

Taglich Conference



Nasdaq: ASPU

www.aspen.edu

www.usuniversity.edu

May 1, 2018



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 our opportunities and expectations from the nursing education sector, projected gross margins and adjusted gross margins, financial expectations of United States University and ability of United States University to drive growth to Aspen Group financial forecasts and projections. 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 competition, difficulties the new Trump administration may encounter changing existing regulations including delays and litigation, ineffective media and/or marketing, changes in the nursing industry which make having a degree less attractive, failure to maintain growth in degree seeking students, our assumptions that we base our projections/forecasts on turn out to be inaccurate, difficulties with integration of United States University and Aspen Group and failure to generate sufficient revenue. Further information on our risk factors is contained in our filings with the SEC, including the 10-K dated July 25, 2017. 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 and Adjusted Gross Margins, non-GAAP financial measures. Certain information regarding these non-GAAP financial measures (including reconciliations to GAAP) is provided on the Investor Relations section of the Aspen website at www.ir.aspen.edu.

“To Make College Affordable Again”



How: Aspen First in Higher Ed To Vertically Integrate Marketing

- **Best-in-class customer acquisition**

- Management's expertise in Internet advertising and lead generation allowed Aspen to bring all marketing in-house
 - Do not utilize third-party lead gen firms
 - All ads utilizing university brands
 - Direct publisher relationships
 - Average customer acquisition costs ~\$900 is 1/5th the cost of competitors (~\$4,000 - \$5,000)

- [illegible]

Monthly Payment Methods Now The Majority Payment Type At Aspen University



Tuition Revenues by Payment Type (last 90 days avg.):

Monthly Payment Methods:	66%
-Monthly Payment Plan	62%
-Monthly Installment Plan	4%
Cash	8%
Federal Financial Aid	18%
Other (Corporate Tuition Reimbursement/Military)	<u>8%</u>
Total	100%

- **Recurring Monthly Tuition Billing Now Exceeds \$1 million**
 - 4,194 degree-seeking students enrolled in a monthly payment method (as of 1/31/18)
- **Total value of monthly payment plan contracts exceeds \$35 million (as of 1/31/18)**

Targeting 4 Growth Vectors



Growth Vector 1: RNs - Fully Online

RN to BSN, MSN, DNP



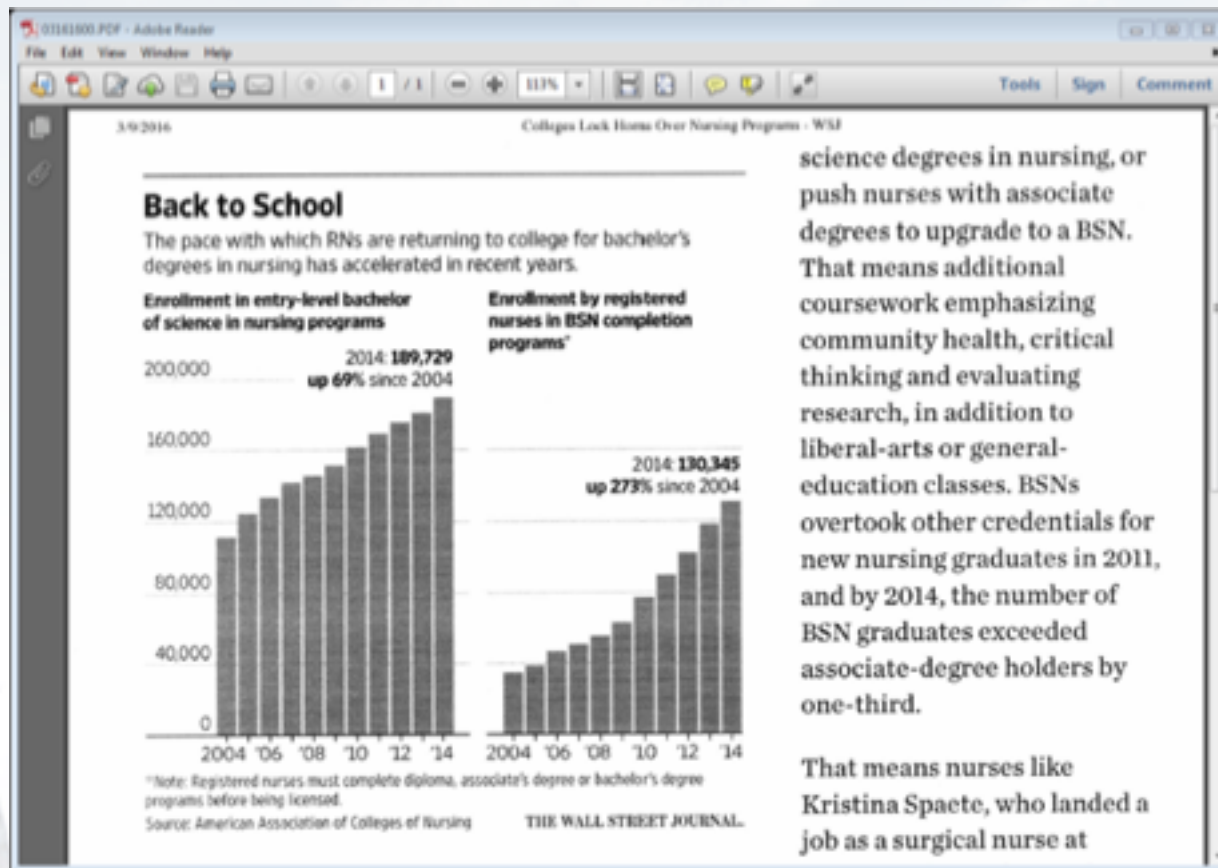
RNs (post-licensure):
BSN, MSN, DNP (All Online)
2.9mm RNs in U.S. Today
150,000 Starts per Annum
(TAM: - \$885mm)

