

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Probility Media Corp

Form: 8-K

Date Filed: 2017-08-03

Corporate Issuer CIK: 1530981

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): August 2, 2017

ProBility Media Corporation

(Exact Name of Registrant as Specified in Its Charter)

Nevada
(State or other jurisdiction
of incorporation)

000-55074
(Commission
File Number)

33-1221758
(I.R.S. Employer
Identification No.)

**1517 San Jacinto
Houston, TX 77002**
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **(713) 652-3937**

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 (see General Instruction A.2 below):

- ☐ 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒ x

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.

Investor Presentation

ProBility Media Corporation (the “Company”) prepared an investor presentation containing certain Company information and financial highlights. Representatives of the Company have presented, and intend to present, some of or all of this presentation to prospective investors and their financial advisors at various conferences and meetings, including webinars. A copy of the investor presentation is furnished as Exhibit 99.1 to this Current Report on Form 8-K. Such investor presentation shall not be deemed “filed” for any purpose, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section. The information in this Item 7.01, as well as Exhibit 99.1, shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act regardless of any general incorporation language in such filing. The furnishing of this Report is not intended to constitute a determination by the Company that the information is material or that the dissemination of the information is required by Regulation FD.

The statements in this Current Report on Form 8-K, including Exhibit 99.1 hereto, include statements regarding the intent, belief or current expectations of the Company and members of its management team, as well as the assumptions on which such statements are based, and generally are identified by the use of words such as “may,” “will,” “seeks,” “strives,” “anticipates,” “believes,” “estimates,” “expects,” “plans,” “intends,” “should” or similar expressions. Forward-looking statements are not a guarantee of performance and are subject to a number of risks and uncertainties, many of which are difficult to predict and are beyond our control. These risks and uncertainties should be carefully considered. Actual results may differ materially from those contemplated by such forward-looking statements, including as a result of those factors set forth in the Risk Factors section of the Company’s most recent annual report on Form 10-K and in the Risk Factors section of the Company’s most recent quarterly report on Form 10-Q. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time, unless required by law.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit No.	Description
99.1	Investor Presentation

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PROBILITY MEDIA CORPORATION

By: /s/ Steven M. Plumb

Name: Steven M. Plumb, CPA

Title: *Chief Financial Officer*

Date: August 3, 2017

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Investor Presentation



EDUCATION/TRAINING TECHNOLOGY COMPANY FOR THE SKILLED TRADES



Electricians HVAC Plumbers Pipefitters Steamfitters Boilermakers Craning Rigging Drilling Aerospace Hydraulics

Safe Harbor And Disclaimer

This PowerPoint Slide Deck includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements provide our current expectations, opinion, belief or forecasts of future events and performance. A statement identified by the use of forward-looking words including "may," "expects," "projects," "anticipates," "plans," "believes," "estimate," "should," and certain of the other foregoing statements may be deemed forward-looking statements. Such statements are based upon assumptions that in the future may prove not to have been accurate and are subject to significant risks and uncertainties. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of ProBility Media Corp ("ProBility"). These risks and others are included from time to time in documents we file with the Securities and Exchange Commission ("SEC"), including but not limited to, our Form 10-Ks, Form 10-Qs and Form 8-Ks. Other unknown or unpredictable factors also could have material adverse effects on our future results. Accordingly, you should not place undue reliance on these forward-looking statements. Although ProBility believes that the expectations reflected in such forward-looking statements are reasonable, these statements involve risks and uncertainties that may cause actual future activities and results to be materially different from those suggested or described in this news release. You are cautioned that any forward-looking statements are not guarantees of future performance and actual results or developments may differ materially from those projected. The forward-looking statements in this PowerPoint slide deck are made as of the date hereof. ProBility takes no obligation to update or correct its own forward-looking statements, except as required by law, or those prepared by third parties that are not paid for by ProBility. ProBility's SEC filings are available at <http://www.sec.gov>.

