
**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): **July 22, 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, NY 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.

Beginning at 8:00 a.m. PT on July 22, 2020, Michael Mathews, Chief Executive Officer of Aspen Group, Inc., is delivering a presentation at the Zooming with LD Micro virtual investor conference. 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 July 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: July 22, 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
July 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 future revenue opportunity related to the new pre-licensure campuses, the expected demand for healthcare workers, including registered nurses, our estimates concerning lifetime value of enrollments and the Marketing Efficiency Ratio, the expected launch of Aspen University's Florida and Texas campuses and the expected rate of subsequent campus openings, future number of active students per campus and expected revenue run-rate per campus, fiscal year 2021 annual revenue forecast and expected EBITDA for fiscal year 2021. 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 ability to obtain the necessary regulatory approvals to launch our future campuses in a timely fashion or at all, the continued ability of our EdTech platform to perform as expected, continued high demand for nurses, the continued effectiveness of our marketing efforts, national and local economic factors including the substantial impact of the COVID-19 pandemic on the economy, the competitive impact from the trend of major non-profit universities using online education, unfavorable regulatory changes, and our failure to continue obtaining enrollments at low acquisition costs and keeping teaching costs down. Further information on the risks and uncertainties affecting our business is contained in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended April 30, 2020. 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 revenue 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

ASPEN GROUP'S NURSING DEGREE TAM OVER \$4B

Strong demand for ASPU programs targeting high LTV degrees with large student populations

AU and USU Nursing Degree Program

Bachelor of Science in Nursing (RN to BSN) and Master of Science in Nursing (MSN)

Doctor of Nursing Practice (DNP)

Master of Science in Nursing – Family Nurse Practitioner (MSN - FNP)

Pre-Licensure Bachelor of Science in Nursing (PL -BSN)

TAM Total Annual Tuition

\$478 million

\$100 million

\$535 million

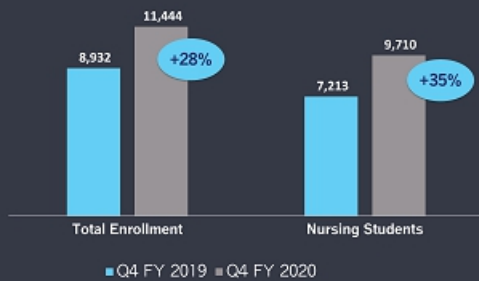
Over \$3.0 billion

High LTV

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

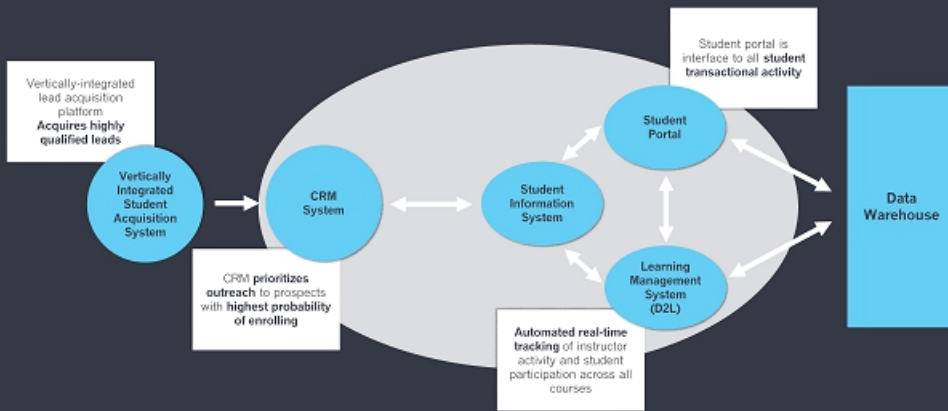
Nursing represents 85% of total ASPU student body



Nursing Student Growth Drivers:

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

EDTECH PLATFORM LOWERS ENROLLMENT COSTS AND IMPROVES STUDENT OUTCOMES



EDTECH PLATFORM DRIVES BETTER STUDENT OUTCOMES



STUDENT SATISFACTION

93%

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

81%

As compared to the **60% national average** of nursing students who began a bachelor's degree at a four-year institution¹



MONTHLY PAYMENT MODEL

88%

Aspen University alumni that graduated **without federal financial aid**²

1. Source: NCES; reported to DEAC for CY2018

2. Based on 1,405 Aspen University graduates in calendar year 2019

EFFICIENT MARKETING SPEND DELIVERS ATTRACTIVE ROI

Fourth quarter weighted average **customer acquisition costs (CAC)** fell by 10% year-over-year from \$1,462 to \$1,315.