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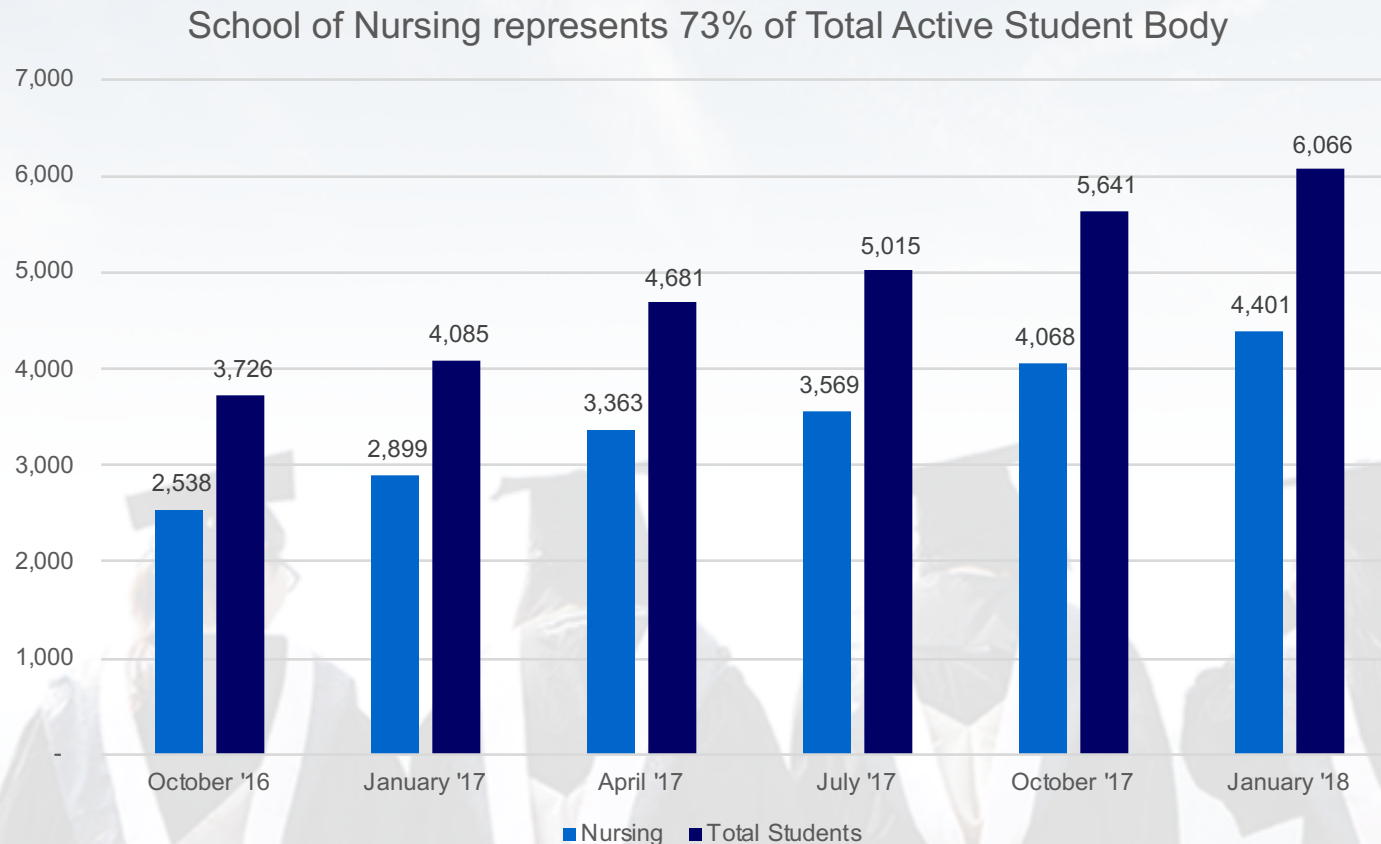
Aspen University Capturing ~2% Of BSN Completion Starts