In this PowerPoint slide deck, we may rely on and refer to information regarding our industry which comes from market research reports, analyst reports and other publicly available information, and we have not verified any of it. This PowerPoint slide deck does not constitute an offer to sell or the solicitation of an offer to buy any securities of ProBility, and shall not constitute an offer, solicitation or sale of any security in any state or jurisdiction in which such offer, solicitation, sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

ProBility Media – Company Summary

ProBility Media provides a comprehensive suite of technology-enabled career resources for skilled trades

- Comprehensive suite of career training, career advancement and compliance tools for 60+ skilled trades
- Innovative proprietary technology solutions, including Virtual Reality and Digital Simulation
- Massive global markets for vocational training
- Attractive US vocational training market opportunity as for-profit colleges retreat
- Strong intellectual property protection
- Disruptive strategy combines organic growth and strategic acquisitions of small platform players
- Prior owners compelled to stay on-board to participate in ProBility's mission
- Annual organic revenue growth target of 25-30% with an additional 20-25% of potential growth from acquisitions
- High percentage of recurring revenues; diversified base of customers
- Publicly quoted OTCQB; ticker: PBYA

Global Markets – United States

Key trends in the US:

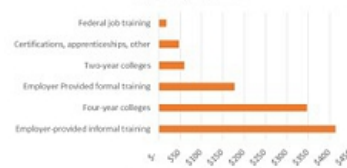
- **Employer-based formal training is \$177 billion/year**
- Strong labor trends across industries; resurrection of manufacturing and industrial economies
- 60% of jobs created by the current \$1trillion infrastructure plan will require <6 months of training
- Trump administration expects to increase the number of apprenticeships from 450,000 to 5,000,000
- Career training is rapidly shifting to interactive learning solutions, such as Virtual Reality
- No dominant provider of technical training materials

End Market Industry Size – United States

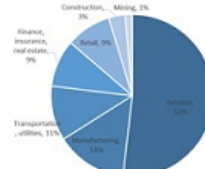
- *US Electrical Contracting Industry - \$130 Billion (2016), 70,000 Electrical Contracting Firms, 650,000 Electrical Workers*
- *US Plumbing Industry - \$105 Billion (2016), 4% annual growth, 115,737 Businesses, 468,869 Employees*
- *Offshore Drilling Rigs - \$66 Billion (2014), expected \$102 Billion by 2019*

Source: US Census; Bureau of Labor Statistics

Annual spending on education and training in the US (2013), in \$billion



Share of total spending on formal employer training



Source: Center for Education and the Workforce, Georgetown University

Global Markets – Rest Of The World

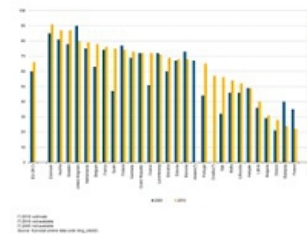
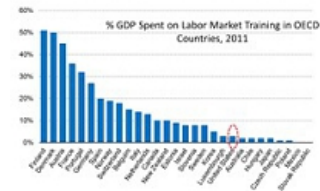
Worldwide trends:

- Vocational training expenditures represent a significantly higher % of GDP in OECD countries vs. the US
- Healthy labor trends in developed economies
- US-based standards and codes are well recognized internationally
- % of employers providing training has been increasing in Europe
- Career training is rapidly shifting to online learning
- Millennials demand access to modern, technology-based solutions such as Virtual Reality
- No dominant provider of technical training materials

End Market Industry Size - Global

- Global E-Learning software - \$107 Billion, expected 9.2% CAGR
- Global Crane Industry - \$32.5 Billion (2016), 6% CAGR to 2022
- Global HVAC Industry - \$68 Billion (2016), 4.3% CAGR to 2022
- Global Codes and Standards Industry - \$1.5 Billion, US/Canada \$631 Million, 5.5% annual growth
 - ProBility is 1 of only 5 Licensed Global Resellers

Source: Eurostat, Bureau of Labor Statistics



Comprehensive Suite Of Career Resources For Skilled Trades

- Comprehensive suite of traditional and technology-enabled career training, advancement and compliance tools for over 60 skilled trades.
- Two tracks: Pre-Career and Career Advancement.
- Significant penetration of Electrical, HVAC, Crane, Plumbing industry verticals among others.
- Focus on innovative technology solutions, including Virtual Reality and Digital Simulation.
- Focus on up-to-date high-quality training for individuals and businesses of any size.



