

Aspermont AGM 2019 – Managing Director Address - Full Transcript

Alex Kent, Managing Director

Thank you, Geoff,

Our Chairman is right. This is an exciting time to be at Aspermont. We are in a major new growth phase.

We changed our financial year last year and now to run October to September, and recently released our full year FY18 results.

We then reported that Aspermont had successfully completed a 3-year transformation project to achieve strategic, operational, digital and financial transformation to strengthen our position as the leading media services provider to the global resources industry.

As then, the company is now profitable, cash flow positive, carries no balance sheet debt and has the resources available to fund its growth strategies.

Our top line revenues are growing well along and so are operating cashflows, bottom line profitability and improving profit margins.

The key message for shareholders from this AGM is that;

- our transformation and business turnaround is complete,
- we have entered a new growth phase; and
- our growth will accelerate and scalability beckons.

I turn to **SLIDE 2** of the presentation.

Aspermont is the leading media services provider to the global resources industry.

This is a fact.

We are listed on the ASX but are based in London with offices in Australia, Brazil, the Philippines and across North America.

Over the last 20 years we have built a commercial model for B2B media providing high value content while building premium rate subscription audiences.

Your global print, online and conferencing solution

Print | comprehensive, up to date information, reviews & surveys
Online | essential news and information direct to your desktop
Conference | high profile, highly targeted key industry conferences

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These audiences are scalable through our high-tech platform by commodity and geography.

Our prime focus over the next few years is to leverage our model to increase our media leadership in the Mining, Agriculture, Energy and Technology sectors.

I now turn to **SLIDE 3** of the presentation

We ended FY18 with a growth surge with momentum building in the new financial year.

Our top line revenue growth last year was 21%. This lifted to 39% in Q1; and in the current quarter we expect a further step up to 47% annualized growth.

This accelerating revenue positively impacts our cashflow and so too our bottom- line profits which will become very apparent over the second half of this year.

We see no signs that our growth will slacken.

In fact, we expect greater revenue growth and an improved financial performance in the second half – as was the case last financial year.

SLIDE 4 of our presentation illustrates our turnaround.

Over the last few years our business has been completely transformed financially, operationally and at a corporate level.

Our management team that has thus proven its ability to execute, deliver the results and prepare the company for sustainable growth.

SLIDE 5 shows our growth is multi-tiered.

Essentially, we see growth on 3 distinct horizons.

Our first and near horizon deals with building our existing core business.

Our second horizon looms as the product and services we have recently launched and are presently nurturing generate high growth returns over the medium term.

Our third and far horizon; will appear from the time and money we are investing in the products and solutions of our future.

SLIDE 6 considers these segments

Aspermont has successfully defended our, Horizon 1 traditional businesses, subscriptions and advertising.

In the face of an enormous structural decline in print advertising – a core revenue stream upon which the Company was built – Aspermont has been able to defend in a period of severe market disruption and return the division to growth.

We achieved this through 2 means:

1. we built and refined our own digital advertising alternatives – moving towards bespoke content marketing solutions and away from historic display advertising; AND
2. we repositioned our print products as premium offerings - ensuring that we will service the print medium, which looks set to endure for the remainder of this digital era and probably beyond

SLIDE 7 shows our success in building subscriptions - our other horizon 1 core revenue stream

We release this slide quarterly to the market to show the across the board growth we have generated in all our key SaaS metrics.

It is significant that our growth has been achieved in the context of a period of significant financial austerity for the company.

Our Lifetime Value metric shows compound annual growth of 49% and it is fair to say that all parts of our content, technology, marketing and subscriptions models have been firing in unison.

Now; with positive cash flow and resources in hand; we anticipate further positive performance over the next few years.

In **SLIDE 8** we show the impact of our recent, Horizon 2, products and services

We have recently launched two new businesses: Events and Research& Intelligence; which with our initiatives in Content Marketing now sees more than 45% of revenues coming from these new Horizon 2 areas.

This is quite remarkable given these new business lines are less than 18 months old. We augment the growth of those new divisions with geographical expansion.

SLIDE 9 describes the positive impact of our North American focus.

We expect continued high growth development in this market despite the compelling gains we have already generated last year.

North America is a fertile market for all our primary sectors now that we are established in mining.

Finally, in **SLIDE 10** we list some of the new initiatives and businesses in our long-term pipeline.

These Horizon 3 products are in areas where our strategic planning and investment has already begun. We cannot always expect immediate returns for those investments, but we expect to reap the long-term economic opportunities they represent in the future.

Building from the core we nurture profitability through new business initiatives and generate sustainable cash flow for the business; this allows us to de-risk these investments. It also affords us the time to make sure the integrity of the structural build of these products which need to be highly competitive and fit for long term purpose when fully launched.

We believe that each of our horizon 3 products is an enormous business opportunity and each has the potential to be many times larger than Aspermont is today on a standalone basis.

Turning to **SLIDES 11 & 12** we summarise by saying that we have completed our turnaround. Aspermont is accelerating through, an exciting new growth phase.

Our outlook for FY19 remains unchanged.

We expect high growth and improved performance across the board in all our areas.

Our digital platform can extend globally; we have a management team in place who have shown the ability to execute in difficult circumstances and we are now seeing powerful growth not just in our new Horizon 2 businesses but also our core Horizon 1 propositions.

Aspermont has no debt; can fund its future growth ambitions and is becoming more aggressive in the pursuit of our longer-term goals.

Both management and board remain fully aligned with shareholder interests and we look forward to delivering meaningful returns over the next few years.

Thank you.