Approximately 140K RNs currently enrolled in BSN Completion programs; or approx. 50,000 new enrolls/year



- **Goal for Aspen University is to build the largest Nursing school in U.S. (4,401 at 1/31/18 – Top 5)**



Aspen University Unit Economics Among Best In Sector



- **Low customer acquisition costs and variable teaching costs create highly attractive unit economics – projecting 68%+ Gross Margins (70%+ Adjusted Gross Margins*) at scale**
 - Average course completions per student enrollment is 8 = **\$7,150** revenue** (average \$820 tuition/course today and rising), earned over 4+ years
 - **Direct Cost ~\$2,050**
 - Student acquisition cost ~ \$875 (average)
 - Teaching cost ~ \$1,175 (average)
 - Hybrid faculty model (Full-Time/Adjunct Faculty)
 - <\$150 per student course completion
 - Save ~\$50,000 annual per F-T conversion
- **Gross Profit/New Student Enrollment ~ \$5,100**

* This is a Non-GAAP financial measure - see slide 1 "Regulation G – Non-GAAP Financial Measures"

**Assumes \$600 of misc. revenue/student

Growth Vector 2: Pre-Licensure BSN Hybrid Online/Campus Program



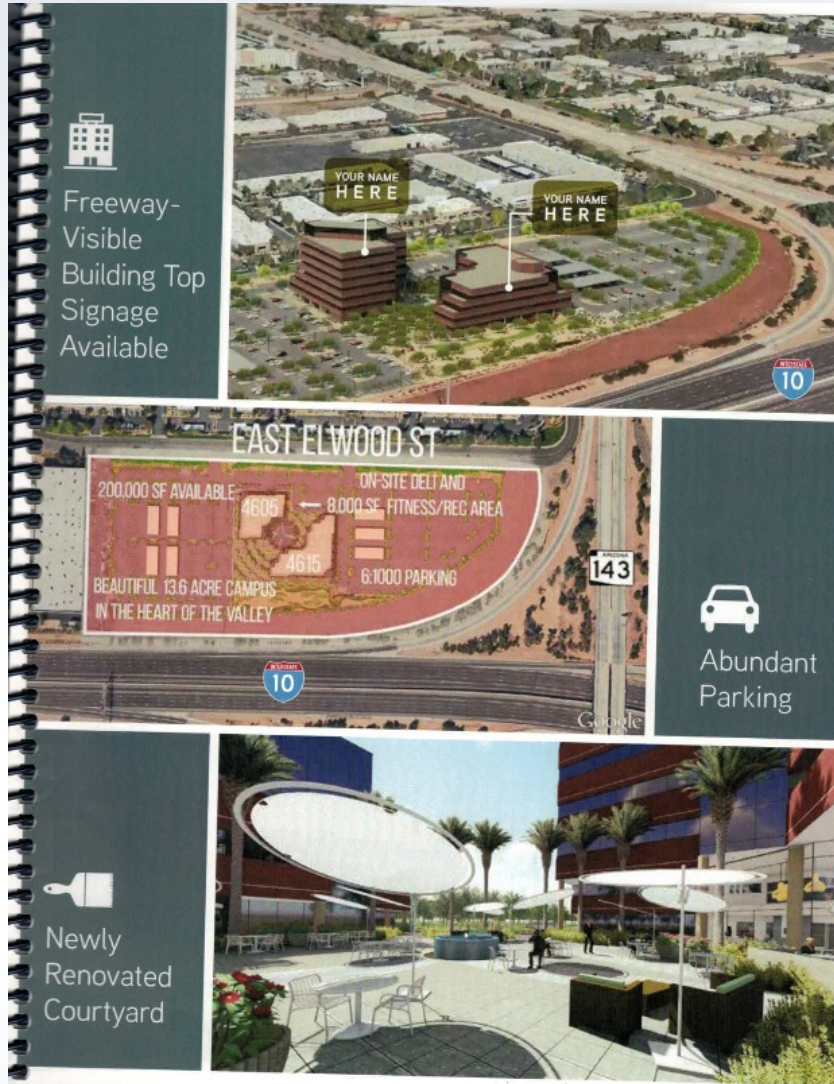
- **Aspen's solution to solving the Nursing shortage? Make BSN pre-licensure programs affordable again at <\$50K**