"ProBility is changing the landscape for individual tradesman as well as small and medium sized businesses by providing consistent high quality training usually only available to enterprise customers." Noah Davis, President, COO

Diversified Offerings And Recurring Revenue Streams

Servicing over 60 skilled trades in 15 categories

- **Expanding through both brand acquisition and organic growth**
- **Each individual category represents a \$5 - \$20 million opportunity**
- Electricians, Plumbing, Pipefitting/Welding/Sheet Metal, Construction/Contractors, HVAC, Maritime, Rigging/Craning, Boiler/Pressure Vessel, Non-Destructive Testing, Safety/Quality Training, Industrials (Manuals) Library, Machine/Mechanics, Engineering/Petroleum/Aerospace, Electronic Technicians/Software and Standards Training/SDO Distribution

13 Revenue opportunities for each category

- Exam Preparation Materials, Codes/Standards, Online Courses, Online Testing, Simulation Training, Hybrid Laboratory Practice, Classroom Training, Abridged Online Courses, SDO Training, Continuing Education, Train the Trainer, Onsite Training and Subscriptions

285 Standards developing organizations

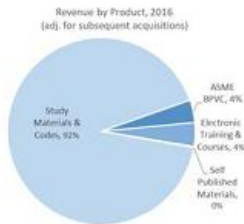
- Providing direct access via the ProBility portals
- ASME, IEEE, ISO, API, NFPA, ICC, NBBI, IAPMO, ASCE, AISC



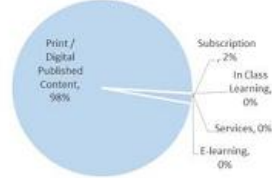
ProBility is 1 of 5 Licensed Global Resellers of Codes and Standards

ProBility Highlights

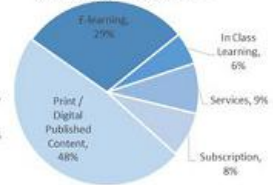
- Comprehensive offering
- Proprietary technology solutions
- Potential for strong organic growth and a robust pipeline of strategic acquisitions of small platform players
- One of largest wholesalers of the national electrical code, 1 of only 5 global vendors; 1.5 million codes offered to over 3,000 electrical wholesale outlets
- Construction training division offers programs in 22 states with the goal of servicing all 50 states
- Crane training division is unique and one of just a few companies offering VR crane training
- High percentage of recurring revenues
- Target EBITDA margins 30%
- Extensive financial disclosure with the SEC filings



Revenue by Type, 2016



Revenue by Type, 2017E



ProBility Highlights – Stock Information

Stock Performance (11/8/16-present)



- Ticker: PBYA
- Market: OTC QB
- Market cap: \$28 Million
- Shares outstanding: 45.0 million
- Float 0.6 million
- Publicly quoted micro-cap (Ticker: PBYA)
- Up-to-date SEC filings
- Sr. Management owns 62% of common stock

ProBility Leadership



Evan M Levine – Chairman And CEO

CEO ADVENTRX Pharmaceuticals, Managing Partner And Portfolio Manager Brown Simpson Asset Management



Noah Davis – President & Chief Operating Officer

Proven Leadership Of Growth Companies; 10 Years Of Experience In Online Businesses; Internet Marketing Expert



Steven Plumb – Chief Financial Officer

30 Year Career In Financial Management; Serial Entrepreneur; Track Record Of Successful M&A Transactions With Public Companies



Abraham Israel – Chief Marketing Officer

Expert In Paid Search, Analytics And A/B Testing; Blinds.Com; Farmers Insurance



Jacob Davis – Chief Technology Officer

Experienced Software Developer And Online Marketing Expert; Northrop Grumman Online Security Developer



