loss)	(\$137,466)
Bad Debt Expense	2,547
Stock-Based Compensation	347,210
Non-recurring Charges	<u>101,124</u>
Adjusted EBITDA	\$222,415