**Pre-Licensure BSN Program:
(Hybrid Online/Campus Program)
100,000 Pre-Licensure BSN Starts
per Annum
(TAM: - \$1.5B)**

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Aspen University Pre-Licensure BSN: First Campus in Phoenix, AZ



Campus located on ground floor of Bldg. 4615 (19,000 sq. ft)

Enrollment Centers on 3rd floor of Bldg. 4605 (19,000 sq. ft)

Aspen University logo on top of building 4615 facing Hwy 10; located at 'Broadway Curve' -- the most heavily trafficked location in PHX metro (5 mins south of airport)

Expected Launch Date: July, 2018

Aspen University Pre-Licensure BSN: Academic Program

- **3-Year BSN program is 120 credits – 69% online, 31% on ground**
- **Approved by the AZ BON, AZPPSE, State of Colorado, DEAC**
- **Have clinical partnerships in PHX (Maricopa Integrated Health System and Honor Health)**
- **Unique compared to other pre-licensure BSN programs**
 - Majority of courses online
 - Tuition price point (will be first <\$50,000 in U.S.)
 - 9 strategically placed seminars throughout program
 - Attitudes and behaviors
 - Connecting all content together with experts

**Forecasting ~\$10mm Annual Revenue Run Rate
Per Campus, 4-5 Years Out**

Growth Vector 3: Doctoral Students – Fully Online



Doctoral Programs (Fully Online):
55,000 Graduates per Annum
14% Online Students or ~8K/yr.
(TAM: - \$200mm)

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Growth Vector 4: RNs – MSN/FNP Hybrid Online Program

- **USU will become the university of choice for preparing six-figure Nurse Practitioners (\$27K: \$375 for 72 months)**



RNs (post-licensure):
MSN-Family Nurse Practitioner
(Hybrid Online Program)
234,000 NPs in U.S. Today (8% of
total RNs)
30,000 Starts per Annum
(TAM: - \$300mm)

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United States University Projections



- **United States University projected to represent ~10% of AGI revenues in Q4 FY'18**
 - Will rise to ~25% of AGI revenues by fiscal year-end 2019

Summary Income Statement

Summary Income Statement

FYE April, (\$ 000's)

	<u>FY'2015A</u>	<u>FY'2016A</u>	<u>FY'2017 A</u>	<u>FY'18 Q1A</u>	<u>FY'18 Q2A</u>	<u>FY'18 Q3A</u>
New Enrollments	1,250	2,089	3,243	1,025	1,255	1,247*
y/y % growth		67%	55%	65%	55%	41%
Revenue	\$5,226	\$8,454	\$14,245	4,243	4,852	5,702
y/y % growth		62%	69%	54%	40%	53%
Cost of Revenue	\$2,666	\$4,138	\$5,566	1,874	1,991	2,801
Gross Profit	\$2,560	\$4,316	\$8,679	2,369	2,861	2,901
Gross Profit %	49%	51%	61%	56%	59%	51%
Operating Expenses	\$5,963	\$6,451	\$9,461	3,149	3,343	5,049
Operating Income/(Loss)	(\$3,403)	(\$2,135)	(\$782)	(\$780)	(\$482)	(\$2148)**
Adj EBITDA	(\$1,352)	(\$452)	\$1,645	\$55	\$224	(\$597)

Adjusted EBITDA is a Non-GAAP financial measure - see slide 1 "Regulation G – Non-GAAP Financial Measures"

*Includes USU enrollments in December/January '18

**Includes \$610K One-Time USU Acquisition Expense

Equity Snapshot

- Closed on \$23mm equity raise on April 23, terminated \$10mm credit facility following day
- Cash on hand ~\$15mm

As of 4/27/18

Ticker on Nasdaq:	ASPU
Share Price:	\$7.51
52 Week Range:	\$3.60 - \$9.61
Market Cap:	\$138 Million
Shares Outstanding :	18.3 Million
Mgmt & BOD Ownership:	17%



Q&A