Jonathan Ellis – Sales Manager

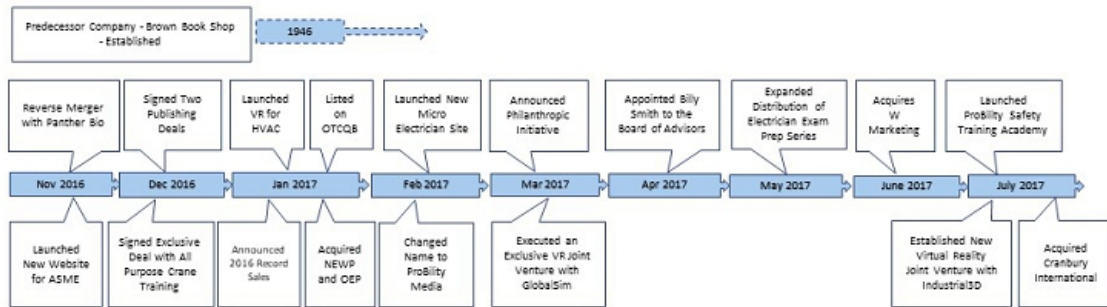
Track Record Of Sales Growth; Established Dozens Of New Contracts And Partners For ProBility



Billy Smith – Vocational Advisory Board

International Crane Executive

ProBility Timeline



ProBility's Current Brands



Brown Technical Media



Brown Technical Publishing



BROWN TECHNICAL
BOOK SHOP

Brown Book Shop



One Exam Prep



National Electrical Wholesale
Providers



W Marketing



Cranbury International



ProBility Technical Institute



VR Crane Training



ProBility Immersive
Technologies



ProBility Safety Academy

Active Sites:

Browntechical.org
1examprep.com
Online.browntechical.org
Brownpublications.com
Electricians.browntechical.org
Nccer.browntechical.org
Shop.browntechical.org
Asme.browntechical.org
Hvac.browntechical.org
API.browntechical.org
Astm.browntechical.org
Pipefitting.browntechical.org
New-providers.com
Thecurrentgeek.com
Rigging.browntechical.org
ProBilityVR.com
Nascle1examprep.com
ProBilityt.com
ProBilitysafetyacademy.com
Cranburyinternational.com



Proprietary and Confidential

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Diversified Customer Base

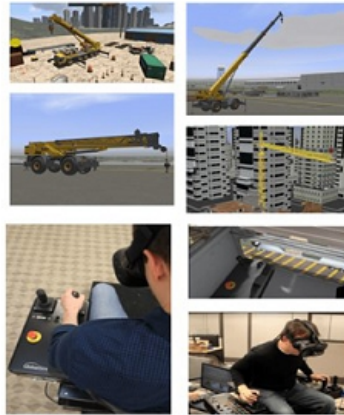
- Over 15,000 corporate customers, including many Fortune 500 companies and government agencies around the world
- Multiple touchpoints within corporate customers



Case Study: Virtual Reality Training For Craning

Portable Comprehensive Crane Training System with Superb Realism

- Successful passing of crane certification exam (by NCCCO – National Commission for the Certification of Crane Operators)
- Complete immersive experience
- Seamless integration of real life controls and technology
- Operators can see their actual hands
- Affordable cost
- Adopted by the US Military for its crane training and simulation



Strategy For Growth: Organic Growth + Acquisitions

Organic Growth

- Expect 100%+ Organic Growth In 2017
- Invest In Original Content
- Invest In Private Label Content
- Increase Online Footprint
- Expand Partnerships With Industry Organizations
- Design International Courses
- Increase E-learning Offerings
- Improve Efficiencies In Staffing, Process, Inventory

Disruptive strategy of defragmenting the marketplace of small companies through strategic platform acquisitions and organic growth.

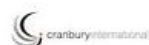


Acquired Growth

- Robust and Active Pipeline of Acquisitions
- 6-12 Months Integration Timeline
- Acquisition Considerations:
 - Quality Content for Skilled Trades
 - Technology
 - Market Demand
 - Ownership willing to Stay On-Board
 - Ease of Integration
- Acquisitions are immediately accretive (both pre- and post-synergies)

Acquisition Parameters:
\$1-\$3m Annual Target Revenue
Projected Net Profit of 10%
Consideration: ~0.5X Revenue and 3x - 5x EBITDA using a hybrid cash/stock incentive
Rule of Thumb: Invest ~\$1 in cash to generate \$1 of EBITDA and 4x-5x Revenue