Fourth Quarter FY'20 Marketing Efficiency Ratio

	Enrollments	CAC ¹	LTV ²	Q4'19 MER	Q4'20 MER	MER % Change
Aspen University	1,344	\$1,284	14,058 ³	7.9X	10.9X	38%
USU	432	\$1,423	17,820 ⁴	11.0X	12.5X	14%

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

EDTECH PLATFORM DELIVERS SIGNIFICANT SAVINGS FOR ASPU POST-LICENSURE 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

Aspen Group, Inc.				Competitive Degree Offerings			
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 MINIMIZATION

Monthly payment plans minimize student debt burden after graduation

MONTHLY PAYMENT PLANS PROVIDE RECURRING CASH

Students Paying Monthly Tuition by Quarter*



63% of active student body pay monthly

Monthly recurring cash of over \$1.9 million*

Monthly payments are interest free and paid over a fixed period

* As of April 30, 2020

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

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 16



FISCAL YEAR 2021 KEY METRICS

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

**Annual revenue forecast
of \$65 million**

**EBITDA positive for fiscal
year 2021**



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**

APPENDIX

EQUITY SNAPSHOT

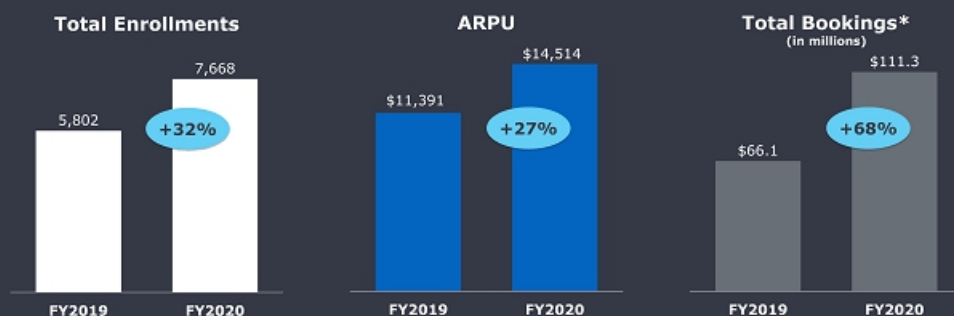
AS OF 07/20/2020

NASDAQ TICKER:	ASPU
SHARE PRICE:	\$9.30
52 WEEK RANGE:	\$3.62 - \$10.75
MARKET CAP:	\$206 Million
SHARES OUTSTANDING:	22.2 Million
MANAGEMENT & DIRECTOR OWNERSHIP:	11%

A woman in blue scrubs is standing in a hospital hallway, holding a tablet. She is smiling and looking towards the camera. In the background, another person in scrubs is walking away. The hallway has white walls and doors.

Q4 Fiscal Year 2020 Financial Results

FY'20 BOOKINGS GROWTH AND INCREASED ARPU FUELED BY GROWTH IN HIGH LTV PROGRAM ENROLLMENTS



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

Q4 FY'20 Income Statement

	Three Months Ended April 30, 2020	Change from Prior Year (FY'19)	
		Dollar (\$)	Percent (%)
Revenues	\$14,079,193	\$3,865,051	38%
Operating expenses			
Cost of revenues	\$5,431,182	\$1,118,851	26%
General and administrative	\$7,716,277	\$1,420,452	23%
Bad debt expense	\$780,005	\$406,063	109%
Depreciation and amortization	\$493,268	\$(99,366)	-17%
Total operating expenses	\$14,420,732	\$2,846,000	25%
Operating loss from operations	\$(341,539)	\$1,019,049	-75%
Other income (expense):			
Other income	\$59,760	\$23,645	65%
Interest expense	\$(393,471)	\$(108,023)	38%
Total other expense, net	\$(333,711)	\$(84,378)	34%
Loss from operations before income taxes	\$(675,251)	\$934,671	-58%
Income tax benefit	\$10,688	\$10,688	--
Net Loss	\$(664,563)	\$945,360	-59%

Q4 FY'20 Net (Loss)/Income, Adjusted EBITDA and EPS for Consolidated and Subsidiaries

	Consolidated	AGI	AU	USU
Net Profit/(Loss)	\$(664,563)	\$(3,208,902)	\$1,949,227	\$595,112
Adjusted EBITDA	\$1,369,233	\$(2,420,727)	\$3,101,183	\$688,777
Net Profit/(Loss) Per Share, basic & diluted	\$(0.03)	\$(0.15)	\$0.09	\$0.03
Weighted Average Shares	21,739,300			