Completed Acquisitions



Transaction Date	1/26/2017	1/19/2017	6/22/2017	7/31/2017
2016 Revenue	\$1,000,000	\$1,540,000	\$2,810,000	\$1,500,000
2016 Income	\$155,000	\$78,000	\$204,000	\$147,000
Purchase Price	\$470,000	\$473,000	\$575,000	\$470,000
Revenue/ EBITDA Multiple	0.47x Revenue 4.7x EBITDA	0.3x Revenue 4.7x EBITDA	0.2x Revenue 2.9x EBITDA	0.3x Revenue 4.9x EBITDA
Cash at Closing	\$0	\$50,000 + \$50,000 Inventory	\$0	\$0
Stock at Closing	\$300,000 (Conv. Note @ \$0.50 or 600,000 Shares)	\$323,000 (@ \$0.50 or 645,000 Shares)	\$450,000 (@ \$0.50 or 900,000 Shares)	\$400,000 (@ \$0.51 or 784,314 Shares)
Future Payments	\$60,000 (\$15,000 @ 3, 6, 9 and 12 Months)	\$50,000 (9 Month Note)	\$75,000 (9 Month Note)	\$100,000 (\$4,166.66 Monthly for 24 Months)
Assumed Debt	\$60,000	\$0	\$55,000	\$0

Note: EBITDA multiples in this table are based on historical EBITDA adjusted for certain one-time items

Organic Growth Strategy – Variety Of Pathways

ProBility Media is positioned at the intersection of technology, information services, education/training and publishing. Multiple growth pathways could be materialized.

Potential scenarios could include partnerships with:

- Global Codes and Standards Providers
- Large Publishing Companies
- Large Learning Companies
- Large Testing/ Publishing Companies

Financial Highlights

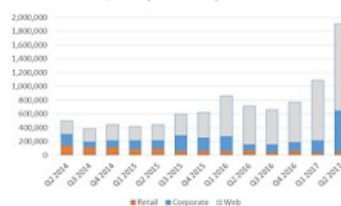
2016 Income Statement, Incl. Subsequent Acquisitions

	Brown	1 Exam Prep	NEWP	W Marketing	Cranbury Intl	Total	% of Total
Study Materials & Codes	\$ 2,620,674	\$ 693,531	\$ 1,605,310	\$ 2,811,158	\$ 1,519,508	\$ 9,250,181	92%
ASME BPVC	391,850	-	-	-	-	\$391,850	4%
Electronic Training & Courses	70,350	341,590	-	-	-	\$411,940	4%
Self Published Materials	18,100	-	-	-	-	\$18,100	0%
Total Sales	\$ 3,100,974	\$ 1,035,121	\$ 1,605,310	\$ 2,811,158	\$ 1,519,508	\$ 10,072,071	100%
% of total	31%	10%	16%	28%	15%	100%	
Gross Profit	906,371	558,965	192,637	334,808	553,680	2,546,461	
Total Operating Expenses	974,034	485,459	42,000	215,112	450,000	2,166,605	
Income from operations	(67,663)	73,506	150,637	119,696	103,680	379,856	
Income/Loss Before Taxes	\$ (207,762)	\$ 73,506	\$ 150,637	\$ 114,870	\$ 103,680	\$ 234,931	

Summary Balance Sheet (as of 04/30/2017)

Cash	\$77,212
Total assets	\$2,253,477
Payables	\$1,194,763
ST Notes	\$1,323,092
LT Debt	\$647,764
S/H Deficit	\$1,250,698

Quarterly Revenue by Channel



Financial Projections 2017E-2020E

	2017E-2020E Organic CAGR	2017E-2020E Total CAGR
Print / Digital Published Content	25-30%	50-60%
E-learning	25-30%	100-125%
In Class Learning	30%	60-70%
Services	30%	40-50%
Subscription	25-30%	60-70%
Total Revenue	25-30%	60-70%
EBITDA		2020 Target 30%

2017 Guidance

Revenue: \$11 - \$12 Million

EBITDA: Breakeven - \$1.0 Million

Assumes ~\$2 Million from additional 1-2 acquisitions during 2017

Summary

- Comprehensive Offering
- Proprietary Technology Solutions, including Virtual Reality
- Significant Global Markets
- 25%-30% Target Organic Growth
- 20%-25% Potential Acquired Growth
- Pipeline of Strategic Acquisitions
- High Percentage of Recurring Revenues
- Target EBITDA Margins 30%

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