Subsidiary KPIs—Q4 FY'20 Ratios

	Consolidated	AU	USU
Revenues	\$14,079,193	\$9,988,306	\$4,090,886
	Ratios as a Percentage of Total AGI Revenue	Ratios as a Percentage of AU Revenue	Ratios as a Percentage of USU Revenue
Instructional costs	19%	18%	21%
Marketing costs	19%	18%	16%
Depreciation and Amortization	4%	4%	1%
GAAP Gross Profit	59%	60%	63%
General and Administrative expenses	55%	33%	46%

Q4 FY'20 Adjusted EBITDA and EBITDA Positive

Q4 FY'20 Net Loss to Adjusted EBITDA Reconciliation

	Three Months Ended	Change from Prior Year	
	April 30, 2020	Dollar	Percent
Net Loss	\$(664,563)	\$945,360	-59%
Interest expense	\$393,471	\$108,034	38%
Taxes	\$(10,688)	\$(10,688)	NM
Depreciation and Amortization	\$493,268	\$(99,366)	-17%
EBITDA	\$211,488	\$943,340	>100%
Bad Debt Expense	\$780,005	\$406,063	109%
Stock-Based Compensation	\$300,740	\$(23,516)	-7%
Non-recurring Charges	\$77,000	\$(29,589)	-28%
Adjusted EBITDA	\$1,369,233	\$1,296,298	>100%

A woman in blue scrubs is standing in a hospital hallway, holding a tablet. She is looking towards the camera. In the background, another person in scrubs is walking away. The hallway has blue walls and doors.

Full Year Fiscal Year 2020 Financial Results

Full Year FY'20 Income Statement

	Twelve Months Ended		Change from Prior Year (FY'19)	
	April 30, 2020	April 30, 2019	Dollar (\$)	Percent (%)
Revenues	\$49,061,080	\$34,025,418	\$15,035,662	44%
Operating expenses				
Cost of revenues	19,135,302	15,977,218	3,158,084	20%
General and administrative	30,329,520	24,133,820	6,195,700	26%
Bad debt expense	1,431,210	854,008	577,202	68%
Depreciation and amortization	2,203,461	2,170,098	33,363	2%
Total operating expenses	53,099,493	43,135,144	9,964,349	23%
Operating loss from operations	(4,038,413)	(9,109,726)	5,071,313	-56%
Other income (expense):				
Other income	249,246	276,189	(26,943)	-10%
Interest expense	(1,818,078)	(444,680)	(1,373,398)	309%
Total other expense, net	(1,568,832)	(168,491)	(1,400,341)	831%
Loss from operations before income taxes	(5,607,245)	(9,278,217)	3,670,972	-40%
Income tax expense	51,820	--	51,820	100%
Net Loss	\$(5,659,065)	\$(9,278,217)	\$3,619,152	-39%

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

	Consolidated	AGI	AU	USU
Net Profit/(Loss)	\$(5,659,065)	\$(11,984,182)	\$5,957,645	\$367,472
Adjusted EBITDA	\$2,707,560	\$(7,802,739)	\$9,067,803	\$1,442,496
Net Profit/(Loss) Per Share, basic & diluted	\$(0.29)	\$(0.61)	\$0.30	\$0.02
Weighted Average Shares	19,708,708			

Subsidiary KPIs — Full Year FY'20 Ratios

	Consolidated	AU	USU
Revenues	\$49,061,080	\$35,648,490	\$13,412,589
	Ratios as a Percentage of Total AGI Revenue	Ratios as a Percentage of AU Revenue	Ratios as a Percentage of USU Revenue
Instructional costs	20%	18%	24%
Marketing costs	19%	18%	14%
Depreciation and Amortization	4%	4%	6%
GAAP Gross Profit	59%	61%	62%
General and Administrative expenses	62%	39%	53%

Full Year FY'20 Net Loss to Adjusted EBITDA Reconciliation

	Twelve Months Ended	Change from Prior Year	
	April 30, 2020	Dollar	Percent
Net Loss	\$(5,659,065)	\$3,619,152	-39%
Interest expense	\$1,818,078	\$1,376,117	311%
Taxes	\$51,820	\$42,544	459%
Depreciation and Amortization	\$2,203,461	\$33,363	2%
EBITDA	\$(1,585,706)	\$5,071,176	-76%
Bad Debt Expense	\$1,431,210	\$577,202	68%
Stock-Based Compensation	\$1,641,984	\$451,599	38%
Non-recurring Charges- Stock Based Compensation	474,324	474,324	100%
Non-recurring Charges - other	\$745,748	\$248,448	50%
Adjusted EBITDA	\$2,707,560	\$6,822,749	>100%

